

TK Development sells shopping centre in Hradec Králové, the Czech Republic

Summary:

- *Together with GE Capital and Heitman, TK Development has conditionally sold the Futurum Hradec Králové shopping centre in the Czech Republic to Meyer Bergman.*
- *Futurum Hradec Králové consists of 110 stores covering a total floor space of 28,250 m² and a 14,400 m² hypermarket let to Tesco.*
- *The selling price for the whole centre amounts to EUR 87.6 million which is on par with the carrying amount and results in a substantial contribution to the Group's free cash resources.*
- *The sale is part of Management's strategy to sell one or more major completed projects.*

Futurum Hradec Králové sold to Meyer Bergman

Together with GE Capital and Heitman, TK Development has developed and managed the Futurum Hradec Králové shopping centre for a number of years. TK Development's ownership interest in the centre represents 20 %.

Futurum Hradec Králové was a two-phase development, with the first phase of 18,300 m² opening in November 2000 and a 9,950 m² extension of the centre opening in May 2012. In addition to these phases, the centre comprises a 14,400 m² hypermarket owned by an investment company and let to Tesco.

The 28,250 m² centre consists of 110 stores, and the current occupancy rate is 100 %. The centre has a broad mix of tenants, including Cinestar, Tommy Hilfiger, H&M, New Yorker, Adidas, Reserved, Intersport, Takko Fashion, Foot Locker, Gant, C & A, Lindex, Datart, etc.

TK Development, GE Capital and Heitman have conditionally acquired the hypermarket at a price of about EUR 12 million.

Together with GE Capital and Heitman, TK Development has today entered into a conditional sales agreement with Meyer Bergman about the whole centre (the shopping centre as well as the newly acquired hypermarket). The selling price for the whole centre amounts to EUR 87.6 million, which is on par with the carrying amount. The sale is expected to be completed within the next few weeks.

The sale is part of Management's strategy to sell one or more major completed projects, and the sale results in a substantial contribution to the Group's free cash resources.

Meyer Bergman is a privately held real estate investment management firm headquartered in London, UK, which specializes in retail real estate. Meyer Bergman's current acquisition efforts are focused on well located, defensive assets in the UK, Germany, France, the Nordic region, Poland, and the Czech Republic. Typical transaction values range between EUR 30 million and EUR 300 million.

Meyer Bergman manages two closed-ended funds – Meyer Bergman European Retail Partners I launched in 2007 and Meyer Bergman European Retail Partners II launched in 2012 – on behalf of third-party institutional investors, including leading pension funds, endowments, and asset managers from North America and Europe.

TK Development maintains its profit forecast for the 2014/2015 financial year.

Contact information:

TK Development A/S, Frede Clausen, President and CEO, tel. +45 8896 1010.