

# **PARKEN Sport & Entertainment A/S**

## **Announcement of the annual report 2006/07**

**CVR. No 15 10 77 07**

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## Highlights

- This announcement concerns the period 1 July 2006 to 31 December 2007 (18 months).
- Realised revenue was approximately DKK 1.5 billion.
- The operating profit for the period was DKK 301 million before amortisation and transfer activities, and DKK 162 million before tax. The equivalent figures for the financial year 2005/06 (12 months) were DKK 112 million and DKK 58 million, respectively.
- For the calendar year 2008, PARKEN Sport & Entertainment A/S expects a profit before amortisation and transfer costs in the range of DKK 200 million and a profit before tax in the range of DKK 100 million.
- The Group's activities have been expanded with the acquisition of fitness dk and of Lalandia Billund. Both are fully owned.
- F.C. Copenhagen participated in the group stage of the UEFA Champions League for the first time in the autumn of 2006 and in the group stage of the UEFA Cup in the autumn of 2007.
- F.C. Copenhagen successfully defended its Danish football championship.
- PARKEN's south-eastern office tower was sold for DKK 135 million.
- Demolition of the old D stand was commenced to make way for a new SuperBest stand and two new office towers in 2009.
- Lalandia Billund has sold 761 holiday houses. Construction of the houses, the new leisure centre and the new aqua world has begun. The profits from the sales of the holiday houses will be taken into the accounts in 2008.
- fitness dk has opened six new centres, merged two centres, terminated three franchises and sold three centres. The integration of the original three chains has been completed.

## Financial highlights for the Group

DKKm	2006/07 (18 mths.)	2005/06 (12 mths.)	2004/05 (12 mths.)	2003/04 (12 mths.)	2002/03 (12 mths.)
<b>Key figures</b>					
Total income	1.550,1	539,0	462,3	379,2	253,1
<b>Operating profit before amortisation and transfer activities</b>	<b>301,3</b>	<b>111,6</b>	<b>88,9</b>	<b>73,3</b>	<b>54,5</b>
Amortisation	38,6	1,7	1,5	0,0	0,0
Transfer activities	-39,4	-33,7	-15,3	-18,1	-33,6
Financial income and expense	-61,4	-18,5	-17,1	-14,5	-8,9
<b>Profit before tax</b>	<b>161,9</b>	<b>57,7</b>	<b>55,1</b>	<b>40,7</b>	<b>12,0</b>
Profit for the year	130,5	41,3	41,7	27,2	8,0
Non-current assets	1.596,3	1.063,7	955,9	893,4	690,2
Current assets	786,1	191,9	215,6	251,2	236,7
<b>Total assets</b>	<b>2.382,4</b>	<b>1.255,6</b>	<b>1.171,5</b>	<b>1.144,6</b>	<b>926,9</b>
Share capital	49,4	49,4	49,4	49,4	49,4
<b>Equity</b>	<b>664,6</b>	<b>450,5</b>	<b>547,5</b>	<b>492,2</b>	<b>456,5</b>
Non-current liabilities	386,6	230,3	358,7	307,1	282,7
Current liabilities	1.331,2	574,8	265,3	345,3	187,7
Cash flows from operating activities	100,9	78,5	115,7	1,6	20,5
Cash flows from investing activities, net	-458,2	-51,6	-107,6	-101,9	-26,8
Of which investment in property, plant and equipment	-288,0	-53,3	-60,6	-25,7	-10,9
Cash flows from financing activities	404,8	4,2	-27,3	120,6	-16,5
<b>Total cash flows</b>	<b>47,5</b>	<b>31,1</b>	<b>-19,2</b>	<b>20,3</b>	<b>-22,8</b>
<b>Financial ratios</b>					
Net profit ratio, %	19,4	20,7	19,2	19,3	21,5
Return on capital employed (ROCE), % *)	8,4	8,9	7,6	6,4	5,9
Quick ratio, %	59,1	33,4	81,3	72,8	126,1
Equity ratio, %	27,9	35,9	46,7	43,0	49,3
Book value per share	269,2	182,5	221,8	199,4	184,9
Dividend per share, DKK	0,00	0,00	9,00	0,00	0,00
Share price at year-end	1216,00	948,93	428,94	311,00	210,00
Return on equity (ROE), % *)	15,6	8,3	8,3	5,7	1,7
Earnings per share (EPS), DKK	50,51	13,96	15,68	11,04	4,13
Diluted earnings per share (EPS-D), DKK	49,20	13,79	15,52	10,50	3,93
Cash flow per share (CFPS), DKK	40,87	31,81	46,88	0,66	8,30
Payout ratio, %	0,00	0,00	58,85	0,00	0,00
<b>Average number of employees</b>	<b>781</b>	<b>448</b>	<b>439</b>	<b>301</b>	<b>150</b>

\*) The figures stated for 2006/07 have been calculated for a 12-month period.

Earnings and diluted earnings per share have been calculated in accordance with IAS 33.

**Accounting technical issues**

This announcement covers a period of 18 months (1 July 2006 to 31 December 2007) since, in connection with the acquisition of fitness dk A/S, PARKEN Sport & Entertainment decided to change its financial year to the calendar year. Comparative figures have not been restated.

The financial statements are presented in accordance with the IFRS and therefore contain large calculated amounts, such as amortisation of intangible assets, related to the acquisition, which the group does not believe is relevant to the assessments of the earnings.

The accounting practices remain unchanged in comparison to last year.

### Management's review

PARKEN Sport & Entertainment A/S continues its positive development, and in step with the strengthening of leading brands such as fitness dk, Lalandia, F.C. Copenhagen, FCK Handball and PARKEN the Group consolidates its market position in core business areas.

The Group is continuously expanding its portfolio of private and corporate customers, and its extensive customer network holds considerable business potential.

At the same time, the Group is building new platforms for growth and earnings by way of more fitness dk centres, modernisation of the PARKEN complex with a new stand and office towers, planned construction of an entertainment arena (Capinordic Arena) next to PARKEN, and not least construction of Northern Europe's largest holiday centre, Lalandia near Legoland in Billund.

The profit for the period 1 July 2006 to 31 December 2007 was DKK 301 million before amortisation and transfer activities, compared with DKK 112 million in 2005/06 (12 months). The profit before tax was DKK 161 million compared with DKK 58 million in 2005/06.

This is in accordance with the expectations announced to OMX Copenhagen Stock Exchange.

Revenue was DKK 1.5 billion (DKK 539 million in 2005/06). The substantial increase is primarily attributable to the acquisition of fitness dk A/S, which generated turnover in excess of DKK 500 million. In addition, entrance fees, TV fees and prize money increased by DKK 175 million to DKK 215 million. Apart from the longer financial year, the higher profit is a result of F.C. Copenhagen's participation in the group stage of the UEFA Champions League in the autumn of 2006, the new, improved TV agreement concluded by Divisionsforeningen/DBU concerning Danish club matches, and increased sales of merchandise.

It should be noted that the sale of holiday houses in Lalandia Billund will not be recognised as income until the time of handing-over, beginning in May 2008.

As regards fitness dk and Lalandia, reference is made to the section on subsidiaries.

PARKEN staged 62 events (37 in 2005/06). The distribution was as follows:

	<b>2006/07</b>	<b>2005/06</b>
F.C. Copenhagen	43	26
DBU	5	4
Concerts	9	4
Miscellaneous	5	3
	<b>62</b>	<b>37</b>

The total number of visitors to PARKEN for these events was 1,518,000 (809,000 in 2005/06).

In keeping with tradition, PARKEN was the venue of DBU's national cup final, in which OB defeated F.C. Copenhagen by 2-1 in front of 30,000 spectators. The Danish national team played four qualification matches at PARKEN (against Northern Ireland, Sweden, Latvia and Iceland).

In a global perspective, it is not infrequent that football matches, despite extensive security measures, are interrupted by supporters running onto the field. In connection with Denmark's match against Sweden, a very negative example of this phenomenon was seen in the form of an assault on the referee, after which the match was stopped. The UEFA ordered DBU to move two international matches (against Liechtenstein and Spain) to another venue than PARKEN. The direct losses for PARKEN arising from the relocation of these matches has been calculated at DKK 7.9 million. A claim for damages in this amount has been raised against the offender. Subsequently, security at PARKEN has been thoroughly reviewed and upgraded. Among other things, a horizontal fence has been set up between the spectators and the field, and a fee of DKK 10,000 has been introduced for running onto the field.

In January 2007, Carlsberg and F.C. Copenhagen renewed the main sponsorship agreement so that the Copenhagen team will be displaying the Carlsberg logo on the front of their shirts at least until 30 June 2012.

F.C. Copenhagen's business partners now number more than 750, and resultant turnover was DKK 153 million in the accounting period (DKK 99 million in 2005/06).

The average number of spectators at F.C. Copenhagen's home matches in the SAS League rose by 2.5% to 22,026 (21,488 in 2005/06). The 10 European matches in the UEFA Champions League and the UEFA Cup, against clubs such as Manchester United, Celtic, Benfica and Atlético Madrid, were seen by an average of 31,926 spectators.

### **Concerts and other events**

During the accounting period, 10 concert events were held at PARKEN, attracting a total of more than 300,000 guests. In cooperation with external partners, PARKEN was able to present internationally renowned artists such as Robbie Williams (2 concerts), Bruce Springsteen, George Michael, the Rolling Stones and Justin Timberlake. The latter concert was heard by almost 54,000 people, thereby setting a new record in PARKEN.

The Dutch DJ Tiësto transformed PARKEN into Northern Europe's largest disco for one night. 25,000 guests enjoyed six hours of dancing, music and entertainment. The concert in PARKEN has subsequently been released on DVD throughout Europe.

In co-operation with TV2 Zulu, the Zulu Rocks PARKEN concert was staged for the fourth time, featuring a string of Danish and foreign top names such as 50 Cent, Scissor Sisters, Amy Winehouse, Niarn, Johnson, Alphabeat, Bliglad and KNA Connected.

The autumn's greatest music event for children, Mini Zulu Rocks, was held twice in the accounting period. In both cases, more than 15,000 children and their parents partied at PARKEN all afternoon.

The Danish world-class boxer Mikkel Kessler fought and won two world championship matches at PARKEN, and the Argentinean football legend Diego Maradona played a show match against Michael Laudrup, among others. Tomorrow's Danish football stars stepped onto PARKEN's grass in connection with two final rounds of the school tournament arranged by the newspaper Ekstra Bladet.

Twice during the accounting period, Novo Nordisk held its annual staff party at PARKEN, which was transformed into one big restaurant, with more than 100 chefs and 500 waiters preparing and serving food and drinks for 8,000 animated Novo employees.

For the fourth consecutive year, drivers gave their engines full throttle before 30,000 spectators in the Danish Speedway Grand Prix.

Finally, the number of guests attending company Christmas parties in PARKEN set new records, reaching approximately 7,000 in 2006 and 7,500 in 2007.

### **Office properties**

The market for attractive rental office facilities in Copenhagen continues to develop favourably, and there are no vacancies at PARKEN.

As of 1 September 2007, the south-eastern tower was sold to a newly established limited partnership for DKK 135 million in cash. The south-western tower is being registered under a separate title number from that of PARKEN, and the sales process has been initiated. In the financial statements, the south-western tower has therefore been transferred to Assets available for sale, and the north-western tower has been transferred to Land and buildings.

### **Stadium and Arena**

Following lengthy negotiations with the City of Copenhagen, PARKEN Sport & Entertainment A/S has concluded a set of agreements comprising demolition of the old D stand, construction of a new stand (the SuperBest stand) and a new office tower in the north-eastern corner, as well as enlargement of the north-western tower.

PARKEN Sport & Entertainment A/S has also concluded an agreement with the City of Copenhagen on acquisition of the skating-rink ground between PARKEN and Østerbro Stadium with a view to constructing a new arena linked to PARKEN's VIP facilities. The Capinordic Arena will have a spectator capacity of approximately 4,500 for sporting events and around 8,500 for concerts.

The SuperBest stand will be completed in the summer of 2009, the office towers in the autumn of 2009 and the Capinordic Arena at the turn of the year 2009/10. Various national and international event organisers have already expressed specific interest in using the Capinordic Arena facilities.

The full set of agreements with the City of Copenhagen comprises the acquisition of building rights, acquisition of P.H. Lings Allé, relocation of 'Fælledklubberne' from PARKEN, and acquisition of the skating-rink ground in a cleared and uncontaminated condition. Total direct payments to the City of Copenhagen exceed DKK 60 million. All areas and building rights have been fully acquired without any reversion clauses. The construction of the Capinordic Arena is subject to the approval of a new local plan.

When the above has been completed, PARKEN will be fully modernised with new changing rooms, TV studio facilities, a press room and a mixed zone for the press of the highest international standards. The lounge facilities will also be enlarged. PARKEN's administration department will relocate to the office facilities of the new stand. In the construction phase the spectator capacity will be approximately 34,000, and once the projects are completed PARKEN will be able to accommodate approximately 38,000 spectators for football matches. The concert capacity will still be around 50,000. Wheelchair access will be improved considerably.

Office floorage for rental will be increased by 9,200 sq.m.

Project investments will amount to approximately DKK 700 million, including the above DKK 60 million payable to the City of Copenhagen. In connection with the demolition of the D stand, PARKEN Sport & Entertainment A/S charged the undepreciated value of DKK 5.6 million to the income statement, although the building rights alone are worth DKK 21.5 million.

### **F.C. Copenhagen – sporting performance**

F.C. Copenhagen successfully defended its Danish championship, qualified for the group stage of the UEFA Champions League, reached the finals of the Danish cup tournament and the Royal League and participated in the group stage of the UEFA Cup – making this the best accounting period in the history of the club in terms of sporting performance.

In preparation for the UEFA Champions League qualification matches, the squad was adjusted in 2006. Oscar Wendt from IFK Göteborg, Fredrik Berglund from Esbjerg, Hjalte Nørregaard from Heerenveen and Jesper Grønkjær from Stuttgart joined the club, while the most spectacular sale was that of Álvaro Santos to Sochaux in France.

After a terrific performance in two matches against Ajax Amsterdam, F.C. Copenhagen in the autumn of 2006 succeeded in qualifying for the group stage of the UEFA Champions League for the first time ever. Earning 7 points in the group stage (after wins over Manchester United and Celtic and a draw against Benfica in PARKEN), the club exited the world's most prestigious club tournament with a highly satisfactory result.

The home matches in the UEFA Champions League presented the ultimate test for the F.C. Copenhagen organisation, and the club was commended by the UEFA for its staging of the matches.

Both new and familiar faces signed up for the club in the transfer window in January 2007. Niclas Jensen came 'home' from Fulham, and F.C. Copenhagen welcomed Ailton Almeida from Örgryte and Nathan Coe from PSV Eindhoven.

After an eminent season, F.C. Copenhagen's captain, Tobias Linderoth, was able to lift the cup as a sign that the Danish football championship had been successfully defended in 2006/07.

In the subsequent transfer window, Tobias Linderøth was sold to Galatasaray, while Fredrik Berglund returned to his native Elfsborg. In the same transfer window, F.C. Copenhagen acquired the Danish internationals Rasmus Würtz from AaB, Morten Nordstrand from FC Nordsjælland and Mikael Antonsson from Panathinaikos. Moreover, a very promising talent, Mathias 'Zanka' Jørgensen, was purchased from neighbouring B93 in competition with a number of English clubs.

In the autumn, the Danish champions began their European matches against the worst possible opponent in the 2nd qualification round for the UEFA Champions League, i.e. Beitar Jerusalem from Israel. After two very close matches, F.C. Copenhagen's international class and experience were decisive. In the 3rd and final qualification round, F.C. Copenhagen exited the UEFA Champions League after two very intensive and even matches against Benfica from Portugal. Instead, the club played qualification matches for the group stage of the UEFA Cup, in which RC Lens from France was eliminated after extra time in the second match in PARKEN. F.C. Copenhagen thus reached the group stage of a European tournament for the second year running.

The many national and international matches took their toll on the squad. Injuries and illness among key players meant that only a limited number of players were available in the autumn of 2007. After having played Panathinaikos, Atlético Madrid and Lokomotiv Moscow, F.C. Copenhagen had a chance of qualifying for the last 16 of the UEFA Cup before the final match in the group stage, against Aberdeen. However, that was not to be. Viewed in isolation, this was a disappointment in an otherwise satisfactory autumn.

During the accounting period, F.C. Copenhagen has complied with the UEFA requirement in terms of the number of locally trained players. F.C. Copenhagen's performance, and the resulting higher expectations of the squad, will make it even more important to develop quality players locally in future. Combined with DBU's new, more rigid licensing requirements for youth teams, this means that F.C. Copenhagen will focus strongly on development of talents.

Events after the balance sheet date include F.C. Copenhagen's sale of Brede Hangeland to Fulham and acquisition of Zdenek Pospech from Sparta Prague, Ulrik Laursen from OB and José Junior from Malmö FF.

### **FCK Handball – sporting performance**

Both FCK Handball's teams met the sporting expectations in the 2006/07 season. The men won bronze medals in the national Tele2 League and qualified for the quarter finals of the EHF Cup, which was very satisfactory, particularly in view of the number of injuries.

The women finished in the upper half of the national Toms League as expected, while they exited the European EHF Cup after the 3rd round.

In the 2007/08 season, the women qualified for the final of the Nordea Cup (national cup tournament), in which they were defeated by Viborg HK. After the balance sheet date, the team ended third after the initial stage of the Toms League.

In the 2007/08 season, the men have topped the Tele2 League almost from the outset, and after the balance sheet date the team won the initial stage of the Danish championship with four rounds to go, thereby reaching the semi-finals for the 3rd season running. Internationally the team is also successful, having made it to the semi-finals of the EHF Cup.

The coach of the FCK Handball women's team, Thomas Hylle, has been promoted to CEO of FCK Handball A/S as from 1 July 2008.

FCK Handball has extended the contract with the men's head coach, Magnus Andersson, until 30 June 2011. After the balance sheet date, FCK Handball has signed a contract with Anja Andersen, who has been taken on as head coach of the women's team until 30 June 2011.

### **Miscellaneous**

The many football matches and other events can be hard on the grass of PARKEN. This impact is aggravated by the fact that PARKEN is a physically closed stadium, which does not provide optimum growing conditions. In recent years, PARKEN had decided to lay new grass in June after the Speedway Grand Prix. Unfortunately, due



to weather conditions and intensive use, the pitch has not always been able to withstand matches in e.g. heavy rain. In an attempt to ensure the quality of the pitch, PARKEN laid out two new pre-fabricated natural grass covers during the accounting period, and also invested in new lighting installations that provide better growing conditions in terms of light and heat. These investments have amounted to approximately DKK 6 million (including own costs).

In its efforts to optimise playing conditions, PARKEN has now adopted a new grass strategy, budgeting with three new grass covers per year. Moreover, the underlying layers will be prepared in the winter 2008/09, so that the pre-fabricated covers can be laid out with greater efficiency, providing an improved, smoother surface.

With a view to recruiting and retaining the best possible organisational management, and in order to ensure a clear connection between remuneration of management and value creation for shareholders, PARKEN Sport & Entertainment A/S makes use of option schemes. Under the financial reporting standards, the value of the options granted must be calculated using the Black-Scholes formula. Due to recent years' increase in the share price, the resulting amounts have risen. DKK 9 million has thus been charged to the income statement as the calculated value of options. The actual deviation between the price at which the Company acquires the shares in question and the strike price will subsequently be taken directly to equity.

Financial income and expense is influenced by the Company's strong investment strategy – including the acquisition of fitness dk A/S and construction work in connection with PARKEN, Lalandia and Lalandia Billund.

The Company's financing is mainly unhedged at short-term interest rates. The Company intends to obtain a fixed, long-term interest rate on a greater share of the debt in 2008, and large foreign-exchange exposures will be sought to be hedged via forward contracts.

The activities in South Africa have been discontinued. All that remains is to formally deregister the companies; this will be done in cooperation with the IFU.

## **Subsidiaries**

### **Lalandia**

Lalandia continued its positive development in 2006/07. Over the 18-month period, Lalandia realised 1,070,000 bed nights, and guests welcome the continuous development of the centre. Add-on purchases have thus increased by 7%. Converted to full-time positions, the number of staff at Lalandia is 218. The realised profit before financial income and expense and tax, DKK 41 million, is satisfactory.

In order to further boost the centre, an outdoor aqua world is being constructed in the Atrium. It is expected to open in the summer of 2008. Furthermore, it has been decided to open a cinema with two screens, targeted at Lalandia guests as well as the local population of the island of Lolland.

The maintenance plan laid down when the aqua world was acquired is still being observed and does not give rise to any comments. Land and building rights are still available for construction of more than 100 holiday houses.

Under the agreed options, PARKEN Sport & Entertainment A/S has acquired a further 10% of the Lalandia companies. The remaining 15% are expected to be acquired from the management during the coming year, after which the companies will be fully owned by PARKEN Sport & Entertainment A/S.

### **Lalandia Billund**

During the financial year, PARKEN Sport & Entertainment A/S acquired Lalandia Billund and the related project to construct a new Lalandia centre opposite LEGOLAND. In addition, the company had an option to acquire an area of land exceeding 200 hectares in size with space and rights to build up to 1,500 holiday houses and a 40,000 sq.m. indoor holiday and leisure centre – including a 10,000 sq.m aqua world.

In March 2007, Lalandia offered 500 houses for sale. Indications of interest had been considerable beforehand, and as the same was the case during the sales weekend it was decided also to sell the planned second stage. 719 holiday houses were thus sold in one weekend.

Subsequently, another 42 houses have been sold, bringing the total number of houses to be built at Lalandia Billund to 761. For comparison, there are 752 houses at Lalandia in Rødby.

The construction of the leisure centre and aqua world is proceeding according to plan. The total investment is approximately DKK 500 million, and no major deviations have been registered in relation to the originally estimated construction costs. The centre is expected to open in the early summer of 2009, but some houses will already be let from June 2008.

### **fitness dk A/S**

With 35 centres, and more than 100,000 members, fitness dk is unquestionably Denmark's largest fitness chain. The centres focus on efficient and motivating exercise of a high professional standard, and fitness dk offers a wide range of quality exercise options. Members have a choice of individual fitness training and exercise classes.

As the market leader, fitness dk contributes significantly to public health in Denmark, the vision being to help the Danes to live a more healthy life and improve their well-being.

In the period July 2006 to December 2007, fitness dk realised revenue of more than DKK 500 million and an operating profit of DKK 23.5 million. From this profit should be deducted amortisations for accounting purposes of DKK 35.8 million on intangible assets identified at the time of acquisition. The profit can be specified as follows:

	Mio. kr.
Underlying operations	44,1
Operating loss, newly opened centres	<u>-20,6</u>
Total operating profit	23,5
Amortisations for accounting purposes under IFRS	<u>-35,8</u>
Accounting loss	-12,3

During the accounting period, new centres opened in Vejle, Valby (relocation to new premises), Copenhagen, Esbjerg, Birkerød and Kolding (second centre in Kolding).

Membership has risen by approximately 28% during this period, which is very positive. This increase exceeds market growth and comprises membership of new centres as well as new members in existing centres. Membership is of paramount importance to profitability, and consequently there has been extensive focus on attracting new members.

The aggressive growth strategy of fitness dk and the resulting expansion during the accounting period have had a negative impact of DKK 20.6 million on the operating profit, but the new centres are expected to bring positive contributions in the future. It typically takes around 18 months to run in a new fitness dk centre, after which it is expected to generate a profit.

In January 2007, fitness dk merged two centres in Roskilde, and the same solution was implemented in Slagelse. Three franchises – two in Aalborg and one in Assens – were terminated in 2007.

In March 2007, fitness dk sold three centres – in Fåborg, Tønder and Aabenraa, respectively. These sales have boosted the operating profit of fitness dk.

Integration of the two chains, Fin Form and Hard Work, which became part of fitness dk in May 2005 and January 2006, respectively, continued. In that connection, several centres were upgraded with a view to ensuring a uniform, high standard.

In May 2007, fitness dk rolled out a new membership administration system which has specifically been designed for large fitness chains.

#### Events after the balance sheet date

The market is growing, and growth may be accelerated after the Danish government has announced plans to extend tax concessions for exercise paid for by employers, so that they will not only apply to the employer's own fitness facilities, but also to membership fees for fitness centres. The number of people engaged in fitness training is still lower in Denmark than in many other Western European countries. Currently, the figure for Denmark is just under 9%, while the equivalent figure is 12.1% for Norway and 14.4% for the Netherlands.

fitness dk expects pronounced growth in membership in 2008 following the implementation of a new, market-oriented strategy in January 2008. More specifically, the new strategy means that the 12-month periods applying to PBS memberships until now have been eliminated and that the period of notice when terminating membership has been shortened by one month. At the same time, the number of membership types has been reduced significantly, and membership fees have been lowered slightly.

In January 2008, fitness dk opened centres in Aalborg and Hjørring. In both cases, actual membership exceeded the forecasts. Another four centres are scheduled to open in 2008 – in Horsens, Svendborg (relocation to new premises), Holstebro and Odense. The start-up of these new centres is expected to entail an operating loss of DKK 7.7 million in 2008. Further centres are in the pipeline for 2008 and onwards.

#### **Billetlugen A/S**

The growth of Billetlugen A/S continued in 2006/07, and the profit before financial income and expense and tax was DKK 3.6 million. This development is attributable to a large increase in the number of event organisers and thus of tickets sold.

#### **Global Goal ApS**

Following the introduction of a popular garden model and intensive sales efforts, Global Goal ApS has achieved a breakthrough in the Danish market. Various models are still being considered in terms of international expansion and exploitation of the global patents. To hedge product liability risk in the USA and Canada, these markets have been sold off. The company is still making a small loss.

### **Events after the balance sheet date**

In January 2008, PARKEN Sport & Entertainment A/S acquired 40% of the company RES Invest ApS, which owns 25% of Lalandia A/S, Ejendomsselskabet 4F A/S and Skansen Huse A/S. Following this acquisition, PARKEN Sport & Entertainment A/S has an 85% ownership interest in Lalandia A/S, Ejendomsselskabet 4F A/S and Skansen Huse A/S.

The minority shareholder of PARKEN Sport & Entertainment A/S and Billetlugen A/S has sold all shares in Billetlugen A/S to the group of owners behind the Icelandic ticket company Midi – PARKEN Sport & Entertainment A/S had a 55% stake in the company. PARKEN Sport & Entertainment A/S has acquired 10% of the newly established company, which now offers ticket sales services in Iceland, Romania and Denmark via proprietary systems.

fitness dk A/S has taken on Steen Keller as CEO.

### **Future prospects**

The experience industry continues to register double-digit growth rates within PARKEN Sport & Entertainments' segments. The range of activities requested in connection with short breaks is increasing steadily, and Lalandia is fully able to meet this demand.

In the fitness segment a megatrend is seen, in that people are increasingly becoming aware of the link between exercise and physical well-being. The number of Danes who join fitness centres is growing substantially these years.

The ongoing construction work at PARKEN, i.e. the new, state-of-the-art SuperBest stand and the Capinordic Arena, will provide PARKEN with modern facilities capable of housing all sorts of events – European or world championships in e.g. handball or volleyball, concerts of all sizes, fairs, exhibitions, company events, etc. In addition, PARKEN has a scaling project in the pipeline, whereby it will be possible to divide PARKEN into two arenas holding 15,000 and 20,000 spectators, respectively. Competition will, however, be influenced by higher government subsidies for non-commercial facilities/arenas.

Thanks to its international results, F.C. Copenhagen is now 98th in the UEFA ranking system, which means that, for the first time ever, the team will be seeded if it reaches the 1st round of the UEFA Cup.

From the 2009/10 season, qualification rules for the UEFA Champions League will be changed, and in the opinion of F.C. Copenhagen this will be a clear advantage for the club.

The most significant change is the establishment of a third qualification track for the UEFA Champions League, in that five places will be reserved for national champions of countries ranging 13-53 on the UEFA list. Denmark is currently number 21, but will advance to the 19th place from the summer of 2008. For F.C. Copenhagen, the changes mean that a few more strong seasons on the European stage will provide the club with a good chance of being seeded in the 3rd and final qualification round. But already in 2009/10 the Danish champions will be facing clubs with slightly lower rankings than under the old rules, although their strength should by no means be underestimated.

The Danish champions enter the new tournament in the 1st qualification round for the UEFA Champions League (as opposed to the 2nd round under the current structure), but unlike today the loser of the 2nd round will enter the UEFA Cup in the 1st round, while the loser in the 3rd qualification round will qualify directly for the group stage of the UEFA Cup.

In summary, it is assessed that in years when F.C. Copenhagen is able to win the Danish championship the chances of qualifying for the UEFA Champions League or the group stage of the UEFA Cup will be substantially improved.

### **Expectations for 2008**

The extensive construction projects at PARKEN mean that events at the Danish national stadium will entail considerable extra costs and marginally lower earnings opportunities until the summer of 2009.

Nevertheless, the Company has a clear ambition of maintaining and consolidating PARKEN's position as market leader in the events segment in the construction phase. The events programme already published (including concerts with names such as Celine Dion, Bruce Springsteen and R.E.M., as well as the Speedway Grand Prix) and a number of promising bookings document that this is realistic. This gives PARKEN the optimum foundation for improving its market position and profitability when the fully modernised stadium and arena complex is complete in 2009.

In 2008, the Group expects total revenues in the range of DKK 1.500 million, a profit before amortisation and transfer activities in the range of DKK 200 million, of which DKK 120 million will be contributed by Lalandia Billund.

Profit before tax is expected to be in the range of DKK 100 million.

It should be noted that Lalandia Billund will begin to recognise income from the sale of holiday houses, and consequently this company will be contributing DKK 120 million to the operating profit before amortisation and transfer activities. Most of the IFRS adjustments are attributable to this company.

Many variables may affect the profit for the next year. Such variables, in random order, include the number of events in PARKEN, the number of spectators, the number of visitors to Lalandia, F.C. Copenhagen's sporting performance, membership of fitness dk A/S, greater competition from other concert organisers who are exempt from VAT and receive direct financial support from central and local government, the general development in interest rates, and amendments to the IFRS accounting regulations.

### **Shareholder information**

The Company's share capital of DKK 49,376,000 is divided into 2,468,800 shares of DKK 20 each. The Company has one class of shares and no restrictions on voting rights or other restrictions on shareholder rights.

The share is listed on OMX Copenhagen Stock Exchange. At 31 December 2007, the price was DKK 1,216, equivalent to a market capitalisation of DKK 3.0 billion.

The Company has more than 12,000 registered shareholders.

The following shareholders have notified the Company that they own 5% or more of the overall capital:

- The asset management company LD, 739,234 shares, equivalent to 29.94% of the total capital.
- SH Finans A/S, 770,395 shares, equivalent to 31.21% of the total capital.

The Company is headed by a Supervisory Board of 5-7 members, of which KB and B1903 each appoint one member. The remaining members of the Supervisory Board are elected at the Annual General Meeting by a simple majority of votes. Members of the Supervisory Board are elected for periods of one year, but may be re-elected.

Any amendment to the Company's articles of association requires that three fourths of the share capital is present at the general meeting and that a proposal to this effect is adopted by three fourths of the votes cast and of the share capital represented at the general meeting.

On the authority of the general meeting, the Company may acquire treasury shares up to a nominal amount of DKK 4,937,600 (246,880 shares), corresponding to 10% of the share capital, until 27 April 2008.

The Financial Statements of the group 2006/07 will be publicised on the 15<sup>th</sup> April 2008.

### **Annual General Meeting**

The Annual General Meeting will be held on 25 April 2008 at PARKEN.

#### **Proposals for the Annual General Meeting:**

Amendment of the Company's objects clause to more accurately reflect the Company's current activities.

Option to increase the Supervisory Board to ten members.

Authorising the Supervisory Board to acquire treasury shares up to 10% of the share capital.

Incentive payments for the Board of Directors and Chairman.

## **FINANCIAL REVIEW**

### **INCOME STATEMENT**

#### **Income**

Income exceeded DKK 1.5 billion in 2006/07, which was more than three times the income in 2005/06. The improvement is primarily attributable to the following:

- The financial year 2006/07 covers an 18-month period, compared with 12 months in 2005/06
- Activities acquired contributed income in excess of DKK 500 million
- F.C. Copenhagen's participation in the UEFA Champions League in the autumn of 2006
- Sustained growth in other business areas

Revaluation of investments properties amounted to DKK 58.4 million in 2006/07 (DKK 35.1 million in 2005/06). A substantial part of the revaluation in 2006/07 is related to the sale of the south-eastern office tower as of 1 September 2007.

#### **External costs, staff costs and amortisation**

On account of the activities acquired and the longer accounting period, external costs, staff costs and amortisation increased considerably in 2006/07 compared with 2005/06.

Total costs in 2006/07 amounted to 80.6% of total income (79.3% in 2005/06). This is in line with the Group's expectations. DKK 12.1 million has been charged to the income statement in respect of Lalandia Billund, although this company does not have any operating activities.

#### **Amortisation**

In connection with the acquisition of fitness dk A/S, a number of intangible assets were identified in accordance with the IFRS. The total amount capitalised, including non-current tax, was DKK 57.6 million, of which DKK 35.8 million was amortised in 2006/07.

#### **Transfer activities**

On account of two high-profile sales – Álvaro Santos to Sochaux (France) and Tobias Linderoth to Galatasaray (Turkey) – overall transfer activities resulted in a loss of DKK 39.4 million in 2006/07. In the 12-month period 2005/06 a loss of DKK 33.7 million was recorded on transfer activities.

#### **Financial income and expense**

Like the other items on the income statement, financial income and expense was influenced by the fact that the 2006/07 accounting period was longer than 2005/06. In addition, the acquisition of fitness dk A/S resulted in higher costs than in the preceding year.

#### **Tax on profit for the year**

The effective tax rate for 2006/07 was 19.4%, down from 28.4% in 2005/06. The change is primarily attributable to the reduction of Danish corporation tax from 28% to 25%, which has had a positive impact via the Group's deferred tax liability.

#### **Profit for the year**

The profit for the 18-month period 2006/07 was DKK 130.5 million, compared with a profit of DKK 41.3 million in 2005/06 (12 months).

## **FINANCIAL REVIEW**

### **BALANCE SHEET**

#### **Intangible assets**

Intangible assets increased from DKK 188 million at 30 June 2006 to DKK 600 million at 31 December 2007. The increase is primarily attributable to the acquisition of fitness dk A/S, in which connection a number of intangible assets were identified, including customer relationships and order books at the time of acquisition, which have been recognised at their fair value on the pre-acquisition balance sheet. After recognition thereof, goodwill was stated at DKK 366 million in connection with the acquisition.

#### **Property, plant and equipment**

In the period from 30 June 2006 to 31 December 2007, property, plant and equipment increased by DKK 103 million. Substantial changes are seen in the individual items.

During the accounting period, investment properties owned by the Group have thus been sold or reclassified. The southeastern office tower was sold, and the southwestern office tower has been reclassified under Assets available for sale, while the northwestern office tower has been reclassified under Land and buildings.

Other plant, fixtures and fittings, tools and equipment increased by DKK 71 million to a total of DKK 116 million, primarily on account of the acquisition of fitness dk A/S.

Property, plant and equipment under construction and prepayments for property, plant and equipment amounted to DKK 243 million at 31 December 2007, attributable to the Group's ongoing construction of the holiday and leisure centre in Billund and the construction of the SuperBest stand.

#### **Current assets**

Increasing by DKK 594 million, current assets amounted to DKK 786 million at 31 December 2007. The increase is attributable to two factors. Firstly, the Group's inventories were DKK 312 million at the end of 2007, mainly comprising sites for holiday houses and buildings at Lalandia Billund. Delivery of the projected 761 holiday houses will commence in May 2008. Secondly, the southwestern office tower has been reclassified under Assets available for sale (DKK 200 million) – the office tower is expected to be sold in 2008.

#### **Liabilities**

As a result of strong growth, a high level of activities and various acquisitions, the Group's total liabilities have increased. Non-current liabilities have risen by DKK 156 million to a total of DKK 387 million at 31 December 2007, while current liabilities have risen by more than DKK 750 million to a total of DKK 1.3 billion. In this context, the Group has mainly drawn on credit lines.

#### **Equity**

At 31 December 2007, the Group's equity was DKK 665 million, compared with DKK 451 million at 30 June 2006. The average return on equity was 15.6%, calculated over a 12-month period, compared with a return of 8.3% in 2005/06.



## Consolidated financial statements for the year ended 31 December 2007

### Income statement

DKK '000	Group		Parent company	
	2006/07 (18 mths.)	2005/06 (12 mths.)	2006/07 (18 mths.)	2005/06 (12 mths.)
Revenue	1.491.714	503.976	413.651	152.760
Revaluation of investment properties	58.427	35.065	58.427	35.065
<b>Total income</b>	<b>1.550.141</b>	<b>539.041</b>	<b>472.078</b>	<b>187.825</b>
External costs	690.982	219.599	107.604	47.658
Staff costs	478.690	185.211	130.061	66.283
Depreciation and impairment	79.195	22.647	19.946	8.260
<b>Operating profit before amortisation and transfer activities</b>	<b>301.274</b>	<b>111.584</b>	<b>214.467</b>	<b>65.624</b>
Amortisation	38.551	1.695	0	0
Loss from transfer activities	-39.381	-33.664	-39.056	-33.444
EBIT	223.342	76.225	175.411	32.180
<b>Financial income and expense</b>				
Financial income	8.182	6.213	3.215	10.632
Financial expense	69.619	24.753	50.366	19.668
<b>Total financial income and expense</b>	<b>-61.437</b>	<b>-18.540</b>	<b>-47.151</b>	<b>-9.036</b>
<b>Profit before tax</b>	<b>161.905</b>	<b>57.685</b>	<b>128.260</b>	<b>23.144</b>
Tax on profit for the year	31.361	16.406	26.594	6.272
<b>Profit for the year</b>	<b>130.544</b>	<b>41.279</b>	<b>101.666</b>	<b>16.872</b>
<b>To be distributed as follows:</b>				
Shareholders in PARKEN Sport & Entertainment A/S	122.638	33.888		
Minority interests	7.906	7.391		
	<b>130.544</b>	<b>41.279</b>		
<b>Earnings per share</b>				
Earnings per share (EPS) of DKK 20	50,51	13,96		
Diluted earnings per share (EPS-D) of DKK 20	49,20	13,79		
<b>Proposed distribution of net profit</b>				
Transfer to reserve for fair value of investment assets			-6.591	25.246
Retained earnings			108.257	-8.374
			<b>101.666</b>	<b>16.872</b>

## Consolidated financial statements for the year ended 31 December 2007

### Balance sheet

DKK '000	Group		Parent company	
	2007	2006	2007	2006
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Goodwill	449.463	82.518	1.245	1.245
Leasehold interests	812	0	0	0
Contractual rights	122.989	100.560	121.764	100.304
Patents and trademarks	1.678	1.509	0	0
Completed development projects	3.428	3.498	0	0
Other intangible assets	21.810	0	0	0
	<b>600.180</b>	<b>188.085</b>	<b>123.009</b>	<b>101.549</b>
<b>Property, plant and equipment</b>				
Investment properties	0	392.837	0	392.837
Land and buildings	553.739	432.312	379.324	284.695
Leasehold improvements	60.037	0	0	0
Other plant, fixtures and fittings, tools and equipment	115.972	44.910	25.262	18.187
Property, plant and equipment under construction and prepayments for property, plant and equipment	242.808	0	67.037	0
	<b>972.556</b>	<b>870.059</b>	<b>471.623</b>	<b>695.719</b>
<b>Other non-current assets</b>				
Investments in subsidiaries	0	0	634.634	127.412
Deposits	18.943	0	0	0
Deferred tax	4.588	5.585	0	0
	<b>23.531</b>	<b>5.585</b>	<b>634.634</b>	<b>127.412</b>
<b>Total non-current assets</b>	<b>1.596.267</b>	<b>1.063.729</b>	<b>1.229.266</b>	<b>924.680</b>
<b>Current assets</b>				
Inventories	312.357	17.187	0	62
Receivables	152.324	107.817	94.700	64.653
Prepayments	13.206	5.315	4.102	1.352
Securities	7.520	7.950	0	0
Cash at bank and in hand	101.133	53.651	465	11.048
	<b>586.540</b>	<b>191.920</b>	<b>99.267</b>	<b>77.115</b>
Assets available for sale	199.576	0	199.576	0
<b>Total current assets</b>	<b>786.116</b>	<b>191.920</b>	<b>298.843</b>	<b>77.115</b>
<b>TOTAL ASSETS</b>	<b>2.382.383</b>	<b>1.255.649</b>	<b>1.528.109</b>	<b>1.001.795</b>

## Consolidated financial statements for the year ended 31 December 2007

### Balance sheet

DKK '000	Group		Parent company	
	2007	2006	2007	2006
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	49.376	49.376	49.376	49.376
Reserve for fair value of investment assets	46.222	52.813	46.222	52.813
Retained earnings	534.552	324.227	454.090	264.737
<b>Equity share attributable to shareholders of PARKEN Sport &amp; Entertainment A/S</b>	<b>630.150</b>	<b>426.416</b>	<b>549.688</b>	<b>366.926</b>
Minority interests	34.408	24.119	0	0
<b>Total equity</b>	<b>664.558</b>	<b>450.535</b>	<b>549.688</b>	<b>366.926</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax	132.321	75.247	55.115	52.848
Provisions for liabilities	25.349	8.051	12.173	8.051
Mortgage credit institutions	223.296	137.618	155.204	77.829
Other payables	4.455	4.455	0	0
Deposits	1.232	4.879	1.232	4.879
<b>Total non-current liabilities</b>	<b>386.653</b>	<b>230.250</b>	<b>223.724</b>	<b>143.607</b>
<b>Current liabilities</b>				
Provisions for liabilities	8.906	12.419	8.906	12.419
Mortgage credit institutions	913.436	363.913	546.623	363.807
Trade payables and other payables	304.141	136.424	120.508	91.337
Corporation tax	2.538	131	0	0
Deferred income	45.469	61.977	21.978	23.699
	<b>1.274.490</b>	<b>574.864</b>	<b>698.015</b>	<b>491.262</b>
Liabilities in respect of assets available for sale	56.682	0	56.682	0
<b>Total current liabilities</b>	<b>1.331.172</b>	<b>574.864</b>	<b>754.697</b>	<b>491.262</b>
<b>Total liabilities</b>	<b>1.717.825</b>	<b>805.114</b>	<b>978.421</b>	<b>634.869</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2.382.383</b>	<b>1.255.649</b>	<b>1.528.109</b>	<b>1.001.795</b>

## Consolidated financial statements for the year ended 31 December 2007

### Statement of changes in equity

DKK '000	Group						
	<u>Shareholders of PARKEN Sport &amp; Entertainment A/S</u>						
	Share capital	Reserve for fair value of investment assets	Retained earnings	Proposed dividend	Total	Minority interests	Total
<b>Equity at 30 June 2005</b>	<b>49.376</b>	<b>27.567</b>	<b>428.059</b>	<b>22.219</b>	<b>527.221</b>	<b>20.295</b>	<b>547.516</b>
Changes in equity in 2005/2006							
Value adjustment of hedging instruments	0	0	3.977	0	3.977	0	3.977
Share-based payments			171		171		171
Tax on changes in equity	0	0	-1.113	0	-1.113	0	-1.113
Net gains taken directly to equity	0	0	3.035	0	3.035	0	3.035
Profit for the year	0	25.246	8.642	0	33.888	7.391	41.279
<b>Total income</b>	<b>0</b>	<b>25.246</b>	<b>11.677</b>	<b>0</b>	<b>36.923</b>	<b>7.391</b>	<b>44.314</b>
Dividend distributed	0	0	0	-22.219	-22.219	-2.500	-24.719
Dividend, treasury shares	0	0	302	0	302	0	302
Acquisition of treasury shares	0	0	-126.844	0	-126.844	0	-126.844
Disposal of treasury shares	0	0	11.033	0	11.033	0	11.033
Disposal, minority interests	0	0	0	0	0	-4.759	-4.759
Addition in respect of capital increase	0	0	0	0	0	3.692	3.692
<b>Total changes in equity</b>	<b>0</b>	<b>25.246</b>	<b>-103.832</b>	<b>-22.219</b>	<b>-100.805</b>	<b>3.824</b>	<b>-96.981</b>
<b>Equity at 30 June 2006</b>	<b>49.376</b>	<b>52.813</b>	<b>324.227</b>	<b>0</b>	<b>426.416</b>	<b>24.119</b>	<b>450.535</b>
Changes in equity in 2006/2007							
Value adjustment of hedging instruments	0	0	1.000	0	1.000	0	1.000
Share-based payments			9.318		9.318		9.318
Tax on changes in equity	0	0	-3.904	0	-3.904	0	-3.904
Net gains taken directly to equity	0	0	6.414	0	6.414	0	6.414
Profit (loss) for the year	0	-6.591	129.229	0	122.638	7.906	130.544
<b>Total income</b>	<b>0</b>	<b>-6.591</b>	<b>135.643</b>	<b>0</b>	<b>129.052</b>	<b>7.906</b>	<b>136.958</b>
Acquisition of treasury shares	0	0	-142.392	0	-142.392	0	-142.392
Disposal of treasury shares	0	0	217.074	0	217.074	0	217.074
Addition, minority interests	0	0	0	0	0	12.483	12.483
Disposal, minority interests	0	0	0	0	0	-10.100	-10.100
<b>Total changes in equity</b>	<b>0</b>	<b>-6.591</b>	<b>210.325</b>	<b>0</b>	<b>203.734</b>	<b>10.289</b>	<b>214.023</b>
<b>Equity at 31 December 2007</b>	<b>49.376</b>	<b>46.222</b>	<b>534.552</b>	<b>0</b>	<b>630.150</b>	<b>34.408</b>	<b>664.558</b>

At 31 December 2007, accumulated value adjustments of hedging instruments recognised in equity totalled DKK -1,352,000 (DKK -2,101,000). At 31 December 2007, accumulated foreign-exchange adjustments recognised in equity totalled DKK -156,000 (DKK -156,000).

## Consolidated financial statements for the year ended 31 December 2007

### Statement of changes in equity

DKK '000	<i>Parent company</i>				
	Share capital	Reserve for fair value of investment assets	Retained earnings	Proposed dividend	Total
<b>Equity at 30 June 2005</b>	<b>49.376</b>	<b>27.567</b>	<b>385.072</b>	<b>22.219</b>	<b>484.234</b>
Changes in equity in 2005/2006					
Value adjustment of hedging instruments	0	0	4.690	0	4.690
Share-based payments	0	0	171	0	171
Tax on changes in equity	0	0	-1.313	0	-1.313
Net gains taken directly to equity					
Profit (loss) for the year	0	25.246	-8.374	0	16.872
<b>Total income</b>	<b>0</b>	<b>25.246</b>	<b>-4.826</b>	<b>0</b>	<b>20.420</b>
Dividend distributed	0	0	0	-22.219	-22.219
Dividend, treasury shares	0	0	302	0	302
Acquisition of treasury shares	0	0	-126.844	0	-126.844
Disposal of treasury shares	0	0	11.033	0	11.033
<b>Total changes in equity</b>	<b>0</b>	<b>25.246</b>	<b>-120.335</b>	<b>-22.219</b>	<b>-117.308</b>
<b>Equity at 30 June 2006</b>	<b>49.376</b>	<b>52.813</b>	<b>264.737</b>	<b>0</b>	<b>366.926</b>
Changes in equity in 2006/2007					
Value adjustment of hedging instruments	0	0	1.000	0	1.000
Share-based payments	0	0	9.318	0	9.318
Tax on changes in equity	0	0	-3.904	0	-3.904
Net gains taken directly to equity					
Profit (loss) for the year	0	-6.591	108.257	0	101.666
<b>Total income</b>	<b>0</b>	<b>-6.591</b>	<b>114.671</b>	<b>0</b>	<b>108.080</b>
Acquisition of treasury shares	0	0	-142.392	0	-142.392
Disposal of treasury shares	0	0	217.074	0	217.074
<b>Total changes in equity</b>	<b>0</b>	<b>-6.591</b>	<b>189.353</b>	<b>0</b>	<b>182.762</b>
<b>Equity at 31 December 2007</b>	<b>49.376</b>	<b>46.222</b>	<b>454.090</b>	<b>0</b>	<b>549.688</b>

At 31 December 2007, accumulated value adjustments of hedging instruments recognised in equity totalled DKK -1,352,000 (DKK -2,101,000).

## Consolidated financial statements for the year ended 31 December 2007

### Cash flow statement

DKK '000	Group		Parent company	
	2006/07	2005/06	2006/07	2005/06
Revenue	1.491.714	503.976	413.651	152.760
Costs	-1.179.697	-400.046	-244.407	-109.177
Cash flows from operations before changes in working capital	312.017	103.930	169.244	43.583
Changes in working capital	-112.652	-960	-1.893	26.862
Cash flows from operations (operating activities)	199.365	102.970	167.351	70.445
Interest income, paid	7.357	3.450	2.390	8.966
Interest expense, paid	-65.659	-21.915	-46.836	-16.162
Cash flows from operations (ordinary activities)	141.063	84.505	122.905	63.249
Corporation tax paid	-40.164	-5.971	-33.571	-2.569
<b>Cash flows from operating activities</b>	<b>100.899</b>	<b>78.534</b>	<b>89.334</b>	<b>60.680</b>
Acquisition of intangible assets	-137.007	-52.460	-102.946	-50.662
Disposal of intangible assets	51.426	23.231	49.188	22.958
Acquisition of property, plant and equipment	-287.966	-53.307	-80.434	-36.979
Disposal of property, plant and equipment	160.883	966	155.290	0
Acquisition of financial assets	0	-5.323	0	-5.323
Disposal of securities *)	0	36.044	0	0
Acquisition of subsidiaries and activities	-245.576	-800	-301.841	-800
Capital increases in subsidiaries	0	0	0	-4.750
<b>Cash flows from investing activities</b>	<b>-458.240</b>	<b>-51.649</b>	<b>-280.743</b>	<b>-75.556</b>
External financing:				
Repayment of non-current liabilities	-44.402	-5.480	-23.629	-5.586
Other non-current liabilities	16.215	4.292	3.039	-163
Proceeds from mortgage loans	153.247	0	144.928	0
Changes in liabilities to mortgage credit institutions	410.462	143.371	187.187	168.566
Shareholders:				
Dividend distributed	0	-24.417	0	-21.917
Acquisition of treasury shares	-142.392	-126.844	-142.392	-126.844
Disposal of treasury shares	11.693	11.033	11.693	11.033
Capital increase from minority interests	0	2.250	0	0
<b>Cash flows from financing activities</b>	<b>404.823</b>	<b>4.205</b>	<b>180.826</b>	<b>25.089</b>
<b>Net cash flows from operating, investing and financing activities</b>	<b>47.482</b>	<b>31.090</b>	<b>-10.583</b>	<b>10.213</b>
Cash and cash equivalents, beginning of year	53.651	22.561	11.048	835
<b>Cash and cash equivalents, end of year</b>	<b>101.133</b>	<b>53.651</b>	<b>465</b>	<b>11.048</b>

The cash flow statement cannot be derived from the balance sheet and income statement alone.

\*) Listed bonds included in the Group's cash resources.

## Consolidated financial statements for the year ended 31 December 2007

DKK '000	Group		Parent company	
	2006/07 (18 mths.)	2005/06 (12 mths.)	2006/07 (18 mths.)	2005/06 (12 mths.)
<b>Revenue</b>				
Entrance and television fees and prize money	214.653	40.252	211.277	38.912
Business partners	153.293	99.033	150.764	81.905
Stadium rental	41.263	33.020	13.533	9.159
Rental of investment properties	34.375	20.999	34.375	20.999
F&B and conference centre, etc.	227.364	124.085	0	0
Merchandise	55.253	25.823	0	0
Commissions and ticket fees	166.599	102.142	0	0
Other sales	80.771	41.888	0	0
Membership fees	490.717	0	0	0
Other income	27.426	16.734	3.702	1.785
<b>Total revenue</b>	<b>1.491.714</b>	<b>503.976</b>	<b>413.651</b>	<b>152.760</b>

### Contacts

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**PARKEN Sport & Entertainment A/S**  
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