

TK Development sells shopping centre and retail park in the Czech Republic

Summary:

TK Development has sold a 10,000 m² shopping centre in Kolin, the Czech Republic, and a 17,500 m² retail park in Liberec, the Czech Republic, to GE Real Estate Central Europe. The selling price for the shopping centre is expected to total about DKK 168 million, and construction is scheduled for completion in spring 2008. The selling price for the retail park is expected to amount to about DKK 170 million. Construction will take place in two phases, scheduled for completion in autumn 2008 and autumn 2009.

TK Development has entered into an agreement regarding the purchase by GE Real Estate Central Europe of a shopping centre in Kolin and a retail park in Liberec, the Czech Republic. GE Real Estate Central Europe is one of the region's largest property investors, with a project portfolio in the EUR 2 billion range.

The shopping centre in Kolin

The shopping centre will have a floor space of 10,000 m², and the downtown location, close to the rail and bus stations, provides a good infrastructure. The town of Kolin has about 30,000 inhabitants and a catchment area of about 75,000 people.

The selling price is expected to total about DKK 168 million. GE Real Estate Central Europe has bought the project on the basis of forward funding, i.e. paying the selling price by instalments as construction progresses.

The retail park in Liberec

The retail park of 17,500 m² will be located in the town of Liberec, which has about 100,000 inhabitants. The retail park will have direct access to the town's main thoroughfare, which also serves as an arterial highway from the Czech Republic to the German border.

The selling price is expected to total about DKK 170 million. GE Real Estate Central Europe has bought the project on the basis of forward funding, and will thus pay the selling price by instalments as construction progresses.

The retail park will be built in two phases, of which the first is scheduled for completion in autumn 2008 and the second in autumn 2009.

This is the second time the Group has sold a retail park in the Czech Republic, and Management expects to develop more projects in this segment in future.

The sale of the shopping centre in Kolin and the retail park in Liberec will contribute to TK Development's long-term earnings. A profit of at least DKK 240 million after tax and minority interests is anticipated for the 2007/08 financial year.

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

For information about GE Real Estate, please contact Stephanie Highett, tel. +44 207 8313113.