

ACCURA

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TK Development A/S
Vestre Havnepromenade 7
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16 May 2007
File No. 14579

Dear Sirs,

Notification of Major Holdings pursuant to section 29 of the Danish Securities Trading Act.

On behalf of Baugur Group hf. and pursuant to the Danish Securities Trading Act and the Executive Order no. 728 of 11 July 2005 this serves as notice of substantial shareholder disclosure for Baugur Group hf., an Icelandic company with the Icelandic ID no. 480798-2289, with registered offices at Tungata 6, 101 Reykjavik, Iceland, phone number +354 530 7800 which as of today has bought shares in TK Development.

Baugur Group hf. has per today acquired 293.020 shares in TK Development, ISIN code DK0010258995, bringing its total shareholdings to 1.684.000 shares corresponding to 6.00% of TK Developments outstanding share capital.

If you have any question in respect of this disclosure, please contact Investor Relations at Baugur Group hf. at +354 530 7800.

Yours sincerely



Claus Bennetsen
Attorney-at-Law, Partner