

PARKEN Sport & Entertainment A/S

CVR 15 10 77 07

**Interim report for the period
1 July 2006 – 31 December 2006**

<u>Contents</u>	<u>Page</u>
Financial highlights for the Group	2
Management's review	3
Management statement	6
Income statement for the Group	7
Balance sheet for the Group	8
Specifications	10
Contacts	10

Financial highlights for the Group

DKK million	Q2 2006/07	Q2 2005/06	H1 2006/07	H1 2005/06	12 months 2005/06
Key figures					
Total income	287,4	146,7	552,3	277,1	539,0
Profit before transfer activities, financial income and expense and tax	62,3	30,8	129,3	64,7	109,9
Transfer activities	(8,7)	(11,3)	(1,1)	(19,5)	(33,7)
Financial income and expense	(9,5)	(4,5)	(19,6)	(9,2)	(18,5)
Profit before tax	44,1	15,0	108,6	36,0	57,7
Profit	31,9	11,0	78,3	26,3	41,3
Non-current assets	1.608,6	993,3	1.608,6	993,3	1.063,7
Current assets	278,9	166,8	278,9	166,8	191,9
Total assets	1.887,5	1.160,1	1.887,5	1.160,1	1.255,6
Share capital	49,4	49,4	49,4	49,4	49,4
Equity	676,2	553,4	676,2	553,4	450,5
Non-current liabilities	599,7	212,7	599,7	212,7	230,3
Current liabilities	611,6	394,0	611,6	394,0	574,8
Financial ratios					
Net profit ratio, %	21,7	21,0	23,4	23,3	20,4
Return on capital employed, %	3,3	2,7	6,8	5,6	8,8
Equity ratio, %	35,8	47,7	35,8	47,7	35,9
Book value per share	273,90	224,16	273,90	224,16	182,50
Share price, end of period	1.270,00	513,27	1.270,00	513,27	948,93

Management's review

At more than DKK 550 million in the first six months of 2006/07, the Group's income has already exceeded the full-year result for 2005/06. Compared with the first six months of 2005/06, income has almost doubled. The newly acquired activity (Fitness.dk A/S) contributed a total of DKK 161.4 million. Otherwise, the improvement is primarily attributable to F.C. Copenhagen (FCK) having qualified for participation in the group stage of the UEFA Champions League, as well as continued positive development in Lalandia Rødby and the Super Shop.

PARKEN has staged the following events:

	H1 2006/07	H1 2005/06	2005/06
F.C. Copenhagen	17	14	26
DBU	1	3	4
Concerts	5	1	4
Other events	3	2	3
	26	20	37
Number of spectators (thousands)	683	452	809

It should be noted that DBU has played only one international match during the six months since five of Denmark's six international matches are scheduled to be played in the period June-November 2007. Four concerts have been held – two with Robbie Williams, one with George Michael, Bruce Springsteen and Mini Zulu Rocks.

Lalandia is still developing positively and has consolidated its position as Denmark's leading holiday and leisure centre. Scandinavian families with children expect a lot from a short break, and particularly the wide range of activities for children and the huge aqua world appeal to the guests. The market trend is expected to strengthen further, which will benefit large centres such as Lalandia and the future Lalandia Billund.

Thanks to the income growth, the profit before transfer activities, financial income and expense and tax increased from DKK 64.7 million in the first six months of 2005/06 to DKK 129.3 million in the first six months of 2006/07 – an increase of 100%.

The loss on transfer activities was DKK 1.1 million in the first six months, compared to a loss of DKK 19.5 million in the first six months of 2005/06. The positive development is attributable to sale of contractual rights.

Financial income and expense is influenced by the increase in borrowing, particularly in connection with the acquisition of fitness dk.

fitness dk's underlying operations have by and large developed as envisaged at the time of the acquisition. The restructuring/expansion process has been speeded up so that fitness dk can maintain its position as market leader and build an even stronger platform for the expected future growth in this sector. During the six months, new centres were opened in Vejle and Valby.

Newly opened centres initially operate at a loss. Two centres in Slagelse and the two in Roskilde have been merged so that each of these towns now has one centre. fitness dk has consented to the franchisee's sale to another purchaser of the two centres in Aalborg, where fitness dk wishes to open its own centres.

In accordance with the International Financial Reporting Standards (IFRS), the acquisition sum relating to business acquisitions must be distributed on identifiable assets, including contracts concluded (memberships), etc., which must be written off. Since the income of Fitness.dk A/S come from memberships, and since such memberships can be cancelled at short notice, this write-off entails elimination of a substantial part of the earnings from Fitness.dk A/S.

The total value of the intangible assets identified is DKK 57.6 million, to be written off over a period of up to 10 years. Write-offs amount to just over DKK 12 million in the first six months of 2006/07 and will total DKK 24 million on a 12-month basis and DKK 37 million for the first 18 months. In 2008 and 2009, full-year write-offs for accounting purposes will amount to DKK 5.2 million, subsequently declining to DKK 2.5 million p.a. The assets will be fully written off by mid-2016.

It should be emphasised that the above adjustments for accounting purposes will not have any impact on liquidity and profitability, but will solely entail that fitness dk will not contribute to earnings in this respect in the first financial statements presented after the acquisition.

F.C. Copenhagen earned a satisfactory 7 points in its home matches in the Champions League. Unfortunately this was not sufficient to qualify for further participation. The team is at the top of the SAS League table after 18 rounds out of 33, and is still in the National Cup and the Royal League.

FCK Handball's men are also at the top of the Tele2 League, while the ladies' team is number seven. PARKEN Sport & Entertainment A/S has decided to support its activities in Lalandia and fitness dk, respectively, by exploiting the opportunities to profile these Group enterprises on the handball teams' shirts.

In the short term, this means that the financial value of the sponsorships is eliminated in the current financial year.

Sales of merchandise, primarily via the two Super Shops, have been sound with turnover of DKK 22 million in the first six months – an improvement by almost 50%.

As part of the management of the Group's balance sheet in connection with the large investment projects, a decision has been made to dispose of the two southern office towers. A sizeable profit is expected from this sale.

The sales procedure in relation to the two southern office towers is progressing as planned in respect of the registration of separate title numbers. Contacts have been established with more than 10 prospective buyers. As of 1 January 2007, the towers will be transferred to current assets, and consequently the discount rate has not been reassessed, but remains 6.25%.

The transaction is expected to be completed in the summer and has been included in the financial expectations presented.

The Lalandia Billund project has attracted much attention, and the list of people interested in purchasing a leisure cottage already exceeds 3,000. Sales will begin in March 2007, and the first cottages will be handed over in the early summer of 2008.

Sales of leisure cottages will be entered as income at the time of handing-over, and consequently Lalandia Billund will not generate any profit until the 2008 financial statements. The centre is planned to open in the spring of 2009.

As stated in the announcement to the Copenhagen Stock Exchange of 10 November 2006, PARKEN Sport & Entertainment A/S and the City of Copenhagen have entered into a framework agreement concerning the construction of a new arena next to PARKEN. Project work is in progress to translate this framework agreement into detailed plans for the construction works, comprising the arena, the new stand and office facilities. According to the plans, the old stand will be demolished in the winter of 2007/2008, and the new facilities, including the stand and the arena, will open in the summer of 2009.

After the end of the six-month period, F.C. Copenhagen extended its commercial partnership agreement with its primary sponsor, Carlsberg, for a further 5-year period commencing on 1 July 2007, cf. the stock-exchange announcement of 19 January 2007.

The Company's 12-month expectations, as stated in the interim report for the 1st quarter published on 27 November 2006, remain unchanged.

At the Company's Annual General Meeting, the proposal to change the financial year to 1 January – 31 December, with 1 July 2006 – 31 December 2007 as the transition period, was adopted.

In May 2007, the Company expects to publish its financial expectations for the transition period 1 July 2006 to 31 December 2007. A financial calendar for the period 1 July 2007 to 31 December 2007 will be published by the end of June 2007.

Management statement

The Supervisory Board and the Executive Board have considered and approved this interim report for the period from 1 July 2006 to 31 December 2006.

The interim report, which is unaudited, has been prepared in accordance with the applicable recognition and measurement provisions of the International Financial Reporting Standards (IFRS) and Danish disclosure requirements for interim reporting by listed companies.

In our opinion, this interim report gives a true and fair view of the Group's financial position as at 31 December 2006 and of the Group's activities during the period from 1 July 2006 to 31 December 2006.

Supervisory Board:

Executive Board:

Flemming Østergaard, Chairman

Jørgen Glistrup

Niels-Christian Holmstrøm

Dan Hammer

Michael Kjær

Flemming Lindeløv

Peter Norvig

Benny Olsen

Hans Henrik Palm

Income statement for the Group

DKK '000	H1 2006/07	H1 2005/06	2005/06
Revenue	546.674	259.703	503.976
Revaluation of investment properties	5.617	17.385	35.065
Total income	552.291	277.088	539.041
External costs	232.063	108.335	219.599
Staff costs	154.749	92.324	185.211
Amortisation, depreciation and impairment	36.221	11.689	24.342
Profit before transfer activities, financial income and expense and tax	129.258	64.740	109.889
Transfer activities			
Loss from transfer activities	(1.074)	(19.474)	(33.664)
Financial income and expense			
Financial income	1.702	1.869	6.213
Financial expense	21.301	11.041	24.753
Total financial income and expense	(19.599)	(9.172)	(18.540)
Profit before tax	108.585	36.094	57.685
Tax on profit	30.331	9.839	16.406
Profit	78.254	26.255	41.279
To be distributed as follows:			
Shareholders in PARKEN Sport & Entertainment A/S	76.368	24.232	33.888
Minority interests	1.886	2.023	7.391
	78.254	26.255	41.279

Balance sheet for the Group

DKK '000	31.12.06	31.12.05	30.06.06
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	443.591	82.518	82.518
Contractual rights	105.444	50.438	100.560
Patents and trademarks	1.503	1.475	1.509
Completed development projects	2.801	3.134	3.498
Fitting-up of rented premises	46.199	-	-
Other intangible assets	45.674	-	-
	645.212	137.565	188.085
Property, plant and equipment			
Investment properties	398.454	374.754	392.837
Land and buildings	457.391	436.946	432.312
Other plant, fixtures and fittings, tools and equipment	100.924	40.759	44.910
	956.769	852.459	870.059
Other non-current assets			
Deferred tax	6.570	3.314	5.585
	6.570	3.314	5.585
Total non-current assets	1.608.551	993.338	1.063.729
Current assets			
Inventories	74.046	18.403	17.187
Receivables	148.102	69.455	107.817
Prepayments	15.484	10.612	5.315
Securities	7.675	43.801	7.950
Cash at bank and in hand	33.622	24.472	53.651
Total current assets	278.929	166.743	191.920
TOTAL ASSETS	1.887.480	1.160.081	1.255.649

Balance sheet for the Group

DKK '000	31.12.06	31.12.05	30.06.06
EQUITY AND LIABILITIES			
Equity			
Share capital	49.376	49.376	49.376
Reserve for fair value of investment assets	56.858	40.084	52.813
Retained earnings	531.546	440.302	324.227
Equity share attributable to shareholders of PARKEN Sport & Entertainment A/S	637.780	529.762	426.416
Minority interests	38.423	23.655	24.119
Total equity	676.203	553.417	450.535
Liabilities			
Non-current liabilities			
Deferred tax	138.445	65.519	75.247
Provisions for liabilities	5.108	1.783	8.051
Mortgage credit institutions	440.374	140.278	137.618
Other payables	10.540	-	4.455
Deposits	5.230	5.135	4.879
	599.697	212.715	230.250
Current liabilities			
Provisions for liabilities	4.778	-	12.419
Mortgage credit institutions	413.084	257.327	363.913
Trade payables and other payables	148.884	102.650	136.424
Corporation tax	131	21	131
Deferred income	44.703	33.951	61.977
	611.580	393.949	574.864
Total liabilities	1.211.277	606.664	805.114
TOTAL EQUITY AND LIABILITIES	1.887.480	1.160.081	1.255.649

Specifications

DKK '000	1H 2006/07	1H 2005/06	2005/06
Revenue			
Entrance and television fees and prize money	120.385	19.239	40.252
Business partners	45.267	45.946	99.033
Stadium rental	16.640	20.896	33.020
Rental of investment properties	11.903	10.126	20.999
F&B and conference centre, etc.	85.219	66.163	124.085
Merchandise	22.542	15.776	25.823
Commissions and ticket fees	54.208	50.637	102.142
Fitness	155.409	-	
Other sales	21.710	21.469	41.888
Other income	13.391	9.451	16.734
Total revenue	546.674	259.703	503.976

Statement of changes in equity

DKK '000	H1 2006/07	H1 2005/06	2005/06
Equity at the beginning of the period	450.535	547.516	547.516
Acquisition of treasury shares	-98.404	-11.570	-126.844
Disposal of treasury shares	229.424	10.245	11.033
Dividend distributed	0	-22.219	-24.417
Profit	78.254	26.255	41.279
Value adjustments of hedging instruments	151	2.574	3.977
Share-based payments	3.867	0	171
Tax on movements in the equity	-42	-721	-1.113
Minority interests	12.418	1.337	-4.759
Addition, capital increase	0	0	3.692
Equity at the end of the period	676.203	553.417	450.535

Contacts

Flemming Østergaard, Chairman

Jørgen Glistrup, CEO

Telephone +45 35 43 74 00

PARKEN Sport & Entertainment A/S

Copenhagen, 28 February 2007