

CSM approval of the BROEN shopping centre in Esbjerg, Denmark

Summary:

- *TK Development has obtained a CSM approval of the BROEN shopping centre in Esbjerg, Denmark*
- *Accordingly, the conditional agreement to sell 65 % of the project to CapMan Real Estate will become unconditional.*
- *Construction has started, and the centre is expected to be completed in spring 2017.*

The conditional sale of 65 % of the BROEN shopping centre in Esbjerg, Denmark, will now be completed

Reference is made to company announcement no. 5/2015 of 25 March 2015 in which TK Development announced the conditional sale of 65 % of the shares in the company owning the BROEN development project in Esbjerg to CapMan Real Estate. The sale was subject to the condition that a so-called CSM approval was obtained which is a validation and approval procedure relating to the project to ensure safe railway operations.

The process to obtain this approval has been under way for a prolonged period, and TK Development has now been informed that the approval has been granted by The Danish Transport Authority.

Accordingly, the conditional agreement with CapMan Real Estate will be completed and become unconditional.

In recent months preliminary construction works have been carried out that were useful to have completed prior to actual project construction. Headed by design build contractor KPC, construction will now be initiated, and as most recently announced the shopping centre is expected to be completed in spring 2017.

The completion of the 65 % sale of the project does not change the announced profit estimate of about DKK 40 million before tax for the continuing activities for the 2015/16 financial year.

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