PHOTO:
SHOPPING CENTRE
GALERIA NOWY RYNEK
JELENIA GÓRA, POLAND

TK DEVELOPMENT A/S | CVR NO. 24256782
VESTRE HAVNEPROMENADE 7 | 9000 AALBORG | DENMARK
COMPANY ANNOUNCEMENT NO. 21/2015 | 17 DECEMBER 2015

INTERIM REPORT Q1-Q3 2015/16

(1 February 2015 - 31 October 2015)

TK·development

RESULTS FOR THE FIRST NINE MONTHS OF 2015/16

- The results before tax, excluding discontinuing activities, amounted to DKK -96.0 million*) against DKK 8.6 million in the same period of 2014/15.
- The results after tax amounted to DKK -212.1 million against DKK -39.3 million in the first nine months of 2014/15.
- The results include the impairment of projects, plots of land, goodwill and tax assets in the amount of DKK 217.3 million; see below.
- The balance sheet total amounts to DKK 2,811.2 million. The Group's equity stood at DKK 1,301.1 million, equal to a solvency ratio of 46.3 %.

STRATEGIC FOCUS 2018

- TK Development's Board of Directors has determined a number of strategic goals and initiatives for the period until 2018. The aim is for TK Development to become an undiversified developer company and to create attractive shareholder value.
- The Group's future strategic focus will be property development in Denmark, Sweden and Poland. The return on equity from this business area is expected to amount to 15-20 % p.a. before tax as from the 2017/18 financial year.
- The operation of the Group's asset management activities is to be matured and optimized, with a view to selling the activities within a three- to five-year period, and the plan is to distribute the freed-up equity to TK Development's shareholders.
- TK Development will continue its strong focus on substantially reducing the portfolio of land.
- The narrowed focus of the future strategy will mean continuous reductions of the Group's capacity costs in the period until 2018.

As part of the strategy, Management has decided:

- To initiate a process to sell the Czech activities. The Czech plots of land have been written down by DKK 35.0 million to cover the risks associated with this sale.
- To start the third of four phases of a major residential project in Poland. Current budget estimates necessitate making a DKK 37.8 million writedown for impairment on these plots of land, and their value will amount to DKK 189.1 million after the impairment. In step with the startup of the last two phases, the plots will be transferred to projects in progress. In addition, another Polish plot of land has been written down by DKK 7.5 million. Negotiations about the partial sale of this plot are currently ongoing.
- To discontinue reporting separately on the Group's discontinuing activities, with a DKK 78.0 million writedown for impairment having been made to cover the special risks associated with these activities.
- To include land and development projects in the countries where the Group wishes to discontinue its activities in the longer term under asset management in the Group's future reporting.
- To write down goodwill and tax assets by DKK 56.0 million.

OUTLOOK FOR 2015/16 AND 2016/17

- The previous profit estimate for 2015/16 before tax, excluding discontinuing activities, has been adjusted downwards by DKK 140 million to about DKK -100 million.
- The results realized on the discontinuing activities for the period Q1-Q3 2015/16 amount to DKK -84.8 million. The reporting on this segment will cease after that period.
- Consolidated results for 2015/16 are expected to total about DKK -190 million before tax.
- Consolidated results for 2016/17 are expected to total DKK 10-30 million before tax.

FINANCIAL ISSUES

- After the reporting date TK Development has entered into an agreement with PKA regarding a DKK 500 million refinancing of Sillebroen in Frederikssund, Denmark, over a five-year term.
- In the third quarter of 2015/16, TK Development extended its agreement with the Group's main banker about operating and project credits until 30 September 2017.

PROPERTY DEVELOPMENT

The sales completed by TK Development in the first nine months of 2015/16 included the following, all in Denmark:

- Sale of ownership interest in apartments for young people of about 1,500 m² in Frederiksberg.

*) Adjusted for tax withheld from Income from investments in joint ventures.

SUMMARY

- Sale of retail stores of about 3,700 m² in Randers.
- Sale of a 6,000 m² office project in Aalborg.
- Sale of a lot of about 13,000 m² at Amerika Plads – of which TK Development's ownership interest amounted to 50 %.
- Sale of building rights for almost 9,000 m² to Køge Municipality.

Major development projects in progress:

- Construction of the new BROEN shopping centre in Esbjerg, Denmark, started in May 2015. About 65 % of the premises have now been let. In May 2015 TK Development sold 65 % of the project to CapMan Real Estate, which is participating in completing its development.
- The Group's Strædet project in Køge, Denmark, comprises retail and residential units as well as public service and parking facilities. Construction started in March 2015. The retail project, of which 75 % has been let, has been sold conditionally to the Finnish company Citycon together with the parking facilities.
- The second phase of the residential project in Bielany in Warsaw, Poland, is progressing as planned. The second phase consists of 297 retail units and service facilities, and 78 % of the units have been sold in advance at the budgeted selling prices. The estimated net profit on the project on handover to the buyers meets expectations.
- Overall, TK Development has ongoing construction projects covering more than 80,000 m², and is also recording good progress on a range of other projects in the portfolio.

ASSET MANAGEMENT

- The portfolio of completed properties in this business area consists of 155,600 m², amounting to DKK 1,568.9 million at 31 October 2015. This amount includes joint venture projects.
- The annual net rent from the current leases corresponds to a return on the carrying amount of 4.3 %. Based on full occupancy, the return on the carrying amount is expected to reach 6.2 %.

DISCONTINUING ACTIVITIES

- TK Development has decided to develop and execute the third and last phase of the DomusPro project in Vilnius, Lithuania. After the reporting date this part of the project has been sold conditionally to BPT Baltic Opportunity Fund, which has also bought the first two project phases.
- TK Development has sold the Group's plot of land in Finland after the reporting date, and thus has no remaining activities in Finland, apart from a few guarantees on projects previously sold.

The expectations mentioned in this Interim Report, including earnings expectations, are naturally subject to risks and uncertainties, which may result in deviations from the expected results. Various factors may impact on expectations, as outlined in the section Risk issues in the Group's Annual Report 2014/15, particularly the valuation of the Group's project portfolio, as described under Business risks and Risks related to the presentation of financial statements.

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

BROEN, shopping centre, Esbjerg, Denmark - opening scheduled for spring 2017

CONSOLIDATED FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKKm	**Q3 2015/16**	Q3 2014/15	**Q1-Q3 2015/16**	Q1-Q3 2014/15	Full year 2014/15
FINANCIAL HIGHLIGHTS					
Net revenue	**106.4**	44.0	**274.5**	238.3	854.7
Value adjustment of investment properties, net	**-25.0**	-0.4	**-25.0**	-0.4	-3.5
Gross profit/loss	**-116.4**	-13.8	**-85.6**	35.0	93.3
Operating profit/loss (EBIT)	**-169.9**	-32.4	**-179.6**	-23.4	12.3
Income from investments in joint ventures	**2.1**	2.7	**29.3**	28.6	30.1
Financing, etc.	**-10.0**	-14.2	**-31.2**	-44.6	-57.9
Profit/loss before tax and writedowns, etc.	**15.1**	-19.1	**13.9**	-9.7	42.1
Profit/loss before tax	**-177.5**	-48.8	**-180.7**	-44.0	-25.2
Profit/loss for the period	**-204.9**	-46.3	**-212.1**	-39.3	-37.7
Comprehensive income for the period	**-208.9**	-50.3	**-208.3**	-50.2	-44.4
Balance sheet total	**-**	-	**2,811.2**	3,168.7	2,845.2
Property, plant and equipment	**-**	-	**0.9**	0.9	1.0
Investment properties	**-**	-	**53.3**	81.0	78.1
Total project portfolio	**-**	-	**1,977.7**	2,229.9	2,121.7
Equity	**-**	-	**1,301.1**	1,503.6	1,509.4
Cash flows for the period	**-4.9**	-1.9	**-19.4**	2.4	17.4
Net interest-bearing debt, end of period	**-**	-	**985.9**	1,357.5	1,000.4
KEY RATIOS					
Return on equity (ROE) *)	**-**	-	**-20.1 %**	-3.4 %	-2.5 %
Solvency ratio (based on equity)	**-**	-	**46.3 %**	47.5 %	53.1 %
Equity value in DKK per share	**-**	-	**13.3**	15.3	15.4
Price/book value (P/BV)	**-**	-	**0.6**	0.6	0.6
Number of shares, end of period	**-**	-	**98,153,335**	98,153,335	98,153,335
Earnings per share (EPS) in DKK	**-2.1**	-0.5	**-2.2**	-0.4	-0.4
Dividend in DKK per share	**-**	-	**0**	0	0
Listed price in DKK per share	**-**	-	**8**	9	9
KEY RATIOS ADJUSTED FOR WARRANTS					
Return on equity (ROE) *)	**n/a**	n/a	**n/a**	-3.4 %	-2.5 %
Solvency ratio (based on equity)	**n/a**	n/a	**n/a**	47.5 %	53.1 %
Equity value in DKK per share	**n/a**	n/a	**n/a**	15.3	15.4
Diluted earnings per share (EPS-D) in DKK	**n/a**	n/a	**n/a**	-0.4	-0.4

*) Annualized.

The calculation of key ratios is based on the 2015 guidelines issued by The Danish Finance Society.

TK Development's Board of Directors has determined a number of strategic goals and initiatives for the period until 2018. The aim is for TK Development to become an undiversified developer company and to create attractive shareholder value.

Property development

The Group's future strategic focus will be property development. Management believes that property development can continue to generate satisfactory earnings, a forecast underpinned by current market conditions in terms of land prices, construction costs, occupancy level and investors' return requirements.

The market focus will be narrowed further to comprise Denmark, Sweden and Poland exclusively in future.

- On the Group's current main markets, the market and business potential is assessed to be greatest in Denmark and Sweden.
- The Group currently has the largest risk exposure towards Poland, and will focus on reducing this exposure.

In terms of segments, the Group focuses on shopping centres, retail parks and – increasingly – residential projects. In its Annual Report for 2015/16, the Group will provide a more detailed description of these segments and its market expectations.

The return on equity from this business area is expected to amount to 15-20 % p.a. before tax as from the 2017/18 financial year, and capacity costs will be allocated to the property development and asset management business areas as from the 2016/17 financial year.

The balance sheet total for this business area amounted to DKK 1,108.0 million at 31 October 2015, and the equity tied up represented DKK 656.2 million.

Asset management

The Group's asset management activities comprise the operation of the Group's completed properties, as well as plots of land and development projects on the markets where the Group wishes to discontinue its activities in the longer term.

Relative to the carrying amount of the portfolio of completed properties, the net rent from current leases amounts to 4.3 % p.a.*), which is not considered satisfactory. Based on full occupancy, the net rent is expected to reach 6.2 % p.a.

The operation of the assets is to be matured and optimized, and the plans drawn up in this respect will be reviewed in more detail in the Annual Report for 2015/16.

The aim is to sell the assets within a three- to five-year period and to distribute the freed-up equity to TK Development's shareholders.

The balance sheet total for this business area amounted to DKK 1,611.5 million at 31 October 2015, and the equity tied up represented DKK 582.0 million.

Reduction of capital tied up in land

The Group currently has a substantial amount of equity tied up in projects not initiated (land), which hinders optimal capital allocation and the generation of satisfactory returns. Thus, TK Development will continue its strong focus on substantially reducing the portfolio of land.

The Group will attempt to sell its activities in the Czech Republic. There is a risk attached to selling these projects, and the Group has therefore made a writedown for impairment of its plots of land in the Czech Republic of DKK 35.0 million. The Czech assets will be transferred to asset management effective as of 31 October 2015. The phase-out of the Czech activities will reduce capacity costs by a minimum of DKK 8.0 million p.a., equal to about 10 % of the Group's capacity costs.

The Group will initiate the third of the four phases of the Bielany residential project in Poland in spring 2016. The project will be redesigned and the apartments downsized due to greater demand for smaller units. At the same time this means that the overall project will comprise less floor space (m^2). Moreover, the selling prices per m^2 are slightly lower than previously anticipated. Thus, current budget estimates result in the need for a writedown for impairment of the project land values by a total of DKK 37.8 million to DKK 189.1 million at 31 October 2015. In step with the startup of the third and fourth phases, these plots of land will be transferred to projects in progress. They represent the Group's largest single asset among the projects not initiated (land).

Another Polish plot of land has been written down by DKK 7.5 million. Negotiations about the partial sale of this plot to an investor are currently ongoing.

Discontinuing activities no longer categorized as a segment

The concept of discontinuing activities will no longer be used

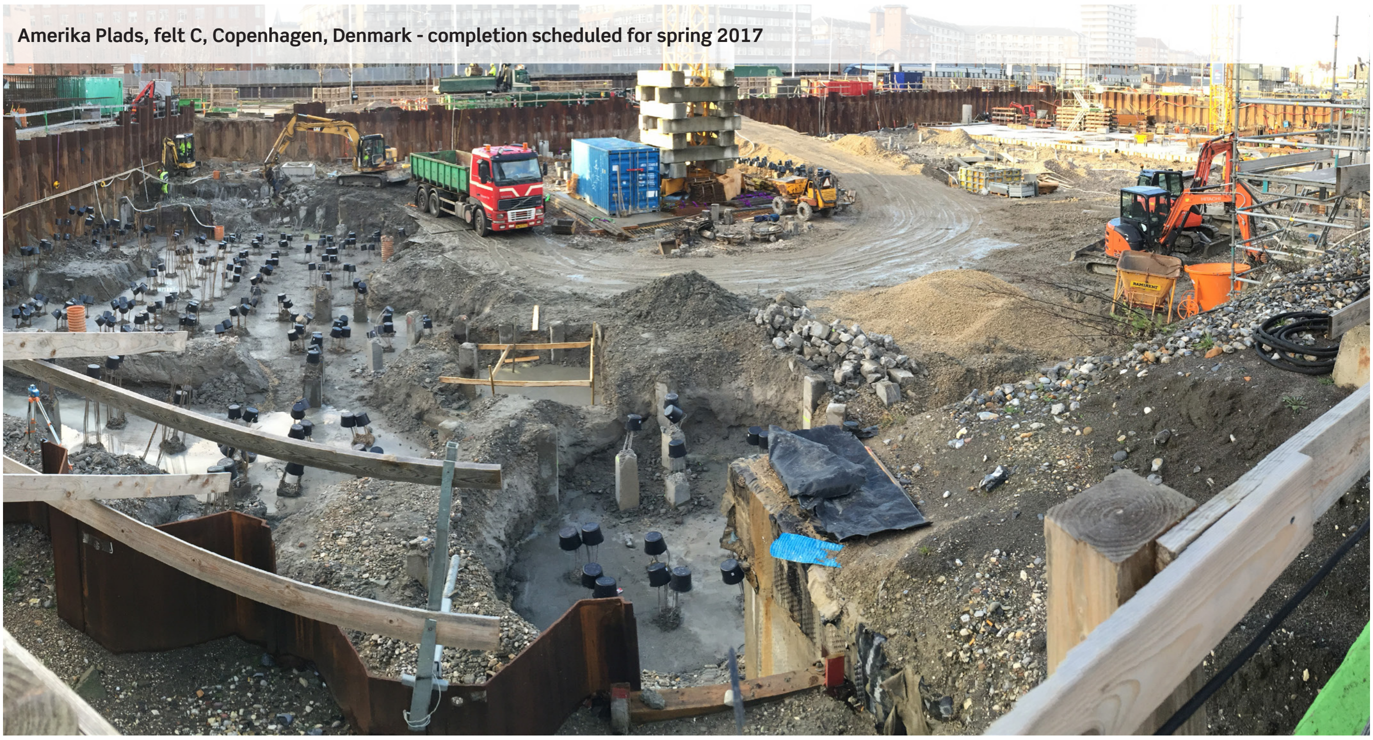
*) Before a preferred return for a joint venture partner relating to Polish projects.

with effect from 31 October 2015. Management has regularly pointed out that a major risk attaches to the timing, progress and discontinuance of these activities, and a DKK 78.0 million writedown for impairment has been made to cover these special risks. The balance sheet total for discontinuing activities amounted to DKK 165.8 million at 31 October 2015, and subsequently these activities are considered to have the usual risk profile. The reporting will include the operation of the discontinuing activities for the period Q1-Q3 2015/16, and the assets will be transferred to asset management with effect from 31 October 2015.

Other matters

The narrowed focus of the future strategy will mean continuous reductions of the Group's capacity costs in the period until 2018.

The decision to sell the Czech activities and the low earnings expected on the Polish activities in the years ahead have caused Management to write down the goodwill amount of DKK 33.3 million related to the Central European activities to DKK 0. This means that goodwill is no longer recognized in the Group. In addition, tax assets of DKK 22.7 million relating to Poland and the Czech Republic have been expensed. Accordingly, the Group's recognized tax assets relate to the Danish activities exclusively.



Amerika Plads, felt C, Copenhagen, Denmark - completion scheduled for spring 2017

RESULTS

The results before tax, excluding discontinuing activities, amounted to DKK -96.0 million*) against DKK 8.6 million in the same period of 2014/15.

The Group's total results after tax amounted to DKK -212.1 million against DKK -39.3 million in the first nine months of 2014/15.

The gross results and joint venture results for the period include the impact from projects handed over in the property development business area, the operation of the Group's wholly and partly owned completed properties, fee income and the impairment of a few projects.

Consolidated results before tax have been impacted by the impairment of goodwill and projects in the amount of DKK 194.6 million, of which DKK 25.0 million is a negative value adjustment of the Group's German investment property, and DKK 56.0 million consists of the impairment of land and projects under discontinuing activities. The remaining writedowns for impairment are described in more detail under Outlook for 2015/16 and 2016/17.

Net financing expenses amounted to DKK 31.2 million against DKK 44.6 million in the same period of 2014/15. The decline is mainly attributable to the effect of selling several plots of land and major completed projects.

Tax on the results for the year amounts to DKK 31.4 million, which includes impairment of the Group's tax assets relating to the Group's Central European activities in the amount of DKK 22.7 million.

BALANCE SHEET

The balance sheet total came to DKK 2,811.2 million against DKK 2,845.2 million at 31 January 2015.

Net investments in and receivables from joint ventures amounted to DKK 454.1 million against DKK 296.1 million at 31 January 2015. Part of the increase is attributable to the Group's 35 % ownership interest in BROEN, Esbjerg, which has been included under joint ventures after the sale of 65 % of the project to CapMan Real Estate.

The total project portfolio came to DKK 1,977.7 million against DKK 2,121.7 million at 31 January 2015. The decline is a combined result of a rise in the Group's portfolio of ongoing projects, including Strædet in Køge; a fall due to the sale of projects and plots of land, including BROEN in Esbjerg, which is recognized as a net investment under Investments in joint ventures after its partial sale; and finally the impairment of plots of land and projects recognized in Q3 2015/16.

The development in the total portfolio of completed projects and investment properties, excluding joint venture projects and investment properties, is shown below together with the development in net interest-bearing debt.

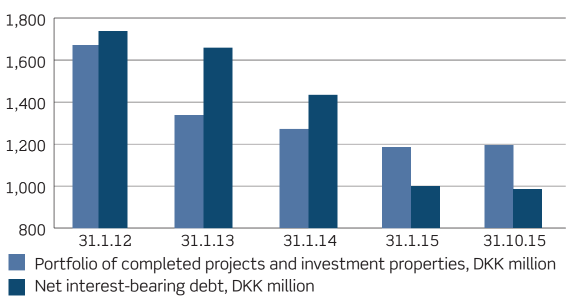
The Group's equity stood at DKK 1,301.1 million, equal to a solvency ratio of 46.3 % (31 January 2015: 53.1 %). Management attaches great weight to the Group's solvency and aims to maintain a constant minimum solvency ratio of 40 %.

Current liabilities have increased by DKK 172.1 million to DKK 1,488.1 million since 31 January 2015. The increase is primarily attributable to payables to credit institutions and trade payables.

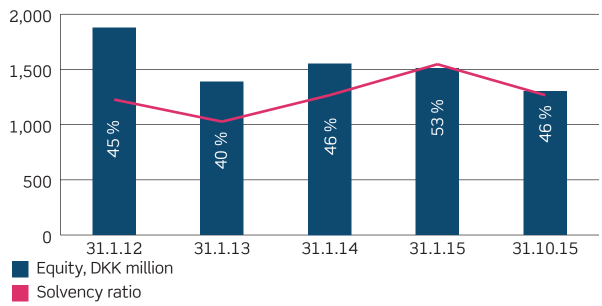
CASH FLOWS

Cash flows for the period amounted to DKK -19.4 million against DKK 2.4 million in the same period the year before. Cash flows from operating activities were positive in the amount of DKK 30.1 million (Q1-Q3 2014/15: negative in the amount of DKK 33.6 million). Cash flows from investing activities were negative

Completed projects/investment properties and interest-bearing debt



Equity and solvency ratio



*) Adjusted for tax withheld from Income from investments in joint ventures.

in the amount of DKK 125.8 million (Q1-Q3 2014/15: positive in the amount of DKK 180.8 million), consisting mainly of investments in and loans to joint ventures, partly as a consequence of recognizing the Group's BROEN project in Esbjerg under joint ventures after the sale of 65 % to CapMan Real Estate. The Group's cash flows from financing activities were positive in the amount of DKK 76.3 million, a combined result of project loans being raised and payables to credit institutions being reduced (Q1-Q3 2014/15: negative in the amount of DKK 144.8 million).

Net interest-bearing debt totalled DKK 985.9 million against DKK 1,000.4 million at 31 January 2015.

OUTLOOK FOR 2015/16 AND 2016/17

Based on the initiatives adopted, the Group has adjusted its previous profit estimate for 2015/16 before tax, excluding discontinuing activities, downwards by DKK 140 million from about DKK 40 million to about DKK -100 million. These estimated results include:

- Impairment of plots of land in Poland, DKK 45.3 million.
- Impairment of plots of land in the Czech Republic, DKK 35.0 million.
- Impairment of goodwill, DKK 33.3 million.
- Timing differences of DKK 19.2 million relating to income budgeted for the 2015/16 financial year, now budgeted for 2016/17.

The results realized on the discontinuing activities for the period Q1-Q3 2015/16 amount to DKK -84.8 million before tax, which includes the above-mentioned impairment of DKK 78.0 million, after which period the reporting on these activities will cease.

Future results estimates will be based on total consolidated results before tax.

Consolidated results for the 2015/16 financial year are expected to total about DKK -190 million before tax.

The Group's results are affected by the timing of completed project sales and handovers, and the Group expects results of DKK 10-30 million before tax for the 2016/17 financial year, based on the activities comprised by existing plans for 2016/17.

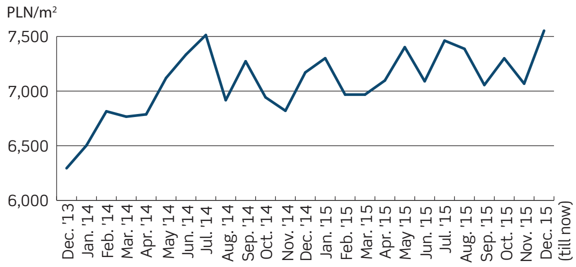
The changed outlook is specifically attributable to the following factors:

Impairment of plots of land in Poland, DKK -45.3 million

Management has decided to initiate the third of the four phases of the Bielany residential project in Warsaw.

The sale of the second phase of the residential project has progressed successfully. At present 78 % of the apartments have been sold, and the rest of the apartments are expected to be sold during the remaining construction period.

The development in selling prices per m² is shown in the diagram below.



Therefore, the advance sale of the third phase is starting, thus enabling construction to start in spring 2016. With an estimated construction period of 24 months, the apartments are expected to be ready for handover in spring 2018. The last phase, with a construction period of about 18 months, is expected to start immediately following completion of the third phase, which means that the entire project is expected to be completed before the end of 2019.

The project will be redesigned so as to comprise smaller residential units, thus adapting it to meet current market demands. As a result, the intensity of development will be lower than planned, and this change in area use will negatively impact the budget. Moreover, selling prices per m² in the current market are lower than estimated in the previous budget.

The land has therefore been written down by DKK 37.8 million. The land for the third and fourth phases was recognized at DKK 226.9 million before the writedown for impairment and at DKK 189.1 million after the impairment – a writedown of almost 17 %. The impairment is equal to slightly less than 10 % of the budgeted selling price for the two phases. The land value is expected to be realized through development before the end of 2019. Subsequently, the Group will thus have reduced its portfolio of land by 33 % from DKK 570 million to DKK 381 million. Reference is made to page 12 for a more detailed description of the Group's portfolio of land.

Moreover, another of the Polish plots of land has been written down by DKK 7.5 million because attempts are being made to sell a share of this plot to an investor, with a view to reducing the portfolio of land rather than keeping land for more long-term project development.

Impairment of plots of land in the Czech Republic, DKK -35.0 million

As mentioned above, the Group will attempt to sell its activities in the Czech Republic. The Czech activities can be discontinued by selling individual assets, including land, rather than executing projects. The discontinuance of these activities is subject to uncertainty, and, based on a specific assessment of the individual plots of land, a writedown for impairment totalling DKK 35.0 million has been made to provide for this uncertainty.

Impairment of goodwill, DKK -33.3 million

The goodwill of DKK 33.3 million previously recognized in the consolidated balance sheet related to the Group's activities in Poland and the Czech Republic. As a consequence of Management's decision to sell the Czech activities and the low earnings expected on the Polish activities in the years ahead, goodwill has been written down by DKK 33.3 million to DKK 0.

Timing differences, DKK -19.2 million

Timing differences of DKK -19.2 million relate to the value adjustment of investment properties under construction in joint ventures, an amount that is expected to be recovered over the remaining project period, and to two postponed sales, both expected to be realized in 2016/17.

The expectations mentioned in this Interim Report, including earnings expectations, are naturally subject to risks and uncertainties, which may result in deviations from the expected results. Various factors may impact on expectations, as outlined in the section Risk issues in the Group's Annual Report 2014/15, particularly the valuation of the Group's project portfolio, as described under Business risks and Risks related to the presentation of financial statements.

FINANCIAL ISSUES

After the reporting date TK Development has entered into an agreement with PKA regarding a DKK 500 million refinancing of Sillebroen, Frederikssund, over a five-year term. Accordingly, TK Development has no significant project credits with agreed due dates in the current financial year.

TK Development has a general agreement with its main banker about operating and project credits. In Q3 2015/16 the agreement, which is usually renegotiated once a year, was extended until 30 September 2017.

One of the Group's partly owned companies in Poland is taking steps to change the tenant composition of its shopping centre in order to optimize tenant mix variety and customer flow. This has resulted in a temporary decline in occupancy rate and net rent, and – as previously announced – the company is currently negotiating a solution with the bank providing credit facilities.

MARKET CONDITIONS

Management's general assessment of the market conditions in the property sector is unchanged compared to the Group's most recently published assessment. For a further description of market conditions, please see TK Development's Interim Report for the first six months of 2015/16.

SUBSEQUENT EVENTS

Other than those mentioned in the Management's review, no significant events that may affect the Company's financial position have occurred after the reporting date.

TRANSACTIONS WITH RELATED PARTIES

In Q3 2015/16 TK Development sold a property to a private property company in which one of the members of TK Development's Board of Directors owns an interest. The sale was effected as part of the Group's normal operations. The related party's proportionate share of the selling price is DKK 8.1 million. As regards other transactions with related parties, reference is made to note 9.

RISKS

The most important risks faced by the Group are described in the Annual Report for 2014/15.

Senior Vice President in Poland acquitted

In 2006 the Senior Vice President in charge of the Group's Polish branch office was charged, and subsequently indicted, on account of irregularities related to obtaining regulatory approval of a Polish shopping centre project. Legal proceedings have been ongoing for a prolonged period, and in May 2015 a first-instance court acquitted the Group's Senior Vice President. The prosecution has chosen to appeal the decision to a second-instance court.

RESULTS Q1-Q3 2015/16 (DKKM)

Profit/loss	Q1-Q3 2015/16	Property development	Asset management	Discontinuing activities	Unallocated
Revenue	274.5	230.9	41.7	1.9	-
Gross profit/loss	-85.6	-38.0	34.1	-81.7	-
Costs, excl. depreciation and amortization	60.3	-	-	2.2	58.1
Operating profit/loss	-179.6	-38.0	34.1	-83.9	-91.8
Income from investments in joint ventures*)	29.3	27.1	2.1	-	0.1
Financing, net	-31.2	2.0	-28.9	-0.9	-3.4
Profit/loss before tax**)	-180.7	-8.1	7.3	-84.8	-95.1
Tax on the profit/loss for the period	31.4				
Profit/loss for the period	**-212.1**				

*) Income from investments in joint ventures has been calculated after tax in accordance with IFRS. In order to produce a correct breakdown by segment and a pre-tax result that can be used for comparison with the Group's results estimate for 2015/16, which is calculated before tax, tax on the results of joint ventures has been included in the column Unallocated.

**) The results of DKK -96.0 million before tax, excluding discontinuing activities, have been calculated as pre-tax results of DKK -180.7 million adjusted for losses on discontinuing activities of DKK 84.8 million and tax on the results of joint ventures of DKK -0.1 million.

BALANCE SHEET STRUCTURE AT 31 OCTOBER 2015 (DKKM)

Balance sheet	31 Oct 2015	Property development	Asset management	Discontinuing activities *)	Unallocated
Assets					
Investment properties	53.3	-	53.3	-	-
Investments in joint ventures	258.2	106.7	151.5	-	-
Non-current receivables	200.5	94.6	105.9	-	-
Other non-current assets	104.4	2.5	14.4	-	87.5
Projects in progress or completed	1,977.7	725.9	1,251.8	-	-
Current receivables	113.3	93.4	19.9	-	-
Cash, cash equivalents, escrow accounts, etc.	103.8	84.9	14.7	-	4.2
Assets	**2,811.2**	**1,108.0**	**1,611.5**	**-**	**91.7**
Equity and liabilities					
Equity	**1,301.1**	**656.2**	**582.0**	**-**	**62.9**
Credit institutions	1,271.7	275.0	996.7	-	-
Other liabilities	238.4	176.8	32.8	-	28.8
Equity and liabilities	**2,811.2**	**1,108.0**	**1,611.5**	**-**	**91.7**
Solvency ratio	**46.3%**	**59.2%**	**36.1%**	**-**	**68.6%**

*) The reporting on discontinuing activities ceased with effect from 31 October 2015. Land and projects in the countries where the Group wishes to discontinue its activities in the longer term are now included in the reporting under asset management.

PROPERTY DEVELOPMENT

The Group's primary business area is the development of real property, termed property development. The Group's future strategic focus will be property development in Denmark, Sweden and Poland.

Property development		
Countries:	Denmark, Sweden, Poland; and the Czech Republic until 31 Oct 2015	
DKKm	**9 months 2015/16**	**9 months 2014/15**
Revenue	230.9	100.7
Gross profit/loss	-38.0	34.2
Results of joint ventures	27.1	1.5
Profit/loss before tax	-8.1	32.2
	31 Oct 2015	**31 Jan 2015**
Balance sheet total (excl. the Czech Republic)	1,108.0	1,077.3

The results before tax amounted to DKK -8.1 million against DKK 32.2 million in the same period the year before. The results include profits on project sales, fee income, the operation of completed properties not classified under asset management, and the impairment of projects and land for a total amount of DKK 80.3 million; see above.

Handed-over projects

The projects handed over during the first nine months of 2015/16 included the following:

Residential units, Smallegade, Frederiksberg, Denmark

In a joint venture with a contractor and other partners, TK Development has developed apartments for young people totalling about 1,500 m² at Frederiksberg. The apartments were ready for occupation in December 2014. In Q1 2015/16 TK Development sold its share of the joint venture at a profit to one of the other owners.

Retail park, Marsvej, Randers, Denmark

The Group has developed a retail project of about 3,700 m² at Marsvej in Randers. The first phase of about 1,550 m² has been let to jem & fix and Petworld. The second phase of about 2,150 m² has been let to Harald Nyborg. The Petworld premises were handed over to a private investor in Q1 2015/16. The selling price corresponds to the carrying amount. Construction of the second phase was completed and the project handed over to the buyers in Q3 2015/16, thus impacting results in Q3 2015/16 positively.

Alfa Laval, Østre Havn/Stuhrs Brygge, Aalborg, Denmark

The joint venture between TK Development and Frederikshavn Maritime Erhvervspark has developed a 6,000 m² office project in Aalborg for the international Alfa Laval Group and handed it over to the investor, PensionDanmark, which has bought the project for a total price of DKK 126.1 million. Construction was completed in April 2015, and the completed project was handed over to the investor in June 2015 as planned. Earnings from the sale were recognized in Q2 2015/16.

Amerika Plads, lot A, Copenhagen, Denmark

Kommanditaktieselskabet Danlink Udvikling, which is owned 50/50 by Udviklingsselskabet By & Havn I/S and TK Development, handed over lot A of about 13,000 m² at Amerika Plads to A.P. Møller - Mærsk A/S in June 2015. The selling price amounts to DKK 97.5 million, and the profit on the sale was recognized in Q2 2015/16.

Strædet, Køge, Denmark

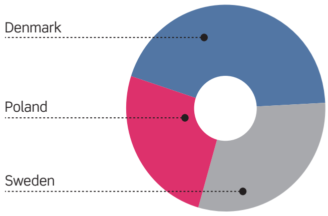
As part of the Strædet project, TK Development has handed over building rights for almost 9,000 m² to Køge Municipality, as agreed, for the construction of a town hall and rehabilitation centre as well as other premises. The profit on the sale was recognized in Q3 2015/16.

In addition, TK Development has sold a few minor plots of land and generated fee income on a few projects.

Project portfolio

At 31 October 2015 the development potential of the project portfolio represented sold projects of 30,000 m² and remaining projects of 256,000 m², a total of 286,000 m², as compared to 351,000 m² at 31 January 2015. The development potential has declined by 65,000 m² net, in part due to the reclassification of the underground car park at Amerika Plads, Copenhagen, and Galeria Nowy Rynek, Jelenia Góra, Poland, to the asset management business area and the handover of projects to investors.

Geographical segmentation of the development potential of the project portfolio (m²):



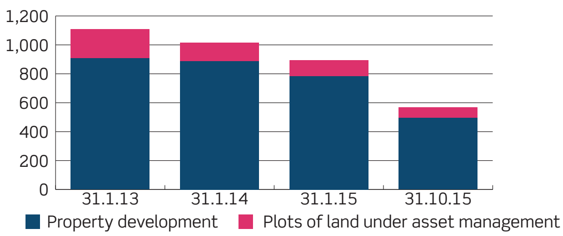
Overall, TK Development has ongoing construction projects covering more than 80,000 m², including projects of 15,000 m² started in Q3 2015/16. The Group is also recording good progress on a range of other projects in the portfolio.

The development of the Group's project portfolio, including joint venture projects, is outlined below:

DKKm	31 Jan 2013	31 Jan 2014	31 Jan 2015	31 Oct 2015
Sold				
Completed	15	2	0	0
In progress	17	10	94	189
Not initiated	6	0	44	0
Total	**38**	**12**	**138**	**189**
Remaining				
Completed	38	6	49	31
In progress	198	206	183	72
Not initiated	901	887	739	452
Total	**1,137**	**1,099**	**971**	**555**
Net project portfolio	**1,175**	**1,111**	**1,109**	**744**
Forward funding	370	59	5	66
Gross project portfolio	1,545	1,170	1,114	810
Forward funding in % of gross carrying amount of sold projects	90.7 %	83.1 %	3.5 %	25.9 %

As previously announced, Management will continue its strong focus on substantially reducing the Group's total portfolio of land, by either selling plots or initiating projects. The development in the portfolio of land in recent years is shown in the diagram below.

Portfolio of land



When the last two phases of the residential project in Bielany, Warsaw, are initiated, the portfolio of land will be reduced by a further DKK 189 million to DKK 381 million.

Project outline

The outline below lists the key projects in the portfolio in the property development business area. The outline includes projects both in wholly owned companies and in joint ventures.

Project	City/town	Country	Segment	TKD's ownership share of area (m²)	TKD's ownership interest	Construction start/ expected construction start	Opening/ expected opening
Completed							
Ahlgade	Holbæk	DK	Mixed	1,200	100 %	October 2013	October 2014
In progress							
Strædet	Køge	DK	Mixed	25,300	100 %	March 2015	Spring 2017
BROEN, shopping centre	Esbjerg	DK	Retail	10,430	35 %	May 2015	Spring 2017
Amerika Plads, lot C	Copenhagen	DK	Mixed	3,125	25 %	September 2015	Spring 2017
Residential park, Bielany, phase 2	Warsaw	PL	Residential/ services	14,850	100 %	June 2014	Spring 2016
Not initiated							
Vasevej	Birkerød	DK	Residential	1,900	100 %	-	-
Aarhus South, phase 2	Aarhus	DK	Retail	2,800	100 %	2016	2017
Ejby Industrivej	Copenhagen	DK	Office	12,900	100 %	-	-
Østre Havn/Stuhrs Brygge	Aalborg	DK	Mixed	33,000	[1] 50 %	Continuously	Continuously
The Kulan commercial district	Gothenburg	SE	Mixed	55,000	100 %	2017	2019
Retail park, Söderhamn	Söderhamn	SE	Retail	10,000	100 %	2016	2017
Residential park, Bielany, phase 3	Warsaw	PL	Residential/services	15,650	100 %	Spring 2016	Spring 2018
Residential park, Bielany, phase 4	Warsaw	PL	Residential/services	13,650	100 %	Spring 2018	Autumn 2019
Bytom Retail Park	Bytom	PL	Retail	21,400	100 %	Continuously	Continuously
Property development, total floor space			**approx.**	**221,000**			

[1] Share of profit on development amounts to 70 %.

Major projects under construction

Development of town centre, Strædet, Køge, Denmark

This project comprises about 34,300 m², excluding parking facilities, and is being built immediately next to Køge Station and the town centre shopping area. The total project, to be executed in phases, will comprise a retail project of about 19,000 m²; public service facilities of almost 9,000 m², including a town hall and rehabilitation centre; and residential premises of about 6,300 m². In addition, the project will comprise parking facilities of about 13,000 m².

The retail project, covering approx. 19,000 m², will comprise retail stores of about 11,700 m², office premises/ fitness facilities of about 2,900 m², plus service space/ restaurants and a cinema of about 4,400 m². Together with parking facilities of about 13,000 m², the project has been conditionally sold to the Finnish company Citycon. The sale to Citycon is expected to have a significant positive impact on results in the 2017/18 financial year when the completed project is handed over to the investor. The selling price is expected to amount to about DKK 560 million, based on a return of 6.25 %. The building rights for a town hall and rehabilitation centre have been sold to Køge Municipality.

Potential tenants are showing a good amount of interest in the retail project. A number of lease agreements with anchor tenants, including Irma and Fakta, are in place, and a lease agreement has been concluded with Nordisk Film Biografer regarding the establishment of a six-screen cinema. The current occupancy rate is 75 % for the overall retail project (Q2 2015/16: 59 %).

Construction of the first phase began in March 2015, and construction work on the next phases will be initiated continuously.

BROEN, shopping centre, Esbjerg, Denmark

In Esbjerg TK Development is building a new shopping centre, BROEN, of about 29,800 m² at Esbjerg Station. The shopping centre is expected to comprise about 70 stores. Having attracted keen interest from future tenants, the Group has concluded lease agreements for about 65 % of the premises (Q2 2015/16: more than 60 %). The anchor tenants include Kvickly, H&M, Bahne, Fona, Imerco, Sportmaster and Gina Tricot.

In May 2015 TK Development obtained CSM approval of the project, and the first turf was cut at the end of the same month. Construction is progressing according to plan, and completion of the shopping centre is scheduled for spring 2017.

In May 2015 TK Development sold 65 % of the project to CapMan Real Estate, which is participating in completing its development. The sale had no immediate impact on the Group's results. The project earnings relate to the earnings potential on the remaining 35 % ownership interest as well as continuous fee income from letting and project development.

Residential park, Bielany, Warsaw, Poland

In Warsaw TK Development is developing a residential project of about 52,000 m². The first phase of 7,850 m² has been completed and sold to private users. The remaining approx. 44,150 m² is to be built in three successive phases. The second project phase consists of 297 residential units and service facilities. 78 % of the units (Q2 2015/16: 67 %) have been sold in advance at the budgeted selling prices. Construction is progressing as planned, and handover of the apartments to the buyers is scheduled for spring 2016. The estimated net profit on the project on handover to the buyers meets expectations. The residential units are being sold as owner-occupied apartments to private users. As mentioned above, it has been decided to start the advance sale of the third phase, allowing construction of this phase to start in spring 2016.

Amerika Plads, lot C, Copenhagen, Denmark

Kommanditaktieselskabet Danlink Udvikling (DLU), owned 50/50 by Udviklingsselskabet By & Havn I/S and TK Development, is developing a project at Amerika Plads in a 50/50 joint venture with AP Pension. The project will comprise housing of about 12,000 m² and ground-floor business premises of about 500 m² targeting the general public. The plan is to build about 120 high-quality apartments for sale to private owners. Construction started in September 2015. The pre-completion sale of the apartments will start in early 2016. The profits anticipated on the development, construction and sale of the project will be recognized upon handover of the apartments to the respective buyers, expected to take place from spring 2017.

ASSET MANAGEMENT

The Group's asset management activities comprise the operation of the Group's completed properties, as well as plots of land and development projects on the markets where the Group wishes to discontinue its activities in the longer term.

SEGMENT RESULTS

Asset management		
Countries:		Denmark, Sweden, Poland, the Czech Republic; and Germany, Finland, the Baltic States and Russia from 31 Oct 2015
DKKm	**9 months 2015/16**	**9 months 2014/15**
Revenue	41.7	52.0
Gross profit/loss	34.1	39.6
Results of joint ventures	2.1	32.0
Profit/loss before tax	7.3	40.5
	31 Oct 2015	**31 Jan 2015**
Balance sheet total	1,611.5	1,595.0
Number of employees at centres	13	13

For the first nine months of 2015/16, results before tax amounted to DKK 7.3 million against DKK 40.5 million in the same period the year before. The decline in gross profit is partly attributable to increased vacancy rates and rent discounts granted in a few of the shopping centres. At the same time, the results of joint ventures have gone down, in part because the first half of 2014/15 included the profit on the sale of the Fashion Arena Outlet Center, and in part because the profit on current operations has fallen as a natural consequence of the sale in the 2014/15 financial year of two Czech projects, the Fashion Arena Outlet Center and Futurum Hradec Králové.

The total portfolio of completed properties under asset management, including joint venture properties, amounted to DKK 1,568.9 million at 31 October 2015 against DKK 1,256.1 million at 31 January 2015. The increase is partly attributable to the underground car park at Amerika Plads, Copenhagen, as this project was reclassified from the property development to the asset management business area in Q2 2015/16; to Galeria Nowy Rynek, Jelenia Góra, Poland, which was also reclassified from property development to asset management after the shopping centre opened in Q3 2015/16; and finally to the Group's German investment property, which was transferred from discontinuing activities to asset management effective as of 31 October 2015.

The part of Amerika Plads owned 50/50 by TK Development and Udviklingsselskabet By & Havn I/S, an underground car park, has been completed, but is not being utilized to capacity at present. Car park occupancy and operations will be optimized by project development in the two remaining lots, A and C. The underground car park is expected to be sold upon completion of these two projects. Therefore, Management chose to reclassify this project from property development to asset management in Q2 2015/16.

The annual net rent from current leases in the total portfolio corresponds to a return on the carrying amount of 4.3 %*) (Q2 2015/16: 4.1 %), which reflects a large spread in the returns on individual centres, as local tenants in particular are generally experiencing difficulties. Based on full occupancy, the return on the carrying amount is expected to reach 6.2 % (Q2 2015/16: 6.2 %). The current letting situation is still affected by vacancies, short-term rent discount agreements with tenants and improvement initiatives that have not yet materialized.

Residential Park, Bielany, phase 2, Warsaw, Poland - completion scheduled for spring 2016

*) Before a preferred return for a joint venture partner relating to Polish projects.

The Group's completed properties in the asset management business area comprised the following properties at 31 October 2015:

Project	Country	Type	TKD's ownership interest	Project area (m²)	Current occupancy rate
Projects in joint ventures					
Investment properties					
Galeria Tarnovia, Tarnów	Poland	Shopping centre	30 %	16,500	79 %
Galeria Nowy Rynek, Jelenia Góra	Poland	Shopping centre	30 %	24,400	95 %
Other completed projects					
Ringsted Outlet	Denmark	Outlet centre	50 %	13,200	84 %
Amerika Plads, underground car park	Denmark	Car park	50 %	32,000	n/a
Projects in wholly owned companies					
Investment properties					
German investment property	Germany	Mixed	100 %	14,000	50 %
Other completed projects					
Sillebroen, Frederikssund	Denmark	Shopping centre	100 %	*) 26,400	95 %
Galeria Sandecja, Nowy Sącz	Poland	Shopping centre	100 %	17,300	97 %
Most Retail Park	Czech Republic	Retail park	100 %	6,400	69 %
Aabenraa	Denmark	Retail park	100 %	4,200	71 %
Brønderslev	Denmark	Retail property	100 %	1,200	100 %
Total				**155,600**	

*) Including an agreed four-screen cinema for Nordisk Film of about 1,400 m².

GALERIA NOWY RYNEK, SHOPPING CENTRE, JELENIA GÓRA, POLAND

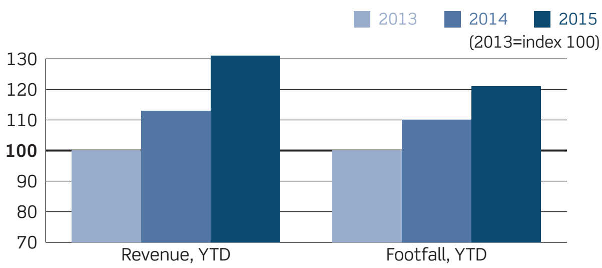
Opening	October 2015
Leasable area	24,400 m², including a supermarket of about 2,400 m²
Occupancy rate	95 % (Q2 2015/16: 93 %)

In Jelenia Góra TK Development has developed and built a shopping centre of about 24,400 m². The project has been executed as a joint venture with Heitman, in which the Group has an ownership interest of 30 %. The project consists of a supermarket of about 2,400 m² and retail, restaurant and service premises totalling about 22,000 m². The centre opened in October 2015 as planned. TK Development has received fee income from the jointly owned company for developing, letting and managing the construction of the project.

RINGSTED OUTLET, DENMARK

Opening	March 2008
Leasable area	13,200 m²
Occupancy rate	84 % (Q2 2015/16: 80 %)
Footfall 2014	1.3 million

Ringsted Outlet, which has been developed in a 50/50 joint venture with Miller Developments, has recorded pleasing progress – with respectable growth in both revenue and footfall – in recent years. Ringsted Outlet succeeded in substantially raising occupancy in 2014. In addition, more new tenants have opened outlets in the centre in 2015, including OBH Nordica, Peak Performance and The Body Shop. The outlet centre's occupancy rate has now reached 84 %. Moreover, an agreement has been made with Hugo Boss about a longer-term lease combined with an expansion of the premises. For this purpose a minor extension – on which construction has started – will be added to the centre. New potential tenants continue to show a good amount of interest in opening outlets, and the centre's positive development is expected to continue in the years ahead.



SEGMENT RESULTS

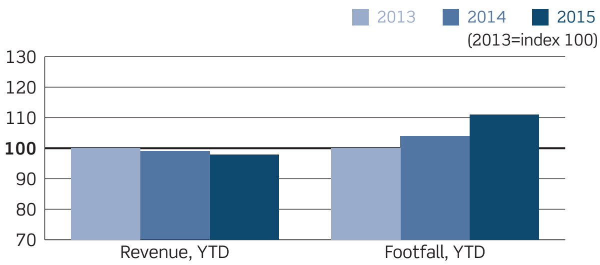
SILLEBROEN, SHOPPING CENTRE, FREDERIKSSUND, DENMARK

Opening	March 2010
Leasable area*)	26,400 m², including about 5,000 m² of supermarket units
Occupancy rate	95 % (Q2 2015/16: 91 %)
Footfall 2014	3.1 million

*) Including an agreed four-screen cinema for Nordisk Film of about 1,400 m².

The running-in and maturing phase after the opening took longer than expected, and a number of tenants are recording difficulties, particularly local tenants. Since the centre opened, the occupancy rate has ranged from about 90 to 92 %. However, following the conclusion of leases with such tenants as Imerco, Normal and Søstrene Grene, occupancy has increased to 95 %.

Earlier this year TK Development entered into an agreement with Nordisk Film Biografer about the establishment of a cinema of about 1,400 m² in the Sillebroen shopping centre. Management considers this an important step towards increasing customer flow and revenue in the rest of the centre. Construction of an extension to house the cinema has started, and the cinema is expected to open in autumn 2016.

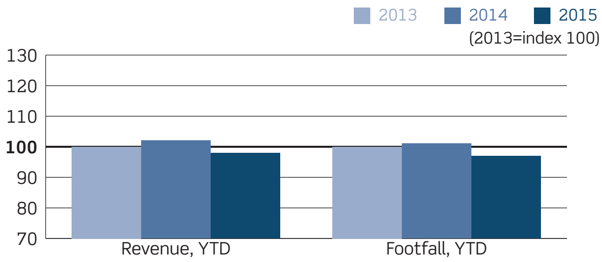


GALERIA TARNOVIA, SHOPPING CENTRE, TARNÓW, POLAND

Opening	November 2009
Leasable area	16,500 m², including a supermarket of about 2,000 m²
Occupancy rate	79 % (Q2 2015/16: 76 %)
Footfall 2014	1.9 million

The current occupancy rate is 79 %. The general picture is that chain stores are managing satisfactorily, while local tenants are experiencing difficulties. Management's current focus is on achieving a higher occupancy rate and replacing weak tenants with more robust tenants with a view to increasing the centre's footfall and revenue for the benefit of tenants. The rental level is generally under pressure.

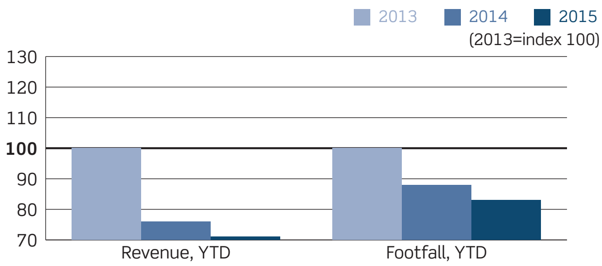
Steps are being taken to change the tenant composition of the shopping centre, including establishing a cinema. A lease has been concluded with the cinema, which is expected to open in autumn 2016.



GALERIA SANDECJA, SHOPPING CENTRE, NOWY SĄCZ, POLAND

Opening	October 2009
Leasable area	17,300 m², including a 5,000 m² hypermarket
Occupancy rate	97 % (Q2 2015/16: 99 %)
Footfall 2014	2.2 million

The opening of a competing centre in Nowy Sącz in autumn 2013 has affected the operation of Galeria Sandecja. The change in the competitive situation has put the rental level under pressure. Work is proceeding on a long-term plan to regain satisfactory revenue and footfall levels in the centre within the next few years. The initial focus was on creating a strong mix of tenants on the ground floor. The ground-floor premises are now fully let, and efforts are being made to replace a few weak tenants. Moreover, efforts are being made to relaunch the first floor with discount stores in order to secure a better customer flow. Some of the first-floor premises have been let for this purpose. Recently, a lease agreement for a large share of the first-floor premises was concluded with a sports chain, which opened its doors for business in December 2015.



DISCONTINUING ACTIVITIES

Discontinuing activities		
Countries:		Germany, Finland, Lithuania, Latvia and Russia
DKKm	**9 months 2015/16**	**9 months 2014/15**
Revenue	1.9	85.6
Gross profit/loss	-81.7	-38.8
Profit/loss before tax	-84.8	-47.7

The results of discontinuing activities before tax amounted to DKK -84.8 million against DKK -47.7 million in the first nine months of 2014/15. These results include the impairment of projects in the amount of DKK 81 million.

Management has regularly pointed out that a major risk attaches to the timing, progress and discontinuance of these activities, and, based on a specific assessment of the individual assets, a total writedown for impairment of DKK 81.0 million has been made to cover these special risks. Of this impairment, DKK 25 million is attributable to a negative value adjustment of the German investment property.

The discontinuing activities, which comprise the following:

- Finland: a minor plot of land;
- Baltic States: a retail project and two plots of land;
- Germany: an investment property and two minor plots of land;
- Russia: a minor project for letting;

will cease to constitute a reporting segment with effect from 31 October 2015 and will be included under asset management from that date. The balance sheet total for the discontinuing activities amounted to DKK 165.8 million at 31 October 2015 before the reclassification.

After the reporting date TK Development has sold the Group's plot of land in Finland at the carrying amount and handed it over to a private investor. With the exception of a few guarantees on projects previously sold, the Group now has no remaining activities in Finland.

In Vilnius, Lithuania, TK Development is building the second phase (about 3,800 m²) of a retail park with total premises of 11,300 m². The retail premises being built in the second phase have been fully let. Construction started in spring 2015 and is progressing as planned. The retail park premises will be handed over to the buyer, BPT Baltic Opportunity Fund, in step with their completion. TK Development has decided to develop and execute a third phase comprising additional retail premises of about 850 m² and office premises of about 3,700 m². After the reporting date this third and last phase has been sold conditionally to BPT Baltic Opportunity Fund, which also bought the first two project phases.

TK Development has received an offer for one of its German plots of land and chosen to accept it. In Q3 2015/16 the plot of land was written down to the price accepted. The sale is expected to be completed in spring 2016.

Strædet, Køge, Denmark - handover to investor scheduled for spring 2017

STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE BOARD ON THE INTERIM REPORT

The Board of Directors and Executive Board have today considered and adopted the Interim Report of TK Development A/S for the period from 1 February 2015 to 31 October 2015.

The Interim Report, which has not been audited or reviewed by the Company's auditor, is presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for the interim reports of listed companies.

In our opinion, the Interim Report gives a true and fair view of the Group's financial position at 31 October 2015 and of the results of the Group's operations and cash flows for the period from 1 February 2015 to 31 October 2015.

Moreover, we consider the Management's review to give a fair presentation of the development in the Group's activities and financial affairs, the results for the period and the Group's overall financial position, as well as a true and fair description of the most significant risks and elements of uncertainty faced by the Group.

Aalborg, 17 December 2015

EXECUTIVE BOARD

Frede Clausen
President and CEO

Robert Andersen
Executive Vice President

BOARD OF DIRECTORS

Niels Roth
Chairman

Peter Thorsen
Deputy Chairman

Arne Gerlyng-Hansen

Kim Mikkelsen

Morten E. Astrup

Henrik Heideby

INCOME STATEMENT

DKKm	Note	Q1-Q3 2015/16	Q1-Q3 2014/15	Q3 2015/16	Q3 2014/15	Full year 2014/15
Net revenue		**274.5**	238.3	**106.4**	44.0	854.7
External direct project costs	4	**-335.1**	-202.9	**-197.8**	-57.4	-757.9
Value adjustment of investment properties, net		**-25.0**	-0.4	**-25.0**	-0.4	-3.5
Gross profit/loss		**-85.6**	35.0	**-116.4**	-13.8	93.3
Other external expenses		**16.8**	17.2	**5.5**	5.5	23.9
Staff costs		**43.5**	40.7	**14.6**	13.0	56.5
Total		**60.3**	57.9	**20.1**	18.5	80.4
Profit/loss before financing and depreciation		**-145.9**	-22.9	**-136.5**	-32.3	12.9
Depreciation and impairment of non-current assets	5	**33.7**	0.5	**33.4**	0.1	0.6
Operating profit/loss		**-179.6**	-23.4	**-169.9**	-32.4	12.3
Income from investments in joint ventures		**29.3**	28.6	**2.1**	2.7	30.1
Income from investments in associates		**0.8**	-4.6	**0.3**	-4.9	-9.7
Financial income		**5.3**	3.6	**1.4**	2.5	5.0
Financial expenses		**-36.5**	-48.2	**-11.4**	-16.7	-62.9
Total		**-1.1**	-20.6	**-7.6**	-16.4	-37.5
Profit/loss before tax		**-180.7**	-44.0	**-177.5**	-48.8	-25.2
Tax on profit/loss for the period		**31.4**	-4.7	**27.4**	-2.5	12.5
Profit/loss for the period		**-212.1**	-39.3	**-204.9**	-46.3	-37.7

EARNINGS PER SHARE IN DKK

Earnings per share (EPS)	**-2.2**	-0.4	**-2.1**	-0.5	-0.4
Diluted earnings per share (EPS-D)	**-2.2**	-0.4	**-2.1**	-0.5	-0.4

COMPREHENSIVE INCOME STATEMENT

Profit/loss for the period	**-212.1**	-39.3	**-204.9**	-46.3	-37.7
Items that may be re-classified to profit/loss:					
Foreign-exchange adjustments, foreign operations	**0.4**	-10.1	**-9.3**	-5.6	0.9
Value adjustment of hedging instruments	**0.9**	0.0	**0.4**	0.0	0.2
Value adjustment of available-for-sale financial assets	**0.0**	0.1	**0.0**	0.0	0.0
Tax on other comprehensive income	**1.0**	0.3	**4.2**	1.9	-2.4
Other comprehensive income after tax from joint ventures	**1.5**	-1.2	**0.7**	-0.3	-5.4
Other comprehensive income for the period	**3.8**	-10.9	**-4.0**	-4.0	-6.7
Comprehensive income for the period	**-208.3**	-50.2	**-208.9**	-50.3	-44.4

BALANCE SHEET

DKKm	Note	**31 Oct 2015**	31 Jan 2015
ASSETS			
Non-current assets			
Goodwill	5	**0.0**	33.3
Intangible assets		**0.0**	33.3
Other fixtures and fittings, tools and equipment		**0.9**	1.0
Property, plant and equipment		**0.9**	1.0
Investment properties		**53.3**	78.1
Investment properties		**53.3**	78.1
Investments in joint ventures		**258.2**	171.9
Investments in associates		**4.0**	3.2
Receivables from joint ventures		**195.9**	124.2
Receivables from associates		**4.6**	4.7
Other securities and investments		**12.9**	14.2
Financial assets		**475.6**	318.2
Deferred tax assets		**86.6**	114.7
Other non-current assets		**86.6**	114.7
Non-current assets		**616.4**	545.3
Current assets			
Projects in progress or completed		**1,977.7**	2,121.7
Trade receivables		**59.5**	71.4
Receivables from associates		**0.0**	1.9
Corporate income tax receivable		**0.0**	0.1
Other receivables		**41.9**	19.4
Prepayments		**11.9**	11.9
Receivables		**113.3**	104.7
Other securities and investments		**4.1**	4.1
Deposits in blocked and escrow accounts	6	**95.7**	45.8
Cash and cash equivalents	6	**4.0**	23.6
Current assets		**2,194.8**	2,299.9
ASSETS		**2,811.2**	2,845.2

BALANCE SHEET

DKKm	Note	31 Oct 2015	31 Jan 2015
EQUITY AND LIABILITIES			
Equity			
Share capital		**98.2**	98.2
Other reserves	7	**-4.1**	-7.9
Retained earnings		**1,207.0**	1,419.1
Equity		**1,301.1**	1,509.4
Liabilities			
Provisions		**0.4**	0.5
Deferred tax liabilities		**21.6**	19.3
Non-current liabilities		**22.0**	19.8
Credit institutions		**1,271.7**	1,195.3
Trade payables		**170.6**	49.1
Corporate income tax		**7.2**	6.9
Provisions		**6.5**	15.0
Other debt		**26.8**	43.9
Deferred income		**5.3**	5.8
Current liabilities		**1,488.1**	1,316.0
Liabilities		**1,510.1**	1,335.8
EQUITY AND LIABILITIES		**2,811.2**	2,845.2

STATEMENT OF CHANGES IN EQUITY

DKKm	Share capital	Other reserves	Retained earnings	Total equity
Equity at 1 February 2014	98.2	587.7	867.8	1,553.7
Profit/loss for the period	0.0	0.0	-39.3	-39.3
Other comprehensive income for the period	0.0	-10.9	0.0	-10.9
Total comprehensive income for the period	0.0	-10.9	-39.3	-50.2
Special reserve transferred to distributable reserves	0.0	-588.9	588.9	0.0
Share-based payment	0.0	0.0	0.1	0.1
Equity at 31 October 2014	98.2	-12.1	1,417.5	1,503.6
Equity at 1 February 2015	**98.2**	**-7.9**	**1,419.1**	**1,509.4**
Profit/loss for the period	**0.0**	**0.0**	**-212.1**	**-212.1**
Other comprehensive income for the period	**0.0**	**3.8**	**0.0**	**3.8**
Total comprehensive income for the period	**0.0**	**3.8**	**-212.1**	**-208.3**
Equity at 31 October 2015	**98.2**	**-4.1**	**1,207.0**	**1,301.1**

CASH FLOW STATEMENT

DKKm	Q1-Q3 2015/16	Q1-Q3 2014/15
Operating profit/loss	**-179.6**	-23.4
Adjustments for non-cash items:		
Value adjustment investment properties, net	**25.0**	0.4
Depreciation and impairment	**169.8**	29.7
Share-based payment	**0.0**	0.1
Provisions	**-8.7**	6.6
Foreign-exchange adjustment	**-4.4**	-6.6
Increase/decrease in investments in projects, etc.	**20.5**	61.3
Increase/decrease in receivables	**-8.5**	-22.8
Changes in deposits on blocked and escrow accounts	**-49.8**	-4.6
Increase/decrease in payables and other debt	**104.6**	-18.5
Cash flows from operations	**68.9**	22.2
Interest paid, etc.	**-43.7**	-55.9
Interest received, etc.	**4.7**	3.9
Corporate income tax paid	**0.2**	-3.8
Cash flows from operating activities	**30.1**	-33.6
Sale of investment properties	**0.0**	21.6
Sale of joint ventures	**10.5**	159.6
Investments in joint ventures	**-72.9**	-9.9
Dividend from joint ventures	**7.0**	0.0
Increase/decrease in receivables from joint ventures	**-71.7**	23.7
Purchase of securities and investments	**0.0**	-14.2
Sale of securities and investments	**1.3**	0.0
Cash flows from investing activities	**-125.8**	180.8
Raising of project financing	**143.1**	4.6
Reduction of project financing/repayments, credit institutions	**-66.8**	-149.4
Cash flows from financing activities	**76.3**	-144.8
Cash flows for the period	**-19.4**	2.4
Cash and cash equivalents, beginning of period	**23.6**	6.1
Foreign-exchange adjustment of cash and cash equivalents	**-0.2**	0.1
Cash and cash equivalents, end of period	**4.0**	8.6

The figures in the cash flow statement cannot be inferred from the Consolidated Financial Statements alone.

NOTE 1. ACCOUNTING POLICIES

The Interim Report is presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed companies. The Interim Report has been presented in accordance with the financial reporting standards (IFRS/IAS) and IFRIC interpretations applicable for financial years beginning at 1 February 2015.

No interim financial statements have been prepared for the Parent Company. The Interim Report is presented in DKK, which is the presentation currency for the Group's activities and the functional currency of the Parent Company. The Interim Report has not been audited or reviewed by the Company's auditor.

With effect from 1 February 2015, the Group implemented a number of new and amended financial reporting standards and interpretations that have not resulted in any changes as compared to the accounting policies applied by the Group in the 2014/15 Annual Report. Their implementation has impacted neither earnings per share nor diluted earnings per share.

NOTE 2. UNCERTAINTY IN RECOGNITION AND MEASUREMENT

In connection with the preparation of the Interim Report, Management makes a number of accounting estimates and judgments that materially affect the interim financial statements, particularly as concerns the measurement of the Group's ongoing and completed projects and the Group's deferred tax assets. The most significant uncertainties are the same as those prevailing at the time of preparing the Annual Report for 2014/15.

NOTE 3. SEGMENT INFORMATION

Internal reporting in TK Development is based on the business areas property development, asset management and, until 31 October 2015, also discontinuing activities. Thus, the concept of discontinuing activities will no longer be used with effect from 31 October 2015, and the assets/liabilities relating to these activities will be included under asset management from that date. Segment information has been disclosed accordingly, and the comparative figures for segment assets and segment liabilities have been restated to reflect the new segmentation.

DKKm	Development	Asset management	Discontinuing activities	Unallocated	Total
31 October 2015					
Net revenue, external customers	**230.9**	**41.7**	**1.9**	**0.0**	**274.5**
Profit/loss before tax	**-8.1**	**7.3**	**-84.8**	**-95.1**	**-180.7**
Segment assets	**1,108.0**	**1,611.5**	**-**	**91.7**	**2,811.2**
Segment liabilities	**451.8**	**1,029.5**	**-**	**28.8**	**1,510.1**
31 October 2014					
Net revenue, external customers	100.7	52.0	85.6	0.0	238.3
Profit/loss before tax	32.2	40.5	-47.7	-69.0	-44.0
Segment assets	1,096.3	1,906.2	-	166.2	3,168.7
Segment liabilities	372.7	1,270.5	-	21.9	1,665.1

NOTE 4. EXTERNAL DIRECT PROJECT COSTS

	Q1-Q3 2015/16	Q1-Q3 2014/15	Full year 2014/15
Project costs	**198.8**	173.6	694.1
Impairment losses on projects in progress or completed projects	**136.3**	29.3	63.8
External direct project costs, total	**335.1**	202.9	757.9

NOTE 5. DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS

	Q1-Q3 2015/16	Q1-Q3 2014/15	Full year 2014/15
Impairment of goodwill	**33.3**	0.0	0.0
Depreciation, other fixtures and fittings, tools and equipment	**0.4**	0.5	0.6
Depreciation and impairment of non-current assets, total	**33.7**	0.5	0.6

NOTE 6. LIQUIDITY RESERVES

	31 Oct 2015	31 Jan 2015
The liquidity reserves break down as follows:		
Cash and cash equivalents	**4.0**	23.6
Unutilized operating credit facilities	**12.6**	198.9
Total	**16.6**	222.5
Deposited funds for later release	**95.7**	45.8
Total liquidity reserve	**112.3**	268.3

NOTE 7. OTHER RESERVES

	Special reserve	Reserve for value adjustment of available-for-sale financial assets	Reserve for value adjustment of hedging instruments	Reserve for foreign exchange adjustments	Total
Other reserves at 1 February 2014	588.9	-0.1	-2.7	1.6	587.7
Special reserve transferred to distributable reserve	-588.9	0.0	0.0	0.0	-588.9
Other comprehensive income:					
Other comprehensive income after tax in joint ventures	0.0	0.0	-0.2	-1.0	-1.2
Exchange-rate adjustment, foreign operations	0.0	0.0	0.0	-10.1	-10.1
Value adjustment of available-for-sale financial assets	0.0	0.1	0.0	0.0	0.1
Deferred tax on other comprehensive income	0.0	0.0	0.0	0.3	0.3
Other comprehensive income, total	0.0	0.1	-0.2	-10.8	-10.9
Other reserves at 31 October 2014	0.0	0.0	-2.9	-9.2	-12.1
Other reserves at 1 February 2015	**0.0**	**-0.1**	**-2.0**	**-5.8**	**-7.9**
Other comprehensive income:					
Other comprehensive income after tax in joint ventures	**0.0**	**0.0**	**-0.4**	**1.9**	**1.5**
Exchange-rate adjustment, foreign operations	**0.0**	**0.0**	**0.0**	**0.4**	**0.4**
Value adjustment of hedging instruments	**0.0**	**0.0**	**0.9**	**0.0**	**0.9**
Deferred tax on other comprehensive income	**0.0**	**0.0**	**-0.2**	**1.2**	**1.0**
Other comprehensive income, total	**0.0**	**0.0**	**0.3**	**3.5**	**3.8**
Other reserves at 31 October 2015	**0.0**	**-0.1**	**-1.7**	**-2.3**	**-4.1**

NOTE 8. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There have been no significant changes in the Group's contingent assets and contingent liabilities since the most recently published Annual Report.

NOTE 9. TRANSACTIONS WITH RELATED PARTIES

The Company has no related parties with a controlling interest.

The Company has the following related parties:
- Board of Directors and Executive Board (and their related parties)
- Joint ventures and associates.

	31 Oct 2015	31 Jan 2015	31 Oct 2014
Board of Directors and Executive Board (and their related parties):			
Holding of shares, in terms of number (balance)	**30,479,714**	30,958,931	30,958,931
Obligation towards Executive Board, employee bonds (balance)	**0.0**	0.0	0.5
Fees for Board of Directors	**1.1**	1.4	1.1
Salaries, etc., Executive Board	**4.9**	5.2	3.6
Sale of projects (revenue)	**8.1**	0.0	0.0
Joint ventures:			
Fees from joint ventures	**8.6**	14.8	12.6
Interest income from joint ventures	**4.9**	3.3	2.7
Interest expenses to joint ventures	**0.0**	-2.6	-2.0
Receivables from joint ventures (balance)	**195.9**	124.2	122.1
Payables to joint ventures (balance)	**0.0**	0.0	60.1
Associates:			
Interest income from associates	**0.1**	0.2	0.1
Receivables from associates (balance)	**4.6**	6.6	11.8

No security or guarantees had been furnished for balances owing to or by related parties at the reporting date or at 31 January 2015. Receivables and payables are settled by payment in cash. No losses were realized on receivables from related parties. No impairment was made in Q1-Q3 2015/16 to provide for any probable losses on such receivables (Q1-Q3 2014/15: DKK 0.0 million).

NOTE 10. FINANCIAL INSTRUMENTS

TK Development has no significant financial instruments that are measured at fair value. The carrying amount of the Group's financial instruments is generally equal to the fair value.

During the period under review, no changes were made to the classification within the fair-value hierarchy. There have been no changes in the Group's situation or the financial markets that materially affect the disclosures regarding financial instruments measured at fair value as appearing from the Group's Annual Report for 2014/15.

TK Development A/S

CVR no.:
24256782

ISIN code:
DK0010258995 (TKDV)

Municipality of registered office:
Aalborg, Denmark

Website:
www.tk-development.com

e-mail:
tk@tk.dk

Executive Board:
Frede Clausen and Robert Andersen

Board of Directors:
Niels Roth, Peter Thorsen, Arne Gerlyng-Hansen, Kim Mikkelsen, Morten E. Astrup and Henrik Heideby.

The Group's mission

The overall mission of TK Development is to create added value by developing real property. The Group is a development and service enterprise specialising in being the productive and creative liaison between tenants and investors.