

TK Development takes over development of retail park in Uppsala, Sweden

Summary

- *TK Development has taken over the development of a 10,800 m² retail park in Uppsala, Sweden.*
- *The project has been sold to an institutional sector of the German IVG Funds on the basis of forward funding. The selling price amounts to about SEK 200 million.*
- *The project has an occupancy rate of 92 % at the time of takeover. TK Development will begin construction in February 2009, and expects to hand over the project to the investor in March 2010.*
- *TK Development continues to expect a profit of about DKK 200 million after tax for the 2008/09 financial year.*

Sold to IVG Funds at a price of about SEK 200 million based on forward funding

With effect from 15 December 2008, TK Development has taken over the development of a retail park in Uppsala, Sweden's fourth-largest city with about 130,000 inhabitants.

The retail park has been sold to an institutional fund of German IVG Funds on the basis of forward funding, with the investor making payments as TK Development builds the premises. The total selling price amounts to about SEK 200 million.

The project has been taken over from Fastighets AB Velocipeden, represented by Lars Backemar, Backemarconsulting, which has been responsible for the development to date. A local plan is available for the area, and a building permit has been issued for the project. Construction of the retail park will start in February 2009. TK Development expects to hand over the completed retail park to IVG Funds in March 2010.

Retail park of 10,800 m² with an occupancy rate of 92 %

The project taken over is located in Uppsala's existing commercial centre, Boländerna. The retail park will face Tycho Hedéns Väg at the point where it crosses Stålgatan, which the municipality is planning to change to a ring road. This well-visited commercial centre already houses a large number of shopping magnets such as IKEA, Coop, Biltema, Elgiganten and Bauhaus.

The retail park will have premises of 10,800 m² distributed on five leases. The only vacant leasehold unit covers 850 m², which means that the current occupancy rate is 92 %. At present, TK Development is negotiating with a potential tenant that is interested in taking over the vacant unit.

TK Development maintains its profit forecast for 2008/09

The takeover of the retail park in Uppsala will not affect results in the current financial year, but underpins TK Development's future earnings performance. TK Development continues to expect a profit of about DKK 200 million after tax for the 2008/09 financial year.

Further information is available from Frede Clausen, President and CEO, tel. +45 88 96 10 10.