

Shopping centre, Frederikssund, Denmark



Bazaar, Gothenburg, Sweden



Kolin Shopping Centre, Kolin, Czech Republic



Tivoli Residential Park, Warsaw, Poland

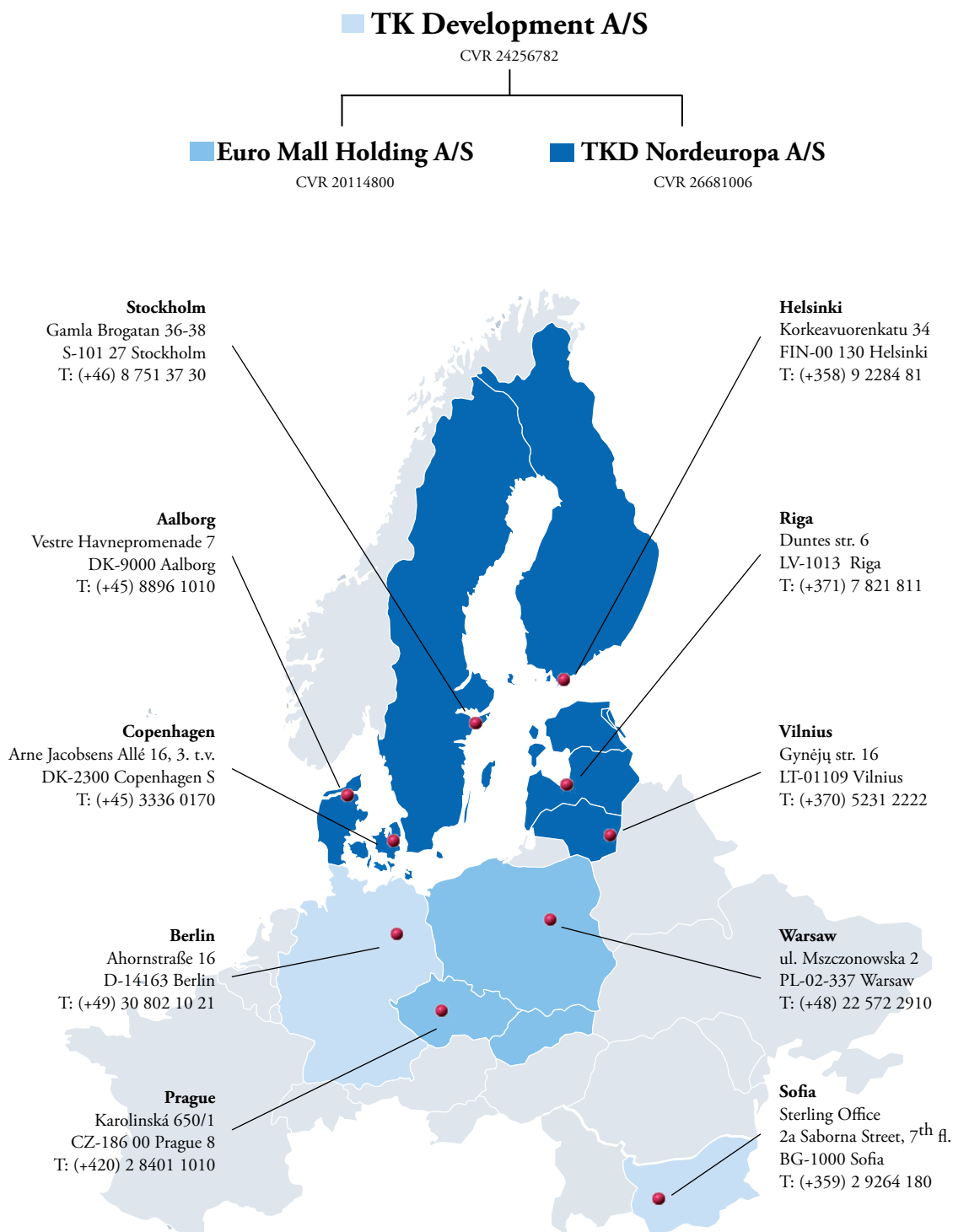


Multifunctional centre Stocznia, Young City, Gdansk, Poland



TK Development A/S
Stock Exchange Announcement No. 11/2008
CVR 24256782

COMPANY INFORMATION



ISIN code: 0010258995 • **Municipality of registered office:** Aalborg • **Homepage:** www.tk-development.dk • **e-mail:** tk@tk.dk

Executive board: Frede Clausen og Robert Andersen

Supervisory board: Poul Lauritsen, Torsten Erik Rasmussen, Per Søndergaard Pedersen, Kurt Daell, Jesper Jarlbæk and Niels Roth

INTERIM ANNOUNCEMENT Q1 2008/09

Summary:

- The Group still expects to generate a profit after tax of about DKK 300 million for the 2008/09 financial year.
- The Group's project portfolio has developed as planned, comprising a total of 1,189,000 m² at 30 April 2008, the same level as at 31 January 2008.
- After the end of the accounting period, TK Development has sold its share of the Futurum Shopping Centre in Ostrava and the Haná Shopping Centre in Olomouc, the Czech Republic, to the property fund manager Pradera – AM PLC.
- In June 2008, TK Development exercised its option to buy the remaining stake in Euro Mall Holding A/S from the Investment Fund for Central and Eastern Europe. Thus, TK Development is now the sole owner of the Central European activities.

Further information is available from Frede Clausen, President and CEO, on tel. +45 8896 1010.

Q1 2008/09

Handed-over projects

In the first quarter of the 2008/09 financial year, the Group handed over projects with a total floor space of about 30,000 m². These projects are set out below.

Spinderiet, Valby, Denmark

The remaining residential premises of about 3,000 m² were handed over in the first quarter of 2008/09. The multifunctional shopping and district centre, consisting of retail, restaurant, office, leisure and residential facilities, with a total floor space of about 40,000 m², opened on 15 November 2007. The project, excluding the residential facilities, was sold to the property investment company Dades in the 2007/08 financial year. The residential section, which consists of 2,500 m² of rental units and 6,500 m² of owner-occupied units, was also handed over during the 2007/08 financial year after being sold to Boligselskabet DVB and a private investor.

Vandtårnsvej, Copenhagen, Denmark

In the first quarter of 2008/09, TK Development sold its 50 % share of options to build 21,000 m² at Vandtårnsvej in Copenhagen.

Hadsundvej, Aalborg, Denmark

As at 1 April 2008, the Group sold and handed over about 5,000 m² of the property at Hadsundvej, Aalborg, to the administrative region of Northern Jutland.

Sale of land, Germany

In the first quarter of 2008/09, the Group sold and handed over one of its German plots of land to a supermarket chain.

Progress in the Group's projects

The Group's ongoing projects and construction works progressed as planned during the period under review. The letting of the Group's ongoing and planned projects has generally proceeded satisfactorily. The anticipated public authority permits were obtained and agreements to sell some of the Group's projects were concluded during the period under review. The Group continues to focus on the use of forward funding.

The Group still expects to sell a major tract of land in Poland in the course of 2008/09. Moreover, additional income from the sale of land in Denmark is expected during the year.

The Group's DomusPro project, comprising an 18,500 m² retail park at Ukmerges Street in Vilnius, Lithuania, has been postponed for about six months. Construction is expected to start in autumn 2008, with the opening scheduled for autumn 2009.

For a more detailed description of new projects, please see the section "Project developments".

Events after 30 April 2008

Share of two investment properties in the Czech Republic sold

Through Euro Mall Holding, TK Development owns 20 % of the joint venture Euro Mall Ventures S.à.r.l., Luxembourg. This joint venture has entered into an agreement to sell the Futurum Shopping Centre in Ostrava and the Haná Shopping Centre in Olomouc, the Czech Republic. The selling price for the two shopping centres amounts to EUR 104 million, and

the shopping centres were handed over to the buyer in June 2008. The buyer is the UK-based fund manager Pradera – AM PLC.

TK Development's share of the sold shopping centres is classified as investment properties in the Group's portfolio. The sale of the shopping centres has generated an excess value over the carrying amount of about DKK 40 million. The previously estimated increase in value plus rent and less financing costs was included in the profit estimate for 2008/09, which means that the sale will have a net effect of about DKK 20 million.

Reference is also made to Stock Exchange Announcement No. 7/2008, which describes the sale in more detail.

Ownership interest in Euro Mall Holding A/S increased to 100 %

In June 2008, TK Development exercised its option to buy the remaining stake in Euro Mall Holding A/S from the Investment Fund for Central and Eastern Europe. Thus, TK Development is now the sole owner of the Central European activities. Reference is also made to Stock Exchange Announcement No. 9/2008.

Projects handed over

In May 2008, the Group handed over a retail park at Tagtækervej in Odense, Denmark, to a private investor. The project consists of about 6,800 m², let to the furniture chain IDE-møbler.

Incentive scheme

At the Annual General Meeting on 27 May 2008, the Supervisory Board of TK Development was authorized to issue warrants for a total of up to nominally DKK 14,000,000 (700,000 shares of DKK 20 each) to the Executive Board and other executive staff members in the Group. On 5 June 2008, the Supervisory Board decided to exercise this authorization to launch an incentive scheme, and thus to grant 170,000 warrants to the Executive Board and 528,000 warrants to other executive staff members. Thus, a total of 698,000 warrants have been allocated, equal to 2.5 % of the share capital.

Reference is also made to Stock Exchange Announcements Nos. 8 and 10/2008, which describes the incentive scheme in more detail.

Outlook for 2008/09

The profit estimate for 2008/09 is based on the following market conditions:

- The rental level is expected to remain unchanged owing to the high demand from retail tenants.

- Land prices and construction costs are expected to decline slightly, with some variations from country to country.
- Investors will expect higher returns on their investments, which will result in falling prices. This is a consequence of the credit crisis, which gives rise to higher equity capital requirements and financing costs. However, several large projects to be handed over in the next few years have been sold in advance at agreed rates of return.

The growth in Central European economies is anticipated to promote activities in two areas: the expansion of retail chains, which will have a positive impact on growth in the retail segment; and demand in the residential segment, another of TK Development's core segments.

Based on the above, the Group continues to expect a profit after tax of about DKK 300 million for the 2008/09 financial year, corresponding to a return on equity of almost 20 %.

Project developments

Vasevej, Birkerød, Denmark

TK Development has acquired an existing property of about 3,000 m² at Vasevej in Birkerød, rented by SuperBest. New premises of about 2,400 m² may be built on the property, bringing the total project area up to about 5,400 m². The project will consist of a combination of retail stores, offices and residential units. Construction is expected to start at the end of 2008, with the opening scheduled for the end of 2009.

Futurum Hradec Králové, extension, the Czech Republic

The Futurum Hradec Králové Shopping Centre, owned by a joint venture between GE Capital, Heitman and TK Development in which TK Development has a 20 % ownership interest, is to be extended by almost 10,000 m². Construction is expected to start in spring 2009, and the opening is scheduled for spring 2010.

Retail park, Prešov, Slovakia

Euro Mall Holding has acquired plots of land in Prešov with a view to constructing a retail park of about 9,500 m². The planned project is covered by the local plan for the area, and a building permit is expected to be issued sufficiently early to allow construction to start in autumn 2008, with the opening scheduled for spring 2009. Demand for tenancies in the retail park is high.

Junttan, Kuopio, Finland

TK Development has acquired a right to buy several existing properties in Kuopio, Finland. The planned project provides for the conversion and extension of these properties, and the overall project, which may be expanded later, will comprise about 22,500 m² of retail stores. The project can be accom-

modated within the existing local plan for the area and may be implemented in phases. TK Development intends to carry out the project in a 50/50 joint venture with the Finnish contractor Savocon Oy.

Kaarina Retail Park, Turku, Finland

In the Finnish town of Turku, TK Development has acquired a plot of land with a view to developing and constructing a 6,500 m² retail park. Construction is expected to start in mid-2009, with the opening scheduled for mid-2010.

The Group's project portfolio

The Group's project portfolio comprised 1,189,000 m² at 30 April 2008, about the same level as at 31 January 2008, when the portfolio totalled 1,212,000 m².

The Group's closing project portfolio at 30 April 2008 consists of sold projects of 268,000 m² and remaining projects of 921,000 m².

The development of the Group's project portfolio is shown below:

(m ² ('000))	31 Jan. 2006	31 Jan. 2007	31 Jan. 2008	30 Apr. 2008
Sold				
Completed	21	0	0	0
In progress	188	207	109	112
Not initiated	80	144	155	156
Total	289	351	264	268
Remaining				
Completed	58	14	34	34
In progress	30	42	54	49
Not initiated	632	754	860	838
Total	720	810	948	921
Project portfolio	1,009	1,161	1,212	1,189
Number of projects	90	94	86	83

Table 1.

The table below shows the number of square metres in the project portfolio, distributed mainly on the two business units and, to a lesser degree, on the Parent Company.

Projects at 30 April 2008 (m ² ('000))	TKD Nord-europa	Euro Mall Holding	TKD, Parent Company	Group, total	
					Per cent of total
Sold					
Completed	0	0	0	0	0.0 %
In progress	78	34	0	112	9.4 %
Not initiated	9	147	0	156	13.1 %
Total	87	181	0	268	22.5 %
Remaining					
Completed	13	19	2	34	2.9 %
In progress	35	14	0	49	4.1 %
Not initiated	499	328	11	838	70.5 %
Total	547	361	13	921	77.5 %
Project portfolio	634	542	13	1,189	100 %

Table 2.

A more detailed description of all major projects appears from the section concerning the project portfolio under each of the individual business units.

TK Development, the Parent Company

TK Development, the Parent Company, is a holding company for TKD Nordeuropa and Euro Mall Holding as well as the Bulgarian activities. Moreover, this part of the Group owns the projects in Germany and Russia and a few other assets.

One of the Group's German plots of land was sold and handed over to a supermarket chain in the first quarter of 2008/09.

TKD Nordeuropa

The Group's activities in Northern Europe are placed in the wholly-owned subgroup TKD Nordeuropa. TKD Nordeuropa primarily operates in the retail property segment (shopping centres and retail parks), the office segment and the mixed segment.

Project portfolio

The development potential of the project portfolio represented 634,000 m² at 30 April 2008, of which sold projects accounted for 87,000 m² and remaining projects for 547,000 m². The project portfolio had a total development potential of 656,000 m² at 31 January 2008.

Project outline

The outline below lists the key projects of TKD Nordeuropa's project portfolio.

Project name	City/town	Segment	Floor space (m ²)	TKD's ownership interest	Construction start/ Expected construction start	Opening/ Expected opening
Denmark						
Premier Outlets Centre	Ringsted	Retail	13,200	50 %	Autumn 2006	March 2008
Østre Teglgade	Copenhagen	Office/Residential	24,000	¹⁾ 100 %	2008	As units are completed
Amerika Plads, underground car park	Copenhagen	Underground car park	32,000	50 %	2004	As units are completed
Ejby Industrivej	Copenhagen	Office	15,400	100 %	End-2008	End-2009
Hadsundvej	Aalborg	Mixed	16,200	100 %	As units are completed	As units are completed
Østre Havn/Stuhrs Brygge	Aalborg	Mixed	80,000	¹⁾ 50 %	As units are completed	As units are completed
Amerika Plads, lot C	Copenhagen	Mixed	11,000	50 %	2008	End-2010/early 2011
Amerika Plads, lot A	Copenhagen	Office	13,500	50 %	2008	End-2010/early 2011
Århus Syd, phase II	Århus	Retail	2,900	100 %	Mid-2009	Early 2010
Shopping centre, Frederikssund	Frederikssund	Retail/Residential	29,000	100 %	Mid-2008	Early 2010
Neptunvej	Randers	Mixed	5,000	100 %	Early 2009	End-2009
Retail park, Tagtækkervej	Odense	Retail	6,800	100 %	Mid-2007	Mid-2008
Retail park, Anelystparken, phase IV	Århus	Retail	2,800	100 %	Early 2008	Mid-2008
Retail park, Aabenraa	Aabenraa	Retail	4,200	100 %	Autumn 2008	Mid-2009/Early 2010
Retail park, Brønderslev	Brønderslev	Retail	5,000	100 %	Autumn 2008	Mid-2009
Office project, Vejle	Vejle	Office	35,000	100 %	Mid-2009	Mid-2010
Vasevej	Birkerød	Mixed	5,400	100 %	End-2008	End-2009
Sweden						
Entré, multifunctional centre	Malmö	Mixed	39,500	100 %	Mid-2006	Spring 2009
Bazaar, Gothenburg	Gothenburg	Mixed	45,000	100 %	Early 2011	2013
Retail park, Karlstad	Karlstad	Retail	15,000	100 %	End-2010	End-2011
Retail park, Barkarby, phase IV	Barkarby	Retail	5,600	100 %	End-2007	Autumn 2008
Retail park, Marieberg, phase II	Örebro	Retail	4,000	100 %	Mid-2008	January 2009
Retail park, Söderhamn	Söderhamn	Retail	6,800	100 %	Mid-2008	Phase 1: Autumn 2009. Phase 2: Mid-2010.
Retail park, Nyköping	Nyköping	Retail	5,000	100 %	End-2007	Autumn 2008/January 2009
Retail park, Kofoten, Kristianstad	Kristianstad	Retail	5,800	100 %	Mid-2008	Early 2009
Retail park, Enebyängen, Danderyd	Danderyd	Retail	12,500	100 %	Autumn 2008	Autumn 2009
Finland						
Pirkkala Retail Park, phase II	Tammerfors	Retail	5,300	100 %	End-2008	End-2009
Retail park, Seinäjoki	Seinäjoki	Retail	6,750	100 %	Mid-2007	Autumn 2008
Shopping centre, Hyvinkää	Hyvinkää	Mixed	25,200	100 %	End-2008	2010
Junttan, Kuopio	Kuopio	Retail	28,000	50 %	2009	2010-2011
Kaarina Retail Park	Turku	Retail	6,500	100 %	Mid-2009	Mid-2010
Baltic States						
DomusPro Retail Park, Ukmerges Street	Vilnius	Retail	18,500	100 %	Autumn 2008	Autumn 2009
Milgravja Street	Riga	Residential/Retail	20,000	50 %	-	Autumn 2008
Ulmana Retail Park	Riga	Retail	12,400	100 %	Mid-2008	January 2009
Maskavas Retail Park	Riga	Retail	7,000	100 %	End-2008	End-2009
TKD Nordeuropa, total floor space		approx.	565,000			

¹⁾ TKD Nordeuropa's share of profit on development amounts to 70 %.

Projects

Shopping centre, Frederikssund, Denmark

TKD Nordeuropa owns several properties in Frederikssund where a 29,000 m² shopping centre is being built. The project comprises about 5,000 m² already let to a supermarket operator, about 21,000 m² to be let to speciality stores and restaurants plus about 3,000 m² of office and residential space. The occupancy rate has reached 52 %, and the anchor tenants include Kwickly, Fakta, Hennes & Mauritz, Synoptik and Skoringen. The local plan for the area was adopted in December 2007. A construction contract has been concluded and the initial construction works initiated. The opening of the centre is scheduled for the beginning of 2010. A multi-storey car park with about 800 parking spaces will be established at the centre.

Århus South, phase II, Denmark

In Århus, the Group is developing a retail project of about 5,400 m². The project consists of two phases, of which the first completed phase of about 2,500 m² was handed over to the investors in November 2007: a property company and a user. The second phase has been sold to a property company on the basis of forward funding. Construction will start once the letting status and relevant authority approvals are in place.

Østre Havn/Stuhrs Brygge, Aalborg, Denmark

In the area previously occupied by Aalborg Shipyard at Stuhrs Brygge, TKD Nordeuropa is developing a business and residential park of about 80,000 m², for which TKD Nordeuropa regularly buys land for new project development. Attempts are currently being made to amend the local plan for the purpose of changing the zoning status of about 10,400 m² from office to residential use. The local plan is expected to be completed by mid-2008.

Amerika Plads, Copenhagen, Denmark

Kommanditaktieselskabet Danlink Udvikling (DLU), which is owned 50/50 by Udviklingselskabet By og Havn I/S and TKD Nordeuropa, owns three projects at Amerika Plads: lot A, lot C and an underground car park. A building complex with about 13,500 m² of office space is to be built on lot A, and a building complex with about 11,000 m² of commercial and residential space on lot C. Construction will take place as the space is let, and negotiations with several potential tenants are ongoing. Part of the underground car park in the Amerika Plads area has been built, and is operated by Europark. The total parking facility is expected to be sold upon completion.

Premier Outlets Centre, Ringsted, Denmark

The project has been developed in a 50/50 joint venture with Miller Developments, an experienced factory outlet developer. The project consists of a factory outlet centre and restaurant facilities, with a total floor space of 13.200 m², and about 1,000 parking spaces. This is the first major factory outlet

centre in Denmark. The centre opened on 6 March 2008, and the current occupancy rate is 47 %. Negotiations with several potential, international tenants are ongoing. After start-up and maturing, the centre is expected to be sold.

Hadsundvej, Aalborg, Denmark

A substantial part of the remaining area was sold and handed over to the administrative region of Northern Jutland in the first quarter of 2008/09. The remaining project area covers 16,200 m². During the 2007/08 financial year, an agreement was made regarding the sale to a private investor of an option to build residential property of about 14,000 m², under which premises can be handed over successively. The sale is subject to permission being granted for the planned construction of residential property.

Østre Teglade, Copenhagen, Denmark

This project area covers 24,000 m² attractively located at Teglholmen. The area is well-suited for a housing or office project. The project may be built in phases in step with letting and/or sale.

Retail park, Anelystparken, phase IV, Århus, Denmark

This project consists of a 2,800 m² retail park, of which about 70 % has been let to date. Construction of the first phase has started and is scheduled for completion in mid-2008.

Office project, Vejle, Denmark

In Vejle, TKD Nordeuropa has acquired an option to buy a tract of land to construct office facilities of about 35,000 m². The local plan for the area is expected to be adopted at the end of 2008. This project allows for phased construction and is scheduled for completion in mid-2010.

Vasevej, Birkerød, Denmark

In the first quarter of 2008/09 TKD Nordeuropa acquired an existing property of almost 3,000 m² at Vasevej in Birkerød, rented by SuperBest. New premises of about 2,400 m² may be built on the property, bringing the total project area up to about 5,400 m². The project will consist of a combination of retail stores, offices and residential units. Construction is expected to start at the end of 2008, with the opening scheduled for the end of 2009.

The Entré multifunctional centre, Malmö, Sweden

In a previous financial year, TKD Nordeuropa sold the Entré multifunctional centre in Malmö to CGI – Commerz Grundbesitz Investmentgesellschaft mbH. The selling price has been fixed on the basis of a return requirement of 6 %, and the sales agreement is based on forward funding. Construction commenced in mid-2006, and the occupancy rate is about 71 %. The anchor tenants include Hennes & Mauritz, Lindex, Hemköp, Intersport, SF Bio (Svensk Film) and the fitness chain Sats. The opening of the centre is scheduled for

spring 2009. The centre is being developed as a multifunctional project of 39,500 m², of which 25,800 m² has been allocated for retail stores, 10,700 m² for restaurants, cinema, fitness and bowling facilities, 300 m² for offices and 2,700 m² for residential accommodation. In addition, the centre will have common areas and underground parking facilities with 900 spaces.

Bazaar, shopping centre and service/office space, Gothenburg, Sweden

TKD Nordeuropa and the Swedish housing developer JM AB have entered into a cooperation agreement with SKF Sverige AB to develop SKF's former factory area in the old part of Gothenburg. The contemplated project comprises a total floor space of about 75,000 m²: 30,000 m² for a shopping centre, 15,000 m² for service/office use and 30,000 m² for housing. TK Development will be in charge of developing the 45,000 m² for a shopping centre, service and office space, while JM AB will have responsibility for the 30,000 m² of housing. The acquisition of land for the project will be completed following the adoption of a local plan, expected in autumn 2009.

Retail park, Marieberg, Sweden

The 6,350 m² retail park project in Örebro, Sweden, is to be developed in two phases. The first phase of about 2,350 m², which has been fully let, was handed over to Oppenheim Immobilien Kapitalanlagegesellschaft mbH in October 2007. The second phase of about 4,000 m², now fully let, was also sold to Oppenheim Immobilien Kapitalanlagegesellschaft mbH after the end of the accounting period. The sale is based on forward funding, and the project is expected to be handed over to the investor in January 2009.

Retail park, Söderhamn, Sweden

The Group is developing a 6,800 m² retail park on its plot of land in Söderhamn, Sweden. The retail park will be built in two phases, of which the first phase covers 3,300 m². The letting of premises is proceeding, and lease agreements have been signed for some of them. The first phase is expected to open in autumn 2009, and the second in mid-2010. A letter of intent has been signed by a private investor.

Retail park, Barkarby, Stockholm, Sweden

This project consists of a retail park that, when fully developed will cover 23,050 m² distributed on seven stores. The first phase of 4,000 m², which has been let to Jula and Färgtema, was completed and handed over to the investor in July 2006. The second and third phases, consisting of 13,450 m² let to Intersport, Asko, Mio and Pay C, were handed over to the investor in autumn 2006. The last and fourth phase has been extended to 5,600 m² with public authority approval, and a lease agreement with the electronics chain Media Markt has been signed. Construction has started, and the last phase is expected to be handed over in autumn 2008. The total project

has been sold to the German investment fund Commerz Grundbesitz Spezialfondsgesellschaft mbH on the basis of forward funding.

Retail park, Nyköping, Sweden

This project comprises a retail park with a total floor space of 5,000 m², of which about 3,500 m², fully let, was sold to a private investor based on forward funding in the first quarter of 2008/09. After the end of the accounting period, about 1,000 m² was sold to a supermarket unit, also based on forward funding. Construction began at the end of 2007, and the individual leasehold units are opened as they are completed. The retail park, which has been sold to a private investor, is expected to be handed over in autumn 2008, and the section sold to a supermarket unit is scheduled for handing-over in January 2009.

Kofoten, Kristianstad, Sweden

TKD Nordeuropa owns a property in Kristianstad. Following conversion and extension, the project will comprise a retail park of about 5,800 m². The refurbishment of the first 1,000 m² has started, and the overall project is expected to be completed in early 2009.

Retail park, Enebyängen, Danderyd, Sweden

Through a qualification procedure, TKD Nordeuropa has won a contract to build a new commercial centre in the municipality of Danderyd near Stockholm. The total project is expected to comprise a 12,500 m² retail park, and lease agreements have been signed for some of the premises, including 4,300 m² let to supermarket operator Coop Extra. Construction is expected to start in autumn 2008, with the opening scheduled for autumn 2009.

Retail park, Seinäjoki, Finland

In the Finnish town of Seinäjoki, TKD Nordeuropa owns a tract of land on which a retail park of 6,750 m² is being developed. Construction was initiated in August 2007 and is expected to be completed in autumn 2008. The current occupancy rate is 71 %. The project has been sold to a private investor, based on forward funding.

Shopping centre, Hyvinkää, Finland

TKD Nordeuropa has acquired a right to buy a tract of land in Hyvinkää in Finland for the purpose of constructing an 18,500 m² combined shopping centre, hotel and office complex. In addition, the project comprises about 6,700 m² of residential space and a multi-storey car park with about 420 parking spaces. This is the Group's first shopping centre project in Finland. The local plan is expected to be adopted sometime in 2008 so that construction can begin at the end of 2008, with the opening scheduled for 2010.

Junttan, Kuopio, Finland

TK Development has acquired a right to buy several existing properties in Kuopio, Finland. The planned project provides for the conversion and extension of these properties, and the overall project, which may be expanded later, will comprise about 22,500 m² of retail stores. The project can be accommodated within the existing local plan for the area and may be implemented in phases. TK Development intends to carry out the project in a 50/50 joint venture with the Finnish contractor Savocon Oy.

Kaarina Retail Park, Turku, Finland

In the Finnish town of Turku, TK Development has acquired a plot of land with a view to developing and constructing a 6,500 m² retail park. Construction is expected to start in mid-2009, with the opening scheduled for mid-2010.

DomusPro Retail Park, Ukmerges Street, Vilnius, Lithuania

TKD Nordeuropa owns a plot of land in Vilnius for the purpose of building an 18,500 m² retail park. A building permit has been granted for the project. Letting is progressing more slowly than expected, and therefore construction is not expected to start until autumn 2008, with the opening scheduled for autumn 2009. The first Heads of Terms have been signed by tenants, and negotiations with potential investors for the project are ongoing.

Milgravja Street, Riga, Latvia

In Riga, Latvia, the Group is proceeding with the sale of its Milgravja Street project, which comprises options to build residential property of about 20,000 m². An agreement has been made with the buyer, and the sale is expected to be completed in autumn 2008.

Ulmana Retail Park, Riga, Latvia

In Riga, TKD Nordeuropa owns a plot of land on which the construction of a 12,400 m² retail park is planned. Letting is ongoing, and Heads of Terms have been signed for most of the premises. Construction is expected to commence in mid-2008, and handing-over is scheduled for January 2009. Negotiations with potential investors for the project are ongoing.

Maskavas Retail Park, Riga, Latvia

TKD Nordeuropa has an option to buy a tract of land in the southern part of Riga for the purpose of developing a 7,000 m² retail park. Construction is estimated to start at the end of 2008 once the relevant authority approvals are in place, with completion scheduled for late 2009.

Euro Mall Holding

TK Development carries on its activities in Central Europe primarily through Euro Mall Holding.

Project portfolio

The development potential of the project portfolio represented 542,000 m² at 30 April 2008, of which sold projects accounted for 181,000 m² and remaining projects for 361,000 m². The project portfolio developed as planned.

At 31 January 2008, the total development potential was 542,000 m².

Projects

Stocznia Multifunctional Centre, Young City, Gdansk, Poland

This multifunctional centre in Gdansk, Poland, will have total premises of about 94,000 m², to be developed in a joint venture with Meinel European Land Ltd. The centre will comprise retail, restaurant and leisure facilities of about 57,000 m², an office tower of about 15,000 m² and two residential towers totalling about 22,000 m². The land for the project has been acquired from the Baltic Property Trust Group, which will also hold a long-term investment in the office section. Meinel European Land Ltd. has undertaken the overall project financing and will retain a long-term investment in the retail, restaurant and leisure premises. The residential units are expected to be sold to private owner-occupants. Negotiations are being held with several tenants, all indicating keen interest in renting premises in the centre. During the development period, TK Development will generate earnings through fee income and a profit share based on the rental income obtained when the centre opens. An application for a building permit has been submitted, construction is expected to start in mid-2008, and the opening is scheduled for end-2010. This project represents the first phase of a major development plan for the whole area.

Residential Park, Bielany, Warsaw, Poland

Euro Mall Holding owns a tract of land in Warsaw allowing for the construction of 900-1,000 residential units. The plan is to build the project in four phases. A building permit for the project is expected to be issued in mid-2008. Construction of the first phase is projected to start in autumn 2008, with handing-over scheduled for early 2010. The remaining phases are expected to be handed over successively until 2012. The residential units are expected to be sold as owner-occupied units to private users.

Tivoli Residential Park, Targówek, Warsaw, Poland

The Group is developing its first housing project in Poland on the plot of land owned by Euro Mall Holding in the Targówek area in Warsaw. When fully developed, the multiphase project will consist of 280 residential units and about 7,800 m² of premises for service trades. The residential units will be sold as owner-occupied apartments. The construction of the first phase of about 140 residential units, of which 98 % have been sold, started in spring 2007 and is expected to be com-



Shopping centre, Frederikssund, Denmark

project studio



Residential Park, Bielany, Warsaw, Poland



Shopping centre, Tarnów, Poland



Liberec Retail Park, Liberec, Czech Republic

pleted by autumn 2008. The second phase is also expected to comprise about 140 units. To date, sales agreements for 56 % of the units in the second phase have been concluded. The construction of the second phase is also scheduled for completion in autumn 2008. The buildings for service trades are scheduled for completion in mid-2009.

Shopping centre, Tarnów, Poland

In the Polish town of Tarnów, Euro Mall Holding has acquired an area of land for the purpose of building a 14,300 m² shopping centre, of which a supermarket will account for about 2,500 m² and specialty stores for about 11,800 m². A building permit has been issued for the project, whose current occupancy rate is 90 %. Due to the keen interest shown by potential tenants, an extension of the project to about 17,000 m² is being planned. The centre is expected to open in autumn 2009, and negotiations with potential investors for the project are ongoing.

Shopping centre, Nowy Sącz, Poland

Euro Mall Holding has acquired a plot of land in the Polish

town of Nowy Sącz for the purpose of constructing a 14,800 m² shopping centre with a 5,000 m² hypermarket and specialty stores of about 9,800 m². The current occupancy rate is 95 %. A building permit for the project has been obtained. Due to the keen interest shown by potential tenants, an extension of the project of about 17,000 m² is being planned. The centre is expected to open in autumn 2009, and negotiations with potential investors for the project are ongoing.

Shopping centre, Jastrzębie, Poland

This project, consisting of a 43,300 m² shopping centre, will be implemented by Meinel European Land Ltd., with Euro Mall Holding as the project developer. Euro Mall Holding has entered into an agreement with Meinel regarding Euro Mall Holding's assistance for development, letting and construction management of the project on a fee basis. Construction is expected to start in autumn 2008, and the centre is scheduled to open in early 2010.

Bytom Retail Park, Bytom, Poland

Euro Mall Holding intends to develop a retail park with total leasable space of about 25,800 m² on its site at the Plejada shopping centre in Bytom, which is centrally located in the Katowice region. Construction of the project will be phased

Project outline

The outline below lists the key projects of Euro Mall Holding's project portfolio.

Project name	City/town	Segment	Floor space (m ²)	TKD's ownership interest	Construction start/ Expected construction start	Opening/ Expected opening
Poland						
Multifunctional centre Stocznia, Young City	Gdansk	Mixed	94,000	45 %	Mid-2008	End-2010
Residential park, Bielany	Warsaw	Residential/ Service	60,000	100 %	Autumn 2008	As units are completed
Tivoli Residential Park, Targówek	Warsaw	Residential/ Service	26,400	100 %	Spring 2007	Autumn 2008
Poznan Warta	Poznan	Retail/ Residential	50,000	100 %	-	End-2008
Shopping centre, Tarnów	Tarnów	Retail	17,000	100 %	Mid-2008	Autumn 2009
Shopping centre, Nowy Sącz	Nowy Sącz	Retail	17,000	100 %	Mid-2008	Autumn 2009
Shopping centre, Jastrzębie	Jastrzębie	Retail	43,300	¹⁾	Autumn 2008	Early 2010
Bytom Retail Park	Bytom	Retail	25,800	100 %	2008	As units are completed
Czech Republic						
Prague Airport Ruzyně II	Prague	Mixed	20,000	100 %	2010	2011
Fashion Arena Outlet Centre	Prague	Retail	25,000	75 %	Spring 2007	Phase 1: November 2007. Phase 2: End-2010.
Sterboholý Retail Park	Prague	Retail	7,000	100 %	2010	2011
Liberec Retail Park	Liberec	Retail	17,100	100 %	Autumn 2007	Phase 1: September 2008. Phase 2: Autumn 2009.
Kolin Shopping Centre	Kolin	Retail	10,000	100 %	Autumn 2007	October 2008
Most Retail Park	Most	Retail	8,400	100 %	Autumn 2008	Spring 2009
Futurum Hradec Králové, extension	Hradec Králové	Retail	9,700	²⁾ 20 %	Spring 2009	Spring 2010
Retail park, Prešov	Prešov	Retail	9,500	100 %	Autumn 2008	Spring 2009
Euro Mall Holding, total floor space		approx.	440,000			

¹⁾ Based on fee income.

²⁾ Euro Mall Holding's share of profit amounts to 50 %.

in step with letting. Letting efforts are ongoing, and construction will be started as space is let.

Fashion Arena Outlet Centre, Prague, Czech Republic

Euro Mall Holding is developing a 25,000 m² factory outlet centre on its centrally located site in Prague. The first phase of about 18,000 m² opened on 15 November 2007. The current occupancy rate for the phase is about 78 %. At present, negotiations with several potential, international tenants for the remaining premises are ongoing. The project has been developed in a joint venture with an international collaboration partner with factory outlet experience, which owns 25 % of the project. After start-up and maturing, the centre is expected to be sold.

Liberec Retail Park, Czech Republic

This project consists of a 17,100 m² retail park and will be built in phases, the first covering about 11,400 m² and consisting of 13 units. The current occupancy rate is about 82 %. Construction started in October 2007, with the first phase scheduled to open in September 2008 and the second in autumn 2009. The project has been sold to GE Real Estate Central Europe on the basis of forward funding.

Kolin Shopping Centre, Czech Republic

This project consists of a 10,000 m² shopping centre. Construction started in October 2007, and the centre is expected to open in October 2008. The current occupancy rate is 86 %. The project has been sold to GE Real Estate Central Europe on the basis of forward funding.

Most Retail Park, Czech Republic

Euro Mall Holding has acquired a plot of land in the Czech town of Most for the purpose of establishing an 8,400 m² retail park. After the end of the accounting period, a building permit for the project has been obtained. Letting is ongoing, and Heads of Terms have been signed for more than half the premises. The project is scheduled for completion in spring 2009.

Futurum Hradec Králové, extension, the Czech Republic

The Futurum Hradec Králové Shopping Centre, owned by a joint venture between GE Capital, Heitman and TK Development in which TK Development has a 20 % ownership interest, is to be extended by almost 10,000 m². Construction is expected to start in spring 2009, and the opening is scheduled for spring 2010.

Retail park, Prešov, Slovakia

Euro Mall Holding has acquired plots of land in Prešov with a view to constructing a retail park of about 9,500 m². The planned project is covered by the local plan for the area, and a building permit is expected to be issued sufficiently early to allow construction to start in autumn 2008, with the opening scheduled for spring 2009. Demand for tenancies in the retail park is high.

Other matters

For a more detailed description of other matters relating to the Group, including risk issues, reference is made to the Group's Annual Report for 2007/08, which is available at the Group's website www.tk-development.dk.