Annual Report 2009/10

TK Development A/S, CVR 24256782

Sillebroen, Frederikssund, Denmark

22 April 2010

TK development

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SUMMARY

On 22 April 2010, the Supervisory Board of TK Development A/S considered and adopted the 2009/10 Annual Report. An outline is given below:

- TK Development recorded a profit of DKK 25.4 million after tax against a previous estimate of about DKK 50 million. The profit for the year includes an extraordinary DKK -15 million value adjustment of investment properties. Thus, the profit is in line with expectations.

- In light of the prevailing market situation, Management considers the profit for the year acceptable.

- Consolidated equity totalled DKK 1,593.4 million at 31 January 2010, corresponding to a solvency ratio of 36.4 %.

- The Group's 39,500 m² multifunctional centre, Entré in Malmö, Sweden, opened in March 2009 and was handed over to the investor in June 2009.

- In December 2009, the Group entered into an agreement with the German investment fund Commerz Real regarding the sale of its 14,300 m² retail park project in Danderyd, Sweden. The total selling price is expected to be in the SEK 280 million range, based on forward funding.

- Construction of the Group's 10,900 m² retail park project in Uppsala, Sweden, progressed as planned. The fully let retail park opened in March 2010 and has been sold to the institutional fund of German IVG Funds based on forward funding.

- The Group's 17,300 m² shopping centre in Nowy Sącz, Poland, opened at the end of October 2009, fully let.

- The Group's 16,500 m² shopping centre in Tarnów, Poland, opened at the end of November 2009, fully let.

- In Poland, a sales agreement was made with a user regarding approx. 3,500 m² of office space in the Tivoli Residential Park, Warsaw, in December 2009. The sales agreement is based on forward funding.

- Construction of the Group's approx. 25,000 m² shopping centre Sillebroen in Frederikssund, Denmark, progressed as planned. The centre opened in March 2010, and the current occupancy rate is 91 %.

- The first 6,400 m² phase of the Group's retail park in Most, the Czech Republic, opened on 30 April 2009. The current occupancy rate for the first phase of the project is 86 %.

- In the Czech Republic, the letting of premises in phase II of the Fashion Arena Outlet Centre of about 7,000 m² has now reached a level allowing the Group to initiate construction in April 2010.

- The Group's project portfolio comprised 957,000 m², the same level as at 31 January 2009.

- The Group operated under difficult market conditions in the 2009/10 financial year. Management continues to focus on costs, consolidating its position and executing existing projects in the portfolio. Due to the changed market conditions, future earnings on part of the Group's existing project portfolio are under pressure. Management still expects to record a profit on all projects in the portfolio, but at a lower than normal profit margin.

- The Group believes that market price adjustments are coming to an end, meaning that land prices, construction costs, rent levels and property prices have stabilized at a new level. Therefore, new projects are expected to generate a normal profit.

- At the beginning of 2010, the investment climate was characterized by cautious optimism and increased investor willingness.

- Management is assessing additional specific new project opportunities, and the Group expects to enter into agreements regarding several of these projects.

- The Supervisory Board recommends to the General Meeting that a capital increase be implemented in the form of a rights issue with total gross proceeds of DKK 210.3 million. This will strengthen the Group's financial platform and allow proactive use of the earnings potential offered by existing projects and new project opportunities.

- The capital increase has been discussed with the Group's major shareholders and a few major private and institutional investors, who have made conditional commitments to underwrite the total capital increase.

- For the 2010/11 financial year, the Group expects to generate a profit after tax of about DKK 100 million.

Handed-over projects

In the 2009/10 financial year, the Group handed over projects with a total floor space of about 56,000 m². The projects handed over include the Group's multifunctional centre, Entré, Sweden, a Føtex supermarket in Brønderslev, Denmark, residential units in the Tivoli Residential Park, Poland, and a few plots of land in Sweden, Poland and Slovakia.

Progress in the Group's projects

TK Development continues to focus on consolidating its position and executing existing projects in the portfolio, as well as on securing satisfactory pre-construction letting or sales.

Retail projects on which construction has started or is about to start are attracting a fair amount of interest from tenants. During the 2009/10 financial year, the Group concluded several lease agreements for such projects, which are thus progressing as planned.

The construction projects are proceeding according to plan. In the course of the financial year, the Group opened two shopping centres in Poland and one retail park in the Czech Republic, as well as another shopping centre in Denmark after the reporting date. Thus, the Group's portfolio includes several completed, cash-flow-generating projects that are ready for sale.

The investment in these projects, with construction proceeding on the three shopping centres during most of the year, is the main reason for the increase in the Group's project portfolio from DKK 2.5 billion at 31 January 2009 to DKK 3.3 billion at 31 January 2010.

Market conditions

The Group operated under difficult market conditions in the 2009/10 financial year. The financial markets were subject to uncertainty, with banks continuing to require high equity contributions to the individual projects, from both project developers and investors.

In the year under review, only a few property deals were completed in the Group's markets. This resulted in uncertainty about real property pricing and a general wait-and-see attitude among investors.

The Group experienced slackened demand for rental space in the year under review, with tenants taking longer to make lease decisions. Lower private consumption and the consequent impacts have been putting pressure on rent levels for some time. Tenants are also focusing increasingly on location, which means project location is even more critical than in the past. Nevertheless, retail projects on which construction has started or is about to start have attracted a fair amount of interest from tenants, and the Group concluded several lease agreements for such projects during the year under review.

The economic decline has caused land and construction prices to drop continuously over the 2009/10 financial year. Management finds that land prices fluctuate greatly depending on location and use, a situation that is expected to continue in the years ahead. The level of construction costs has dropped significantly and appears to be stabilizing, with some variation from country to country.

The market situation is now developing favourably compared to the most recent period. Rent levels in the retail segment are expected to be stable in the period ahead.

At the beginning of 2010, the general investment climate was characterized by cautious optimism and increased investor willingness.

Further project opportunities

In addition to consolidating its position and executing existing projects in its portfolio, the Group is investigating alternative earnings possibilities, including by engaging in dialogue with credit institutions and other organizations with distressed projects that remain to be completed. The Group is also working to secure future project opportunities, for one thing by entering into long-term option agreements.

For example, TK Development has obtained a long-term option for a plot of land in the Czech town of Frýdek Místek where the Company is planning to build a 19,000 m² shopping centre.

In addition, the Group and DSB Ejendomsudvikling A/S have progressed far in the new project development on the railway land at Esbjerg station, Denmark. The plan is for TK Development to build a 28,000 m² shopping centre. The local planning process has been initiated, and the final local plan is expected to be available in autumn 2010.

Management is assessing additional specific new project opportunities, and the Group expects to enter into agreements regarding several of these projects.

The Group's project portfolio

The development of the Group's project portfolio is shown below:

	31 Jan 2008	31 Jan 2009	31 Jan 2010
Project portfolio DKKm			
Gross project portfolio	2,777	3,484	3,601
Forward funding	832	943	351
Carrying amount of project portfolio	**1,945**	**2,541**	**3,250**
Development potential in ('000) m²:			
Sold projects	264	183	146
Remaining projects	948	777	811
Total project portfolio	**1,212**	**960**	**957**
Number of projects	86	63	66

Outlook for 2010/11

Based on Management's market expectations for the year to come, the sales already completed and the potential of the existing project portfolio, with several completed projects being ready for sale, Management expects an increased activity level for 2010/11 compared to 2009/10 and to generate a profit after tax of about DKK 100 million.

The expectations for future developments presented in this announcement, including earnings expectations, are naturally subject to risks and uncertainties and may be affected by various factors, such as global economic conditions and other significant issues, including credit-market, interest-rate and foreign-exchange developments. Reference is also made to the section "Risk issues" in this Annual Report.

COMPANY INFORMATION

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CONSOLIDATED FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKKm	2005/06	2006/07	2007/08	2008/09	**2009/10**
Financial highlights:					
Net revenue	1,623,3	2,719,1	2,586,8	1,052,4	**1,369.9**
Value adjustment, investment properties	157.1	111.0	44.5	57.7	**-10.9**
Gross profit/loss	379.0	623.9	553.8	375.0	**200.5**
Profit/loss from ordinary activities before financing	224.9	462.5	386.8	201.7	**57.5**
Financing, etc.	-177.7	-126.3	-41.7	-33.4	**-17.9**
Profit/loss before tax	44.6	335.7	345.4	168.0	**39.4**
Consolidated profit/loss	72.6	298.5	271.9	155.2	**25.4**
Shareholders' share of profit/loss for the year	28.3	249.4	249.5	155.2	**25.4**
Balance sheet total	4,739.1	3,685.8	4,070.9	3,816.1	**4,377.3**
Property, plant and equipment	787.2	551.7	598.8	380.8	**364.3**
of which investment properties	761.6	533.7	584.6	366.5	**355.1**
Carrying amount of project portfolio	2,224.8	1,449.4	1,945.5	2,541.3	**3,249.5**
of which total project portfolio	2,260.4	1,491.1	1,998.3	2,541.3	**3,253.5**
of which prepayments received from customers	-35.5	-41.7	-52.8	0.0	**-4.0**
Contracted work in progress	0.0	0.0	0.0	3.7	**17.8**
Equity excl. minority interests	899.1	1,153.7	1,439.9	1,506.0	**1,593.4**
Equity	986.7	1,290.9	1,533.8	1,506.0	**1,593.4**
Total capital resources	1,493.5	1,290.9	1,533.8	1,506.0	**1,593.4**
Cash flows from operating activities	506.1	1,219.9	142.6	-331.7	**-582.8**
Net interest-bearing debt, end of year	2,577.9	1,125.1	1,094.9	1,509.5	**2,178.9**
Key ratios:					
Return on equity (ROE)	8.5 %	24.3 %	19.2 %	10.5 %	**1.6 %**
Earnings before interest and tax (EBIT margin)	13.9 %	17.0 %	15.0 %	19.2 %	**4.2 %**
Solvency ratio (based on equity)	20.8 %	35.0 %	37.7 %	39.5 %	**36.4 %**
Solvency ratio (based on capital resources)	31.5 %	35.0 %	37.7 %	39.5 %	**36.4 %**
Equity value (nom. DKK 20)	32.1	41.1	51.3	53.7	**56.8**
Earnings per share (EPS-D) of nom. DKK 20	2.0	8.9	8.9	5.5	**0.9**
Dividend (in DKK per share)	0.0	0.0	0.0	0.0	**0.0**
Listed price of shares (nom. DKK 20)	57	82	63	22	**29**
Key ratios adjusted for the issue of convertible bonds and warrants:					
Return on equity (ROE)	8.5 %	24.3 %	19.2 %	10.5 %	**1.6 %**
Solvency ratio (based on equity)	20.8 %	35.0 %	37.7 %	39.5 %	**36.4 %**
Solvency ratio (based on capital resources)	31.5 %	35.0 %	37.7 %	39.5 %	**36.4 %**
Equity value (nom. DKK 20)	32.1	41.1	51.3	53.7	**56.8**
Diluted earnings per share (EPS-D) of nom. DKK 20	2.0	8.9	8.8	5.5	**0.9**

The calculation of key ratios was based on the guidelines issued by the Danish Society of Financial Analysts, Basis for calculating solvency ratio: equity at year-end/liabilities at year-end.

TK DEVELOPMENT IN OUTLINE

Financial review 2009/10

TK Development recorded a profit of DKK 25.4 million after tax, compared to a profit estimate of about DKK 50 million and a profit of DKK 155.2 million the year before. The profit for the year includes an extraordinary DKK -15 million value adjustment of investment properties. Thus, the profit is in line with expectations.

In light of the prevailing market situation, Management considers the profit for the year acceptable.

The balance sheet total amounted to DKK 4,377.3 million at 31 January 2010 against DKK 3,816.1 million at 31 January 2009. Consolidated equity totalled DKK 1,593.4 million, and the solvency ratio stood at 36.4 %. The return on equity for 2009/10 reached 1.6 % compared to 10.5 % in 2008/09.

Accounting policies

The Annual Report is presented in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and additional Danish disclosure requirements for annual reports prepared by listed companies. The 2009/10 Annual Report has been presented in accordance with the financial reporting standards (IFRS/IAS) and new IFRIC interpretations applicable for financial years beginning at 1 February 2009.

The implementation of new and amended financial reporting standards and interpretations in the 2009/10 Annual Report has not impacted recognition and measurement in the consolidated financial statements. Thus, the new standards and interpretations have no effect on the earnings per share and the diluted earnings per share.

The implementation of IFRS 8, *Operating Segments*, has resulted in changes to the disclosures in the segment notes. The definition of segments has been changed: previously it was based on geographical areas, comprising Central and Northern Europe, whereas it is now based on the internal reporting, which is divided into two business units, TKD Nordeuropa and Euro Mall Holding, and the remaining business activities in TK Development, the Parent Company.

The implementation of the revised IAS 1, *Presentation of Financial Statements*, has resulted in changes to the presentation of primary statements, which now include a comprehensive income statement. The statement of changes in equity has been adjusted accordingly. The comparative figures have been restated to reflect these changes.

The accounting policies for the parent company financial statements have been changed following the implementation of the revised IAS 27, *Consolidated and Separate Financial Statements,* in that dividends received from subsidiaries, associates and/or jointly controlled enterprises must always be recognized in the income statement, effective as from the 2009/10 financial year. The standard has been implemented in accordance with the implementation provisions with effect for the 2009/10 and future financial years, and therefore does not involve any restatement of the comparative figures.

Compared to the consolidated and parent company financial statements for 2008/09, deposits in trust and escrow accounts have been reclassified. Such deposits were previously included in cash and cash equivalents, but are now presented in a separate line in the balance sheet. Comparative figures have been restated to reflect this reclassification. Therefore, the consolidated and parent company financial statements also present a statement of financial position (balance sheet) as at the beginning of the comparative year in accordance with the requirements of IAS 1.

With the exception of the changes mentioned above, the accounting policies have been applied consistently with those presented in the Annual Report for 2008/09.

Income statement

Revenue

The revenue for the 2009/10 financial year totalled DKK 1,369.9 million against DKK 1,052.4 million in the 2008/09 financial year.

The revenue breaks down as follows by business unit: 89.3 % for TKD Nordeuropa, 8.7 % for Euro Mall Holding and 2.0 % for the remaining activities. The bulk of the revenue derives from the sale of Entré, Sweden, to Commerz Real.

A careful review of the Group's projects and project budgets revealed the need to write down an individual project for impairment in 2009/10. This impairment loss amounts to DKK 3.5 million.

Gross margin

The gross margin for the 2009/10 financial year amounted to DKK 200.5 million, against DKK 375.0 million the year before. Excluding the value adjustment of investment properties, the gross margin amounts to 15.4 %, which Management considers satisfactory in light of the current market conditions. The projects handed over are described in more detail below.

The gross margin includes a DKK 9.0 million profit on account on a single project that was recognized according to the percentage of completion method in the 2009/10 financial year, compared to DKK 5.3 million in the 2008/09 financial year.

The value adjustment for the year amounts to DKK -10.9 million against DKK 57.7 million the year before; see below.

Staff costs and other external expenses

Staff costs and other external expenses amounted to DKK 138.5 million for 2009/10, a reduction of 17.2 % compared to the year before.

Staff costs totalled DKK 99.9 million, down by 17.2 % on 2008/09. As in 2008/09, the Group trimmed the organization to match a lower activity level in 2009/10. In the past financial year, the number of Group employees dropped from 164 at 31 January 2009 to 136 at 31 January 2010, corresponding to a 17 % reduction.

The full impact of the completed organizational adaptation will be realized in the 2010/11 financial year.

Other external expenses amounted to DKK 38.6 million against DKK 46.7 million the year before, equal to a 17.3 % reduction.

Financing

In the 2009/10 financial year, the Group recorded net financing expenses of DKK 17.9 million, a reduction of about 46.4 % compared to the year before. This reduction is partly attributable to declining interest rates and the sale of projects. Project sales have released substantial free cash resources, some of which have been invested in projects in progress.

Tax on profit/loss for the year

The tax on the profit for the year amounts to DKK 14.0 million, corresponding to a tax rate of 35.5 %. This amount is a combination of calculated tax on profit for the year and a reassessment of the deferred tax asset.

Balance sheet

The Group's balance sheet total amounted to DKK 4,377.3 million at 31 January 2010, an increase of DKK 561.2 million, or 14.7 %, compared to 31 January 2009.

Goodwill

Goodwill amounted to DKK 33.3 million at 31 January 2010 and relates to the Group's Central European activities. The carrying amount of goodwill has been subjected to an impairment test, which has not given rise to the recognition of any goodwill impairment.

Investment properties

The valuation of the Group's investment properties is made on the basis of a discounted cash-flow model, where future cash flows are discounted to net present value on the basis of a given return requirement. The return requirements are unchanged compared to 31 January 2009.

The combined value of the Group's investment properties totalled DKK 355.1 million at 31 January 2010, of which DKK 196.0 million relates to the Group's German investment properties and DKK 159.1 million to the Group's Central European investment property.

Deferred tax asset

The deferred tax asset in the balance sheet amounted to DKK 284.9 million at 31 January 2010. The valuation of the tax asset is based on existing budgets and profit forecasts for a five-year period. The valuation for the first three years has been based on an assessment of specific projects in the Group's project portfolio. The valuation for the next two years has been made using profit forecasts that are based on specific projects in the project portfolio with a longer time horizon than three years as well as various project opportunities.

Project portfolio

The total project portfolio grew by DKK 712.2 million compared to 31 January 2009, amounting to DKK 3,253.5 million at 31 January 2010. This growth is primarily attributable to the Group's construction of the Sillebroen shopping centre in Frederikssund, Denmark, Galeria Tarnovia in Tarnów and Galeria Sandecja in Nowy Sącz, both in Poland.

Total prepayments based on forward-funding agreements amounted to DKK 350.7 million at 31 January 2010 against DKK 942.7 million at 31 January 2009. The decline should be viewed in relation to the handover of the Group's multi-functional centre, Entré, Sweden, in 2009/10, where the sales agreement was based on forward funding. At 31 January 2010, forward funding represented about 96 % of the gross carrying amount of sold projects.

Receivables

Total receivables amounted to DKK 270.3 million, a reduction of DKK 67.1 million from 31 January 2009. This reduction is attributable to both trade receivables and other receivables.

Cash and cash equivalents

Cash and cash equivalents amounted to DKK 77.5 million at 31 January 2010, a decline of DKK 33.5 million from 31

January 2009. The decline is partly attributable to the use of cash resources for operations and investments in new projects.

Equity

At 31 January 2010, the Group's equity came to DKK 1,593.4 million, against DKK 1,506.0 million at 31 January 2009.

The increase in equity since 31 January 2009 results primarily from the profit generated for the year, positive market-value adjustments after tax of DKK 26.7 million and a positive adjustment of an unrealized loss on a forward-exchange transaction of DKK 31.4 million.

The solvency ratio amounts to 36.4 %.

Long-term liabilities

The Group's long-term liabilities represented DKK 103.8 million at 31 January 2010, a DKK 60.1 million decrease from the year before.

Short-term liabilities

Short-term liabilities represented DKK 2,680.1 million at 31 January 2010, a DKK 533.9 million increase from 31 January 2009.

Financial liabilities have been offset against trade receivables and tied-up cash and cash equivalents, to the extent that the Company has a right of setoff and also intends or is contractually obliged to realize assets and liabilities at the same time. At 31 January 2010, an amount of DKK 5.2 million was offset only against tied-up cash.

The Group's short-term debt to credit institutions consists of operating and project credits. TK Development has entered into a general agreement with the Group's main banker about both types of credit. The agreement and the associated conditions are renegotiated once a year, and Management expects the agreement to continue.

In addition, the Group has entered into project-financing agreements with various banks in Denmark and abroad. Project credits are usually granted with different terms to maturity, depending on the specific project.

Of the project credits outstanding at 31 January 2010, credits worth DKK 298.3 million were due to mature in the 2010/11 financial year. Management expects these project credits to be extended.

Cash flow statement

The cash flow statement shows negative cash flows from operating activities of DKK 582.8 million due to project investments, positive cash flows from investing activities of DKK 0.4 million and positive cash flows from financing activities of DKK 542.7 million.

DKKm	2007/08	2008/09	2009/10
Cash flows from operations	142.6	-331.7	-582.8
Net interest-bearing debt, end of year	1,094.9	1,509.5	2,178.9

Handed-over projects

In the year under review, the Group handed over projects with a total floor space of about 56,000 m².

In TKD Nordeuropa, the following major projects were handed over to investors in the 2009/10 financial year:

The Entré Multifunctional Centre, Malmö, Sweden

The Group's multifunctional centre, Entré, opened on 19 March 2009 and was handed over to the investor, Commerz Real, in June 2009. The selling price was fixed on the basis of a return requirement of 6 %, with the sales agreement being based on forward funding. The occupancy rate has reached 89 %. The centre has total premises of 39,500 m², comprising retail stores of 25,800 m², restaurants, cinema, fitness and bowling facilities of 10,700 m², offices of 300 m² and residential accommodation of 2,700 m². In addition, the centre has common areas and underground parking facilities with 900 spaces.

Retail park, Brønderslev

The Group has handed over 4,700 m² of its 5,800 m² retail park project in Brønderslev, Denmark, to Dansk Supermarked and OK Benzin. The remaining premises of 1,100 m² have been fully let.

Sale of land, Enebyängen, Danderyd, Sweden

TKD Nordeuropa's project in Danderyd, Sweden, comprises a 14,300 m² retail park with a current occupancy rate of 99 %. In December 2009, the Group entered into an agreement with the German investment fund Commerz Real regarding the sale of this project. The project site was handed over to the investor in the 2009/10 financial year.

Sale of land, Uppsala, Sweden

TKD Nordeuropa is developing and constructing a 10,900 m² retail park in Uppsala, Sweden,. The retail park has been sold to the institutional fund of German IVG Funds, and the project site was handed over to the investor in the 2009/10 financial year.

In Euro Mall Holding, the following major projects were handed over to investors in the 2009/10 financial year:

Tivoli Residential Park, Targówek, Warsaw, Poland
In autumn 2008, the Group completed its first housing project in Poland. The project consists of 280 apartments to be sold as owner-occupied units. In 2008/09, 239 of the units were handed over to the new owners and another 37 were handed over to the buyers in 2009/10.

Sale of land, Bytom Retail Park, Bytom, Poland
An agreement has been concluded with the French DIY Castorama chain for its purchase of part of the land. The agreement was completed in January 2010, and the relevant portion of the land was thus handed over to Castorama in 2009/10.

Sale of land, retail park, Prešov, Slovakia
A plot of land was sold and handed over to McDonald's in Prešov, Slovakia, in autumn 2009. The plot is situated immediately next to the Group's planned 9,300 m² retail park. Thus, McDonald's will be included in the retail park.

Value adjustment of investment properties

The value adjustment of the Group's investment properties amounted to DKK -10.9 million in 2009/10 against DKK 57.7 million the year before.

Value adjustment of the Group's Central European investment property
The Group's investment property in Central Europe (a 20 % stake in the Futurum Hradec Králové shopping centre in the Czech Republic) was valued at DKK 159.1 million at 31 January 2010, based on an unchanged return requirement of 7 %, calculated on the basis of a discounted cash-flow model over a five-year period.

In the 2009/10 financial year, the letting situation was satisfactory. The property was fully let, the rent payable under existing lease agreements could be escalated on the usual basis, and new lease agreements were generally concluded at higher rent levels when existing tenants renegotiated their lease terms or new tenants took over leases. Overall, this resulted in a positive value adjustment of DKK 5.9 million in 2009/10.

Value adjustment of the Group's German investment properties
The Group's investment properties in Germany consist of commercial and residential rental properties, all situated on the outskirts of Berlin, apart from a property in Lüdenscheid. The total value of these properties amounted to DKK 196.0 million at 31 January 2010. The value adjustment in the 2009/10 financial year amounted to DKK -16.8 million. Of this amount, DKK -15.0 million relates to a value adjustment due to extraordinary maintenance costs associated with a tenant vacating a major leasehold in one of the properties. The value adjustment has been calculated using a discounted cash-flow model over a ten-year period, based on an unchanged return requirement of 6.5 %.

Focus on costs

Based on the market situation in Latvia and Management's expectations that recovery is not imminent, it was decided half way through the year to close the Group's office in Riga. Therefore, these activities are now managed from the office in Vilnius, Lithuania.

In the last part of 2008/09 and again in 2009/10, the Group trimmed the organization to match the current activity level. Thus, the number of employees was reduced from 164 at 31 January 2009 to 136 at 31 January 2010. The full impact of the completed organizational adaptation will be realized in the 2010/11 financial year.

The Group cut its cost level by about 17 % in 2009/10 compared to 2008/09.

Progress in the Group's projects

TK Development continues to focus on consolidating its position and executing existing projects in the portfolio, as well as on securing satisfactory pre-construction letting or sales.

Retail projects on which construction has started or is about to start are attracting a fair amount of interest from tenants. During the period under review, the Group concluded several lease agreements for such projects, which are thus progressing as planned.

The construction projects are proceeding according to plan, and in the course of the financial year, the Group opened two shopping centres in Poland and one retail park in the Czech Republic. The Group also opened another shopping centre in Denmark after the reporting date.

Thus, the Group's portfolio includes several completed, cash-flow-generating projects that are ready for sale.

In December 2009, the Group entered into an agreement with the German investment fund Commerz Real regarding the sale of its 14,300 m² retail park project in Danderyd, Sweden. The total selling price is expected to be in the SEK 280 million range, based on forward funding. The current occupancy rate is 99 %, and construction started in November 2009. The project will be built in two phases, the first consisting of nine stores to open in October 2010, and the second consisting of a leasehold for Plantagen, due to open in March 2011.

The Group's 10,900 m² retail park project in the Swedish city of Uppsala has now been fully let. Construction progressed as planned, and the retail park opened in March 2010. The project has been sold to the institutional fund of German IVG Funds based on forward funding. The project is expected to be handed over to the buyer before the end of April 2010.

The current occupancy rate for the Group's Sillebroen shopping centre project in Frederikssund, Denmark, is 91 %. Construction progressed according to plan, and the centre opened as scheduled on 25 March 2010.

In Poland, the Group's fully-let shopping centre, Galeria Sandecja in Nowy Sącz was completed and opened in October 2009 as planned. Construction of the Group's fully-let shopping centre, Galeria Tarnovia, in Tarnów, Poland, has also been completed, and the centre opened in November 2009 as planned. Both centres enjoyed a highly successful opening and a very satisfactory influx of customers.

In December 2009, an agreement based on forward funding was made with a user for the sale of about 3,500 m² of office space in the Tivoli Residential Park, Warsaw. Construction started in spring 2010.

The first 6,400 m² phase of the Group's retail park in Most, the Czech Republic, opened on 30 April 2009. The current occupancy rate for the first phase of the project is 86 %.

In the Czech Republic, the letting of premises in phase II of the Fashion Arena Outlet Centre of about 7,000 m² has now reached a level allowing the Group to initiate construction in April 2010.

The investment in these projects, with construction proceeding on the three shopping centres during most of the year, is the main reason for the increase in the Group's project portfolio from DKK 2.5 billion at 31 January 2009 to DKK 3.3 billion at 31 January 2010.

The Group's total project portfolio comprised 957,000 m², the same level as at 31 January 2009. During the period under review, the Group handed over projects of about 56,000 m², and the intake of new projects represents a net floor space of 53,000 m², a result of TK Development's efforts to secure future project opportunities; see below.

Further project opportunities

In addition to consolidating its position and executing existing projects in its portfolio, the Group is investigating alternative earnings possibilities and striving to secure future project opportunities, including through long-term option agreements.

As part of its efforts to identify alternative earnings possibilities and utilize TK Development's core competencies, the Group has engaged in dialogue with credit institutions and other organizations with distressed projects that remain to be completed. The discussions relate particularly to projects whose stage of development means they can be implemented within a relatively short time span.

To underpin the Group's long-term earnings potential, TK Development is also working to secure future project opportunities, including by entering into long-term option agreements for land. Long-term option agreements have been concluded for projects where construction startup is expected within a period of one to three years, which means that the Group can work on the contemplated project for a fairly long period, allowing time for negotiations with public authorities, prospective tenants and investors. The aim is to enable the best possible project preparation before construction startup, including to secure a high occupancy rate.

For example, TK Development has obtained a long-term option for a plot of land in the Czech town of Frýdek Místek where the Company is planning to build a 19,000 m² shopping centre.

In addition, the Group and DSB Ejendomsudvikling A/S have progressed far in the new project development on the railway land at Esbjerg station, Denmark. The plan is for TK Development to build a 28,000 m² shopping centre. The local planning process has been initiated, and the final local plan is expected to be available in autumn 2010.

Management is assessing additional specific new project opportunities, and the Group expects to enter into agreements regarding several of these projects.

Increase of capital base – to strengthen the financial platform

The Group has pursued its business model, and Management would like to make proactive use of the earnings potential offered by existing projects and new project opportunities. The Group's present cash resources and equity capital base are sufficient to execute the portfolio of development projects in progress. In order to also exploit the potential of expected additional projects, Management assesses that a capital injection of about DKK 200 million may increase the shareholders' returns.

Against this background, Management wishes to strengthen the Group's capital base and financial platform. Therefore, the Supervisory Board recommends the adoption of a proposal at the General Meeting on 25 May 2010 regarding a capital increase in the form of a rights issue with total gross proceeds of DKK 210.3 million. It is recommended that the rights issue be implemented in the ratio 2 : 1, which means that for every two shares held, a shareholder will be entitled to subscribe for one new share at a price of DKK 15. Consequently, the alteration to the share capital required for implementing the transaction will have to be made.

The capital increase has been discussed in advance with the Group's major shareholders, who support the rights issue. The major shareholders and a few major private and institutional investors have made conditional commitments to underwrite the total capital increase.

Outlook for 2010/11

The market situation has developed favourably compared to the most recent period. At the beginning of 2010, the general investment climate was characterized by cautious optimism and increased investor willingness. Rent levels, which were under pressure for some time, are expected to be stable in the period ahead. Reference is also made to the section "Markets and business units" below.

Based on Management's market expectations for the year to come, the sales already completed and the potential of the existing project portfolio, with several completed projects being ready for sale, Management expects an increased activity level for 2010/11 compared to 2009/10 and to generate a profit after tax of about DKK 100 million.

The expectations for future developments presented in this announcement, including earnings expectations, are naturally subject to risks and uncertainties and may be affected by various factors, such as global economic conditions and other significant issues, including credit-market, interest-rate and foreign-exchange developments. Reference is also made to the section "Risk issues" in this Annual Report.

Post-balance sheet events

No major events affecting the Company other than those mentioned in the Management's review have occurred after the reporting date.

Markets and business units

The Group operated under difficult market conditions in the 2009/10 financial year. The financial markets were subject to uncertainty, and the banks continued to require high equity contributions to the individual projects, from both project developers and investors.

In the year under review, only a few property deals were completed in the Group's markets. This resulted in uncertainty about real property pricing and a general wait-and-see attitude among investors.

The Group experienced slackened demand for rental space, with tenants taking longer to make lease decisions. Lower private consumption and the consequent impacts have been putting pressure on rent levels for some time. Tenants are also focusing increasingly on location, which means project location is even more critical than in the past. Nevertheless, retail projects on which construction has started or is about to start have attracted a fair amount of interest from tenants, and the Group concluded several lease agreements for such projects during the year under review.

The economic decline has caused land and construction prices to drop continuously over the 2009/10 financial year. Management finds that land prices fluctuate greatly depending on location and use, a situation that is expected to continue in the years ahead. The level of construction costs has dropped significantly and appears to be stabilizing, with some variation from country to country.

TK Development has continued to focus on consolidating its position and executing existing projects in the portfolio, as well as on securing satisfactory pre-construction letting or sales.

At the same time, the market conditions have opened up new project opportunities, including for taking over competing development projects or for making the Group's core competencies available to credit institutions with distressed projects that remain to be completed. In addition, there are now opportunities for entering into long-term option agreements for the purchase of land; see above.

The market situation is now developing favourably compared to the most recent period. Rent levels in the retail segment are expected to be stable in the period ahead. At the beginning of 2010, the general investment climate was characterized by cautious optimism and increased investor willingness.

The macroeconomic indicators in the form of GDP, private consumption and unemployment are showing moderate growth expectations in all the Group's markets.

The Group has a strong platform in each of its markets and focuses on exploiting the unrealized potential on all markets through existing retailer and investor networks. The Group consistently strives to strengthen the project portfolio in each of its markets, with special emphasis on the retail segment.

TK Development has business activities in two geographical areas, Northern Europe and Central Europe.

Northern European markets

Geographically, TKD Nordeuropa's activities are broken down on four core markets: Denmark, Sweden, Finland and the Baltic States. TKD Nordeuropa has activities in the individual markets within various segments, as shown by the table below.

	Denmark	Sweden	Finland	Baltic States
Shopping centres	•	•	•	•
Stores/superstores	•	•	•	•
High-street properties	•			
Offices	•			
Segment mix	•	•		•
Residential	•			

Denmark

Supermarket and retail chains in Denmark are generally focusing on new and central locations in their efforts to secure market shares and generate growth. The Group's primary market focus is to establish district and shopping centres in cities and medium-sized towns.

Denmark – startup in 1989	2008	2009e	2010e	2011e
GDP (% yr./yr.)	-0.9	-4.7	1.7	1.7
Private consumption (% yr./yr.)	-0.2	-4.8	2.9	2.6
Unemployment (%)	1.8	3.6	5.6	6.2

(Source: Nordea, January 2010)

Appealing office property locations, such as the Group's waterfront areas, can attract tenants and investors alike, and the Group expects to create attractive office projects in the years to come. Examples of such projects include the Group's locations at Amerika Plads in Copenhagen and Stuhrs Brygge in Aalborg.

Sweden

As in previous years, the business activity in Sweden is anticipated to focus on the retail segment. The ongoing expansion in this sector continues to make the country an interesting market in this segment. The development of individual, major shopping centre projects is a specific focus area.

Sweden – startup in 1997	2008	2009e	2010e	2011e
GDP (% yr./yr.)	-0.2	-4.4	3.2	2.4
Private consumption (% yr./yr.)	-0.2	-0.5	2.8	2.2
Unemployment (%)	6.1	8.3	9.0	8.9

(Source: Nordea, January 2010)

Finland

Since establishing a branch office in Finland, the Group has developed retail parks primarily. The focus is expected to remain on the retail segment, in particular retail parks and individual, major shopping centre projects.

Finland – startup in 1999	2008	2009e	2010e	2011e
GDP (% yr./yr.)	1.0	-7.0	2.7	2.5
Private consumption (% yr./yr.)	1.9	-1.8	1.2	2.0
Unemployment (%)	6.4	8.3	9.8	9.4

(Source: Nordea, January 2010)

Baltic States

Although optimism has increased slightly, the market situation in the Baltic States remains difficult. Their economies have come to a standstill, resulting in falling rent levels and increasing return requirements. The Group has postponed the startup of construction on planned projects in the two countries until the property can be sold or satisfactory pre-construction letting achieved, relative to the market situation in the relevant country.

Baltic States – startup in 2001	2008	2009e	2010e	2011e
Latvia:				
GDP (% yr./yr.)	-4.6	-18.0	-2.9	2.7
Private consumption (% yr./yr.)	-5.4	-23.5	-6.0	2.0
Unemployment (%)	7.5	17.3	19.5	19.0
Lithuania:				
GDP (% yr./yr.)	2.8	-16.0	-2.4	3.0
Private consumption (% yr./yr.)	3.6	-17.5	-4.5	2.0
Unemployment (%)	5.8	15.0	18.2	18.0

(Source: Nordea, January 2010)

Central European markets

In Central Europe, the Group has activities in Poland, the Czech Republic and Slovakia. Euro Mall Holding has activities within the following segments of the individual markets:

	Poland	Czech Republic	Slovakia
Shopping centres	•	•	•
Stores/superstores	•	•	•
Offices	•		
Segment mix	•	•	
Residential	•		

Moreover, Euro Mall Holding owns a share of an investment property in the Czech Republic and one-third of the management company Euro Mall Centre Management (EMCM).

The Group has a well-developed network of contacts with many local and international retail chains looking to expand into Central Europe. In addition, Euro Mall Holding works closely with investors, including international investment funds, looking to invest in Central European property projects.

Poland

As one of the few European countries that avoided recession in 2009/10, Poland continues to enjoy a positive market outlook. Both local and international retailers continue to show keen interest in renting premises in prime-location retail centres and minor shopping centres in Poland. This is reflected, among other things, by highly satisfactory letting of the Group's completed projects. In the years ahead, many projects are still expected to be located in medium-sized towns. Such projects will typically have a floor space of 10-15,000 m², with a small hypermarket or a supermarket as anchor tenant. The Group will also continue to explore project opportunities in major towns and cities.

Poland- startup in 1995	2008	2009e	2010e	2011e
GDP (% yr./yr.)	4.9	1.6	3.0	4.4
Private consumption (% yr./yr.)	5.4	3.2	2.6	4.1
Unemployment (%)	9.8	10.9	12.0	11.9

(Source: Nordea, January 2010)

The Group's business platform also includes the housing market in Poland.

Attractive housing remains scarce, and much of the existing housing no longer fulfils the Poles' housing standard requirements. Warsaw continues to develop and to boost its position as Poland's commercial hub. A large number of new residential buildings have been constructed recently, and the supply of housing for sale is high. A key contributory factor is the increasing difficulty individual buyers have experienced in obtaining home purchase loans, which has resulted in a slower rate of housing turnover. The slight decline in the housing price level reflects these market conditions.

The development of the Group's first housing project in Central Europe was initiated in Warsaw, Poland, in autumn 2006 and comprises 280 residential units. The Tivoli Residential Park project has been completed, and all units have been sold. The project process was highly satisfactory. The Group's next housing project, Residential Park, Bielany, comprising 900-1,000 units, can be completed in four phases. Construction of the first phase will start once pre-construction sales have reached a satisfactory level, estimatedly at end-2010.

Czech Republic

The Czech market continues to experience good demand for tenancies in attractive retail projects. The market for shopping centres and retail parks in medium-sized towns and cities is still considered attractive, and the Group has several shopping centre and retail park projects in its portfolio. The trend is towards building retail parks in the vicinity of existing shopping centres.

Czech Republic – startup in 1997	2008	2009e	2010e	2011e
GDP (% yr./yr.)	2.3	-4.0	2.0	2.8
Private consumption (% yr./yr.)	3.5	1.2	1.0	2.5
Unemployment (%)	5.4	8.1	9.5	8.9

(Source: Nordea, January 2010)

Slovakia

In general, the need for shopping centres and retail parks in Slovakia is considered to be limited, as the demand has already been met in most major towns and cities. However, Management believes that retail parks at attractive locations will attract interest in future, and the Group is working on several project opportunities.

Slovakia – startup in 1999	2008	2009e	2010e	2011e
GDP (% yr./yr.)	6.8	2.0	2.8	1.9
Private consumption (% yr./yr.)	5.9	1.7	3.4	0.5
Unemployment (%)	7.7	11.4	13.0	11.8

(Source: The European Commission, November 2009)

The Group's project portfolio

Project portfolio status

The Group's project portfolio comprised 957,000 m² at 31 January 2010. The project portfolio consists of sold projects of 146,000 m² and of remaining projects of 811,000 m². At 31 January 2009, the Group's project portfolio comprised 960,000 m².

As described above, TK Development has continued to focus on costs, consolidating its position and executing existing projects in the portfolio. This has ensured good project progress and further optimization of the individual projects. Although future earnings on part of the Group's existing project portfolio are under pressure from the changed market conditions, falling construction costs are expected to partially offset this effect. Management still expects to record a profit on all projects in the portfolio, but at a lower than normal profit margin.

The Group believes that market price adjustments are coming to an end, meaning that land prices, construction costs, rent levels and property prices have stabilized at a new level. The new price levels underpin the profitability of future development activity, and new projects in the portfolio are thus expected to generate a normal profit.

The development in the Group's project portfolio is outlined below:

DKKm	31 Jan 2008	31 Jan 2009	31 Jan 2010
Sold			
Completed	0	0	0
In progress	29	4	2
Not initiated	52	41	12
Total	**81**	**45**	**14**
Remaining			
Completed	465	565	1,352
In progress	186	813	720
Not initiated	1,213	1,118	1,164
Total	**1,864**	**2,496**	**3,236**
Net project portfolio	**1,945**	**2,541**	**3,250**
Forward funding	832	943	351
Gross project portfolio	2,777	3,484	3,601
Forward funding in % of gross carrying amount of sold projects	**91.1 %**	**95.4 %**	**96.2%**

Table 1

By means of forward funding, the Group continuously reduces the funds tied up in the portfolio of sold projects. The amount of forward funding has been considerably reduced since 31 January 2009 due to the handover of the Group's multifunctional centre, Entré, Sweden, to the investor.

As appears from the table above, the carrying amount of remaining completed projects increased substantially during the period under review. This increase is attributable to the Group's newly opened shopping centres in Tarnów and Nowy Sącz, Poland. The Group's shopping centre in Frederikssund, Denmark, accounts for a major share of the remaining projects in progress.

The development of the Group's project portfolio is shown below (in square metres):

('000) m²	31 Jan 2008	31 Jan 2009	31 Jan 2010
Sold			
Completed	0	0	0
In progress	109	56	25
Not initiated	155	127	121
Total	**264**	**183**	**146**
Remaining			
Completed	34	35	87
In progress	54	103	60
Not initiated	860	639	664
Total	**948**	**777**	**811**
Total project portfolio	**1,212**	**960**	**957**
Number of projects	**86**	**63**	**66**

Table 2

The table below shows the distribution of the carrying amounts of projects in the portfolio at 31 January 2010 for the two business units.

Projects at 31 January 2010 DKKm	TKD Nordeuropa	Euro Mall Holding	Group, total *)	Per cent of total
Sold				
Completed	0	0	0	0.0 %
In progress	1	1	2	0.1 %
Not initiated	7	22	12	0.4 %
Total	**8**	**23**	**14**	**0.5 %**
Remaining				
Completed	325	992	1,317	41.4 %
In progress	720	0	720	22.6 %
Not initiated	464	664	1,128	35.5 %
Total	**1,509**	**1,656**	**3,165**	**99.5 %**
Project portfolio	**1,517**	**1,679**	**3,179**	**100.0 %**

*) excl. TK Development, Parent Company, a total of DKK 71 million.

Table 3

The table below shows the number of square metres in the project portfolio, distributed on the two business units. There are no development projects in the Parent Company.

Projects at 31 January 2010 ('000) m^2	TKD Nordeuropa	Euro Mall Holding	Group total *)	Per cent of total
Sold				
Completed	0	0	0	0.0 %
In progress	25	0	25	2.7 %
Not initiated	7	114	121	12.6 %
Total	**32**	**114**	**146**	**15.3 %**
Remaining				
Completed	28	59	87	9.0 %
In progress	60	0	60	6.3 %
Not initiated	390	274	664	69.4 %
Total	**478**	**333**	**811**	**84.7 %**
Project portfolio	**510**	**447**	**957**	**100.0 %**

*) excl. TK Development, Parent Company.

Table 4

A more detailed description of all major projects appears from the section concerning the project portfolio under the individual business units.

TK DEVELOPMENT, THE PARENT COMPANY

TK Development, the Parent Company, is a holding company for TKD Nordeuropa and Euro Mall Holding. Moreover, this part of the Group owns the projects in Germany and Russia and a few other assets.

The year's results for this part of the Group constitute a loss of DKK 40.5 million after tax. This amount includes a DKK -16.8 million value adjustment of the Group's German investment properties; see above.

Investment properties are described in the section "Investment properties" on page 31.

TKD NORDEUROPA

The Group's activities in Northern Europe are placed in the wholly-owned subgroup TKD Nordeuropa. TKD Nordeuropa primarily operates in the retail property segment (shopping centres and retail parks), the office segment and the mixed segment, including multifunctional projects.

In the 2009/10 financial year, TKD Nordeuropa realized a profit after tax of DKK 23.9 million against a loss of DKK 6.6 million the year before. For a more detailed description of the projects handed over to investors in 2009/10, reference is made to the Management's review on page 10.

Project portfolio

The development potential of the project portfolio represented 510,000 m² at 31 January 2010, of which sold projects accounted for 32,000 m² and remaining projects for 478,000 m². The project portfolio had a total development potential of 541,000 m² at 31 January 2009.

Projects

Premier Outlets Center, Ringsted, Denmark
This project has been developed in a 50/50 joint venture with Miller Developments, a Scottish subsidiary of the Miller Group. The project consists of a factory outlet centre and restaurant facilities, with a total floor space of 13,200 m² and about 1,000 parking spaces. This is Denmark's first major factory outlet centre. The centre opened on 6 March 2008, and the current occupancy rate is 67 %. Hugo Boss opened its first factory outlet store in Scandinavia in March 2009, and negotiations with several potential Danish and international tenants are ongoing. The centre is expected to be sold after a run-in and maturing period.

Østre Teglgade, Copenhagen, Denmark
This attractively located project covers an area of 24,000 m² at Teglholmen. The area is well-suited for a housing or office project. The project may be built in phases in step with letting and/or sale. A local plan for the area is currently being drawn up.

Amerika Plads, Copenhagen, Denmark
Kommanditaktieselskabet Danlink Udvikling (DLU), which is owned 50/50 by Udviklingsselskabet By og Havn I/S and TKD Nordeuropa, owns three projects at Amerika Plads: lot A, lot C and an underground car park. A building complex with about 11,000 m² of office space is to be built on lot A, and a building complex with about 13,800 m² of commercial and residential space on lot C. Construction will take place as the space is let. Part of the underground car park in the Amerika Plads area has been built. The Group expects to sell the total parking facility upon final completion.

Sillebroen, shopping centre, Frederikssund, Denmark
In Frederikssund, TKD Nordeuropa has constructed a shopping centre with a total floor space of about 28,000 m². The shopping centre comprises supermarket units of about 5,000 m² and speciality stores and restaurants of about 20,000 m². In addition, the project includes about 3,000 m² of residential space. The occupancy rate has reached 91 %, and the tenants include Kvickly, Fakta, Hennes & Mauritz, Synoptik, Matas, Skoringen, Deichmann and Vero Moda. Construction was initiated in mid-2008, and the centre opened as scheduled in March 2010. A multi-storey car park with about 800 parking spaces has been established at the centre. An agreement has been made regarding the sale to a private investor of options to build the residential space.

Shopping centre, Esbjerg, Denmark
The Group and DSB Ejendomsudvikling A/S have progressed far in the new project development on the railway land at Esbjerg station, Denmark. The plan is for TK Development to build a 28,000 m² shopping centre. The local planning process has been initiated, and the final local plan is expected to be available in autumn 2010.

Århus South, phase II, Denmark
In Århus, the Group is developing a retail project of about 5,300 m². The project consists of two phases, of which the first completed phase of about 2,500 m² was handed over in November 2007 to the investors: a property company and a user. Construction of the second, 2,800 m² phase will start once the letting status and relevant authority approvals are in place.

Østre Havn/Stuhrs Brygge, Aalborg, Denmark
In the area previously occupied by Aalborg Shipyard at Stuhrs Brygge, TKD Nordeuropa is developing a business and residential park of about 80,000 m², for which TKD Nordeuropa regularly buys land for new project development. The Group has for some time worked on attempts to amend the local plan for the purpose of changing the zoning status of about 6,600 m² from office to residential use. The local plan has now been adopted. Negotiations with a potential investor for this residential space are ongoing.

Retail park, Anelystparken, Århus, Denmark
This project consists of a 2,800 m² retail park, of which about 2,400 m² has been let to date. The retail park has been completed and handed over to the tenants.

Retail park, Brønderslev
Following the handover of a Føtex supermarket to Dansk Supermarked and a petrol station to OK Benzin, this project comprises retail premises of about 1,100 m², let to Punkt 1 and an amusement arcade operator. After handing over the

Sillebroen – 40,000 customers on opening day

The morning of 25 March 2010 arrived – and with it Sillebroen's opening day. Located in Frederikssund, the 25,000 m^2 shopping centre attracts customers from a large catchment area.

91 % let – strong concepts on the way

Sillebroen takes its name and contoured shape from the Sillebro stream that winds its way past the centre. The distinctive fluid form – with no right angles or sharp corners – guides customers naturally around the entire centre.

Despite challenging market conditions, Sillebroen has an occupancy rate of 91 %, and more stores are coming. Centre tenants include strong Danish and international chains such as Hennes & Mauritz, Kvickly, Fakta, FONA, SPORT-MASTER and Deichmann.

Sillebroen

Centrally located near an S-train station

Sillebroen is located in the centre of Frederikssund right next to the S-train station. Visitors can walk straight from the station platform over two bridges to the centre's ground and first floors. This location in itself generates a steady, natural flow of customers along the centre's main street.

Sillebroen's bars and cafés also offer outdoor table service, a unique feature for a shopping centre. A large open square built in front of the main entrance links the centre with Frederikssund's pedestrian street, enabling the centre's cafés to serve customers in the open air – weather permitting!

TK Development will own and operate Sillebroen until a sale has been completed.

Read more at www.sillebroen.dk (in Danish)

Opened:	25 March 2010
Rentable area:	25,000 m^2
Number of stores:	75
Parking spaces:	800 units
Occupancy rate:	91 %

Føtex supermarket to Dansk Supermarked, the Group has taken over the old 2,400 m² Føtex property in Brønderslev and expects to let the premises to retail stores.

Vasevej, Birkerød, Denmark

TKD Nordeuropa owns a property of about 3,000 m² at Vasevej in Birkerød, rented by SuperBest. Plans are in progress to build an extension of about 1,400 m² and sell it to an owner-occupant.

Handelskvarteret Kulan, shopping centre and service/commercial space, Gothenburg, Sweden

TKD Nordeuropa and the Swedish housing developer JM AB have entered into a cooperation agreement with SKF Sverige AB to develop SKF's former factory area in the old part of Gothenburg. The contemplated project comprises a total floor space of about 75,000 m²: 30,000 m² for a shopping centre, 15,000 m² for services/commercial use and 30,000 m² for housing. TK Development will be in charge of developing the 45,000 m² for a shopping centre, services and commercial facilities, while JM AB will have responsibility for the 30,000 m² of housing. The acquisition of land for the project will be completed following the adoption of a local plan, expected in 2012.

Kofoten, Kristianstad, Sweden

TKD Nordeuropa owns a property in Kristianstad. Following conversion and extension, the project will comprise a retail park of about 6,200 m². The existing building of about 4,000 m² is almost fully let, renovation has been completed, and the retail stores have opened. The overall project is expected to be completed by mid-2011.

Retail park, Enebyängen, Danderyd, Sweden

TKD Nordeuropa is building a new commercial centre in the municipality of Danderyd near Stockholm. The total project will comprise a 14,300 m² retail park, and the lease agreements concluded include a 4,300 m² lease with supermarket operator Coop Extra, a 4,000 m² lease with a furniture store and a lease with Plantagen. In December 2009, the Group entered into an agreement with the German investment fund Commerz Real regarding the sale of this project. The total selling price is expected to be in the SEK 280 million range, based on forward funding. The current occupancy rate is 99 %, and construction started in November 2009. The project will be built in two phases, the first consisting of nine stores to open in October 2010, and the second consisting of Plantagen to open in spring 2011.

Retail park, Uppsala, Sweden

With effect from 15 December 2008, TKD Nordeuropa took over the development of a 10,900 m² retail park in the Swedish city of Uppsala. The retail park has been sold to an institutional fund of German IVG Funds on the basis of forward funding, with the investor making payments as construction progresses. The total selling price amounts to about SEK 200 million. The project premises have now been fully let, and the tenants are MediaMarkt, Toys"R"Us, Hemtex, Cervera and Sportson. Construction started in February 2009, and the retail park opened on 25 March 2010. The project is expected to be handed over to IVG Funds in April 2010.

Kaarina Retail Park, Turku, Finland

In the Finnish town of Turku, TKD Nordeuropa owns a plot of land allowing for the construction of a 7,500 m² retail park. Work is proceeding on an extension of the project to about 13,000 m², and negotiations with potential users/tenants are ongoing.

DomusPro Retail Park, Vilnius, Lithuania

TKD Nordeuropa owns a plot of land in Vilnius reserved for building a 13,600 m² retail park. Compared to the project planned at 31 January 2009, the premises have been reduced by about 4,800 m². The Group has postponed the startup of construction until the project has been sold or satisfactory pre-construction letting achieved, relative to the market situation in the country.

Project outline

The outline below lists the key projects of TKD Nordeuropa's project portfolio. The carrying amounts of the projects listed below accounted for more than 90 % of the total carrying amount of the project portfolio at 31 January 2010. In terms of carrying amount, TKD Nordeuropa's five largest projects represented a total of DKK 1,005.4 million at 31 January 2010.

Project name	City/town	Segment	Floor space (m²)	TKD's ownership interest	Construction start/ expected construction start	Opening/ expected opening
Denmark						
Premier Outlets Center	Ringsted	Retail	13,200	50 %	Autumn 2006	March 2008
Østre Teglgade	Copenhagen	Office/residential	24,000	[1] 100 %	As units are completed	As units are completed
Amerika Plads, lot C	Copenhagen	Mixed	13,800	50 %	2011	2013
Amerika Plads, lot A	Copenhagen	Office	11,000	50 %	2011	2013
Amerika Plads, underground car park	Copenhagen	Under-ground car park	32,000	50 %	2004	As units are completed
Sillebroen shopping centre	Frederikssund	Retail/residential	28,000	100 %	Mid-2008	March 2010
Shopping centre, Esbjerg	Esbjerg	Retail	28,000	100 %	2010	2012
Århus South, phase II	Århus	Retail	2,800	100 %	2011	2011
Ejby Industrivej	Copenhagen	Office	12,900	100 %	2010	2011
Hadsundvej	Aalborg	Mixed	8,600	100 %	As units are completed	As units are completed
Østre Havn/Stuhrs Brygge	Aalborg	Mixed	80,000	[1] 50 %	As units are completed	As units are completed
Retail park, Anelystparken	Århus	Retail	2,800	100 %	Early 2008	Mid-/autumn 2008
Retail park, Aabenraa	Aabenraa	Retail	4,200	100 %	Autumn 2008	Mid-2009/early 2010
Retail park, Brønderslev	Brønderslev	Retail	1,100	100 %	Autumn 2008	Mid-2009
Vasevej	Birkerød	Mixed	4,400	100 %	-	-
Sweden						
Handelskvarteret Kulan, Gothenburg	Gothenburg	Mixed	45,000	100 %	2012	2014
Retail park, Karlstad	Karlstad	Retail	15,000	100 %	End-2011	End-2012
Retail park, Söderhamn	Söderhamn	Retail	10,000	100 %	End-2011	Mid-2012
Retail park, Kofoten, Kristianstad	Kristianstad	Retail	6,200	100 %	Mid-2008	Mid-2011
Retail park, Enebyängen, Danderyd	Danderyd	Retail	14,300	100 %	Autumn 2009	Autumn 2010/spring 2011
Retail park, Uppsala	Uppsala	Retail	10,900	100 %	Early 2009	Spring 2010
Finland						
Pirkkala Retail Park, phase II	Tammerfors	Retail	5,500	100 %	End-2010	End-2011
Kaarina Retail Park	Turku	Retail	7,500	100 %	Mid-2010	Mid-2011
Baltic States						
DomusPro Retail Park	Vilnius	Retail	13,600	100 %	-	-
Milgravja Street	Riga	Residential	10,400	100 %	-	-
Ulmana Retail Park	Riga	Retail	12,700	100 %	-	-
TKD Nordeuropa, total floor space		**approx.**	**418,000**			

[1] TKD Nordeuropa's share of profit on development amounts to 70 %.

Galeria Sandecja – nominated shopping centre of the year in Poland

Galeria Sandecja

The first shopping centre in the Polish town of Nowy Sącz opened on 28 October 2009. The crowds that turned up during the opening days and have kept coming attest to the anticipation with which local townspeople looked forward to this occasion. On the first day alone more than 27,000 customers clicked through the turnstiles at Galeria Sandecja.

Customers cross the border

Nowy Sącz numbers around 100,000 inhabitants and is located in southern Poland near Slovakia, which means customers cross the national border to shop in Galeria Sandecja. The 17,300 m^2 centre has a catchment area totalling 160,000 customers within 20 minutes' drive, a customer potential from which the centre's 100 stores can benefit.

Rewarded for the best newly opened centre in 2009

The two levels of Galeria Sandecja have been fully let, indicating that both location and concept have hit the mark. Well-known, attractive brands like Carrefour, Hennes & Mauritz, Carry, Orsay, Reserved and Deichmann count among the many tenants.

Along with the centre's location and customer base, the tenant mix and excellent occupancy rate are exactly why Galeria Sandecja garnered this year's Shopping Centre Forum prize for Polish shopping centre of the year in the 'small centre' category. The prize was presented in February at the Hilton Hotel in Warsaw. Galeria Sandecja competed against all Polish centres opening in 2009.

TK Development will own and operate Galeria Sandecja until a sale has been completed.

Read more at www.galeria-sandecja.pl (in Polish and Slovakian)

Opened: 28 October 2009

Rentable area: 17,300 m^2

Number of stores: 100

Parking spaces: 800 units

Occupancy rate: 100 %

EURO MALL HOLDING

TK Development carries on its activities in Central Europe primarily through Euro Mall Holding, with the main focus on the retail property segment (shopping centres and retail parks) and the mixed segment (including multifunctional projects) and in Poland, also the residential segment.

In the 2009/10 financial year, Euro Mall Holding realized a profit after tax of DKK 42.0 million against DKK 172.0 million the year before. The profit includes a DKK 5.9 million value adjustment of the Group's Czech investment property and operation of the Group's completed properties. The value adjustment for 2008/09 amounted to DKK 73.0 million. For a more detailed description of the projects handed over to investors in 2009/10, reference is made to the Management's review on page 10.

Project portfolio

The development potential of the project portfolio represented 447,000 m² at 31 January 2010, of which sold projects accounted for 114,000 m² and remaining projects for 333,000 m². The project portfolio had a total development potential of 419,000 m² at 31 January 2009.

Projects

Stocznia multifunctional centre, Young City, Gdansk, Poland
Based on current plans, this multifunctional centre in Gdansk, Poland, will have total premises of about 61,000 m², to be developed in a joint venture with Atrium European Real Estate. The centre will comprise retail, restaurant and leisure facilities. Two previously planned residential towers totalling about 22,000 m² and the 11,000 m² office project have been put on hold. Atrium European Real Estate has undertaken the overall project financing and will retain a long-term investment in the retail, restaurant and leisure premises. Negotiations are being held with several tenants, all indicating keen interest in renting premises in the centre. During the development period, TK Development will generate earnings through fee income and a profit share based on the rental income obtained when the centre opens. The building permit is expected to be issued in 2010. Once the work on the town's infrastructure has begun, it will be decided when to start project construction. This project represents the first phase of a major development plan for the whole area.

Residential park, Bielany, Warsaw, Poland
Euro Mall Holding owns a tract of land in Warsaw allowing for the construction of 900-1,000 residential units. The plan is to build the project in four phases. Construction of the first phase is anticipated to start at end-2010, once the relevant authority approvals are in place and the pre-construction sale has reached a satisfactory level, with handing-over expected in 2012. The remaining phases will then be handed over successively. The residential units are expected to be sold as commonhold units to private users.

Tivoli Residential Park, service/office space, Targówek, Warsaw, Poland
A building permit has been granted for the construction of about 5,600 m² of office/service space on the land owned by Euro Mall Holding in the Targówek area in Warsaw. The Group has entered into an agreement with a user regarding the sale of about 3,500 m² of these premises. The sales agreement is based on forward funding. The buildings are scheduled for completion in mid-2011.

The Galeria Tarnovia Shopping Centre, Tarnów, Poland
In the Polish town of Tarnów, Euro Mall Holding has now completed the construction of a 16,500 m² shopping centre, comprising a supermarket of about 2,700 m² and specialty stores of about 13,800 m². The fully-let shopping centre opened in November 2009 as planned.

The Galeria Sandecja Shopping Centre, Nowy Sącz, Poland
In the Polish town of Nowy Sącz, Euro Mall Holding has developed a 17,300 m² shopping centre, consisting of a 5,000 m² hypermarket and specialty stores of about 12,300 m². Construction has now been completed, and the fully-let centre opened in October 2009.

Shopping centre, Jastrzębie, Poland
This project, consisting of a 43,300 m² shopping centre, will be executed by Atrium European Real Estate, with Euro Mall Holding as the project developer. Euro Mall Holding has entered into an agreement with Atrium European Real Estate regarding Euro Mall Holding's assistance for development, letting and construction management of the project on a fee basis. As part of the procedure to obtain a building permit for the project, negotiations are being held with the public authorities about the project infrastructure. The timing of construction startup has not yet been determined.

Bytom Retail Park, Bytom, Poland
Euro Mall Holding intends to develop a retail park with total leasable space of about 25,800 m² on its site at the Plejada Shopping Centre in Bytom, which is centrally located in the Katowice region. Construction of the project will be phased in step with letting. Letting efforts are ongoing, and construction will start as space is let.

Fashion Arena Outlet Centre, Prague, Czech Republic
In Prague, the Group is developing a 25,000 m² factory outlet centre. The project is being developed in a joint venture with an international collaboration partner with factory outlet experience. The first phase of about 18,000 m² opened on 15

Project outline

The outline below lists the key projects of Euro Mall Holding's project portfolio. The carrying amounts of the projects listed below accounted for more than 95 % of the total carrying amount of the project portfolio at 31 January 2010.In terms of carrying amount, Euro Mall Holding's five largest projects represented a total of DKK 1,377.2 million at 31 January 2010.

Project name	City/town	Segment	Floor space (m^2)	TKD's ownership interest	Construction start/ expected construction start	Opening/ expected opening
Poland						
Stocznia Multifunctional Centre, Young City	Gdansk	Mixed	61,000	45 %	2011	2013
Residential park, Bielany	Warsaw	Residential/services	60,000	100 %	End-2010	As units are completed
Tivoli Residential Park, Targówek	Warsaw	Services/office	5,600	100 %	Spring 2010	Mid-2011
Poznan Warta	Poznan	Retail/residential	50,000	100 %	-	-
Galeria Tarnovia	Tarnów	Retail	16,500	100 %	Autumn 2008	November 2009
Galeria Sandecja	Nowy Sącz	Retail	17,300	100 %	Mid-2008	October 2009
Shopping centre, Jastrzębie	Jastrzębie	Retail	43,300	[1] -	-	-
Bytom Retail Park	Bytom	Retail	25,800	100 %	As units are completed	As units are completed
Czech Republic						
Prague Airport Ruzyne II	Prague	Mixed	7,000	100 %	2013	2013
Fashion Arena Outlet Centre	Prague	Retail	25,000	75 %	Spring 2007	Phase 1: November 2007 Phase 2: Autumn 2010
Sterboholy Retail Park	Prague	Retail	6,000	100 %	2013	2013
Liberec Retail Park, II	Liberec	Retail	6,200	100 %	Early 2011	Autumn 2011
Most Retail Park	Most	Retail	8,400	100 %	Autumn 2008	Phase 1: Spring 2009 Phase 2: Autumn 2012
Futurum Hradec Králové, extension	Hradec Králové	Retail	9,800	[2] 20 %	Mid-2010	Autumn 2011
Retail park, Teplice	Teplice	Retail	7,600	100 %	Spring 2012	Autumn 2012
Shopping centre, Frýdek Místek	Frýdek Místek	Retail	19,000	100 %	Autumn 2012	Autumn 2013
Slovakia						
Retail park, Prešov	Prešov	Retail	9,300	100 %	Spring 2012	Autumn 2012
Euro Mall Holding, total floor space			**approx. 378,000**			

[1] Based on fee income.

[2] Euro Mall Holding's share of profit amounts to 50 %.

Galeria Tarnovia – fully let and ready for sale

On 25 November 2009 – less than a month after the opening of Galeria Sandecja – TK Development opened yet another shopping centre in southern Poland, this time in the city of Tarnów. Like Galeria Sandecja, Galeria Tarnovia is also fully let.

275,000 customers within a 30-minute drive

With 115,000 inhabitants Tarnów is the second-largest city in the Malpolskie region of southeast Poland. It is 80 kilometres away from Kraków, the region's largest city. Galeria Tarnovia has a customer base of about 275,000 customers within a 30-minute drive.

Galeria Tarnovia has a total floor space of 16,500 m² distributed on two levels and boasts no fewer than 115 stores.

Galeria Tarnovia

Located in the heart of Tarnów

Galeria Tarnovia is situated just 800 metres from the city centre, a location that guarantees the centre both high visibility and customer traffic. This, combined with the fact that the existing shopping facilities date back some time and have not been brought up to modern standards, has helped stimulate tenant interest.

The fully let Galeria Tarnovia thus boasts strong anchor tenants such as BOMI, Hennes & Mauritz, New Yorker, Douglass, Rossmann, Carry and Deichmann.

TK Development will own and operate Galeria Tarnovia until a sale has been completed.

Read more at www.galeria-tarnovia.com (in Polish and Slovakian)

Opened:	25 November 2009
Rentable area:	16,500 m^2
Number of stores:	115
Parking spaces:	440 units
Occupancy rate:	100 %

November 2007. The current occupancy rate for the phase is 94 %. Following satisfactory pre-construction letting of the second, 7,000 m² phase of this project, construction was started in spring 2010. The second phase is projected to open later in 2010. At present, negotiations with several potential Czech and international tenants for the remaining premises are ongoing.

Liberec Retail Park, phase II, Czech Republic
This project consists of a 17,600 m² retail park. The first 11,400 m² phase, which opened on 17 September 2008, has been sold and handed over to the investor. The second 6,200 m² phase is scheduled to open in autumn 2011. The project has been sold to GE Real Estate Central Europe on the basis of forward funding.

Most Retail Park, Czech Republic
Euro Mall Holding is developing an 8,400 m² retail park in the Czech town of Most, to be built in phases. The first phase of 6,400 m² opened in April 2009, and the current occupancy rate for this phase is 86 %. The second phase is expected to be completed in autumn 2012.

Futurum Hradec Králové, extension, the Czech Republic
The Futurum Hradec Králové Shopping Centre, owned by a joint venture between GE Capital, Heitman and TK Development in which TK Development has a 20 % ownership interest, is to be extended by almost 10,000 m². The current occupancy rate is 64 %. Construction is expected to start in mid-2010, with the opening scheduled for autumn 2011.

Retail park, Teplice, Czech Republic
Euro Mall Holding has acquired plots of land in Teplice with a view to constructing a retail park of about 7,600 m². A building permit for the project has been obtained. Letting is ongoing, and construction is expected to start in spring 2012, with the opening scheduled for autumn 2012.

Shopping centre, Frýdek Místek, the Czech Republic
In the Czech town of Frýdek Místek, Euro Mall Holding has acquired a long-term option to buy a plot of land for the purpose of building a 19,000 m² shopping centre. Construction is expected to start in the course of 2012, with the handover scheduled for 2013.

Retail park, Prešov, Slovakia
Euro Mall Holding has acquired plots of land in Prešov with a view to constructing a retail park of about 9,300 m². A building permit has been granted for the project. Letting is ongoing, and construction is expected to start in spring 2012, with the opening scheduled for autumn 2012.

INVESTMENT PROPERTIES

The Group's investment properties

Project name	City/town	Segment	Floor space* (m²)	Owner-ship interest	Opening
Futurum Hradec Králové, the Czech Republic	Hradec Králové	Retail	18,300	20 %	Nov. 2000
Germany	Lüdenscheid/Berlin	Residential/ Mixed	26,000	100 %	1994-1998
Total investment properties			**44,300**		

* incl. common areas

The Group's investment properties are included in the balance sheet under property, plant and equipment. The value of these properties is measured at fair value and amounted to DKK 355.1 million at 31 January 2010 against DKK 366.5 million at 31 January 2009.

Central Europe

Euro Mall Holding's investment property Futurum Hradec Králové had a carrying amount of DKK 159.1 million at 31 January 2010, based on a required rate of return of 7.0 % p.a., calculated on the basis of a discounted cash-flow model over a five-year period. The assessed return requirement is unchanged compared to 31 January 2009.

The investment property is owned through a joint venture with GE Capital and Heitman. TK Development has access to a performance-based share of the value adjustments on part of the property, which has been included in the carrying amount. In the year under review, the letting situation was satisfactory. New lease agreements are generally concluded at higher rent levels when existing tenants renegotiate their lease terms or new tenants take over leases. The value adjustment for the year amounts to DKK 5.9 million.

There are plans to extend the Futurum Hradec Králové Shopping Centre by almost 10,000 m². Construction is expected to start in mid-2010, with the opening scheduled for autumn 2011.

Germany

The Group has five investment properties in Germany, of which a combined commercial and residential property is located in Lüdenscheid in the western part of the country, whereas the four remaining properties are residential rental properties on the outskirts of Berlin.

At 31 January 2010, the properties were recognized at DKK 196.0 million based on a required rate of return of 6.5 % p.a. calculated on the basis of a discounted cash-flow model over a ten-year period. The assessed return requirement is unchanged compared to 31 January 2009.

The assumptions of the cash-flow model imply an initial yield of about 5.9 % based on full occupancy. The value adjustment for the year amounts to DKK -16.8 million, of which DKK -15.0 million relates to expected extraordinary maintenance costs associated with a tenant vacating a major leasehold in one of the properties.

Phase II completes Fashion Arena in Prague

Fashion Arena

Construction of the second and final phase of the Fashion Arena Outlet Centre in Prague, the Czech Republic, was initiated in March this year. The first phase, which opened in November 2007, covers 18,000 m^2. Due to open in October, phase II will bring the fully built outlet centre up to a total of 25,000 m^2.

Significant growth in 2009

Fashion Arena is located in eastern Prague, a mere 25-minute drive from the centre. This location gives Fashion Arena a unique customer base of over 3.8 million people within a two-hour drive.

Fashion Arena's concept of selling well-known brand names at greatly reduced prices has attracted more than 3.5 million customers since its opening in November 2007.

In 2009, the number of customers rose by 18 % over 2008, while the revenue generated in Fashion Arena soared by 22 %.

Leading outlet centre in the Czech Republic

Among the well-known brand manufacturers selling surplus stock and last season's collections at Fashion Arena are: Benetton, O'Neil, Tom Tailor, Sergio Tacchini, Mexx, GANT, Levi Strauss & Co., Marlboro Classic, Adidas, Nike Factory and many more.

The opening of phase II cements Fashion Arena's position as the Czech Republic's leading outlet centre. In October Fashion Arena will offer more than 100 prime outlet stores.

TK Development owns 75 % of Fashion Arena.

Read more at www.fashion-arena.cz (in Czech and English)

Opened:	**Nov 2007**
Rentable area (Phase I + II):	**25,000 m^2**
Number of stores (Phase I):	**75**
Parking spaces:	**1,200 units**
Occupancy rate (Phase I):	**94 %**

OTHER MATTERS

Litigation/other legal issues

The Group is not a party to any lawsuits that, either individually or collectively, are expected to materially affect the Group's earnings.

In October 2005, TK Development A/S and six individuals were charged by the Public Prosecutor for Serious Economic Crime with fraudulent income recognition and price manipulation concerning periods covering the 2000/01 to 2003/04 financial years. Subse-quently, charges were also brought against two of the Company's former auditors.

On 17 December 2009, the Public Prosecutor announced that the charges against the Company, its Management and former auditors had been dropped.

Management has throughout been convinced that the charges were based on miscon-ceptions concerning the Group's accounting policies. Therefore, it is gratifying for TK Development's Management that the Public Prosecutor's investigations have resulted in the charges being dropped.

For more details about the case against the Group's Senior Vice President in Poland, reference is made to the section "Risk issues" on page 51.

Financial targets

To provide for sufficient future financial resources, Management has adopted a liquidity target for the whole Group. In addition, Management has adopted a solvency target for the whole Group corresponding to a solvency ratio of minimum 30 %, calculated as the ratio of equity to total assets. The Group has undertaken a commitment towards its main banker to meet a liquidity target and a solvency target. Both targets were met during the period under review.

Dividends

The Supervisory Board recommends to the Annual General Meeting that no dividends be distributed for the 2009/10 financial year.

The Supervisory Board

The Chairman of the Supervisory Board for many years, Poul Lauritsen, intends to resign from his position at the Annual General Meeting in May 2010. The remaining Supervisory Board members are all prepared to stand for re-election. The Supervisory Board nominates Jens Erik Christensen to take the vacant seat.

Jens Erik Christensen, MSc (Actuarial Science), previously held the position of Chief Executive Officer of the Codan Group. His current board memberships include a seat on the Supervisory Board of the SAS Group in Stockholm, and he was a member of the Falck Group's Supervisory Board for more than 13 years. Jens Erik Christensen has broad business experience and core competencies in such areas as financing and business development, as well as a network of business contacts relevant to TK Development's activities. Jens Erik Christensen will be considered an independent member of the Supervisory Board.

When nominating Jens Erik Christensen as a candidate, the Supervisory Board placed particular emphasis on his broad international experience and his knowledge of financing and property development.

Annual General Meeting

The Annual General Meeting of TK Development A/S will be held at 4 p.m. on 25 May 2010 at Hotel Hvide Hus in Aalborg. The Supervisory Board intends to recommend to the Annual General Meeting that:

1. no dividends be distributed for the 2009/10 financial year;
2. the Supervisory Board be authorized to acquire treasury shares having a nominal value of not more than 10 % of the share capital;
   a. that any such acquisition of treasury shares may take place at the officially listed price at the date of acquisition +/-10 %; and
   b. that any such authorization be granted for a period of five years as from the date of the appropriate resolution being passed at the Annual General Meeting;
3. the general guidelines for remunerating members of the Supervisory and Executive Boards, including an incentive pay scheme for the Executive Board, adopted at the Annual General Meeting on 27 May 2008 be adjusted in accordance with "General guidelines for the Company's remuneration of the Supervisory and Executive Boards", as reproduced on page 49 under the section on Corporate Governance. The proposed resolution also involves altering "27 May 2008" in article 10 A in the Company's Articles of Association to "25 May 2010";
4. the relevant provisions of the Articles of Association be altered as a consequence of the new Danish Companies Act;
5. a capital increase be implemented in the form of a rights issue, with total gross proceeds of DKK 210.3 million, in the ratio 2 : 1, so that for every two shares held, a shareholder will be entitled to subscribe for one new share at a price of DKK 15;

6. in the period from 25 May to 30 June 2010, the Supervisory Board be authorized to issue warrants, without a pre-emptive right for the Company's existing shareholders, by one or more issues for a total of up to nominally DKK 8,000,000 (400,000 shares of DKK 20.00) to the Executive Board and executive staff members in the Company. The planned incentive scheme is described in more detail in the section "Shareholders";
7. the Supervisory Board be authorized to increase the Company's share capital by one or more issues during the period ending on 30 June 2014 by up to nominally DKK 8,000,000 for the purpose of implementing the capital increase resulting from the exercise of warrants under the incentive scheme to be launched in 2010.

The complete wording of the resolutions proposed will appear from the agenda of the Annual General Meeting.

BUSINESS CONCEPT

Mission and strategy

The overall mission of TK Development is to create added value by developing real property.

The Group operates in the property development and services environments, and specializes in being the creative and result-oriented link between tenants and investors.

Business concept

In collaboration with tenants and investors, TK Development plans and arranges the construction of new buildings, and the expansion and conversion of real property based on tenant needs and investor requirements. The Group develops the projects, which involves letting the premises, concluding contracts with construction companies and subcontractors for the execution of the building works and managing construction.

In terms of segments, the Group focuses on the establishment of shopping centres, superstores and corporate headquarters and related mixed and multifunctional projects as well as housing in Poland.

The retail segment will continue to be the Group's most important segment in the years ahead based on continued expansion of its already extensive network of contacts.

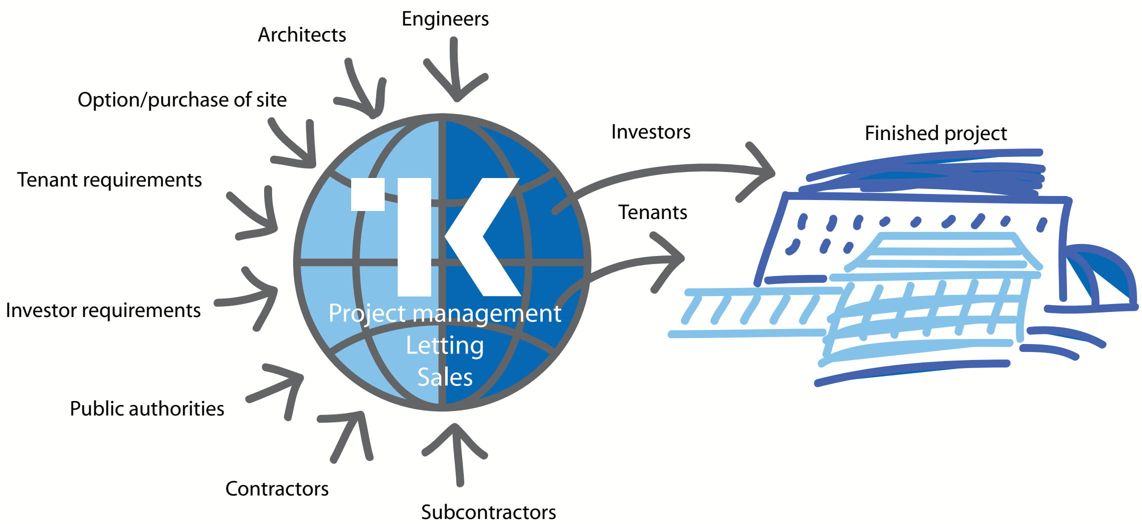
The Group owns a few investment properties for letting purposes. The Group monitors the market situation on an ongoing basis with a view to selling its investment properties. The Group does not intend to acquire further investment properties, but to use its capital for development projects instead.

Project development

The Group has strong networks forged on the basis of longstanding, close business relationships with tenants and investors, and regularly enters into contracts with these business partners. The Group is predominantly a service provider and has specialized in being the productive and creative liaison between tenants, investors, architects, construction companies and other business partners.

A project typically goes through the following stages:

- The Group's project developers seek out prime locations based on the specific requirements of tenants and investors.
- A rough budget is drawn up.
- As a main rule, the Group secures an option to acquire the selected plot of land.
- Independent architects prepare a project outline.
- The Group's project engineers review construction costs indicated in the project proposal.
- A final budget is prepared and submitted for approval by Management.
- Lease agreements are concluded with future project tenants. Frequently, agreements concerning a sale to one or more investors are signed at this point.
- Agreements are concluded with contractors and subcontractors to perform the actual construction work.
- The Group's project engineers are in charge of construction management while the project is being carried out.
- The sales department makes continuous efforts to sell and let any projects that have not been pre-sold or prelet to investors and tenants.



Project and risk management

New projects are initiated on the basis of an overall assessment of their earnings potential, balance sheet impact and impact on cash resources relative to the specific risks attaching to the individual project.

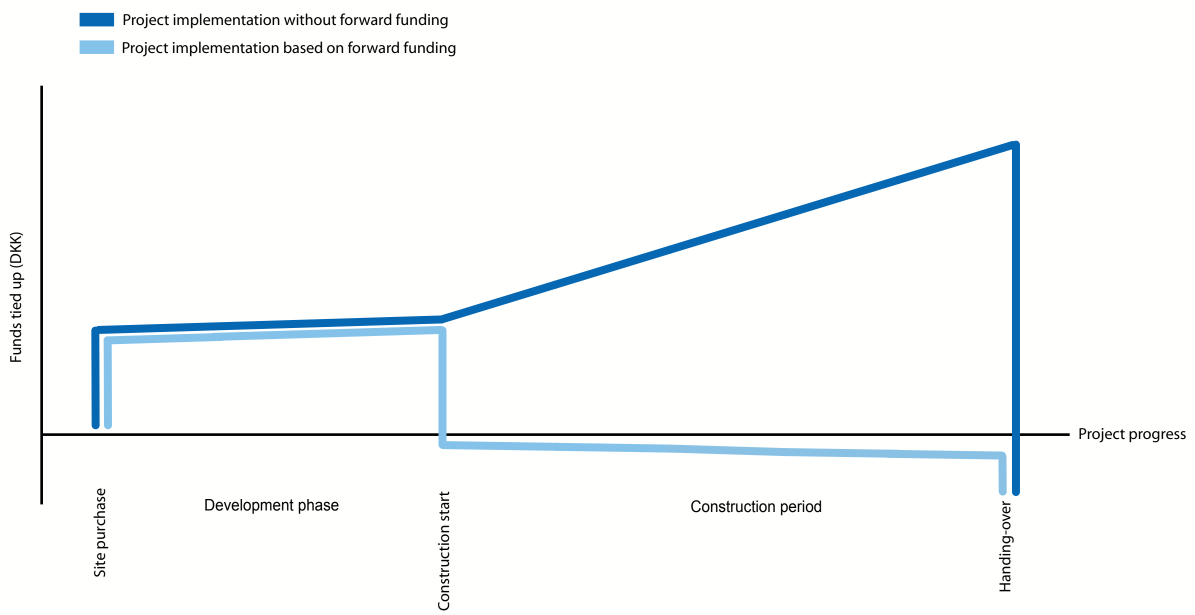
A number of management tools contribute to ensuring a satisfactory project process. Construction is typically not initiated until at least 60 % of a project is let or sold. If the project is sold, construction will not be initiated until the Group anticipates being able to meet such investor requirements as would allow final completion of the project sale. Meeting these requirements typically falls within the Group's sphere of competencies. Careful project management and follow-up are essential to any project, and project finances and cash flows are also monitored closely.

The Group emphasizes that project location, regulatory matters, pre-letting, construction matters and market conditions should combine to limit the complexity of and thus the risk attaching to the projects.

In general, the Group aims to secure the sale of projects at an early stage and Management believes it is important to expand investor commitment by having the investors fund the project during the construction process (forward funding) where possible. Forward-funding agreements with investors are usually made before construction startup, which means that the investor's payments on account during the construction period coincide with the payments to be made to TK Development's contractors.

The criteria for using forward funding are based on several important principles, including to keep the funds tied up in the Group's projects at an absolute minimum, which also reduces the balance sheet total and minimizes the risk. Before construction starts, the investor and TK Development come to an agreement on a well-defined project. The investor remains involved throughout the construction period and is consulted on major decisions. These principles ensure that, apart from the risk of not completing the project, TK Development's risk from construction startup is typically limited to the letting risk attaching to any remaining unlet premises and the risk of construction budget overruns.

The diagram below illustrates the Group's funds tied up in projects, both in a project scenario without forward funding and with forward funding.



KNOWLEDGE RESOURCES/VALUE CREATION

TK Development's value creation is based primarily on its good relations with tenants and investors (networks). Combined with the employees' know-how and competencies, these relations form the basis for the Group's ability to create added value for its shareholders.

TK Development develops real property projects that meet high standards. Together with the employees' knowledge and qualifications, the Group's close relations with tenants and investors play an essential role in minimizing the risks of individual projects. This combination is the prerequisite for developing projects that generate satisfaction for tenants and investors alike, as well as satisfactory earnings for the Group on individual projects.

Employees

The employees' know-how and competencies are key to TK Development's value creation. The Group's employees work within individual, specialized areas: project developers, letting managers, legal and financial project controllers, and engineers. Project developers create the Group's portfolio of projects. They have great expertise within letting and selling retail and office space. Their tasks consist of selecting locations, which are subsequently analyzed to identify their business potential. Their next task is preparing conceptual designs for the final projects in close cooperation with independent architects, consulting engineers, future tenants, authorities and investors. The Group's engineers and project controllers manage the individual projects from startup to handover, and their work is thus crucial for ensuring that budgets are complied with and anticipated values generated.

Management believes that the combination of long-standing experience, in-depth knowledge of tenants and investors, know-how and professional competencies enables the Group to complete projects from idea to finalized project at a minimal risk and good profitability.

Training programme launched

To continue reinforcing value creation, TK Development has launched a training programme to raise employees' level of expertise to an even higher level. The aim is to strengthen the Group in the development phases that are critical to maximizing the value of each individual project.

The training programme targets the Group's project developers, letting managers and engineers. The programme takes its cue from the individual employee's qualifications, which are identified in order to assess his or her need for training. A training programme is then set up to strengthen the employee's ability to manage and complete projects.

The training programme has been initiated and covers a three-year period. In addition to improving the Group's knowledge resources, the programme helps cement TK Development's position as an attractive workplace for both existing and future employees.

Apart from offering a training programme, TK Development holds annual personal development interviews with all employees. These interviews form the basis for providing any supplementary development and training as well as career initiatives for the individual employees.

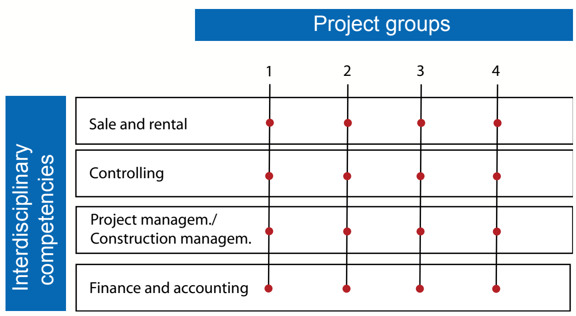
Incentive schemes

With staff being an essential factor for ensuring the Group's sustained development and growth, TK Development has launched warrant schemes for a number of employees as part of its efforts to retain and attract staff. TK Development intends to use incentive schemes in the future as well.

Project organization

TK Development believes it is important to give employees an inspiring workplace where individual projects afford them the opportunity to accumulate knowledge and experience that can be passed on throughout the organization and thus continuously improve the Group's collective know-how and skills.

In order to ensure a high degree of quality in all services provided by the Group to tenants and investors - as well as efficient progress and quick decisions in the development of individual projects - the Group's staff is anchored in a matrix organization as follows:



The matrix organization means that all the Group's peak competencies, covering the progress of a project from blueprint to completion, exist in the project group that carries through the individual project from A to Z.

Organization, management and employees

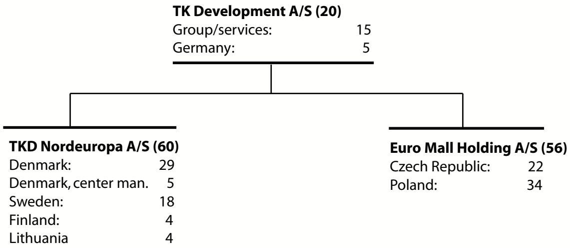
Like the group structure, TK Development's organization and management structure is divided into Northern Europe and Central Europe.

In Northern and Central Europe, the Group operates branch offices managed by divisional managers (senior vice presidents).

The Group's international management team consists of the above-mentioned group of persons, as well as functional managers in the individual countries.

Breakdown of the Group's employees

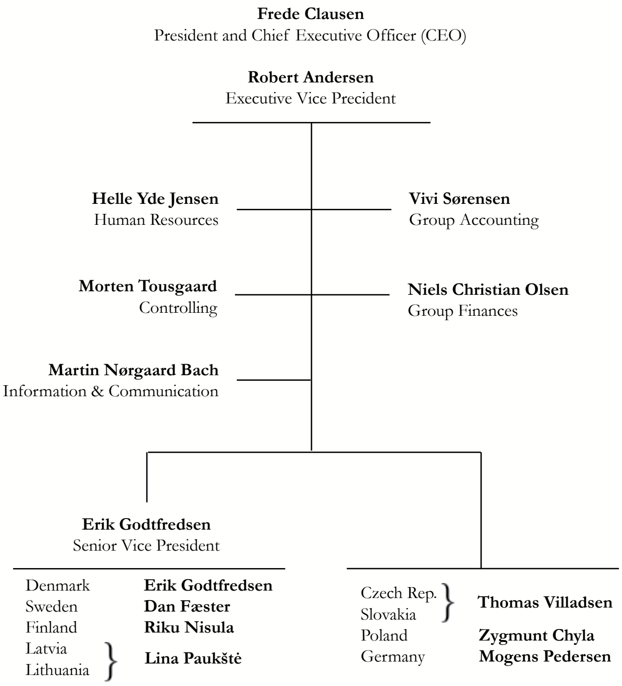
At 31 January 2010, the Group employed a total of 136 persons, broken down as follows:



Group functions and related services include management, accounting, finance and other staff functions.

As in 2008/09, the Group trimmed the organization to match a lower activity level in 2009/10. In the past financial year, the number of Group employees dropped from 164 at 31 January 2009 to 136 at 31 January 2010, corresponding to a 17 % reduction.

The Group's management structure is shown below:



Customer relations

The Group's customers consist of tenants and investors. TK Development continuously strives to create new, improved services to make the Group an even more attractive business partner for tenants and investors.

Tenants

Over the years, TK Development has built close partnership relations with a large number of companies, including in particular retail chains looking to set up new stores.

The Group has gained in-depth knowledge of tenant needs and requirements. From this platform, TK Development can develop retail solutions that meet tenants' requirements for design and location. In addition, the numerous close relations with a wide range of retail chains mean that the Group is always able to put together an attractive retail mix that boosts individual tenants' revenue.

With development activities in eight Northern and Central European markets, TK Development can also accommodate tenants who wish to set up business in new markets.

Investors

TK Development has also built close relations with a number of Danish and international foreign property investors.

The Group has in-depth knowledge of investor needs and requirements. Among other things, TK Development offers standardized, international contracts and a problem-free process from initiation to delivery. Moreover, the Group offers shopping centre management through its partial ownership of Euro Mall Centre Management.

Over the years, the Group has sold projects to a range of Danish and foreign banks, investment funds, pension funds and private companies.

SHAREHOLDERS

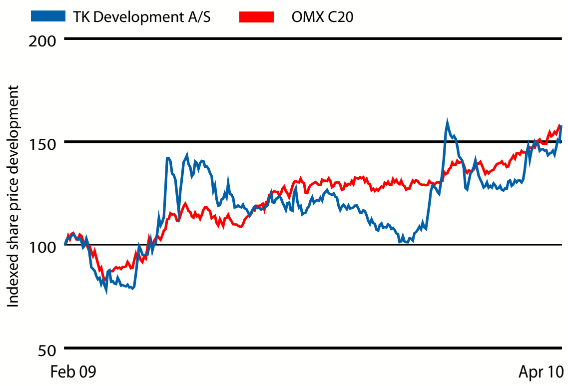
Share capital

TK Development A/S' shares are listed on NASDAQ OMX Copenhagen A/S (www.nasdaqomxnordic.com). The share capital amounts to DKK 560,876,200 (nominal value), distributed on 28,043,810 shares, each with a nominal value of DKK 20. The shares are not divided into several share classes, and no shares are subject to special rights or restrictions with regard to the payment of dividends or repayment of capital. Each share confers one vote on the holder. The Articles of Association contain no restrictions on the transferability of the shares.

Share price development

On 31 January 2010, TK Development A/S' shares were listed at a price of DKK 28.90 per share with a nominal value of DKK 20, equal to a market value of DKK 810 million versus DKK 611 million at 31 January 2009.

The TK Development share increased by 33 % during the period from 1 February 2009 to 31 January 2010, from a price of DKK 21.80 to DKK 28.90 per share of nominally DKK 20. By comparison, OMX Copenhagen 20 rose by 36 % during the same period.



On 21 April 2010, the TK Development A/S share was listed at a price of DKK 35.50 per share with a nominal value of DKK 20, equal to a market value of DKK 996 million.

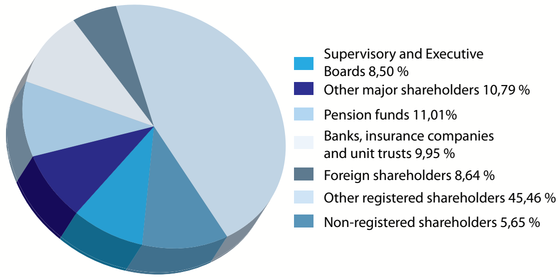
Volume of trading

During the year under review, the share was traded on 248 days, with a total trading volume of DKK 276 million. 10,845 trades were completed, covering a total of 11,068,575 shares.

The total number of trades dropped by 59 % on the previous year. The trading volume decreased by 64 % compared to last year.

Shareholders and their holdings

The number of shareholders was on a par with 2008/09, totalling 8,352 at the reporting date against 8,333 the year before. The shareholders are composed as follows:



The table below shows the ownership structure of TK Development A/S as of today, as reported to NASDAQ OMX Copenhagen A/S pursuant to section 29 of the Danish Securities Trading Act.

Direct and indirect ownership (shareholders)	Ownership and voting interest in %
Dava 1 ApS, c/o Kurt Daell, Lysagervej 25, DK-2920 Charlottenlund, Denmark	6.44
Holberg Fenger Holding A/S, Frode Jakobsens Plads 4, 5., DK-2720 Vanløse, Denmark	5.79
Carl Ejler Rasmussen Holding Sweden AB, Pirgatan 13, SE-374 35 Karlshamn, Sweden	5.00

The table below shows a breakdown of shares held by the Supervisory Board and Executive Board.

Direct and indirect ownership	Number of shares *)	Ownership and voting interest in %	Change for the year in number of shares
Supervisory Board:			
Poul Lauritsen	42,130	0.15	0
Torsten Erik Rasmussen	32,760	0.12	0
Kurt Daell	1,806,300	6.44	0
Per Søndergaard Pedersen	170,872	0.61	0
Jesper Jarlbæk	24,600	0.09	0
Niels Roth	110,000	0.39	0
Executive Board			
Frede Clausen	145,966	0.52	-306
Robert Andersen	50,000	0.18	0
Total	**2,382,628**	**8.50**	**-306**

*) The holdings include all shares held by all members of the entire household as well as companies controlled by the above-named persons.

Shareholders' agreements

Management is not aware of any shareholders' agreements that have been concluded between TK Development A/S' shareholders.

Rules regarding alterations to the Company's Articles of Association

The Articles of Association of TK Development A/S can only be altered following a resolution adopted at a General Meeting in compliance with the Danish Companies Act. In order to be considered at an Annual General Meeting at which the Annual Report for the relevant financial year is considered, any proposals from shareholders must be submitted in writing to the Company's office no later than two months after the end of a financial year. At the Company's Annual General Meeting in May 2010, alterations to the Articles of Association will be proposed as a consequence of the new Danish Companies Act. Accordingly, requests for the inclusion of a specific proposal in the agenda of the Annual General Meeting must be submitted in writing to the Supervisory Board. If the request is submitted no later than six weeks before the date of the Annual General Meeting, the shareholder is entitled to have the proposal included in the agenda. If the Supervisory Board receives the request later than six weeks before the Annual General Meeting, the Supervisory Board will determine whether the request has been made sufficiently early to permit its inclusion in the agenda.

At a General Meeting, resolutions can only be adopted in respect of business included in the agenda and any proposed amendments. If proposals to alter the Articles of Association are to be considered at a General Meeting, the essentials of such proposals must be stated in the convening notice. A resolution to alter the Company's Articles of Association is subject to the proposal being adopted by at least two-thirds of the votes cast as well as of the voting stock represented at the General Meeting.

Share-based incentive schemes

On 30 December 2005, the Supervisory Board issued warrants to the Executive Board and 23 other executive staff members for the subscription of 826,000 shares, each with a nominal value of DKK 20. Subsequently, 136,000 warrants have lapsed, leaving a total of 676,000 active warrants at the reporting date. This is a four-and-a-half-year warrant scheme with the first exercise opportunity after three and a half years and with a further three-year (max.) lock-up period in respect of any shares subscribed for. This means that shares at up to a market value equal to the subscription amount may be divested without restrictions, while shares exceeding a market value equal to the subscription amount can be disposed of no earlier than during a three-year period after subscription, such that up to one-sixth of these shares can be disposed of in each of the six windows during the three-year period. The above-mentioned 676,000 warrants correspond to 2.4 % of the share capital. Warrants comprised by the incentive scheme may be exercised during three six-week windows. These six-week windows are placed thus:

- following publication of the preliminary announcement of financial statements for the 2008/09 financial year (from around 30 April 2009);
- following publication of the interim report for the six months ending 31 July 2009 (from around 30 September 2009); and
- following publication of the preliminary announcement of financial statements for the 2009/10 financial year (from around 30 April 2010).

The subscription price per share of nominally DKK 20, before any deduction for dividends, has been fixed at DKK 74.54 in the first exercise window, DKK 77.05 in the second window and DKK 80.63 in the third window.

The costs to the Group of the above-mentioned four-and-a-half-year incentive scheme amounted to about DKK 6.6 million, expensed over the period from January 2006 to May 2009.

Moreover, on 5 June 2008, the Supervisory Board issued warrants to the Executive Board and 30 other executive staff members for the subscription of 698,000 shares, each with a nominal value of DKK 20. Subsequently, 24,000 warrants have lapsed, leaving a total of 674,000 active warrants at the reporting date. This is a four-year warrant scheme with the first exercise opportunity after three years and with a further three-year (max.) lock-up period in respect of any shares subscribed for. This means that shares at up to a market value equal to the subscription amount plus tax liability may be divested without restrictions, while shares exceeding a market value equal to the subscription amount plus tax liability can be disposed of no earlier than during a three-year period after subscription, such that up to one-sixth of these shares can be disposed of in each of the six windows during the three-year period. The above-mentioned 674,000 warrants correspond to approx. 2.4 % of the share capital. Warrants comprised by the incentive scheme may be exercised during three six-week windows. These six-week windows are placed thus:

- following publication of the preliminary announcement of financial statements for the 2010/11 financial year (from around 30 April 2011);

- following publication of the interim report for the six months ending 31 July 2011 (from around 30 September 2011); and
- following publication of the preliminary announcement of financial statements for the 2011/12 financial year (from around 30 April 2012).

The subscription price per share of nominally DKK 20, before any deduction for dividends, has been fixed at DKK 83.40 in the first exercise window, DKK 86.20 in the second window and DKK 90.20 in the third window.

The costs to the Group of the above-mentioned four-year incentive scheme total around DKK 11 million, which will be expensed over the period from June 2008 to October 2011.

	Number of warrants 2005 scheme	Number of warants 2008 scheme
Supervisory Board:	0	0
Executive Board:		
Frede Clausen	120,000	85,000
Robert Andersen	120,000	85,000
Other executive staff	436,000	504,000
Total	**676,000**	**674,000**

No warrants were issued in the 2009/10 financial year.

The Supervisory Board recommends that the Annual General Meeting authorize the Supervisory Board to issue warrants during the period 25 June 2010 to 30 June 2010 to the Executive Board and executive staff members for the subscription of up to 400,000 shares, each with a nominal value of DKK 20, equal to 1.4 % of the share capital. The first exercise opportunity will be after three years, with a further lock-up period of up to two years in respect of any gain on the acquired shares in excess of the subscription amount and tax. The Group's total expenses for the incentive scheme are estimated to total DKK 2.5 million, to be charged to the income statement over a period of 28 months.

Dividends and dividend policy

The payment of any dividends will be considered from year to year. The Supervisory Board's current policy is not to distribute dividends. The Supervisory Board intends to maintain the Group's cash flow, particularly in light of the present market situation. Moreover, the Supervisory Board wishes to channel any earnings into the continued expansion of the Group's activities.

Voting rights

The shareholders of TK Development A/S have one vote for each share amount of DKK 1 at General Meetings. Shareholders who have acquired shares by transfer may not exercise the voting rights in respect of the relevant shares unless such shares have been registered in TK Development A/S' register of shareholders or the shareholder has reported, and submitted proof of, his acquisition to TK Development A/S not later than eight days prior to the relevant General Meeting. At the Company's Annual General Meeting in May 2010, alterations to the Articles of Association will be proposed as a consequence of the new Danish Companies Act. Accordingly, voting rights will be determined on the basis of the shares held by each shareholder as stated in the entry in the register of shareholders regarding the shareholder's ownership on the record date (one week before the date of the General Meeting). Any notifications received by the Company from the shareholder for entry in, but not yet recorded in the register of shareholders, will also be taken into account.

Annual General Meeting

The General Meeting of shareholders is the supreme authority in all corporate matters of TK Development A/S, subject to the limitations provided by Danish law and TK Development A/S' Articles of Association. The Annual General Meeting must be held in the municipality where TK Development A/S' registered office is located sufficiently early to permit compliance with the Company's applicable time limits for the holding of General Meetings and the filing of Annual Reports. General Meetings are convened by the Supervisory Board. The Annual General Meeting will be held at 4 p.m. on 25 May 2010 at Hotel Hvide Hus in Aalborg.

Extraordinary General Meetings are held following a resolution by the shareholders in General Meeting or the Supervisory Board or at the request of the auditors of TK Development A/S or shareholders collectively holding not less than 10 % of the total share capital. At the Company's Annual General Meeting in May 2010, a change in this percentage requirement to 5 % will be proposed as a consequence of the new Danish Companies Act.

All business transacted at General Meetings, with the exception of alterations to the Articles of Association (see above), is decided by a simple majority of votes unless otherwise provided by current legislation; see Article 6 of the Company's Articles of Association.

Registered shares

All shares are registered in book-entry form in accounts maintained in the computer system of VP Securities A/S, Weidekampsgade 14, PO Box 4040, 2300 Copenhagen S, Denmark, and must be held and managed through a Danish bank or other institution authorized to be registered as the custodian of the shares. The shares must be issued to named holders and may not be transferred to bearer.

Notification of investment

The Articles of Association or other corporate regulations of TK Development A/S contain no special provisions regarding the reportable level of investment. Reference is made to section 29 of the Danish Securities Trading Act.

Transferability of the shares

The shares of TK Development A/S are freely transferable negotiable instruments pursuant to Danish law and no restrictions apply to the transferability of the shares. No shareholder is under an obligation to have his shares redeemed in full or in part by the Company or any other party.

Other rights/ownership restrictions

No shares of TK Development A/S carry any special rights. No ownership restrictions apply to the shares.

The Supervisory Board's powers

Powers to issue new shares
The Supervisory Board is currently authorized to increase the Company's share capital during the period ending on 13 October 2010, by one or more issues, by up to a total of nominally DKK 18,200,000 through a cash contribution, without any pre-emptive rights for the Company's existing shareholders. In addition, the Supervisory Board is currently authorized to increase the Company's share capital during the period ending on 30 June 2012, by one or more issues, by up to a total of nominally DKK 14,000,000. This authorization is to be used for implementing the capital increases resulting from the exercise of warrants under the existing incentive schemes.

Accordingly, the overall authorization for the Supervisory Board to subscribe for capital will amount to 5.7 % of the Company's share capital.

It is recommended that the shareholders at the Annual General Meeting on 25 May 2010 authorize the Supervisory Board to increase the Company's share capital by one or more issues during the period ending on 30 June 2014 by up to nominally DKK 8,000,000, without any pre-emptive rights for the Company's existing shareholders; see the proposal regarding a new warrant scheme in 2010.This authorization for an increase corresponds to 1.4 % of the Company's share capital.

Treasury shares
At the Annual General Meeting in 2009, the Supervisory Board was authorized, on behalf of the Company, to acquire treasury shares having a nominal value of not more than 10 % of the share capital in order to optimize the Group's capital structure. This authorization was granted for a period of 18 months. The Supervisory Board proposes a resolution for a five-year extension of this authorization, starting from the adoption of the resolution at the Annual General Meeting.

Rules on insider trading

TK Development's Management and employees are only allowed to trade in the Company's shares during the six-week period after the publication of annual and quarterly reports and any other comprehensive announcements of financial results The Company keeps a register of the shares held by insiders, including any changes in their portfolios, and discloses this information in accordance with existing legislation.

Investor relations

TK Development aims to keep its shareholders and investors up-to-date on all relevant matters.

The Company's website, www.tk-development.dk, includes all company announcements issued for the past five years, updated share prices and information about projects in progress. When investor presentations are published in connection with the announcement of annual and half-year financial results, they are also made available at the Company's website.

Moreover, there is a direct link from TK Development A/S' website to the NASDAQ OMX Copenhagen A/S website (www.nasdaqomxnordic.com), which contains further information about the TK Development A/S share. Reference is also made to the description of corporate governance at the Company's website, www.tk-development.dk.

Financial calendar

Annual General Meeting	25 May 2010
Interim report Q1 2010/11	30 June 2010
Interim report for the six-month period ending 31 July 2010	29 September 2010
Interim report Q3 2010/11	22 December 2010
Preliminary announcement of financial statements 2010/11	28 April 2011
Annual Report 2010/11	2 May 2011
Annual General Meeting	24 May 2011

Company announcements

No.	Date	
4	02 Feb 2009	Downward revision of profit forecast for the 2008/09 financial year
5	24 Apr 2009	Preliminary announcement of financial statements 2008/09
6	06 May 2009	Information about the executive staff's and their related parties' transactions in TK Development A/S shares and related securities
7	12 May 2009	Notice convening the Annual General Meeting
8	19 May 2009	Notification of majority shareholding – Baugur Group hf. in insolvent liquidation
9	25 May 2009	Minutes of Annual General Meeting
10	03 Jun 2009	Information about the executive staff's and their related parties' transactions in TK Development A/S shares and related securities
11	30 Jun 2009	Interim announcement Q1 2009/10
12	29 Sep 2009	Interim report for the six-month period ending 31 July 2009
13	14 Dec 2009	TK Development sells retail park in Stockholm
14	17 Dec 2009	The Public Prosecutor drops charges against TK Development A/S
15	18 Dec 2009	Interim announcement Q1-Q3 2009/10
16	22 Dec 2009	Notification of majority shareholding - Carl Ejler Rasmussen & Co.
1	19 Jan 2010	Financial calendar

The complete wording of company announcements is available at the Company's website.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

In addition to carrying on profitable business activities, TK Development aims to adhere to and expand the Group's ethical, social and environmental responsibilities as a business corporation.

TK Development fundamentally endorses the UN's ten corporate social responsibility principles, and the Group only carries on activities in countries that have already incorporated human rights, employee rights and anti-corruption principles in their national legislation.

However, TK Development has yet to introduce policies that integrate corporate social responsibility in all key areas of its strategy and activities. The Group targets and implements its corporate social responsibility measures as described below.

Employees and working environment
The know-how, networks, talents and expertise of TK Development's employees make them a significant competitive asset. Consequently, the Group is dedicated to giving its employees an attractive working environment in which they can develop.

This means showing respect for and taking an interest in the individual employee. The Group aims, wherever possible, to be flexible, for example by accommodating employees who need to reduce their working hours or the like due to serious illness or for other reasons.

The Group has a consistent and transparent staff policy with room for diversity and development. In addition, the Group offers an employee benefits programme aimed at ensuring the employees' personal development, job satisfaction and health while also maintaining a focus on providing the best possible working conditions and environment across the Group. The ultimate goal is to foster a staff team of highly motivated and committed employees.

Thus, TK Development has generally succeeded in keeping work absence due to illness and the staff turnover rate satisfactorily low.

The local community
TK Development strives to design projects that support growth in the local community. The Group's business concept plays a role in strengthening the local business environment and lifting local employment.

The Group develops its projects together with local politicians, organizations, tenants and investors, thus integrating the needs and wishes of all stakeholders to reach the best possible solution for everyone involved.

The Group's dedicated efforts in the local community also mean that TK Development enters into sponsorships/cooperation agreements with local players in the culture and sports sectors.

Environment
TK Development is keenly aware that the public eye is sharply focused on environmental optimization throughout the construction process. Public concerns include the reduction of CO_2 emissions and the sustainability of building projects.

When the Group acquires sites for its projects, the land is examined to determine any contamination. If a plot is contaminated, the Group cleans up the land for its intended use before starting construction or refrains from buying the relevant plot.

When developing projects, the Group strives to achieve the best possible balance between environmental and social concerns while also generating revenue for the Group. The choice of materials, design, energy consumption and environmental impact all form part of such considerations.

The Group aims to complete projects without causing unnecessary environmental impact. Consequently, TK Development cooperates with tenants and investors to establish appropriate environmental solutions when developing and implementing new projects. For instance, the Group seeks to create finished projects with low energy consumption and a good indoor climate that will provide a comfortable working environment for future employees.

When designing large and small shopping centres, TK Development attaches weight to ensuring the availability of convenient public transport options for customers.

Suppliers and safety at construction sites
On-site safety is a prime concern for TK Development at all stages of project construction. To this end, TK Development sets out precise requirements for correct and adequate on-site safety measures in all its construction contracts and requires all Group employees to comply with all safety regulations when visiting or working at the construction site. The Group's own engineers constantly supervise construction sites to ensure compliance with all safety regulations.

In addition, TK Development obligates its suppliers to guarantee correct and optimum handling of construction waste.

Anti-corruption
As stated above, TK Development only carries on activities in countries where anti-corruption principles have been implemented in applicable law. However, the Group is aware that a risk of corruption may exist in a few of the countries in question, primarily as a result of cultural conditions.

TK Development does not accept corruption.

Reference is also made to www.tk-development.dk

CORPORATE GOVERNANCE

TK Development's Supervisory and Executive Boards continue to focus on the recommendations for corporate governance, and the Supervisory Board reassesses its policies for compliance with the recommendations at least once a year. In a few areas, the Company does not comply with the recommendations, but instead provides an explanation of its reasons for not complying with a specific recommendation. Thus, the Supervisory Board is of the opinion that the Company lives up to the Corporate Governance Recommendations, updated in December 2008. The Supervisory Board has not yet implemented the recommendations updated in April 2010.

A detailed review of the Supervisory Board's policies for compliance with the recommendations issued by NASDAQ OMX Copenhagen A/S is available at www.tk-development.dk.

Capital and share structure

TK Development A/S' shares are not divided into several share classes, and no shares are subject to special rights or restrictions. Each share entitles the holder to one vote. TK Development's Articles of Association contain no restrictions governing share ownership, the number of shares that a shareholder may hold or share transferability. As all shareholders thus have equal rights, the Supervisory Board believes that the share structure chosen is the most appropriate one.

The Company's Management reviews the Group's capital structure on a regular basis, as well as the need for any adjustments. Management's overall aim is to provide a capital structure that supports the Group's long-term growth, while at the same time ensuring the best possible relation between equity and loan capital and thus maximizing the return for the Company's shareholders.

The Group has pursued its business model, and Management would like to make proactive use of the earnings potential offered by existing projects and new project opportunities. The Group's present cash resources and equity capital base are sufficient to execute the portfolio of development projects in progress. In order to also exploit the potential of expected additional projects, Management assesses that a capital injection of about DKK 200 million may increase the shareholders' returns.

The Supervisory Board

The Supervisory Board is composed of six members elected by the General Meeting. Management considers the composition of the Supervisory Board to be appropriate relative to the Company's activities and requirements. In Management's opinion, the current Supervisory Board members have the financial, strategic and commercial expertise required by an international business such as TK Development.

The Supervisory Board's competencies cover a wide spectrum, including management, international relations, the property sector and the retail sector as well as accounting and financial expertise.

The Supervisory Board considers all its members, with one exception, to be independent of the Company. The Supervisory Board member not considered independent of the Company is a former member of the Company's Executive Board.

The Supervisory Board draws up an annual plan for the performance of its duties, comprising general strategic management, financial and management control of the Company and regular assessments of the Executive Board's work. More specifically, the matters considered by the Supervisory Board at its meetings include the following:

- determining goals and strategies at the recommendation of the Executive Board;
- establishing a clear division of responsibilities between the Executive Board and the Supervisory Board;
- evaluating the Executive Board's financial reporting and its reports on other significant matters, including major projects, compliance with covenants, liquidity and capital resources;
- granting authorization for major projects;
- approving budgets prepared by the Executive Board;
- assessing the value of the Group's projects and investment properties;
- reviewing and deciding on the Group's risk management process, internal controls and risk profile;
- considering proposals for mergers or the acquisition or sale of companies and properties;
- appointing Executive Board members and determining their remuneration.

Once a year the Supervisory Board systematically evaluates its work and competencies with a view to continuously improving and streamlining its work.

The Chairman is in charge of this internal evaluation of the Supervisory Board. To date, the Supervisory Board has chosen to conduct a qualitative evaluation in the form of interviews and open, constructive dialogue with all members present at the same time. The evaluation is based on a predetermined list of subjects, including communication and collaboration, results achieved compared to targets set, short- and long-term composition of the Supervisory Board, and the competencies of its members as well as any need for knowledge and skills development. Other relevant issues are considered on an ad-hoc basis. The mutual confidence of the members in each other automatically leads to a free exchange of opinions, and each member is encouraged to take an active part in discussions. If desired by any member or the Chairman, the members can be interviewed individually on any specific subject.

In the 2009/10 financial year, the Supervisory Board held six board meetings, including one strategy meeting.

Risk control activities

One of the tasks of the Supervisory Board is to ensure efficient risk management. In connection with determining TK Development's strategy and overall goals, the Supervisory and Executive Boards have identified the most significant business risks.

A core element of the Group's risk management is the solvency and liquidity targets adopted for the Group.

The Supervisory Board regularly considers issues relating to the project portfolio, properties, market conditions, financing, IT and staffing as part of its broader assessment of potential risks and scarcity factors.

Reports to the Supervisory Board are submitted on an ongoing basis with respect to the Group's risk issues, which also constitute an important element in the decision-making basis for all major projects.

Remuneration of the Supervisory Board

The members of the Supervisory Board are paid a fixed fee and are not covered by the Company's bonus and incentive schemes. No separate fee is paid for audit committee work as all Supervisory Board members sit on this committee. Supervisory Board members are paid a basic fee. The Chairman is paid three times the basic fee, while the Deputy Chairman is paid twice the basic fee. The basic fee in 2010 will remain unchanged at DKK 250,000.

Remuneration of the Executive Board

The remuneration of the Executive Board in 2009/10 was based on the guidelines adopted at the General Meeting in 2008. The remuneration of each individual member of the Executive Board will appear from the Group's Annual Report. The remuneration for 2010/11 will be based on guidelines adopted at the General Meeting in 2010.

Severance terms

Under the Executive Board's service agreements, the individual Executive Board member may give notice of termination no later than three months after the occurrence of an extraordinary event (change of control), such termination to take effect 12 months after notice has been given. The Executive Board member may demand to be released from his or her duties during the period of notice, with the usual remuneration being payable during such period.

The Executive Board members are not subject to any other special severance terms. The term of notice for Executive Board members is 12 months on the part of the Company and six months by the member.

It is company policy to ensure that Executive Board members have an incentive to work dedicatedly in the interests of the Company and its shareholders in the event of a merger, takeover bid or other extraordinary situations. Against this background, the Supervisory Board may decide, on the basis of a specific assessment, to pay a retention bonus whereby Executive Board members receive a special consideration, however, not exceeding 12 months' fixed salary, for example in the event that the Company merges with another company or if another company takes over all the Company's activities, subject to the General Meeting's approval.

Audit committee

The Supervisory Board believes that auditing is an issue that concerns all board members. For this reason, and given the complexity of the accounting procedures, it has been considered appropriate for all board members to sit on the audit committee. Generally, the audit committee deals with such matters as internal controls in the financial reporting process, special financial and accounting issues, as well as the evaluation of the Company's financial reporting, accounting process and risk control activities. The audit committee held four meetings in 2009/10, all held in connection with the regular Supervisory Board meetings.

The audit committee's key tasks are:

- considering communications from the external auditors to the Supervisory Board, including monitoring and checking the external auditors' independence, reviewing audit plans and audit book entries;
- considering the Executive Board's recommendations regarding accounting principles, accounting policies and significant accounting estimates;

- reviewing and approving new and changed significant guidelines and procedures for internal controls and the presentation of financial statements;
- reviewing and considering the Company's risk management principles, including reviewing the Company's risk management process and risk exposures.

Statutory Annual Corporate Governance Statement, cf. Section 107b of the Danish Financial Statements Act

TK Development has chosen to present its Statutory Annual Corporate Governance Statement on its website instead of in the Management's review.

The Corporate Governance Statement is available at
http://www.tk-development.com/Default.aspx?ID=3451

Remuneration policy

General guidelines for the Company's remuneration of the Supervisory and Executive Boards

According to section 139 of the Danish Companies Act, the supervisory board of a listed company must lay down general guidelines for the company's incentive pay to members of the supervisory and executive boards before entering into any specific agreement on incentive pay to a member of either the supervisory or the executive board.

TK Development's guidelines were adopted at the Annual General Meeting on 27 May 2008.

The Supervisory Board recommends that these guidelines be updated at the Annual General Meeting on 25 May 2010. The main reason for this recommendation is the changed tax rules applying to the allocation of warrants. Thus, the previous allocation of warrants every other year will be changed in future to an annual allocation of warrants, and in addition the value of the warrants allocated will be reduced, relative to the fixed annual salary.

The new, overall guidelines are set out below, in that TK Development's Supervisory Board has chosen to draw up guidelines for all types of remuneration, not only incentive schemes.

The Executive Board is taken to mean Executive Board members whose appointment has been notified to the Danish Commerce and Companies Agency.

Supervisory Board

The members of the Supervisory Board are paid a fixed, annual fee. The Chairman and Deputy Chairman of the Supervisory Board receive a supplement to the fixed fee. The amount of the fee and of the supplement is disclosed in the Annual Report. The fee is determined on the basis of comparisons with fees paid by other companies. Additional remuneration may be paid for particularly demanding tasks. Supervisory Board members are not eligible for incentive pay.

Executive Board

Every year the Supervisory Board assesses and determines the remuneration payable to the Executive Board members, based on the recommendation of the Chairman and Deputy Chairman ("Chairmanship").

The Executive Board's remuneration consists of a fixed and a variable portion. The fixed remuneration consists of a net salary and other benefits, and the value of each of these elements is disclosed in the Annual Report for each individual Executive Board member.

TK Development considers it expedient to continue establishing incentive schemes for the Company's Executive Board. This helps ensure a balance between the incentive for the Executive Board and the short-term and long-term value creation for shareholders. The variable remuneration consists of a short-term and a long-term incentive scheme.

The short-term incentive scheme consists of an annual cash bonus. This bonus amounts to 0.5 % of the Group's profit after tax, which is payable to each Executive Board member. The bonus amount, for which no upper limit has been fixed, is only payable when the Group's profit after tax results in a minimum return on equity of 8 %. The bonus currently payable to each Executive Board member is disclosed in the Annual Report.

The long-term incentive scheme consists of an equity compensation plan in the form of warrants. This part of the variable remuneration is a revolving scheme, under which warrants are issued to the Executive Board and other executive staff members once a year. The number of warrants issued to the Executive Board per allocation represents a value of up to about 15 % of the fixed annual salary payable to the Executive Board members, calculated according to the Black & Scholes Model. The warrants issued can be exercised after a two-three year period, and the redemption price, which increases successively to reflect advance returns to the shareholders, is higher than the market price at the time of allocation. There is an additional lock-up period of up to two years for gains on any shares whose market value exceeds the subscription amount and tax. The tax rules applicable to the allocation of warrants mean that capital gains are taxed as equity income, on condition that the Company's costs associated with the allocation are not tax-deductible. The specific allocation is determined by the Supervisory Board within the established framework, and the scheme is submitted for adoption at the General Meeting. The number of warrants issued and the accrued value of the scheme to be expensed in the Company's books are disclosed for each Executive Board member in the Annual Report. The warrants issued are covered by the issue of new shares, adopted in advance at one of the Company's General Meetings.

It is company policy to ensure that Executive Board members have an incentive to work dedicatedly in the interests of the Company and its shareholders in the event of a merger, takeover bid or other extraordinary situations. Against this background, the Supervisory Board may decide, on the basis of a specific assessment, to pay a retention bonus whereby Executive Board members receive a special consideration, however, not exceeding 12 months' fixed salary, for example in the event that the Company merges with another company or if another company takes over all the Company's activities, provided that the General Meeting has approved such a transaction. Payment of such a bonus is contingent on the Executive Board member's being employed by the Company at the time of the completion of such a transaction; however, the Executive Board member will be entitled to the relevant bonus if his or her employment is terminated by the Company later than four months before the completion of the transaction, provided that the Executive Board member has given no reasonable cause for the termination.

Every year, the Supervisory Board will review the remuneration payable to the Executive Board by comparing it to that payable to executive boards of other comparable companies with international activities.

FINANCIAL TARGETS

Financial targets

To provide for sufficient future financial resources, Management has adopted a liquidity target for the whole Group; see below. In addition, Management has adopted a solvency target for the whole Group corresponding to a solvency ratio of minimum 30 %, calculated as the ratio of equity to total assets.

Covenants related to credit facilities

The Group has given its main banker an undertaking to comply with a solvency ratio covenant of minimum 30 % at group level, measured in connection with the presentation of quarterly reports and annual reports.

Liquidity covenant

The Group introduced liquidity covenants in spring 2004.In short, the liquidity covenant expresses that the Group's cash resources – to enable the Group to cover liabilities requiring substantial liquidity - must at any time correspond to the fixed costs for the next six-month period, excluding funds received as proceeds from projects sold, but including project liabilities materializing within the next six months.

The covenant represents a liquidity target for the whole Group and a commitment to the Group's main banker.

The covenant must be calculated and met before projects requiring liquidity can be acquired and initiated.

The covenant is expressed as follows:

$L + K > E + O + R$,

where

L = The TK Development Group's free cash resources in the form of deposits with banks and the value of listed Danish government and mortgage bonds with a term to maturity of less than five years.

K = The TK Development Group's amounts available on committed operating credit facilities from time to time.

E = The planned impact on cash resources from the projects which the TK Development Group is obliged to complete within six months, including the new/expanded project, taking into account committed project credit facilities from financial institutions and forward funding.

O = The TK Development Group's cash non-project-related capacity costs for the following six months less management fees falling due within six months. In addition, pre-agreed project fees from final and binding agreements with project investors falling due within six months are to be set off against the amount.

R = Interest accruing on the TK Development Group's operating credit facilities for the following six months.

The Group's solvency and liquidity covenant were both met during the year under review.

RISK ISSUES

Financial risks

Property prices and rental income

The Group is affected by price fluctuations on the various property markets on which it operates, as well as general economic trends. This applies to the Group's portfolio of development sites, ongoing and completed projects and the intake of new projects. Declining prices of land and property and falling rent levels will impact negatively on the Group's earnings from project sales not finalized.

Carrying amounts of assets

Management believes that the net carrying amount of the project portfolio at 31 January 2010, DKK 3,249.5 million, provides a true and fair view. As stated above, the current market conditions have resulted in plummeting property prices. A large share of the Group's project portfolio was acquired at a time when market conditions were more favourable, and Management therefore considers it likely that the Group's profit margin on projects already acquired will be under pressure in the current market conditions. However, falling construction costs for projects not yet initiated may partly compensate for this effect.

In addition to the project portfolio, which is categorized as current assets less prepayments received from customers, TK Development also holds property, plant and equipment in the form of investment properties. The value of investment properties is measured at fair value, of which the investment property portfolio in the Czech Republic was carried at DKK 159.1 million at 31 January 2010 based on a return requirement of 7.0 % p.a. calculated using a discounted cash-flow model. The portfolio of investment properties in Germany was carried at DKK 196.0 million at 31 January 2010 based on a return requirement of 6.5 % p.a. calculated using a discounted cash-flow model. Management believes that the required rates of return are consistent with current market levels. For example, the Group's investment properties are exposed to the following risks:

1. General economic conditions in countries where the Group has investment property holdings.
2. Price fluctuations on the property market, including ordinary fluctuations in supply and demand.
3. Interest-rate fluctuations.
4. Legislative amendments, including tax rules applying to investors.
5. Tenants' ability to pay.
6. Foreign-exchange fluctuations, although the Group has contracted to have the rent paid in euro. However, the financial standing of tenants may weaken due to negative exchange-rate movements between their local currencies and the euro.
7. Consumer confidence and behaviour and, by extension, consumer purchasing power may have a significant influence on the shopping centre tenants' ability to pay.

A change in market return requirements or in factors relating to the properties' rental situation would trigger changes in the value of the investment properties. Such value adjustment would be charged against the Group's income statement. As the Group has access to a performance-driven share of the value adjustments of some of these properties, changes in the value could have a relatively stronger impact than what is reflected in the ownership interest and, by extension, in the value recognized in the consolidated financial statements.

The Group's receivables consist of trade receivables and other receivables, totalling DKK 270.3 million at 31 January 2010. Any impairment losses are recognized on the basis of an assessment of each individual receivable. This assessment may be subject to uncertainty, involving a risk of insufficient impairment and, in turn, losses on receivables that will have to be charged to the income statement.

Liquidity risks

The international financial crisis has sharpened the Group's attention to loan financing, as the banks' changed lending practices have fuelled uncertainty about the availability of credit.

Having sufficient cash resources is essential for TK Development. In order to complete the development of its planned projects and thereby achieve the expected results, the Group must have or must be able to procure sufficient cash resources to cover the costs and equity contributions required for the projects, the capacity costs and other obligations. All elements of the risk factors described in this section may have an adverse effect on the Group's ability to generate such cash resources.

TK Development depends on credits to finance day-to-day operations as well as existing and new projects.

TK Development has committed itself to compliance with specific covenants (liquidity and solvency covenants) and has made a commitment to the Group's main banker to the same effect. These covenants may place limitations on the ability to initiate new activities, and in case the conditions are not complied with, the project credits or other credit facilities may be terminated.

TK Development has entered into a general agreement with the Group's main banker about operating and project credits, in which the framework for the parties' cooperation is laid down for a number of years. The agreement and the associated conditions are renegotiated once a year, and Management expects the agreement to continue.

To determine the required liquidity buffer, the Group draws up both short- and long-term cash budgets. The Company seeks to use forward funding to limit its cash requirements. It is essential that the Group obtains third-party construction funding in cases where forward funding is not available.

The Group has concluded agreements with a number of banks regarding the financing of land purchases and projects in Denmark and abroad. Where project credits have been raised for existing projects, the possibility of extending these credits is crucial to the Group. Project credits are usually granted with different terms to maturity, depending on the specific project. Several of these project credits are due to expire in the 2010/11 financial year and are thus up for renegotiation.

Out of the total debt owing to credit institutions, an amount of DKK 298.3 million will mature in 2010/11. Management believes that the project credits will be extended. If funds are raised by project credits, there is a risk that the credits may expire and will have to be renegotiated if construction is delayed or a project is completed without being sold, for instance.

Funds for new projects can be obtained through forward-funding agreements with investors, which means that it is up to the investor to finance the relevant project. Funds can also be raised under usual project credits furnished by banks.

Interest-rate risks

As a main rule, TK Development finances its projects in progress by short-term, floating-rate bank loans or by forward funding, generally based on a fixed interest rate. The Group's other interest-bearing debt is largely subject to variable interest (floating-rate debt). Thus, the main part of the Group's total net interest-bearing debt consists of floating-rate loans. A one percentage point increase in short-term interest rates will, ceteris paribus, have a net negative impact on the Group's profit before tax of around DKK 15-17 million per year before tax. In addition, increasing interest rates will, ceteris paribus, impact on investors' return requirements, and thus on real property prices. A policy has been formulated for interest-rate risks.

Foreign-exchange risks

TK Development is an international group of companies with operations in Denmark, Sweden, Finland, Latvia, Lithuania, Germany, Russia, Poland, the Czech Republic and Slovakia. In Denmark, the Group invoices revenue from the project portfolio in Danish kroner, while outside Denmark, the foreign subsidiaries generally invoice in their local currency or in euro. The Group's reporting currency is Danish kroner. Accordingly, movements in the exchange rates of local currencies and euro relative to Danish kroner influence the Group's revenue, earnings, total assets and equity. In order to minimize the foreign-exchange risk on consolidated earnings, the Group generally raises funding for individual projects in the agreed invoicing currency. Similarly, construction contracts are generally concluded in the invoicing currency for the relevant project. In the few cases where the Group gains an advantage from concluding the construction contract in a different currency than the relevant project's invoicing currency, it will be assessed in each case whether the foreign-exchange risk is to be hedged through a forward agreement. The foreign subsidiaries pay their staff costs and other administrative expenses in local currencies.

Each Group subsidiary determines its functional currency as the official currency of the primary financial environment in which the entity operates. In determining its functional currency, each entity takes account of which currency has the strongest impact on selling prices, the official currency of the country whose market forces and legislation have the strongest impact on selling prices, and which currency has the strongest impact on costs. All transactions of each entity are measured in the functional currency in order to minimize the foreign-exchange risk of each subsidiary.

In spite of the above-mentioned initiatives to minimize the foreign-exchange risk, changes in the local currencies of foreign subsidiaries or in the euro against Danish kroner will influence the future financial position and results of the Group. A policy has been adopted for foreign-exchange risks.

Credit risks

In connection with the sale of the Group's development projects, the title does not pass to the investor until payment has been effected. Thus, the Group's sale of projects does not generate credit risks as such.

Cross-liability between the Group's companies

TK Development A/S has provided guarantees on a continuing basis for the Group's overall banking and guarantee commitments. Also, in a few cases, TK Development has provided guarantees for group companies' agreements, including transactions, construction contracts and leases.

Risks relating to Group operations

Development activities

TK Development operates as a development company and seeks to enter into agreements with investors at a very early stage in the development process, the object being to limit the Group's risk to the development activity as such. This risk limitation strategy means that projects are not always fully defined at the time contracts are concluded with investors. The Group aims to enter into an agreement with the investor around the time of construction startup. Consequently, the most significant risks attaching to projects for which sales agreements have been concluded are closely linked to individual elements of the implementation process, such as obtaining relevant permits from the authorities, coordinating subcontractors, meeting time schedules, assessing the letting risk and complying with the construction budget. The risk attaching to existing projects may be significant despite advance agreements made with an investor, and may thus also result in major uncertainty regarding cash flows, capital to be tied up and timeframes. If, contrary to expectations, the Group discovers that elements key to the completion of a project cannot be met, a sold project may have to be abandoned or completed at the Group's own expense. Project costs defrayed that relate to unsold projects are expensed if the projects in question are abandoned.

A substantial number of the Group's projects will be sold to investors based on a fixed, agreed initial return calculated on the lease agreements concluded in the project development phase. In cases where a sales agreement is concluded before all lease agreements in the project have been finalized, the Group undertakes a calculated risk that the remaining unlet premises will be let on terms and conditions that ensure a satisfactory profit or the agreed selling price, as the case may be, for the project.

For projects that have been sold, construction will not be initiated until the Group anticipates being able to meet such investor requirements as would finalize the project sale. Meeting these requirements typically falls within the Group's sphere of competencies. The Group assumes a calculated risk that it may be unable to meet these requirements, contrary to its expectations.

Basically, the construction of unsold projects will only be given the go-ahead if lease agreements have been concluded for at least 60 % of the leasable premises. Thus, the Group assumes the risk of the project being sold as well as project funding. In addition to the above-mentioned project development risks, such projects are also subject to the risk that they cannot be sold at a satisfactory profit. This may force the Group to either keep the project and continue to tie up the working capital involved or sell the project at a lower profit or at a loss. This risk will be partly offset by the minimum occupancy rate to be met prior to commencement of construction.

When changes occur in the Group's markets, projects not sold are subject to the risk of investor return requirements increasing sharply, and the Group's consumption of resources may be lost and the value of acquired land or relevant associated rights may depreciate.

Dependency on staff

The knowledge, experience and networks of key employees constitute some of TK Development's greatest assets, and are thus key prerequisites for the Group's ability to carry on profitable business. Accordingly, ensuring these employees' long-term commitment is a vital competitive parameter for the Group. There can be no assurance that the Group can retain existing employees or attract new ones.

Environmental conditions

As a development company, TK Development does not carry on any actual production activities that in themselves may impact the environment negatively. If there are reasons to suspect contamination when development sites and existing buildings are acquired, the appropriate reservations are made in the purchase process, soil samples taken and thorough environmental analyses conducted. If a site has been contaminated by previous activities, the land will be cleaned up for the particular purpose for which it is to be used, or the Group will decide not to acquire it. If developed sites have been insufficiently cleaned up, or if the assessment of the required cleaning-up proves incorrect with respect to undeveloped sites, cleaning-up or disposing of such areas may result in the Group incurring significant unforeseen expenses in the cases where the Group cannot pass on such expenses to its contractors.

Structural changes

For its future earnings, the Group relies on the inflow of new projects and, by extension, on the future availability of new building sites and planning permission from local authorities. Changes in national legislation, local plans or other factors that make obtaining planning permission difficult or restrict the supply of building sites will have a negative impact on future earnings.

Tax matters

The deferred tax asset of DKK 284.9 million included in the balance sheet at 31 January 2010 relates mainly to tax loss carryforwards in the different subsidiaries, and to negative deferred tax. The total impairment of the tax asset amounts to DKK 29.6 million.

Valuation is based on the existing rules for carrying forward losses and group pooling or group contributions and the assumption that each subsidiary is a going concern. A change in the terms and assumptions for carrying forward losses and group pooling/group contributions could result in the value of the tax assets being lower than the value computed at 31 January 2010.

Management has valued the tax asset on the basis of existing budgets and profit forecasts for a five-year period. The valuation for the first three years has been based on an assessment of specific projects in the Group's project portfolio. The valuation for the next two years has been made using profit forecasts that are based on specific projects in the project portfolio with a longer time horizon than three years as well as various project opportunities.

Up to and including the 2004/05 financial year, TK Development A/S and the Danish subsidiaries subject to group pooling were taxed with the Group's German subsidiaries on a pooled basis. Tax has not been provided on the retaxation balance, because Management does not plan to invoke changes in the Group that would result in full or partial retaxation.

Risks relating to legal matters

Third-party agreements

A major portion of TK Development's business consists of concluding agreements with development partners, investors, tenants and contractors for property development projects. A description is given below of the most significant risks regarding these contractual issues.

Agreements with development partners

Agreements have been made with the following major development partners: Udviklingsselskabet By og Havn I/S, Frederikshavn Maritime Erhvervspark A/S, Atrium European Real Estate, Miller Holdings International Limited, the Baltic Property Trust Group and LMS (DHL) Limited.

The risks primarily break down into potential problems due to disagreements regarding strategy, development focus and speed on the one hand and the risk of cooperation agreements being terminated on the other. TK Development has attempted to counter these risks by concluding long-term cooperation agreements that can only be terminated on the grounds of breach. However, there can be no assurance that either the Group or a partner will not breach the agreement, and there can be no assurance that existing cooperation agreements will not give rise to other disagreements between the parties.

Agreements with investors

TK Development's customers on the investment side are private property companies and institutional investors. To the extent possible, the Group seeks to reduce its working capital and risks relating to ongoing projects by applying forward funding from investors, which means that one or more investors undertake to provide funding as project construction progresses. Before construction starts, the investor and TK Development come to an agreement on a well-defined project. The investor remains financially involved throughout the construction period and is consulted on major decisions. These principles ensure that from construction startup, TK Development's risk in the project is mostly limited to the letting risk attaching to any remaining unlet premises and the risk of construction budget overruns.

In agreements with institutional investors, the overriding risk relates to the Group's ability to deliver on time and according to specifications, while the counterparty risk is less significant. Even though a sales agreement regarding a project has been concluded, major risks may still attach to the project in a number of cases, which may lead to the cancellation of a sales agreement on account of breach by one of the parties.

The sale of projects based on forward purchase, with payment being effected on project completion and handover to the investor, may be subject to reservations regarding funding procurement, etc. The risk attaches generally to counterparty risks, primarily the ability of investors to meet the conditions to which final completion of a deal is subject. Accordingly, these factors are to some extent outside the influence of the Group.

Agreements with tenants

The risk attaching to lease agreements primarily comprises the ability of tenants to live up to the terms and conditions of the lease agreement, including particularly the obligation to pay. If the tenants do not live up to the terms of the lease agreement in a project sold, the investor who has bought the property may in some cases set up a claim against the Group. In a worst-case scenario, the investor may not be obliged to uphold the acquisition. Attempts are made to reduce the risks by claiming suitable deposits and bank guarantees and generally being alert to any changes in the creditworthiness of tenants. However, there is no guarantee that such measures will be sufficient to curb any losses on account of breach of lease agreements.

Agreements with contractors

All construction contract assignments are bought externally and are typically based on fixed-priced contracts containing guarantees as security for performance of the contractor's obligations. This reduces the Group's risk of unforeseen fluctuations in the construction costs with respect to individual projects. However, there can be no assurance that a contractor can honour his obligations under a construction contract, or that the guarantees provided under it are sufficient to ensure that a given project will generate earnings for the Group.

If a contractor breaches a construction contract, the worst-case scenario would be that the Group cannot honour its own agreements regarding the sale and/or letting of the relevant property, implying that the Group would risk being in breach of concluded agreements.

Senior Vice President charged by the Polish police

In June 2006, the Senior Vice President in charge of the Group's Polish branch office was detained, taken into custody and charged by the Polish police with irregularities related to obtaining regulatory approval (zoning permission) for the Polish Galeria Biala shopping centre project in Bialystok. In November 2006, the Senior Vice President was released on bail. The Polish prosecution service has indicted the Senior Vice President, and the case is currently being tried.

During the entire process, Group Management has been unable to find any irregularities in connection with the project, and thus fails to comprehend that the Senior Vice President could be involved in the alleged practices.

If, contrary to Management's expectations, the Senior Vice President is convicted, this might damage the Group's reputation and thus adversely affect its activities and earnings.

Lawsuits

TK Development is currently party to the following lawsuit/arbitration case that is of relevance due to its scope:

In the summer of 2002, De Samvirkende Købmænd, a trade association of grocery retailers, filed a complaint with the Nature Protection Board of Appeal (Naturklagenævnet) in respect of the City of Copenhagen's approval of the layout of the Field's department store. In particular, the claim asserted that the Field's department store is not one department store, but that it consists of several individual stores. The Nature Protection Board of Appeal made its decision in the matter on 19 December 2003, after which the department store layout was approved. De Samvirkende Købmænd subsequently took out a writ against the Nature Protection Board of Appeal before the Danish High Court. A ruling in the matter is expected at the earliest in 2010. Neither the owner of the centre nor any company in the TK Development Group is a direct party to the case, but if the High Court were to uphold De Samvirkende Købmænd's claim in full or in part, the Field's department store may have to be redesigned following negotiations with the relevant local authorities. If the High Court rules in favour of De Samvirkende Købmænd, the owner of Field's may have to incur the financial burden of causing the necessary changes to the building layout, and in that connection it cannot be ruled out that a claim may be made against the Group. Management believes the risk of this case to be negligible.

In addition, the Group is involved in a few disputes, none of which is deemed to have a scope that, either individually or collectively, may affect the Group's performance to any appreciable extent.

POSTS HELD BY SUPERVISORY AND EXECUTIVE BOARD MEMBERS

Chairman Poul Lauritsen, Director

Born 16 February 1936
Joined the Supervisory Board in 1993
Term of office ends May 2010

Education:

Commercial education and MSc in Economics and Business Administration

Employment:

1961 - 1974	Management consultant, director and partner in T. Bak-Jensen A/S.
1976 - 1989	Director and partner in BakConsult Gruppen A/S (managing partner 1984-1989).
1990 - 1992	Director in PA Consulting Group A/S.

Member of the supervisory boards of:

Ejendomsselskabet af 1.4.2009 A/S (Chairman) + three subsidiaries
Aalborg Stiftstidende A/S (Deputy Chairman)
Nordjyske Holding A/S (Deputy Chairman)
Aa. S.F. Holding A/S (Deputy Chairman)
AM3D A/S
House of Businesspartners A/S

Poul Lauritsen is considered an independent member of the Supervisory Board. *)

Deputy Chairman Torsten Erik Rasmussen, MBA, Director

Born 29 June 1944
Joined the Supervisory Board in 1998
Term of office ends May 2010

Education:

1961 - 1964	Commercial education, Dalhoff Larsen & Horneman A/S, Denmark.
1964 - 1966	National service with the Royal Life Guards, discharged from military service as first lieutenant 1967 (R).
1972	MBA, IMEDE, Lausanne, Switzerland.
1985	International Senior Managers' Program, Harvard Business School.

Employment:

1967- 1971	Head of department and later director of Northern Soft- & Hardwood Co. Ltd., Congo.
1973	Executive secretary, LEGO System A/S, Denmark.
1973 - 1975	Finance manager, LEGOLAND A/S, Denmark.
1975 - 1977	Logistics manager, LEGO System A/S, Denmark.
1977 - 1978	Assistant manager (logistics), LEGO System A/S, Denmark.
1978 - 1980	President and CEO, LEGO Overseas A/S, Denmark.
1981 - 1997	Manager and member of Group Management, LEGO A/S, Denmark.

Member of the supervisory boards of:

Ball ApS (Chairman)
CPD Invest ApS (Chairman)
EVO Invest A/S (Chairman)
Outdoor Holding A/S + one subsidiary (Chairman)
Acadia Pharmaceuticals A/S
Acadia Pharmaceuticals Inc. (USA)
Vestas Wind Systems A/S (Deputy Chairman)
Coloplast A/S
ECCO Sko A/S + five subsidiaries
Morgan Invest ApS
Schur International Holding A/S + one subsidiary
Vola Holding A/S + one subsidiary

Member of the executive board of:

Morgan Management ApS

Committee posts:

Member of the Acadia Pharmaceuticals Inc.'s Compensation Committee (USA)

Chairman of the Acadia Pharmaceuticals Corporate Governance Committee (USA)

Torsten Erik Rasmussen is considered an independent member of the Supervisory Board. *)

*) See section V.4 in the Corporate Governance Recommendations prepared by NASDAQ OMX Copenhagen A/S.

Per Søndergaard Pedersen, Director

Born 19 March 1954
Joined the Supervisory Board in 2002
Term of office ends May 2010

Education:

Trained with Sparekassen Nordjylland (Spar Nord Bank).

Employment:

1983 - 1986	Head of the business department at Sparekassen Nordjylland headquarters, Østeraa branch.
1986 - 1989	Regional manager, Sparekassen Nordjylland, Hasseris branch.
1989 - 2002	CEO, TK Development A/S.

Member of the supervisory boards of:

Business Institute A/S (Chairman)
Celenia Software A/S (Chairman) + three subsidiaries
EIPE Holding A/S (Chairman)
Ib Andersen A/S Øst (Chairman)
J. A. Plastindustri A/S (Chairman)
JMI A/S + three subsidiaries (Chairman)
Lindgaard A/S - Rådgivende Ingeniører (Chairman)
Nowaco Group A/S + one subsidiary (Chairman)
PL-Holding Aalborg A/S + two subsidiaries (Chairman)
Consencia Holding A/S (Chairman) + one subsidiary
Restaurant Fusion A/S (Chairman)
TBP Invest Aalborg A/S (Chairman)
Aalborg Boldspilklub A/S + six subsidiaries (Chairman)
Marius A/S
OKF Holding A/S + two subsidiaries
Rejser A/S
Skandia Kalk International Trading A/S + one subsidiary
SmallCap Danmark A/S
Investeringsforeningen SmallCap Danmark
Ejendomsaktieselskabet Thorkild Kristensen A/S + three subsidiaries
Musikkens Hus
Kollegiefonden Bikuben
Spar Nord Bank A/S
Toppenberg Maskinfabrik A/S + one subsidiary

Member of the executive boards of:

PSP Holding ApS
A.S.P. Ejendom ApS

Per Søndergaard Pedersen is not considered an independent member of the Supervisory Board.*)

Jesper Jarlbæk

Born 9 March 1956
Joined the Supervisory Board in 2006
Term of office ends May 2010

Education:

1981	Trained as a state-authorized public accountant.
2006	Licence placed in inactive status.

Employment:

1974 - 2002	Arthur Andersen (most recently as managing partner).
2002 - 2006	Deloitte (executive vice president).

Member of the supervisory boards of:

Advis A/S (Chairman) + one subsidiary
Altius Invest A/S (Chairman)
Basico Consulting International A/S (Chairman) + three subsidiaries
Cimber-Sterling Group A/S
Earlbrook Holdings Ltd. A/S
Groupcare Holding A/S (Chairman) + three subsidiaries
International Rescue Journal A/S
IT2 TMS Ltd. (UK)
JAWS A/S (Chairman)
Julie Sandlau China ApS (Chairman)
Laigaard & Partners A/S (Deputy Chairman)
Polaris III Invest Fonden
Prospect A/S (Chairman)
Radiocomp ApS (Chairman)
Spoing A/S (Chairman)
TORM A/S
T.P. Audit A/S
Valuemaker A/S (Chairman)

Member of the executive boards of:

Earlbrook Holdings Ltd. A/S + two subsidiaries
Earlbrook Holdings AB, Sweden

Jesper Jarlbæk is considered an independent member of the Supervisory Board. *)

*) See section V.4 in the Corporate Governance Recommendations prepared by NASDAQ OMX Copenhagen A/S.

Kurt Daell, Attorney

Born 22 March 1941
Joined the Supervisory Board in 2004
Term of office ends May 2010

Education:

1976	MA (Law).
1988	Practising certificate placed in inactive status on the roll of attorneys

Employment:

1983 - 1986	Chairman of the supervisory board of A/S Daells Varehus (served as the CEO 1988-92).
1983 - 1993	Chairman of the supervisory board of A/S Daells Discount
1993 - 1999	Chairman of the supervisory board of A/S Madeleine.
1985 - 1987	Member of the supervisory board of Dagligvare Gruppen K/S, Vejle.
1987 - 1991	Member of the supervisory board of Dansk Fryse Økonomi, Osted.
1977 - 1987	Secretary General for Denmark in AEVPC (Association Européenne de Vente par Correspondance – European Mail Order and Distance Selling Trade Association).
1981 - 1987	Member of the International Advisory Board of DMA (Direct Marketing Association), USA.

Member of the supervisory boards of:

A/S Harald Nyborg + 39 subsidiaries (Chairman)
including:
A/S Jem & Fix
A/S Daells Bolighus
Stressmeter A/S
Bernstorff Slot ApS

Kurt Daell is considered an independent member of the Supervisory Board. *)

Niels Roth, Director

Born on 24 July 1957
Joined the Supervisory Board in 2007
Term of office ends May 2010

Education:

1983	MSc (Economics)

Employment:

1989 - 2004	CEO of Carnegie Bank, and Group Head of Investment Banking in the Carnegie Group (2001-2002).
1997 - 2004	Member of the Danish Securities Council.
2001 - 2004	Chairman of the Danish Securities Dealers' Association.

Member of the supervisory boards of:

Friheden Invest A/S (Chairman) + two subsidiaries
Foreningen Fast Ejendom Dansk Ejendomsportefølje f.m.b.a. + one subsidiary (Chairman)
SmallCap Danmark A/S + one subsidiary (Deputy Chairman)
Brøndbyernes IF Fodbold A/S
Realdania
Investeringsforeningen SmallCap Danmark
Arvid Nilssons Fond

Member of the executive board of:

Zira Invest ApS + one subsidiary

Niels Roth is considered an independent member of the Supervisory Board. *)

*) See section V.4 in the Corporate Governance Recommendations prepared by NASDAQ OMX Copenhagen A/S.

Frede Clausen, President and CEO

Born 30 July 1959
Member of the Executive Board of TK Development since 1992

Member of the supervisory boards of:

Udviklingsselskabet Nordkranen A/S (Chairman)
Kommanditaktieselskabet DLU nr. 1 (Chairman)
Kommanditaktieselskabet Danlink Udvikling
EMCM Holding A/S
Palma Ejendomme A/S

Member of the executive board of:

Frede Clausen Holding ApS

Robert Andersen, Executive Vice President

Born 3 April 1965
Member of the Executive Board of TK Development since 2002

Member of the supervisory boards of:

Udviklingsselskabet Nordkranen A/S
Kommanditaktieselskabet DLU nr. 1
Kommanditaktieselskabet Danlink Udvikling
Kommanditaktieselskabet Østre Havn
Ringsted Outlet Center P/S
SPV Ringsted ApS

Member of the executive board of:

Palma Ejendomme A/S

STATEMENT BY THE SUPERVISORY AND EXECUTIVE BOARDS ON THE ANNUAL REPORT

The Supervisory and Executive Boards have today considered and adopted the 2009/10 Annual Report of TK Development A/S.

The audited Annual Report is presented in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and additional Danish disclosure requirements for annual reports prepared by listed companies

We consider the accounting policies applied to be appropriate, and, in our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and Parent Company's financial position at 31 January 2010 and of the results of the Group's and Parent Company's operations and cash flows for the period from 1 February 2009 to 31 January 2010.

We consider the Management's review to provide a fair presentation of the development in the Group's and Parent Company's activities and financial affairs, the results for the year and the Group's and Parent Company's overall financial position, and provides a true and fair description of the most significant risks and elements of uncertainty faced by the Group and Parent Company.

We recommend that the 2009/10 Annual Report be adopted by the Annual General Meeting of shareholders.

Aalborg, 22 April 2010

EXECUTIVE BOARD

Frede Clausen Administrerende direktør	Robert Andersen Direktør

SUPERVISORY BOARD

Poul Lauritsen Bestyrelsesformand	Torsten Erik Rasmussen Næstformand
Kurt Daell	Per Søndergaard Pedersen
Jesper Jarlbæk	Niels Roth

INDEPENDENT AUDITORS' REPORT

To the shareholders of TK Development A/S

Auditors' Report on the consolidated and parent company financial statements

We have audited the consolidated financial statements and the financial statements of TK Development A/S for the financial year 1 February 2009 – 31 January 2010, which comprise income statement, comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group as well as the Parent Company. The consolidated and parent company financial statements are presented in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and additional Danish disclosure requirements for listed companies.

The Supervisory and Executive Boards' responsibility for the consolidated and parent company financial statements

The Supervisory and Executive Boards are responsible for the preparation and fair presentation of consolidated and parent company financial statements in accordance with International Financial Reporting Standards, as adopted by the EU, and additional Danish disclosure requirements for listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated and parent company financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the consolidated and parent company financial statements based on our audit. We conducted our audit in accordance with Danish and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated and parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and parent company financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Supervisory and Executive Boards, as well as evaluating the overall presentation of the consolidated and parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and Parent Company's financial position at 31 January 2010 and of the results of the Group's and Parent Company's operations and cash flows for the financial year 1 February 2009 – 31 January 2010 in accordance with International Financial Reporting Standards, as adopted by the EU, and additional Danish disclosure requirements for listed companies.

Statement on the Management's review

In addition, the Supervisory and Executive Boards are responsible for preparing a Management's review, which contains a fair presentation in compliance with the Danish Financial Statements Act.

Our audit did not include the Management's review, but as required by the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to our audit of the consolidated and parent company financial statements.

On this basis, it is our opinion that the information given in the Management's review is consistent with the consolidated and parent company financial statements.

Aalborg, 22 April 2010

NIELSEN & CHRISTENSEN
Statsautoriseret Revisionspartnerselskab

Marian Fruergaard
State-authorized public accountant

Per Laursen
State-authorized public accountant

Copenhagen, 22 April 2010

DELOITTE
Statsautoriseret Revisionsaktieselskab

Lars Andersen
State-authorized public accountant

Jesper Jørgensen
State-authorized public accountant

CONSOLIDATED FINANCIAL STATEMENTS

Income statement and comprehensive income statement

DKKm	Note	**2009/10**	2008/09
Net revenue	4	**1,369.9**	1,052.4
External direct project costs	5	**-1,158.5**	-735.1
Value adjustment of investment properties, net	18	**-10.9**	57.7
Gross profit/loss		**200.5**	375.0
Other external expenses	6	**38.6**	46.7
Staff costs	7	**99.9**	120.6
Total		**138.5**	167.3
Profit/loss from ordinary activities before financing, depreciation and amortization		**62.0**	207.7
Depreciation, amortization and impairment of long-term assets		**4.5**	6.0
Profit/loss from ordinary activities before financing		**57.5**	201.7
Income from investments in associates	10	**-0.2**	-0.3
Financial income	12	**10.6**	61.5
Financial expenses	13	**-28.5**	-94.9
Total		**-18.1**	-33.7
Profit/loss before tax		**39.4**	168.0
Tax on profit/loss for the year	14	**14.0**	12.8
Profit/loss for the year		**25.4**	155.2

Comprehensive income statement

Profit/loss for the year according to income statement	**25.4**	155.2
Foreign-exchange adjustments, foreign operations	**32.5**	-62.6
Tax on foreign-exchange adjustments, foreign operations	**-5.8**	0.7
Value adjustments of hedging instruments	**31.4**	-31.4
Tax on value adjustments of hedging instruments	**0.0**	0.0
Value adjustment of available-for-sale-financial assets	**0.0**	-0.1
Comprehensive income statement for the year	**83.5**	61.8

Earnings per share in DKK

Earnings per share (EPS) of nom. DKK 20	15	**0.9**	5.5
Diluted earnings per share (EPS-D) of nom. DKK 20	15	**0.9**	5.5

Balance sheet

DKKm	Note	**31.01.2010**	31.01.2009	01.02.2008
ASSETS				
Long-term assets				
Goodwill	17	**33.3**	33.3	31.3
Intangible assets		**33.3**	33.3	31.3
Investment properties	18	**355.1**	366.5	584.6
Other fixtures and fittings, tools and equipment	19	**9.2**	14.3	14.2
Property, plant and equipment		**364.3**	380.8	598.8
Investments in associates	10	**24.7**	24.1	23.9
Other securities and investments	20	**1.3**	1.3	8.9
Deferred tax assets	21	**284.9**	265.7	266.0
Other long-term assets		**310.9**	291.1	298.8
Total long-term assets		**708.5**	705.2	928.9
Short-term assets				
Projects in progress or completed	22	**3,253.5**	2,541.3	1,998.3
Trade receivables	23	**106.5**	154.2	220.1
Receivables from associates		**2.9**	8.4	8.4
Contracted work in progress	24	**17.8**	3.7	0.0
Other receivables		**125.7**	160.3	256.5
Prepayments		**17.4**	10.8	10.3
Total receivables		**270.3**	337.4	495.3
Securities	25	**4.0**	5.0	4.0
Deposits in blocked and escrow accounts	26	**63.5**	116.2	322.4
Cash and cash equivalents		**77.5**	111.0	322.0
Total short-term assets		**3,668.8**	3,110.9	3,142.0
ASSETS		**4,377.3**	3,816.1	4,070.9

DKKm	Note	**31.01.2010**	**31.01.2009**	**01.02.2008**
LIABILITIES AND EQUITY				
Equity				
Share capital	27	**560.9**	560.9	560.9
Other reserves	28	**21.8**	-36.3	57.1
Retained earnings		**1,010.7**	981.4	821.9
Shareholders' share of equity		**1,593.4**	1,506.0	1,439.9
Minority interests		**0.0**	0.0	93.9
Total equity		**1,593.4**	1,506.0	1,533.8
Liabilities				
Credit institutions	29	**26.0**	107.2	408.3
Provisions	30	**14.7**	10.9	21.9
Deferred tax liabilities	32	**59.2**	43.3	52.3
Other debt	33	**3.9**	2.5	0.0
Total long-term liabilities		**103.8**	163.9	482.5
Credit institutions	29	**2,298.0**	1,639.2	1,348.3
Trade payables		**144.1**	224.0	381.7
Prepayments received from customers		**4.0**	0.0	52.8
Corporate income tax		**24.9**	26.8	67.0
Provisions	30	**14.2**	7.6	11.1
Other debt	33	**185.8**	234.7	187.9
Deferred income		**9.1**	13.9	5.8
Total short-term liabilities		**2,680.1**	2,146.2	2,054.6
Total liabilities		**2,783.9**	2,310.1	2,537.1
TOTAL LIABILITIES AND EQUITY		**4,377.3**	3,816.1	4,070.9

Statement of changes in equity

DKKm	Share capital	Other reserves	Retained earnings	TK Development's sharehol-ders' share of equity	Minority interests	Total equity
Equity at 1 February 2008	**560.9**	**57.1**	**821.9**	**1,439.9**	**93.9**	**1,533.8**
Comprehensive income for the year	0.0	-93.4	155.2	61.8	0.0	61.8
Dividend	0.0	0.0	0.0	0.0	-20.0	-20.0
Share-based remuneration (warrants)	0.0	0.0	4.3	4.3	0.0	4.3
Disposal in connection with increased share in subsidiary	0.0	0.0	0.0	0.0	-73.9	-73.9
Equity at 31 January 2009	**560.9**	**-36.3**	**981.4**	**1,506.0**	**0.0**	**1,506.0**
Comprehensive income for the year	**0.0**	**58.1**	**25.4**	**83.5**	**0.0**	**83.5**
Dividend	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Share based remuneration (warrants)	**0.0**	**0.0**	**3.9**	**3.9**	**0.0**	**3.9**
Equity at 31 January 2010	**560.9**	**21.8**	**1,010.7**	**1,593.4**	**0.0**	**1,593.4**

Cash flow statement

DKKm	2009/10	2008/09
Profit/loss before financing	**57.5**	201.7
Adjustments for non-cash items:		
Value adjustments, investment properties	**10.9**	-57.7
Depreciation and amortization	**4.2**	5.6
Provisions	**9.9**	-14.5
Market-value adjustments	**-6.5**	-9.4
Increase/decrease in investments in projects, etc.	**-521.8**	-577.2
Increase/decrease in receivables	**71.9**	118.2
Changes in deposits on blocked and escrow accounts	**52.8**	305.9
Increase/decrease in payables and other debt	**-108.5**	-136.6
Cash flows from operating activities before net financials and tax	**-429.6**	-164.0
Interest paid, etc.	**-128.8**	-139.9
Interest received, etc.	**5.3**	23.4
Corporate income tax paid	**-29.7**	-51.2
Cash flows from operating activities	**-582.8**	-331.7
Investments in equipment, fixtures and fittings, net	**-1.0**	-8.3
Sale of equipment, fixtures and fittings	**2.1**	1.1
Sale of investment properties	**0.0**	276.0
Increase of ownership in Euro Mall Holding A/S	**0.0**	-96.8
Purchase of securities and investments	**-0.7**	-0.5
Sale of securities and investments	**0.0**	7.6
Cash flows from investing activities	**0.4**	179.1
Repayment, long-term financing	**-1.2**	-56.9
Raising of project financing	**704,1**	229.1
Reduction of project financing/repayments, credit institutions	**-160.2**	-114.5
Cash flows from financing activities	**542.7**	57.7
Cash flows for the year	**-39.7**	-94.9
Cash and cash equivalents, beginning of year	**111.0**	222.3
Market-value adjustment of cash and cash equivalents	**6.2**	-16.4
Cash and cash equivalents at year-end	**77.5**	111.0

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

Table of contents, notes consolidated financial statements

Note 1. Accounting policies

The consolidated and parent company financial statements for 2009/10 for the Group and TK Development A/S, respectively, are presented in complia1nce with the International Financial Reporting Standards (IFRS), as adopted by the EU, and in accordance with additional Danish disclosure requirements for annual reports prepared by listed companies; see the Executive Order on IFRS issued in pursuance of the Danish Financial Statements Act.

The Annual Report also complies with the International Financial Reporting Standards (IFRS) issued by IASB.

All figures in the Annual Report are presented in DKK million, unless otherwise stated. DKK is the presentation currency for the Group's activities and the functional currency of the Parent Company.

The Annual Report is presented on the basis of historical cost, with the exception of investment properties, derivative financial instruments and financial assets classified as available for sale, which are measured at fair value.

Implementation of new and amended financial reporting standards and interpretations issued by IFRIC

The 2009/10 Annual Report has been presented in accordance with the financial reporting standards (IFRS/IAS) and IFRIC interpretations applicable for financial years beginning at 1 February 2009.

The implementation of new and amended financial reporting standards and interpretations in the 2009/10 Annual Report has not impacted recognition and measurement in the consolidated financial statements. Thus, the new standards and interpretations have no effect on the earnings per share and the diluted earnings per share.

The implementation of IFRS 8, *Operating Segments,* has resulted in changes to the disclosures in the segment notes. The definition of segments has been changed: previously it was based on geographical areas, comprising Central and Northern Europe, whereas it is now based on the internal reporting, which is divided into two business units, TKD Nordeuropa and Euro Mall Holding, and the remaining business activities in TK Development, the Parent Company.

The implementation of the revised IAS 1, P*resentation of Financial Statements,* has resulted in changes to the presentation of primary statements, which now include a comprehensive income statement. The statement of changes in equity has been adjusted accordingly. The comparative figures have been restated to reflect these changes.

The accounting policies for the parent company financial statements have been changed following the implementation of the revised IAS 27, *Consolidated and Separate Financial Statements*, in that dividends received from subsidiaries, associates and/or jointly controlled enterprises must always be recognized in the income statement. The change has effect from the 2009/10 financial year. The standard has been implemented in accordance with the implementation provisions with effect for the 2009/10 and future financial years, and therefore does not involve any restatement of the comparative figures.

Compared to the consolidated and parent company financial statements for 2008/09, deposits in trust and escrow accounts have been reclassified. Such deposits were previously included in cash and cash equivalents, but are now presented in a separate line in the balance sheet. Comparative figures have been restated to reflect this reclassification. Therefore, the consolidated and parent company financial statements also present a statement of financial position (balance sheet) as at the beginning of the comparative year in accordance with the requirements of IAS 1. Notes are shown for the balance sheet items changed as at 1 February 2008, while the remaining notes are unchanged compared to the previously published annual reports.

Apart from the changes referred to above, the accounting policies have been consistently applied compared to last year and are set out below.

Financial reporting standards and IFRIC interpretations not yet in force

At the date of publication of this Annual Report, a number of new or amended financial reporting standards and IFRIC interpretations had not yet entered into force or been approved by the EU. Thus, they have not been incorporated into the Annual Report. The implementation of the abovementioned standards and interpretations is not expected to materially affect the annual reports for the next financial years, except from the impact that the revised IFRS 3 will have from the 2010/11 financial year on the accounting treatment of any future business acquisitions. Reference is also made to note 39 in the consolidated financial statements.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, TK Development A/S, and the enterprises controlled by the Parent Company. The Parent Company is considered to exercise control when it holds more than 50 % of the voting rights, whether directly or indirectly, or otherwise has a controlling interest.

Enterprises in which the Group holds between 20 % and 50 % of the voting rights, whether directly or indirectly, and thus has significant influence, but not a controlling interest, are considered associates. Enterprises jointly controlled with other investors are considered joint ventures.

Consolidated financial statements are prepared on the basis of the financial statements of the Parent Company and its subsidiaries by adding together items of a uniform nature. The financial statements on which the consolidated financial statements are based are prepared in accordance with the accounting policies applied by the Group. The items in the subsidiaries' financial statements are fully recognized in the consolidated financial statements.

The minority interests' proportionate share of the profit or loss for the year is included as part of the consolidated profit or loss for the year, and the proportionate share of equity is shown as a separate item under consolidated equity.

On consolidation, intercompany income and expenses, shareholdings, balances and dividends as well as gains on transactions between consolidated enterprises are eliminated. Losses are eliminated to the extent that no impairment has occurred.

The consolidated financial statements include subsidiaries and associates throughout the period of ownership.

Business combinations

Newly acquired or newly established enterprises are recognized in the consolidated financial statements as from the date of acquisition or establishment. Sold or wound-up enterprises are recognized in the consolidated income statement until the date of sale or winding-up. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

Upon the acquisition of new enterprises in which the Group gains a controlling interest in the acquired enterprise, the purchase method is used, which means that the difference between the cost of the enterprise and the fair value of identifiable assets, liabilities and contingent liabilities in the acquired enterprise is calculated at the acquisition date. Restructuring provisions regarding the acquired enterprise are only recognized in the transfer balance sheet if they constitute a liability for the enterprise acquired. The tax effect of revaluations made is taken into account.

The cost of an enterprise consists of the fair value of the consideration paid plus the costs directly attributable to the acquisition. If the final determination of the consideration depends on one or more future events, adjustments are only made to the cost if the relevant event is probable and the effect on cost can be determined reliably.

Positive balances are recognized as goodwill in the balance sheet under intangible assets, and the goodwill amount is subjected to impairment tests on a continuing basis. If the carrying amount of the asset exceeds the recoverable amount, it is written down to the recoverable amount.

For business combinations effected before 1 February 2004, the accounting classification according to the previous accounting policies has been retained. Thus, goodwill deriving from such business combinations is recognized on the basis of the cost recognized according to the previous accounting policies (the Danish Financial Statements Act and Danish accounting standards), net of amortization and impairment until 31 January 2004. Goodwill recognized in the opening balance sheet was tested for impairment at 1 February 2004 and continues to be subjected to impairment tests on an ongoing basis. As of 31 January 2010, the carrying amount of goodwill relating to business combinations effected before 1 February 2004 totalled DKK 29.1 million.

Gains or losses on the sale or winding-up of subsidiaries and associates are determined as the difference between the selling price or the disposal sum and the carrying amount of the net assets at the date of sale or winding-up, including goodwill, accumulated foreign-exchange adjustments recognized in other comprehensive income and the expected costs of the sale or winding-up. The selling price is measured at the fair value of the consideration received. The gain or loss calculated is recognized in profit or loss.

Associates/joint ventures in the consolidated financial statements

In the consolidated financial statements, investments in associates are recognized and measured according to the equity method, which means that investments are measured at the proportionate share of the associates' carrying amount, determined according to the Group's accounting policies, with the addition of goodwill and plus or less any proportionate intercompany profits or losses.

The proportionate share of the associate's results after tax and the proportionate elimination of unrealized intercompany profits and losses are recognized in profit or loss. The proportionate share of all transactions and events recognized in the associate's other comprehensive income is recognized in consolidated comprehensive income. Investments in associates with a negative equity value are measured at DKK 0. Receivables and other long-term financial assets considered to be part of the overall investment in the associate are written down by any remaining negative equity value. Trade receivables and other receivables are written down to the extent that they are considered uncollectible. A provision for the remaining negative equity value is only recognized if the Group has a legal or constructive obligation to meet the relevant associate's liabilities.

Associates whose activities comprise projects within the Group's primary sphere of activity (development and contract work), and which are managed together with other investors in accordance with shareholders' or similar agreements (joint ventures), are included in the consolidated financial statements by pro rata consolidation of the associates' accounting items, so that a proportionate share, equal to the participation in the associates, is included in the corresponding items in the consolidated financial statements.

Translation of foreign-currency items

A functional currency is determined for each of the reporting enterprises in the Group. The functional currency is the currency used in the primary economic environment in which the individual reporting enterprise operates. Transactions in currencies other than the functional currency are considered foreign-currency transactions. On initial recognition, transactions in foreign currencies are translated into the functional currency at the exchange rates ruling at the dates of the transactions. Exchange differences arising between the exchange rate on the transaction date and the exchange rate on the payment date are recognized in profit or loss under financial items.

Receivables, payables and other monetary items in foreign currencies that have not been settled by the reporting date are translated into the functional currency according to the exchange rates ruling at the reporting date. Realized and unrealized exchange gains and losses are recognized in profit or loss as financial items. Property, plant and equipment, intangible assets, projects in progress or completed and other non-monetary assets that have been bought in foreign currencies and are measured on the basis of historical cost are translated at the exchange rate ruling on the transaction date. Non-monetary items that are revalued at fair value are translated at the exchange rate ruling on the date of revaluation.

When enterprises that present financial statements in a functional currency other than Danish kroner (DKK) are recognized in the consolidated financial statements, profit or loss items are translated on the basis of the average exchange rates for the period under review, and balance sheet items (including goodwill) are translated on the basis of the exchange rates ruling at the reporting date. If the average exchange rates for the period under review deviate significantly from the actual exchange rates at the transaction dates, the actual exchange rates are used instead. Exchange differences arising on translating foreign enterprises' beginning-of-year equity at the exchange rate ruling at the reporting date and on translating the income statement items from the average exchange rate for the period under review to the exchange rate at the reporting date are recognized in other comprehensive income. Exchange differences arising as a result of changes recognized directly in the equity of the foreign reporting enterprise are also recognized in other comprehensive income. Foreign-exchange adjustments of intercompany accounts with foreign subsidiaries that are considered additions to/deductions from the net investment are recognized in other comprehensive income in the consolidated financial statements, while they are recognized in profit or loss in the parent company financial statements.

When associates/joint ventures that present financial statements in a functional currency other than DKK are recognized in the consolidated financial statements, income statement items are translated on the basis of the average exchange rates for the period under review, and balance sheet items are translated on the basis of the exchange rates ruling at the reporting date. Exchange differences arising on translating foreign enterprises' beginning-of-year equity at the exchange rate ruling at the reporting date and on translating the income statement items from the average exchange rate for the period under review to the exchange rate at the reporting date are recognized in other comprehensive income. Exchange differences arising as a result of changes recognized directly in the equity of the foreign reporting enterprise are also recognized in other comprehensive income.

In connection with the Group's transition to the presentation of financial statements according to IFRS, accumulated foreign-exchange differences on the translation of foreign subsidiaries posted to equity were reset to zero in the opening balance sheet at 1 February 2004, such that only exchange differences arising after 1 February 2004 appear from the item "Reserve for foreign-exchange adjustments" under equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at fair value at the settlement date. Costs that are directly attributable to the purchase or issuance of the individual financial instrument (transaction costs) are added to the fair value on initial recognition, unless the financial asset or liability is measured at fair value with fair-value adjustments recognized in profit or loss.

After initial recognition, the derivative financial instruments are measured at fair value at the reporting date. Positive and negative fair values of derivative financial instruments are recognized under other receivables and other debt.

Changes in the fair value of derivative financial instruments that are classified as and meet the conditions for the fair-value hedging of a recognized asset or liability are recognized in profit or loss together with changes in the value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments that are classified as and meet the conditions for effective hedging of future transactions are recognized in other comprehensive income. Any ineffective portion is recognized immediately in profit or loss. When the hedged transactions are realized, the accumulated changes are recognized as part of the cost of the relevant transactions.

Changes in the fair value of derivative financial instruments that are used to hedge net investments in foreign subsidiaries are recognized in other comprehensive income in the event of hedge effectiveness. Any ineffective portion is recognized immediately in profit or loss. When the relevant foreign enterprise is sold, the accumulated changes in value are transferred to profit or loss.

Derivative financial instruments that do not meet the conditions for treatment as hedging instruments are considered trading portfolios and are measured at fair value, with fair-value adjustments being recognized in profit or loss under financial items on a continuing basis.

Share-based incentive schemes

The Group's incentive schemes are equity-based warrants schemes. The equity-based incentive schemes are measured at the fair value of the options at the time of allocation and are recognized in profit or loss under staff costs over the vesting period. A corresponding amount is recorded directly in equity.

In connection with initial recognition of the share options, an estimate is made of the number of options to which the employees are expected to become entitled. Subsequently, adjustments are made to reflect changes in the estimated number of vested options, such that the overall recognition is based on the actual number of vested options.

The fair value of the options allocated is estimated by using the Black-Scholes formula, based on the parameters indicated in note 8.

No intercompany settlement takes place between the Parent Company and subsidiaries in respect of the Parent Company's share-based payments to employees in subsidiaries. In the Parent Company's financial statements, the value of incentive schemes allocated to subsidiaries' employees is recognized under "investments in subsidiaries", with a corresponding amount recorded directly in equity.

Income statement

Net revenue

The sales method is used to recognize income on projects sold; see IAS 18, Revenue. Thus, profits are recognized once the project has been sold, construction completed and all essential elements of the sales agreement fulfilled.

The percentage of completion method is used for projects meeting the definition of a construction contract; see IAS 11. Thus, the revenue for the year on these projects corresponds to the selling price of the work performed during the year. The recognized profit is the estimated profit on the project, calculated on the basis of its stage of completion.

Where the Group is in charge of development, letting and construction management, etc. on behalf of investors and receives fee income for such services, the fee income is recognized as income on a continuous basis in step with the provision of services.

Where a sold project consists of several instalment deliveries that can be segregated and the financial effect can be assessed separately and measured reliably for each delivery, the profit on the individual instalment delivery is recognized when all essential elements of the agreement have been fulfilled.

Rental income on completed projects and investment properties is accrued and recognized in accordance with the lease agreements concluded.

For other income, the sales method is used.

Net revenue is measured at the fair value of the consideration received or receivable. If a sale is based on interest-free credit with a term extending beyond the usual credit period, the fair value of the consideration receivable is calculated by discounting future payments. The difference between the fair value and nominal value of the consideration is recognized in profit or loss as financial income over the extended credit period by using the effective interest method.

External direct project costs

This item consists of all costs relating to projects incurred to generate the year's revenue and includes direct project costs, as well as interest during the construction period, plus a share of the relevant indirect project costs, determined as a percentage of staff costs, project materials, cost of premises and maintenance and depreciation resulting from the project development activity and proportionately attributable to the project development capacity utilized.

Moreover, this item includes any impairment losses on projects in progress or completed and the expensing of project development costs to the extent that the relevant projects are not expected to be realized.

Value adjustment of investment properties, etc.

Changes in the fair values of investment properties and associated derivative financial instruments are recognized in profit or loss under the item "Value adjustment of investment properties, net".

Realized gains and losses on the sale of investment properties are determined as the difference between the carrying amount and the selling price and are also recognized in profit or loss under the item "Value adjustment of investment properties, net".

Other external expenses

The item "Other external expenses" includes costs for administration, cost of premises and operating expenses for cars.

Income from investments in associates in the consolidated financial statements

The proportionate share of the associates' results after tax and the proportionate elimination of unrealized intercompany profits and losses are recognized in consolidated profit or loss.

Dividends on investments in subsidiaries and associates in the Parent Company's financial statements

Dividends on investments in subsidiaries and associates are recognized in the Parent Company's profit or loss under financial income in the financial year in which the right to dividend vests. Usually, this will be date on which the General Meeting of shareholders adopts the distribution of dividend from the relevant company.

Financial income and expenses

Financial income and expenses include interest income and expenses, gains and losses on foreign-currency transactions, debt and securities as well as the amortization of financial liabilities, except the fair-value adjustment of derivative financial instruments relating to investment properties. In addition, any dividends on investments in subsidiaries and associates, see above, are included in the Parent Company's profit or loss under financial income.

Interest income and interest expenses are accrued, based on the principal and the effective interest rate. The effective interest rate is the discount rate used to discount the expected payments associated with the financial asset or financial liability to ensure that the present value of such asset or liability is equal to its carrying amount.

Borrowing costs that are directly associated with the acquisition, construction or production of assets are capitalized as part of the cost of the relevant asset.

Tax on profit/loss for the year

The tax for the year, which consists of the year's current tax and changes in deferred tax, is recognized in profit or loss as follows: the portion attributable to the profit or loss for the year is recognized in profit or loss, and the portion attributable to items under equity or other comprehensive income is posted directly to equity or other comprehensive income.

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax paid on account. The calculation of the year's current tax is based on the tax rates and tax rules applicable at the reporting date.

Deferred tax is calculated on the basis of all temporary differences between the carrying amount and the tax base, except temporary differences arising on the initial recognition of either goodwill or a transaction that is not a business combination and that does not affect the profit or loss or taxable income upon initial recognition. Deferred tax is calculated on the basis of the planned use of the individual assets and liabilities. Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognized in the balance sheet at the value at which the asset is expected to be realized, either by setoff against deferred tax liabilities or as net tax assets for setoff against future positive taxable income within the same entity subject to group pooling. At each reporting date, it is reconsidered whether it is likely that sufficient future taxable income will be generated to utilize the deferred tax asset, based on an individual and specific assessment. If it is considered that an individual tax asset cannot be utilized, it is written down against profit or loss.

Deferred tax on temporary differences related to equity investments in subsidiaries and associates is recognized, unless the Parent Company is able to control when the deferred tax will crystallize and the deferred tax is not likely to crystallize as current tax in the foreseeable future.

Deferred tax is measured according to the tax rules and rates that will be applicable in the respective countries at the time when the deferred tax is expected to crystallize as current tax, based on the legislation in force at the reporting date. Any changes in deferred tax resulting from changed tax rates and tax rules are recognized in profit or loss, unless the deferred tax is attributable to items previously recognized directly in equity or in other comprehensive income. In such cases, the change in deferred tax is also recognized directly in equity or in other comprehensive income.

The Parent Company is taxed on a pooled basis with all Danish subsidiaries. The Parent Company administers the group pooling of tax. The total income taxes payable by the companies subject to group pooling are distributed between the Danish companies taxed on a pooled basis in proportion to their taxable income.

Balance sheet

Goodwill

On initial recognition, goodwill is recognized and measured as the difference between the cost of the enterprise acquired and the fair value of the assets, liabilities and contingent liabilities acquired; see the description under "Consolidated financial statements".

The carrying amount of goodwill is allocated to the Group's cash-flow-generating units at the date of acquisition. Cash-flow-generating units are defined on the basis of the management structure and internal financial control and reporting in the Group.

Goodwill is not amortized. The amount of goodwill is subjected to impairment tests on a continuous basis to ensure that the asset is written down to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount is determined as the higher of the fair value less selling costs and the present value of estimated future net cash flows from the cash-flow-generating unit to which the goodwill relates. Impairment of goodwill is recognized in a separate line under profit or loss. Impairment of goodwill is not reversed.

Investment properties

Properties are classified as investment properties when they are held to obtain rental income and/or capital gains. On initial recognition, investment properties are measured at cost, consisting of the acquisition cost of the property and directly associated costs. Subsequently, investment properties are measured at fair value. The valuation is made on the basis of a discounted cash-flow model, where future cash flows are discounted to net present value on the basis of a given rate of return. The rate of return is fixed for each individual property.

Changes in the fair value are recognized in profit or loss under "Value adjustment of investment properties, net" in the financial year in which the change occurs.

Other fixtures and fittings, tools and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment. The cost consists of the acquisition cost and costs directly associated with the acquisition until the date when the asset is ready for use. The carrying amounts of other fixtures and fittings, tools and equipment are reviewed at the reporting date to identify any indications of impairment. If such indications are identified, the recoverable amount of the asset is calculated to assess the need for any impairment and the extent of such impairment.

These assets are depreciated according to the straight-line method over their expected useful lives, viz. a period of 5-10 years. Leasehold improvements are depreciated according to the straight-line method over the term of the lease.

Investments in subsidiaries and associates in the Parent Company's financial statements

The Parent Company's investments in subsidiaries and associates are measured at cost. The carrying amounts of investments in subsidiaries and associates are reviewed at the reporting date to identify any indications of impairment. If such indications are identified, the recoverable amount of the asset is calculated to assess the need for any impairment and the extent of such impairment. If the cost exceeds the recoverable amount, it is written down to the recoverable amount. If the dividend distributed exceeds total earnings from the subsidiary or associate since its acquisition, this is considered an indication of impairment.

Impairment losses are recognized in profit or loss. In case of any subsequent reversal of impairment losses resulting from changed assumptions for calculating the recoverable amount, the carrying amount of the asset and of the cash-flow-generating unit is increased to a value not exceeding the value that the asset or cash-flow-generating unit would have had if no impairment losses had been recognized.

Other long-term assets

Other securities and investments consist of mortgage deeds and instruments of indebtedness created in connection with project sales and are measured at amortized cost.

Long-term securities and investments are classified as financial assets held to maturity.

Projects in progress or completed

Projects in progress or completed consist of real property projects.

The project portfolio is recognized on the basis of the direct costs attributable to the projects, including interest during the project period, plus a share of the relevant indirect project costs. Where considered necessary, the projects have been written down to a lower value, and the capitalized amounts are subjected to impairment tests on a continuous basis to ensure that the assets are written down to the extent that the carrying amount exceeds the recoverable amount.

Additions for indirect project costs are calculated as a percentage of staff costs, project materials, the cost and maintenance of premises and depreciation resulting from project development and proportionately attributable to the project development capacity utilized.

Prepayments from customers on sold projects in progress (forward funding) are deducted from the carrying amount of the project portfolio, and any negative net amount, determined for each individual project, is included in the item "Prepayments received from customers".

Receivables

Receivables consist of trade receivables, receivables from contract work in progress, receivables from associates and other receivables. Receivables are classified as loans and receivables, which are financial assets with fixed or determinable payments that are not quoted in an active market and are not derivative financial instruments.

Receivables are measured at amortized cost, usually equal to the nominal value, or at the net realizable value where this is lower. Impairment losses on receivables are calculated on the basis of an assessment of the individual receivables.

Financial assets and liabilities are charged against the balance sheet if the Company has a right of setoff and at the same time intends or is under a contractual obligation to realize assets and liabilities simultaneously.

Prepayments, recognized under assets, consist of paid expenses relating to subsequent financial years. Prepayments are measured at cost in the balance sheet.

Construction contracts

When the outcome of a construction contract can be estimated reliably, the construction contract is measured at the selling price of the work performed as of the reporting date (the percentage of completion method) less any amounts invoiced on account and writedowns for impairment. The selling price is measured on the basis of the stage of completion as of the reporting date and the total revenue expected from the individual construction contract.

The stage of completion of each individual project is normally calculated as the proportion between the resources used by the Group and the total budgeted use of resources.

When the outcome of the construction contract cannot be measured reliably, the construction contract is measured at the construction costs incurred if it is probable that they will be recoverable. If it is probable that the total construction costs will exceed total contract revenue, the estimated loss is recognized as a cost immediately.

The individual construction contract in progress is recognized in the balance sheet under receivables or liabilities, depending on whether its net value is a receivable or a liability.

Securities

Securities under short-term assets consist of listed and unlisted shares.

Securities are classified as "Financial assets available for sale", viz. financial assets that are not derivative financial instruments and that are either classified as available for sale or that cannot be classified as loans or receivables, financial assets measured at fair value via profit or loss, or held-to-maturity financial assets.

Available-for-sale securities are measured at cost on initial recognition and subsequently at fair value. Fair-value adjustments are recognized in other comprehensive income and are recognized in profit or loss on the sale or settlement of the securities.

Listed securities are measured at their official listed price, and unlisted securities are measured at their fair value, based on the calculated value in use.

Equity interests that are not traded in an active market, and where the fair value cannot be determined with a sufficient degree of reliability, are measured at cost. Mortgage deeds are measured at amortized cost.

Equity

Dividend is recognized as a liability at the time of its adoption at the Annual General Meeting.

Acquired treasury shares are recognized at cost and included in retained earnings under equity. If treasury shares are sold, the pertinent consideration received is recognized directly in equity. A capital reduction effected by the cancellation of treasury shares will reduce the share capital and increase retained earnings. Dividend on treasury shares is recognized directly in equity under retained earnings.

Pension obligations and the like

In case of defined contribution plans, fixed contributions are paid regularly to independent pension companies and the like. The contributions are recognized in profit or loss over the period during which the employees have performed the work entitling them to the pension contribution. Contributions payable are recognized as a liability in the balance sheet.

Provisions

Provisions are recognized when a legal or constructive obligation is incurred due to events before or at the reporting date, and meeting the obligation is likely to result in an outflow of economic benefits.

This item includes provisions for rent guarantees, with the provision being based on experience with rent guarantees and on an individual assessment of the individual leases, as well as provisions for the negative equity of associates, etc. to the extent that the Group has a legal or constructive obligation to meet the relevant associate's liabilities.

Provisions are measured as the best estimate of the costs required to settle the relevant liabilities at the reporting date. Provisions for liabilities with an expected maturity of more than one year are classified as long-term liabilities.

Liabilities other than provisions

Long-term financial liabilities are measured at cost at the time the relevant loans are raised, equivalent to the proceeds received after transaction costs. Subsequently, financial liabilities are measured at amortized cost, such that the difference between the proceeds and nominal value is recognized in profit or loss as an interest expense over the term of the loan.

Other financial liabilities are recognized at amortized cost, which usually corresponds to the nominal value.

Lease payments relating to operational leases are recognized in profit or loss according to the straight-line method, over the term of the lease.

Financial liabilities, which comprise payables to credit institutions, trade payables and other debt, are classified as "Financial liabilities measured at amortized cost".

Deferred income, recognized under liabilities, consists of income received that relates to subsequent financial years. Deferred income is measured at cost in the balance sheet.

Cash flow statement

The cash flow statement for the Parent Company and for the Group is presented according to the indirect method, based on the profit or loss from ordinary activities before financing, and shows cash flows generated from operating, investing and financing activities, as well as cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated as the operating profit or loss, adjusted for non-cash operating items, changes in working capital and paid financial income, financial expenses and corporate income tax.

Cash flows for investing activities comprise payments made in connection with the purchase and sale of enterprises, property, plant and equipment and other long-term assets. In addition, cash flows relating to assets under finance leases are recognized in the form of lease payments made.

Cash flows from financing activities consist of changes in the Parent Company's share capital and associated costs, the raising and repayment of loans, other repayments on interest-bearing debt as well as the payment of dividend.

Cash flows in currencies other than the functional currency are recognized in the cash flow statement by using average exchange rates for the period under review, unless they deviate significantly from the actual exchange rates at the transaction dates.

In preparing the consolidated cash flow statement, opening balance sheets and cash flows in foreign currencies are translated on the basis of the foreign-exchange rates prevailing at the reporting date. This eliminates the effect of exchange differences on the period's movements and cash flows. Interest paid is shown separately. Consequently, project interest for the period is not included in liquidity movements resulting from the project portfolio. Thus, the figures in the cash flow statement cannot be inferred directly from the financial statements.

Cash and cash equivalents comprise free cash resources.

Segment information

The segment information is prepared in accordance with the Group's accounting policies, based on the Group's internal management reporting.

Segment income and expenses and segment assets and liabilities comprise the items directly allocable to the individual segment, as well as the items that can be allocated to the individual segments on a reliable basis. The unallocated items relate mainly to assets, liabilities, income and expenses, associated with the Group's administrative functions, corporate income tax, and the like.

Long-term assets in the segments comprise the assets used directly in the operation of the segments, including intangible assets, property, plant and equipment and investments in associates. Short-term assets in the segments comprise the assets directly allocable to the operating activities in the segment, including projects in progress or completed, trade receivables, other receivables, prepayments and cash and cash equivalents.

Liabilities in the segments comprise the liabilities allocable to the operating activities in the segment, including trade payables, payables to credit institutions, provisions, other debt and the like.

Ratio definitions

Return on equity:	The Parent Company's share of profit/loss for the year x 100 / The Parent Company's average share of consolidated equity
EBITA-margin:	Profit/loss from operating activities x 100 / Net revenue
Solvency ratio (based on equity):	Equity including minority interests x 100 / Total equity and liabilities
Solvency ratio (based on total capital resources):	Equity including minority interests and plus subordinated loans x 100 / Total equity and liabilities
Equity value:	Equity excluding minority interests x 100 / Number of shares
Earnings per share:	Results attributable to the Parent Company's shareholders / Average number of shares in circulation
Diluted earnings per share	Diluted results attributable to the Parent Company's shareholders / Diluted average number of diluted shares
Dividend per share:	The Parent Company's dividend per share

Note 2. Accounting estimates and assessments

Many account items cannot be measured with certainty, but only estimated. Such estimates consist of assessments based on the most recent information available at the time of presenting the financial statements. It may be necessary to change previous estimates based on changes in the assumptions underlying the estimate or based on supplementary information, additional experience or subsequent events.

In connection with the practical application of the accounting policies described, Management has made a number of significant accounting estimates and assessments that have materially affected this Annual Report:

Recognition of revenue
Revenue on projects that can be classified as construction contracts is recognized according to IAS 11. On sold projects consisting of several instalment deliveries and these can be segregated, where the financial effect can be assessed separately, the profit on the individual instalment delivery is recognized when all essential elements of the agreement have been fulfilled, thus meeting the recognition criteria of IAS 18. Thus, Management specifically assesses each individual project for the purpose of determining recognition principle and method.

Investment properties
The Group's investment properties are measured at fair value in the balance sheet. The valuation is made on the basis of a discounted cash-flow model, where expected future cash flows are discounted to net present value on the basis of a given rate of return. If any changes occur in the assumptions used, the value may deviate from the value determined at 31 January 2010. In the 2009/10 financial year, a negative value adjustment of the Group's investment properties was made, amounting to DKK 10.9 million. The carrying amount of investment properties amounted to DKK 355.1 million at 31 January 2010.

Projects in progress or completed
The need for impairment of projects in progress and completed projects is based on a specific assessment of each individual project, including existing project budgets and the expected future development potential. If the actual course of a project deviates from the expected development, this may necessitate adjustments to the impairment recognized. The changed estimate of the impairment of projects in progress and completed projects has had a negative impact on the profit for the year of DKK 3.5 million. The carrying amount of projects in progress or completed totalled DKK 3,253.5 million at 31 January 2010.

Receivables
The need for impairment of receivables is based on a specific assessment of each individual receivable. If any changes occur in the assumptions used, the value may deviate from the value determined at 31 January 2010. The carrying amount of receivables totalled DKK 270.3 million at 31 January 2010.

Deferred tax assets
The valuation has been based on the existing possibilities for carrying forward losses and for group pooling or group contributions. A change in the conditions for carrying forward losses and group pooling/group contributions could result in the value of the tax assets being either higher or lower than the carrying amount computed at 31 January 2010. The valuation of the tax asset has been based on existing budgets and profit forecasts for a five-year period. The valuation for the first three years has been based on an assessment of specific projects in the Group's project portfolio. The valuation for the next two years has been based on specific projects in the project portfolio with a longer time horizon than three years as well as various project opportunities. The carrying amount of deferred tax assets totalled DKK 284.9 million at 31 January 2010.

Goodwill
To assess the need for impairment of the goodwill amounts recognized, the values in use of the cash-flow-generating units to which the goodwill amount is attributable must be calculated. Calculating the value in use assumes that an estimate of future expected cash flows in the individual cash-flow-generating unit has been made and that a reasonable discount rate has been determined. The goodwill amount recognized in the balance sheet has not been written down for impairment. The carrying amount of goodwill totalled DKK 33.3 million at 31 January 2010.

Note 3. Segment information

The Group has applied IFRS 8, *Operating segments*, for the 2009/10 financial year for the first time.

Due to differences in the basis of segmentation compared to previous accounting policies, the use of IFRS 8 has resulted in a change to the identification of the Group's segments.

In previous years the Group presented segment information on the basis of a geographical segmentation, supplemented by additional information about business segments. However, the Group's internal reporting to the Parent Company's Supervisory Board has greater focus on the Group's business units, TKD Nordeuropa and Euro Mall Holding, as well as the remaining activities in TK Development, the Parent Company.

Therefore, the segment information has been adapted to this reporting. The comparative figures have been restated to reflect the changed presentation of segment information.

The accounting policies used in compiling the segment information are the same as those used by the Group; see the description above.

31 January 2010	TKD Nord-europa	Euro Mall Holding	TKD	Elimination	Total
Net revenue, external customers	**1,223.1**	**118.9**	**27.9**	**0.0**	**1,369.9**
Value adjustment of investment properties, net	**0.0**	**5.9**	**-16.8**	**0.0**	**-10.9**
Financing, net	**-4.5**	**6.4**	**-19.8**	**0.0**	**-17.9**
Depreciation and amortization	**1.4**	**1.2**	**1.9**	**0.0**	**4.5**
Shares of profit or loss in associates	**0.0**	**0.7**	**-0.9**	**0.0**	**-0.2**
Tax on profit/loss for the year	**12.4**	**13.1**	**-11.5**	**0.0**	**14.0**
Profit/loss after tax	**23.9**	**42.0**	**-40.5**	**0.0**	**25.4**
Segment assets	**1,756.4**	**2,001.8**	**1,986.0**	**-1,366.9**	**4,377.3**
Investments in associates	**0.0**	**1.5**	**23.2**	**0.0**	**24.7**
Capital expenditure *)	**0.1**	**0.5**	**0.5**	**0.0**	**1.1**
Segment liabilities	**1,377.4**	**1,170.3**	**392.6**	**-156.4**	**2,783.9**

31 January 2009	TKD Nord-europa	Euro Mall Holding	TKD	Elimination	Total
Net revenue, external customers	471.3	557.3	23.8	0.0	1,052.4
Value adjustment of investment properties, net	0.0	73.0	-15.3	0.0	57.7
Financing, net	-1.3	-13.1	-19.0	0.0	-33.4
Depreciation and amortization	2.4	1.0	2.6	0.0	6.0
Shares of profit or loss in associates	0.0	0.5	-0.8	0.0	-0.3
Tax on profit/loss for the year	25.2	-5.7	-6.7	0.0	12.8
Profit/loss after tax	-6.6	172.0	-10.2	0.0	155.2
Segment assets	1,494.7	1,668.6	1,942.5	-1,289.7	3,816.1
Investments in associates	0.0	0.8	23.3	0.0	24.1
Capital expenditure *)	1.4	2.3	6.6	0.0	10.3
Segment liabilities	1,102.2	829.9	436.6	-58.6	2,310.1

Geographical information
TK Development operates primarily on the markets in Denmark, Sweden, Finland, Poland and the Czech Republic. Because of the Group's accounting policies for recognizing sold projects, revenue in the individual countries may vary substantially from one year to another.

For the purpose of presenting information about geographical areas, the information about the distribution of revenue on geographical segments was prepared on the basis of project location.

	2009/10		2008/09	
	Net revenue, external customers	Long-term assets **)	Net revenue, external customers	Long-term assets **)
Denmark	**45.6**	**38.6**	225.8	41.0
Sweden	**1,175.9**	**-**	-	-
Germany	**-**	**196.0**	-	213.1
Czech Republic	**-**	**159.1**	333.9	153.4
Other countries	**148.4**	**3.9**	492.7	6.6
Total	**1,369.9**	**397.6**	1,052.4	414.1

Long-term assets relate primarily to the Group's investment properties in the Czech Republic and Germany; see note 18.

Revenue from individual customers exceeding 10 % of total revenue
Of the Group's total net revenue, the revenue deriving from the handover of projects to one individual customer amounted to DKK 1,085.7 million in TKD Nordeuropa in the 2009/10 financial year. In the 2008/09 financial year, the revenue deriving from one individual customer of Euro Mall Holding amounted to DKK 294.1 million.

*) Capital expenditure comprises additions to intangible assets and property, plant and equipment.
**) Long-term assets comprise intangible assets and property, plant and equipment.

Note 4. Net revenue

	2009/10	2008/09
Sale of projects and properties	**1,224.1**	927.2
Income from construction contracts	**47.8**	35.4
Rental income	**66.6**	45.0
Sale of services	**31.4**	44.8
Total net revenue	**1,369.9**	1,052.4

Note 5. External direct project costs

	2009/10	2008/09
Project costs	**1,155.0**	746.7
Impairment losses on projects in progress and completed projects	**3.5**	11.2
Reversal of impairment losses on projects in progress and completed projects	**0.0**	-22.8
External direct project costs, total	**1,158.5**	735.1

A specific review of each individual project in the portfolio identified a need for impairment of DKK 3.5 million, which was recognized in the 2009/10 financial year (2008/09: DKK 11.2 million).

Note 6. Other external expenses

	2009/10	2008/09
Administrative expenses	**21.9**	28.8
Cost of premises	**11.7**	12.5
Cars, operating expenses	**5.0**	5.4
Other external expenses, total	**38.6**	46.7

Note 7. Staff costs

	2009/10	2008/09
Fees for Supervisory Board	**2.3**	2.3
Salaries, etc. for the Parent Company's Executive Board; see below	**8.2**	10.2
Defined contribution pension plans	**0.5**	0.5
Social security costs	**10.1**	11.2
Costs of incentive scheme, other employees	**2.9**	2.7
Other salaries	**71.9**	88.9
Other staff costs	**4.0**	4.8
Total staff costs	**99.9**	120.6
Average number of employees	**146**	166
Number of employees at year-end	**136**	164

2009/10	Salary	Pension	Bonus	Incentive scheme	Total
Frede Clausen	**4.0**	**0.1**	**0.0**	**0.5**	**4.6**
Robert Andersen	**3.0**	**0.1**	**0.0**	**0.5**	**3.6**
Salaries, etc. total	**7.0**	**0.2**	**0.0**	**1.0**	**8.2**

2008/09					
Frede Clausen	4.0	0.0	0.8	0.8	5.6
Robert Andersen	3.0	0.0	0.8	0.8	4.6
Salaries, etc. total	7.0	0.0	1.6	1.6	10.2

In addition the Executive Board has usual free benefits at their disposal, including company car. The value hereof amounts to DKK 0.1 million for the 2009/10 financial year.

The Supervisory Board is composed of the Chairman, Deputy Chairman and four other members. Supervisory Board members are paid a basic fee of DKK 250,000. The Chairman is paid three times the basic fee and the Deputy Chairman twice the basic fee, while the remaining members are paid the basic fee.

Defined contribution pension plans

The Group has entered into defined contribution pension plans with the majority of the employees in Danish group companies. According to these plans, the group companies pay a monthly amount of 2 % of the relevant employees' basic salaries to independent pension companies.

An amount of DKK 0.7 million for defined contribution pension plans was expensed in the 2009/10 financial year (2008/09: DKK 0.5 million).

Note 8. Share-based remuneration

The Group has two incentive schemes.

December 2005 scheme:
On 30 December 2005, the Supervisory Board issued warrants to the Executive Board and other executive staff members for the subscription of 826,000 shares, each with a nominal value of DKK 20. Subsequently, 150,000 warrants have lapsed, leaving a total of 676,000 active warrants at the reporting date. The allocation of warrants is subject to the relevant employees still being employed at the time of exercising the warrants.

This is a four-and-a-half-year warrant scheme with the first exercise opportunity after three and a half years and with a further three-year (max.) lock-up period in respect of any gain on the acquired shares in excess of the subscription amount. This means that shares at up to a market value equal to the subscription amount may be divested without restrictions, while shares exceeding a market value equal to the subscription amount can be disposed of no earlier than during a three-year period after subscription, such that up to one-sixth of these shares can be disposed of in each of the six windows during the three-year period. The above-mentioned 676,000 warrants correspond to approx. 2.4 % of the share capital.

The above-mentioned warrants can be exercised in three six-week periods (windows) placed as follows:
- following publication of the preliminary announcement of financial statements for the 2008/09 financial year (from around 30 April 2009);
- following publication of the interim report for the six months ending 31 July 2009 (from around 30 September 2009); and
- following publication of the preliminary announcement of financial statements for the 2009/10 financial year (from around 30 April 2010).

The subscription price has been fixed on the basis of the average listed market price during the period 9–20 January 2006, with an annual 8 % adjustment to reflect an advance return to existing shareholders. The subscription price per share of nominally DKK 20, before any deduction for dividend, has been fixed at DKK 74.54 in the first exercise window, DKK 77.05 in the second window and DKK 80.63 in the third window.

Based on a share price of DKK 57.81 and a dividend of DKK 0 per share per year, the value of the warrants has been calculated at DKK 6.6 million, using the Black-Scholes formula. The amount was expensed currently over the period until May 2009. The calculation has been based on an expected future volatility of 30 % and an interest level of 3 %. Volatility has been determined on the basis of historical volatility and the expected future volatility of the price of the Parent Company's shares. In addition, it has been assumed that the warrants will be exercised in the intermediate exercise period.

Active warrants break down as follows: 240,000 to the Executive Board and 436,000 to other executive staff members.

May 2008 scheme:
At the Annual General Meeting on 27 May 2008, the Supervisory Board of TK Devel¬opment was authorized to issue warrants for a total of up to nominally DKK 14,000,000 (700,000 shares of DKK 20 each) to the Executive Board and other executive staff members in the Group. On 5 June 2008, the Supervisory Board decided to exercise this authorization and issued 170,000 warrants to the Executive Board and 528,000 warrants to other executive staff members, a total of 698,000 warrants. Subsequently, 24,000 warrants have lapsed, leaving a total of 674,000 active warrants at the reporting date.

Under the four-year warrant scheme, warrants can be exercised at the earliest three years after the grant date, and any shares subscribed for are subject to an additional lock-up period of up to three years. This means that shares up to a market value equal to the subscription amount, plus tax liability, can be disposed of without limitation, while shares in excess of such amount can be disposed of, at the earliest, during six trading windows in the three-year lock-up period, such that up to 1/6 of such shares can be disposed of during each window. The 674,000 warrants correspond to approx. 2.4 % of the share capital.

The above-mentioned warrants can be exercised in three six-week periods (windows) placed as follows:
- following publication of the preliminary announcement of financial statements for the 2010/11 financial year (from around 30 April 2011).
- following publication of the interim report for the six months ending 31 July 2011 (from around 30 September 2011); and
- following publication of the preliminary announcement of financial statements for the 2011/12 financial year (from around 30 April 2012).

Note 8. Share-based remuneration, continued

The subscription price has been fixed on the basis of the average listed market price during the period 9–20 June 2008, with an annual 8 % adjustment to reflect an advance return to existing shareholders. Thus, based on a price of DKK 66.9 per share of nominally DKK 20, the subscription price, before a deduction for any dividend, can be calculated at DKK 83.4, DKK 86.2 and DKK 90.2 for the exercise of warrants in the three respective six-week periods.

Based on a share price of DKK 66.9 and a dividend of DKK 0 per share per year, the value of the warrants has been calculated at DKK 11.9 million, using the Black-Scholes formula. The amount is expensed periodically over the term of the incentive scheme. The calculation has been based on a volatility of 40 % and an interest level of 5 % p.a. Volatility has been determined on the basis of historical volatility and the expected future volatility of the price of the Parent Company's shares. In addition, it has been assumed that the warrants will be exercised in the intermediate exercise period.

Active warrants break down as follows: 170,000 to the Executive Board and 504,000 to other executive staff members.

The development in outstanding warrants is shown below:

	Number of warrants		Weighted average exercise price	
	31 January 2010	31 January 2009	**31 January 2010**	31 January 2009
Outstanding warrants, beginning of year	**1,376,000**	690,000	**81.61**	77.05
Allocated during the financial year	**0**	698,000	**-**	86.20
Lapsed due to termination of employment	**-26,000**	-12,000	**81.27**	86.20
Exercised during the financial year	**0**	0	**-**	-
Outstanding warrants, end of year	**1,350,000**	1,376,000	**83.41**	81.61
Number of warrants exercisable at the reporting date	**676,000**	0		
Share-based remuneration recognized in the income statement	**3.9**	4.3		

The average term to expiry has been calculated at 11 months (2008/09: 20 months).

Note 9. Fees payable to the auditors elected at the General Meeting

	2009/10	2008/09
Total fees, Deloitte	**1.9**	2.2
Total fees, Nielsen & Christensen	**1.0**	1.6
Total fees	**2.9**	3.8

Fees break down as follows:

Deloitte:		
Statutory audit	**1.9**	2.1
Other assurance engagements	**0.0**	
Tax consultancy	**0.0**	0.1
Other services	**0.0**	
Total	**1.9**	2.2
Nielsen & Christensen:		
Statutory audit	**0.9**	1.0
Other assurance engagements	**0.0**	
Tax consultancy	**0.1**	0.6
Other services	**0.0**	
Total	**1.0**	1.6

Note 10. Equity investments in associates

	2009/10	2008/09
Cost at 1 February	**21.8**	21.3
Additions for the year	**0.0**	0.0
Capital investments	**0.6**	0.5
Disposals for the year	**0.0**	0.0
Cost at 31 January	**22.4**	21.8
Revaluations and impairment at 1 February	**-4.3**	-4.0
Profit/loss for the year after tax	**-0.2**	-0.3
Impairment	**0.0**	0.0
Revaluations and impairment at 31 January	**-4.5**	-4.3
Transferred for setoff against receivables/provisions	**6.8**	6.6
Carrying amount at 31 January	**24.7**	24.1

In the consolidated balance sheet, investments in associates are measured according to the equity method after deduction of any impairment. The Group's associates appear from the overview of group companies in note 40.

Financial disclosures for associates:

	2009/10	2008/09
Income	**52.9**	30.6
Profit/loss for the year	**-0.6**	-0.7
Assets	**157.5**	165.4
Short- and long-term liabilities	**103.5**	115.9
The Group's share of profits/losses for the year	**-0.2**	-0.3
The Group's share of equity	**17.8**	17.5

Note 11. Investments in joint ventures

For an overview of the Group's investments in joint ventures, please see the overview of group companies in note 40, which also shows the accounting treatment of each individual company in the Consolidated Financial Statements. The figures below represent the Group's share.

	2009/10	2008/09
Income	**59.2**	203.5
Expenses	**33.7**	112.2
Short-term assets	**652.1**	792.6
Long-term assets	**159.5**	153.4
Short-term liabilities	**531.6**	614.6
Long-term liabilities	**26,0**	27,2

Note 12. Financial income

	2009/10	2008/09
Interest, cash and cash equivalents, etc.	**1.7**	25.2
Interest income from joint ventures	**5.0**	8.8
Interest income from associates	**0.3**	15.5
Financial income from loans, advances and receivables	**7.0**	49.5
Interest from securities (held-to-maturity)	**0.1**	0.7
Foreign-exchange gains	**1.2**	3.1
Other financial income	**2.3**	8.2
Total financial income	**10.6**	61.5
which break down as follows:		
Interest income from financial assets not measured at fair value through profit and loss	**9.4**	58.4
Other financial income	**1.2**	3.1
Total financial income	**10.6**	61.5

Note 13. Financial expenses

	2009/10	2008/09
Interest expenses, credit institutions	**117.8**	150.3
Interest expenses, joint ventures	**9.7**	8.1
Foreign-exchange losses and capital losses on securities	**0.4**	0.8
Other financial expenses	**4.7**	28.4
Of which capitalized financial expenses	**-104.1**	-92.7
Total financial expenses	**28.5**	94.9
which break down as follows:		
Interest expenses on financial liabilities not measured at fair value through profit and loss	**28.1**	94.1
Other financial expenses	**0.4**	0.8
Total financial expenses	**28.5**	94.9

An interest rate of 2.5-9.25 % is used to capitalize interest on projects in progress, depending on the interest rate applicable to the individual project loans (2008/09: 6 - 8 %).

Note 14. Corporate income tax

	2009/10	2008/09
Accrued corporate income tax	**27.8**	13.1
Adjustment regarding tax relating to prior year(s)	**0.6**	-1.7
Change in deferred tax	**-14.4**	1.4
Tax on profit/loss for the year	**14.0**	12.8
The tax on the net profit/loss for the year results as follows:		
Tax calculated based on the Danish tax rate	**9.9**	42.0
Difference in tax rate, foreign subsidiaries	**0.5**	-3.5
Adjustment relating to prior years	**0.6**	-1.7
Tax effect of:		
Non-taxable income/expenses	**3.5**	-27.4
Change in value adjustment	**-20.8**	2.9
of which, change relating to unavailability of losses written down in previous year(s)	**16.1**	0.0
Change of tax rate	**0.3**	1.5
Change in non-capitalized tax asset relating to:		
Other	**3.9**	-1.0
Tax on profit/loss for the year	**14.0**	12.8
Deferred tax asset at 1 February	**265.7**	266.0
Deferred tax liabilities at 1 February	**-43.3**	-52.3
Deferred tax asset/tax liability (net) at 1 February	**222.4**	213.7
Market-value adjustment of balance, beginning of year	**0.7**	3.7
Deferred tax for the year recognized in profit or loss for the year	**14.4**	-1.4
Adjustment relating to prior year(s) recognized in the income statement	**0.0**	-0.7
Deferred tax for the year recognized in other comprehensive income	**-5.8**	0.7
Other additions, net	**-6.0**	6.4
Deferred tax asset/tax liability (net) at 31 January	**225.7**	222.4
Deferred tax asset at 31 January; see note 21	**284.9**	265.7
Deferred tax liabilities at 31 January; see note 32	**-59.2**	-43.3
Deferred tax asset/tax liability (net) at 31 January	**225.7**	222.4

Note 15. Earnings per share

	2009/10	2008/09
Earnings per share (EPS) of nom. DKK 20	**0.9**	5.5
Diluted earnings per share (EPS-D) of nom. DKK 20	**0.9**	5.5
Profit/loss for the year	**25.4**	155.2
Shareholders' share of profit/loss for the year	**25.4**	155.2
Average number of shares of nom. DKK 20	**28,043,810**	28,043,810
Average number of shares in circulation	**28,043,810**	28,043,810

The outstanding warrants do not have a dilutive effect, as the average market price of ordinary shares in the financial year or the comparative year did not exceed the subscription price in the first window. This means that the outstanding warrants are ”out-of-the-money” and therefore not included in the diluted average number of shares in circulation. In the longer term, the outstanding warrants may have an effect on earnings per share.

Note 16. Dividends

In the 2009/10 financial, no dividends were distributed to the Company's shareholders for the 2008/09 financial year. At the Annual General Meeting on 25 May 2010, the Supervisory Board will propose that no dividends be distributed to the Company's shareholders for the 2009/10 financial year.

Note 17. Goodwill

	31 January 2010	31 January 2009
Cost at 1 February	**47.8**	45.8
Additions	**0.0**	2.0
Cost at 31 January	**47.8**	47.8
Amortization and impairment at 1 February	**14.5**	14.5
Impairment for the year	**0.0**	0.0
Amortization and impairment at 31 January	**14.5**	14.5
Carrying amount at 31 January	**33.3**	33.3

The total goodwill relates to the cash-flow-generating unit, Euro Mall Holding A/S; see note 3.

At 31 January 2010, Management performed an impairment test of the carrying amount of goodwill. The recoverable amount is based on the value in use, which has been determined using the expected cash flows on the basis of budgets for the next three financial years and forecasts for another two financial years approved by the Supervisory Board. The calculation of the recoverable amount included a discount rate of 10 % before tax. The impairment test did not give rise to any recognition of impairment.

Management assesses that potential changes to the basic assumptions would not result in the carrying amount of goodwill exceeding the recoverable amount.

Note 18. Investment properties

	31 January 2010	31 January 2009
Cost at 1 February	**334.2**	406.6
Foreign-exchange adjustments, beginning of year	**-0.5**	0.1
Disposals	**0.0**	-72.5
Cost at 31 January	**333.7**	334.2
Revaluations at 1 February	**114.1**	244.5
Revaluations for the year	**5.9**	30.7
Revaluations reversed on disposals	**0.0**	-161.1
Revaluations at 31 January	**120.0**	114.1
Impairment at 1 February	**81.8**	66.5
Impairment for the year	**19.2**	15.3
Impairment reversed	**-2.4**	0.0
Impairment at 31 January	**98.6**	81.8
Revaluations and impairment at 31 January	**21.4**	32.3
Carrying amount at 31 January	**355.1**	366.5
Which breaks down as follows:		
Central European investment properties	**159.1**	153.4
German investment properties	**196.0**	213.1
Total	**355.1**	366.5
Rental income, investment properties	**26.6**	35.3
Direct operating expenses, premises let	**-2.3**	-4.1
Direct operating expenses, unlet premises	**-1.1**	-0.7
Net income from investment properties	**23.2**	30.5

Investment properties:	Location	Holding in %	Req. return	Year acquired	sq.m.
Futurm Hradec Kralové	Czech Re- public	20 %	7.0 %	2000	18,300
Lüdenscheid/Berlin	Germany	100 %	6.5 %	1994-1998	26,000

The Czech investment property is owned through a joint venture with GE Capital and Heitman, in which the Group has access to a performance-driven share of the value adjustments of the property, which is recognized in the carrying amount at 31 January 2010. The carrying amount of the Czech investment property totalled DKK 159.1 million at 31 January 2010. The valuation is based on an unchanged rate of return of 7.0 % p.a. calculated on the basis of a discounted cash-flow model over a five-year period and recognition of the terminal value in year five. The value adjustment for the year amounts to DKK 5.9 million.

The valuation of the Group's German investment properties is based on a rate of return of 6.5 % p.a. calculated on the basis of a discounted cash-flow model over a ten-year period and recognition of the terminal value in year ten. The carrying amount of the Group's German investment properties totalled DKK 196.0 million at 31 January 2010. A negative value adjustment of DKK 16.8 million was made in the year under review, of which DKK 15.0 million relates to expected extraordinary maintenance costs associated with a tenant vacating a major leasehold in one of the properties.

The services of an external valuer have not been used to value the Group's investment properties.

Note 19. Other fixtures and fittings, tools and equipment

	31 January 2010	31 January 2009
Cost at 1 February	**59.7**	57.6
Market-value adjustment of purchase price, beginning of year	**0.8**	-2.5
Additions	**1.0**	8.3
Disposals	**-6.5**	-3.7
Cost at 31 January	**55.0**	59.7
Depreciation and impairment at 1 February	**45.4**	43.4
Market-value adjustments of depreciation and impairment, beginning of year	**0.4**	-0.8
Depreciation for the year	**4.0**	5.6
Depreciation and impairment, assets disposed of	**-4.0**	-2.8
Depreciation and impairment at 31 January	**45.8**	45.4
Carrying amount at 31 January	**9.2**	14.3

Other fixtures and fittings, tools and equipment are depreciated over a term of five years. Leasehold improvements included in the above amounts are depreciated according to the straight-line method over the term of the lease. The carrying amount of leasehold improvements is considered insignificant, for which reason other fixtures and fittings, tools and equipment are not divided into different classifications.

Note 20. Other securities and investments

	31 January 2010	31 January 2009
Cost at 1 February	**16.3**	23.9
Disposals for the year	**0.0**	-7.6
Cost at 31 January	**16.3**	16.3
Revaluations and impairment at 1 February	**-15.0**	-15.0
Revaluations and impairment for the year	**0.0**	0.0
Revaluations and impairment at 31 January	**-15.0**	-15.0
Carrying amount at 31 January	**1.3**	1.3

Other securities and investments consist mainly of instruments of indebtedness with mortgages on real property.

The carrying amount of other securities and investments is equal to their fair value. The fair value has been determined at the present value of future principal repayments and interest payments by using the effective interest method.

Note 21. Deferred tax assets

	31 January 2010	31 January 2009
Deferred tax assets at 1 February	**322.1**	313.5
Change of tax rate	**-0.5**	0.5
Additions for the year	**31.9**	55.7
Disposals for the year	**-34.8**	-44.1
Tax on other comprehensive income	**-5.8**	0.7
Foreign-exchange adjustments	**1.6**	-4.2
Deferred tax assets at 31 January	**314.5**	322.1
Value adjustment at 1 February	**-56.4**	-47.5
Value adjustment for the year	**26.8**	-8.9
Value adjustments at 31 January	**-29.6**	-56.4
Carrying amount at 31 January	**284.9**	265.7
Deferred tax assets relate to:		
Investments	**1.5**	1.5
Property, plant and equipment	**0.4**	0.4
Other long-term assets	**15.6**	20.6
Short-term assets	**-21.6**	-11.8
Provisions	**-1.7**	3.5
Value of tax loss(es)	**320.3**	307.9
Impairment of tax assets	**-29.6**	-56.4
Total	**284.9**	265.7
Deferred tax assets at 31 January; see above	**284,9**	265,7
Deferred tax liabilities at 31 January; see note 32	**-59,2**	-43,3
Deferred tax assets/tax liability (net) at 31 January	**225,7**	222,4

31 January 2010	Deferred tax asset/tax liability (net) at 1 February	Recognized in the income statement	Recognized in other comprehensive income	Other additions/ disposals	Company acquisitions	Foreign-exchange adjustment, beginning of year	Deferred tax asset/tax liability (net) at 31 January
Investments	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1.5**
Property, plant and equipment	**0.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.4**
Other long-term assets	**20.6**	**-5.0**	**0.0**	**0.0**	**0.0**	**0.0**	**15.6**
Short-term assets	**-48.4**	**5.5**	**-11.8**	**-0.6**	**-6.0**	**-1.6**	**-62.9**
Untaxed reserve relating to Sweden	**-8.9**	**-10.2**	**0.0**	**0.0**	**0.0**	**-0.3**	**-19.4**
Provisions	**3.5**	**-4.9**	**0.0**	**0.0**	**0.0**	**0.0**	**-1.4**
Value of tax losses	**310.1**	**8.2**	**0.0**	**0.0**	**0.6**	**2.6**	**321.5**
Impairment of tax assets	**-56.4**	**20.8**	**6.0**	**0.0**	**0.0**	**0.0**	**-29.6**
Total	**222.4**	**14.4**	**-5.8**	**-0.6**	**-5.4**	**0.7**	**225.7**

Note 21. Deferred tax asset, continued

31 January 2009	Deferred tax asset/tax liability (net) at 1 February	Recognized in the income statement	Recognized in other comprehensive income	Other additions/ disposals	Company acquisitions	Foreign-exchange adjustment, beginning of year	Deferred tax asset/tax liability (net) at 31 January
Investments	0.3	1.2	0.0	0.0	0.0	0.0	1.5
Property, plant and equipment	0.5	-0.1	0.0	0.0	0.0	0.0	0.4
Other long-term assets	0.0	20.6	0.0	0.0	0.0	0.0	20.6
Short-term assets	-9.8	-51.3	6.7	2.9	0.7	2.4	-48.4
Untaxed reserve relating to Sweden	-15.3	4.8	0.0	0.0	0.0	1.6	-8.9
Provisions	1.1	2.4	0.0	0.0	0.0	0.0	3.5
Value of tax losses	284.4	26.0	0.0	0.0	0.0	-0.3	310.1
Impairment of tax assets	-47.5	-2.9	-6.0	0.0	0.0	0.0	-56.4
Total	213.7	0.7	0.7	2.9	0.7	3.7	222.4

A significant share of the total tax asset relates to the Danish share of the pooled tax, as the tax losses can be carried forward perpetually.

The valuation of the tax asset is based on existing budgets and profit forecasts for a five-year period. The valuation for the first three years has been based on an assessment of specific projects in the Group's project portfolio. The valuation for the next two years has been based on specific projects in the project portfolio with a longer time horizon than three years as well as various project opportunities. On this basis, Management assessed the total impairment loss on the tax asset to be DKK 29.6 million at 31 January 2010. At 31 January 2009, total impairment of the tax asset amounted to DKK 56.4 million.

In the 2009/10 financial year, several losses became unavailable for setoff. A significant share of these losses had already been impaired at the beginning of the financial year and therefore did not materially affect the results for the year. The total need for impairment of the tax asset has been reduced by the value of the unavailable losses, and this contributed to the DKK 26.8 million reduction of total impairment of the tax asset at 31 January 2010.

The impairment of the tax asset relates mainly to Danish tax losses that can be carried forward perpetually, as well as Polish and Czech losses that expire within one to five years.

Note 22. Projects in progress or completed

	31 January 2010	31 January 2009
Projects in progress or completed excl. interest, etc.	**3,361.5**	3,406.0
Capitalized interest, etc.	**425.1**	270.7
Payments received on account	**-350.7**	-942.7
Impairment	**-182.4**	-192.7
Total projects in progress or completed	**3,253.5**	2,541.3

The carrying amount of the portion of the project portfolio on which impairment losses have been recognized is DKK 652.5 million (2008/09: DKK 637.1 million).

Note 23. Trade receivables

	31 January 2010	31 January 2009
Receivables relating to re-invoiced construction contracts	**0.2**	8.7
Receivables from tenants	**13.3**	6.9
Other trade receivables	**93.0**	138.6
Total trade receivables	**106.5**	154.2
Impairment for the year recognized in the income statement	**-1.8**	-0.2

Any impairment is made to the net realizable value, equal to the sum total of future net cash flows that the receivables are expected to generate. Impairment losses on receivables are calculated on the basis of an assessment of the individual receivables. The carrying amount of receivables written down to net realizable value based on an individual assessment is DKK 4.8 million. The corresponding amount at 31 January 2009 was DKK 4.3 million.

There are no major overdue receivables that have not been written down for impairment.

The carrying amount of the receivables corresponds to the fair value. Interest income of DKK 0.0 million (2008/09: DKK 0.0 million) on impaired receivables has been recognized as revenue.

Note 24. Contract work in progress

	31 January 2010	31 January 2009
Selling price of work performed at the reporting date, excl. profit on account	**8.7**	30.0
Profit on account	**9.1**	5.3
Amounts invoiced on account	**0.0**	-31.6
Total contract work in progress	**17.8**	3.7

Withheld payments for work performed amount to DKK 0.0 million (2008/09: DKK 0.0 million).

Note 25. Securities

	31.1.2010	31.1.2009
Listed securities	**0.1**	0.1
Unlisted securities	**3.9**	4.9
Total securities	**4.0**	5.0

Securities consisting of listed shares and unlisted equity interests and securities are classified as "financial assets available for sale". Listed securities consist of listed shares and are measured at fair value. Unlisted equity interests are not traded in an active market. As the fair value of these equity interests cannot be determined with a sufficient degree of reliability, they are measured at cost. Unlisted securities, except unlisted equity interests, are measured at cost on initial recognition and subsequently at fair value.

Note 26. Deposits in blocked and escrow accounts

	31 January 2010	31 January 2009	31 January 2008
Blocked accounts and other accounts that the Group cannot fully dispose of	**68.7**	156.5	950.6
Setoff of financial liabilities	**-5.2**	-40.3	-628.2
Total deposits in blocked and escrow accounts	**63.5**	116.2	322.4

Note 27. Share capital

The share capital consists of 28,043,810 shares of DKK 20 each (nom. DKK 560,876,200). The share capital has been paid up in full. The shares are not divided into several share classes, and no shares are subject to special rights or restrictions, including restrictions with regard to the payment of dividend and repayment of capital. No changes occurred in the 2009/10 financial year.

Changes in the share capital over the past five years:

	Number in thousands		Nominal value	
	Changes	Year-end	Changes	Year-end
2005/06	14,021.9	28,043.8	280.4	560.9
2006/07	0.0	28,043.8	0.0	560.9
2007/08	0.0	28,043.8	0.0	560.9
2008/09	0.0	28,043.8	0.0	560.9
2009/10	**0.0**	**28,043.8**	**0.0**	**560.9**

The Group did not hold treasury shares in the 2009/10 financial year or in the year of comparison.

Note 28. Other reserves

	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 2008	0.0	0.0	57.1	57.1
Foreign-exchange adjustment, foreign operations	0.0	0.0	-62.6	-62.6
Value adjustment of hedging instruments	0.0	-31.4	0.0	-31.4
Value adjustment of available-for-sale financial assets	-0.1	0.0	0.0	-0.1
Deferred tax on other comprehensive income	0.0	0.0	0.7	0.7
Other reserves at 31 January 2009	**-0.1**	**-31.4**	**-4.8**	**-36.3**
Foreign-exchange adjustment, foreign operations	**0.0**	**0.0**	**32.5**	**32.5**
Value adjustment of hedging instruments	**0.0**	**31.4**	**0.0**	**31.4**
Value adjustment of available-for-sale financial assets	**0.0**	**0.0**	**0.0**	**0.0**
Deferred tax on other comprehensive income	**0.0**	**0.0**	**-5.8**	**-5.8**
Other reserves at 31 January 2010	**-0.1**	**0.0**	**21.9**	**21.8**

The reserve for value adjustment of available-for-sale financial assets comprises the accumulated net change in the fair value of financial assets classified as available for sale. The reserve is dissolved as the relevant financial assets are sold or expire.

The reserve for value adjustment of hedging instruments comprises unrealized losses on forward-exchange transactions concluded to hedge future transactions.

The reserve for foreign-exchange adjustments comprises all foreign-exchange adjustments arising on the translation of financial statements for enterprises with a functional currency other than Danish kroner; foreign-exchange adjustments relating to assets and liabilities that are part of the Group's net investment in such enterprises; and foreign-exchange adjustments relating to any hedging transactions that hedge the Group's net investment in such enterprises. On the sale or winding-up of subsidiaries, the accumulated foreign-exchange adjustments recognized in other comprehensive income in respect of the relevant subsidiary are transferred to the income statement.

Note 29. Payables to credit institutions

	31 January 2010	31 January 2009
Payables to credit institutions are recognized as follows in the balance sheet:		
Long-term liabilities	**26.0**	107.2
Short-term liabilities before setoffs	**2,303.2**	1,679.5
Total payables to credit institutions	**2,329.2**	1,786.7
Assets set off against short-term liabilities:		
Cash and cash equivalents	**-5.2**	-40.3
Payables to credit institutions after setoff against assets	**2,324.0**	1,746.4

Financial liabilities have been offset against trade receivables and tied-up cash and cash equivalents, to the extent that the Company has a right of setoff and also intends or is contractually obliged to realize assets and liabilities at the same time.

Fair value	**2,329.9**	1,786.7
Carrying amount	**2,329.2**	1,786.7

The fair value has been determined at the present value of future principal repayments and interest payments by using the effective interest method.

At 31 January, the Group had the following loans and credits:

			Effective rate		Carrying amount		Fair value	
Loans	Maturity	Fixed/ variable	**2009/10**	2008/09	**2009/10**	2008/09	**2009/10**	2008/09
Realkredit DKK	2027	fixed	**4.1 %**	4.1 %	**25.3**	25.3	**26.0**	25.3
Bank DKK	2009-2011	variable	**4.5-6 %**	6-8 %	**1,175.6**	830.2	**1,175.6**	830.2
Bank SEK	2009-2023	variable	**2.5-3.5 %**	4-7 %	**42.2**	43.5	**42.2**	43.5
Bank PLN	2009	variable	**7-9.25 %**	5-8 %	**180.4**	251.0	**180.4**	251.0
Bank CZK	2009-2012	variable	**3.5-4 %**	4.7-5.2 %	**50.8**	31.7	**50.8**	31.7
Bank EUR	2009-2032	variable	**2.5-5 %**	3-5 %	**854.9**	605.0	**854.9**	605.0
Total					**2,329.2**	1,786.7	**2,329.9**	1,786.7

Note 30. Provisions

	31 January 2010	31 January 2009
Rent guarantees for properties sold at 1 February	**11.9**	17.3
Applied during the year	**-5.4**	-8.4
Reversed rent guarantees	**-2.7**	0.2
Provisions for the year	**18.3**	2.8
Rent guarantees for properties sold at 31 January	**22.1**	11.9
Other provisions at 1 February	**6.6**	15.7
Reversed provisions	**0.0**	-9.1
Provisions for the year	**0.2**	0.0
Other provisions at 31 January	**6.8**	6.6
Provisions at 31 January	**28.9**	18.5
Expected maturity dates of the liabilities provided for:		
0-1 year	**14.7**	**7.6**
1-5 years	**14.2**	**10.9**
> 5 years	**0.0**	**0.0**
Provisions at 31 January	**28.9**	**18.5**

Rent guarantee liabilities for sold properties have been calculated based on experience with rent guarantees and on an individual assessment of the individual leases.

Other provisions relate to provisions for negative equity in an associate.

Note 31. Operating leases

For the years 2010-2014, operating leases for the rental of office premises, office machines and operating equipment have been concluded. The leases have been concluded for a three- to five-year period with fixed lease payments that are index-adjusted annually. The leases are non-terminable for the period mentioned, after which they can be renewed for three- to five-year periods.

The annual lease payments are recognized in the income statement.

Future, minimum lease payments according to non-terminable lease contracts break down as follows:

	2009/10	2008/09
Within 1 year	**9.0**	8.1
Within 1-5 years	**11.0**	6.0
After 5 years	**0.0**	0.0
Total	**20.0**	14.1

Note 32. Deferred tax liabilities

	31 January 2010	31 January 2009
Deferred tax liability at 1 February	**43.3**	52.3
Change of tax rate	**0.0**	-1.0
Additions for the year	**30.6**	16.2
Disposals for the year	**-15.7**	-16.3
Foreign-exchange adjustments	**1.0**	-7.9
Deferred tax liabilities at 31 January	**59.2**	43.3
Deferred tax liabilities relate to:		
Short-term assets	**41.3**	36.6
Untaxed reserve relating to Sweden	**19.4**	8.9
Provisions	**-0.3**	0.0
Value of tax losses	**-1.2**	-2.2
Total	**59.2**	43.3

The Group has no deferred tax liabilities relating to investments in subsidiaries, associates or joint ventures that have not been recognized in the balance sheet. The contingent retaxation liability attaching to German subsidiaries regarding which no provisions for deferred tax have been made amounted to DKK 87.9 million (2008/09: DKK 87.9 million). The Company controls whether such tax liability will be triggered, which is considered unlikely.

Note 33. Other debt

	31 January 2010	31 January 2009
Employee-related payables	**13.7**	15.3
Derivative financial instruments	**0.0**	31.4
Other debt	**176.0**	190.5
Other debt, total	**189.7**	237.2
Broken down as follows under liabilities:		
Long-term liabilities (employee bonds)	**3.9**	2.5
Short-term liabilities	**185.8**	234.7
Other debt, total	**189.7**	237.2

The carrying amount of employee-related payables consisting of salaries, personal income tax, social security contributions, holiday pay, etc., project-related costs and other costs is equal to the fair value of these payables.

Holiday pay obligations represent the Group's liability to pay salary during holiday periods to which the employees had earned entitlement by the reporting date and which are to be taken in the following financial year(s).

Note 34. Contingent assets and liabilities as well as security furnished

Contingent assets

A contingent asset in the form of deferred tax assets not recognized appears from note 21.

Contingent liabilities and security furnished	**31 January 2010**	31 January 2009
Surety and guarantee commitments on behalf of associates	**5.1**	5.1
Surety and guarantee commitments on behalf of joint ventures	**1.1**	28.5
Surety and guarantee commitments in joint ventures	**5.8**	8.5
Other surety and guarantee commitments	**34.1**	23.4
Carrying amount of project portfolio furnished as security to credit institutions	**2,938.6**	2,147.8
Carrying amount of escrow account deposits, etc., investments, receivables and property, plant and equipment furnished as security to credit institutions.	**387.9**	429.2

The figures in brackets are comparative figures for 2008/09.

The amounts stated for surety and guarantee commitments on behalf of associates and joint ventures are the upper limits.

The Group's other surety and guarantee commitments consist primarily of the Group's total rent guarantee commitments for which no provisions have been made in the financial statements. The provisions made in the financial statements relate to the rent guarantees that are likely to be called up.

The Group's project portfolio amounts to DKK 3,253.5 million (DKK 2,541.3 million), of which DKK 2,938.6 million (DKK 2,147.8 million) has been furnished as security to the credit institutions that have granted building credits or mortgage credit loans.

The carrying amount of escrow account deposits, etc., and non–current assets totalling DKK 387.9 million (DKK 429.2 million), consists of security furnished in the form of escrow accounts, securities, etc., DKK 32.8 million (DKK 62.7 million), and investment properties, DKK 355.1 million (DKK 366.5 million).

Usual performance bonds have been furnished for construction works performed. The performance bonds have been issued via a credit insurance company. To a large extent, any work to be carried out under performance bonds will be attributable to subcontractors.

TK Development is currently party to the following case that is of relevance due to its scope:

In the summer of 2002, De Samvirkende Købmænd, a trade association of grocery retailers, filed a complaint with the Nature Protection Board of Appeal (Naturklagenævnet) in respect of the City of Copenhagen's approval of the layout of the Field's department store. In particular, the claim asserted that the Field's department store is not one department store, but that it consists of several individual stores. The Nature Protection Board of Appeal made its decision in the matter on 19 December 2003, after which the department store layout was approved. De Samvirkende Købmænd subsequently took out a writ against the Nature Protection Board of Appeal before the Danish High Court. A ruling in the matter is expected at the earliest in 2010. Neither the owner of the centre nor any company in the TK Development Group is a direct party to the case, but if the High Court were to uphold De Samvirkende Købmænd's claim in full or in part, the Field's department store may have to be redesigned following negotiations with the relevant local authorities. If the High Court rules in favour of De Samvirkende Købmænd, the owner of Field's may have to incur the financial burden of causing the necessary changes to the building layout, and in that connection it cannot be ruled out that a claim may be made against the Group. Management believes the risk of this case to be negligible.

In addition, the Group is involved in a few disputes, none of which is deemed to have a scope that, either individually or collectively, may affect the Group's performance to any appreciable extent.

The contingent retaxation liability attaching to German subsidiaries regarding which no provisions for deferred tax have been made amounts to DKK 87.9 million (DKK 87.9 million). The Company controls whether such tax liability will be triggered, which is considered unlikely.

Note 35. Financial risks and financial instruments

Categories of financial instruments	**31 January 2010**	31 January 2009
Other securities and investments	**1.3**	1.3
Financial assets held to maturity	**1.3**	1.3
Trade receivables	**106.5**	154.2
Receivables from associates	**2.9**	8.4
Contract work in progress	**17.8**	3.7
Other receivables	**125.7**	160.3
Cash, cash equivalents, including custody and escrow accounts	**141.0**	227.2
Loans, advances and receivables	**393.9**	553.8
Securities	**4.0**	5.0
Financial assets available for sale	**4.0**	5.0
Derivative financial instruments entered into to hedge future cash flows	**0.0**	31.4
Financial liabilities used as hedging instruments	**0.0**	31.4
Credit institutions	**2,324.0**	1,746.4
Trade payables	**144.1**	224.0
Other debt	**185.8**	205.8
Financial liabilities measured at amortized cost	**2,653.9**	2,176.2

Note 35. Financial risks and financial instruments, continued

The Group's risk management policy

As a consequence of its activities, TK Development is exposed to fluctuations in foreign-exchange and interest rates. The overall objective of the Group's risk policy is to manage risks and exposures and thus minimize the negative effects on earnings and cash flows. To the extent possible, the Parent Company manages the Group's financial risks centrally and coordinates the Group's liquidity management, including the raising of funds and the investment of surplus funds.

Foreign-exchange risks

The Group primarily hedges its foreign-exchange risks by matching the currency of payments received with the currency of payments made. As a main rule, the financing of the individual projects, whether raised with credit institutions or by forward funding, is raised in the same currency as the currency agreed or expected to be used for the project sale. Likewise, the main rule is for construction contracts to be concluded in the project invoicing currency. In the cases where the Company concludes the construction contract in a different currency than the relevant project's invoicing currency, it will be assessed in each case whether the foreign-exchange risk is to be hedged through a forward agreement or other financial instruments. In the 2009/10 financial year, a forward contract was concluded to hedge the contract currency for a project, which differs from the invoicing currency. In the year of comparison, a forward contract was concluded to hedge the contract currency for a project, which differed from the expected invoicing currency. These forward contracts were finally settled in the 2009/10 financial year.

Interest-rate risks

As a main rule, the TK Development Group finances its projects in progress by way of short-term, floating-rate bank loans or by forward funding, generally based on a fixed interest rate. Other interest-bearing debt is largely subject to variable interest (floating-rate debt).

Based on the Group's risk policy, Management regularly assesses whether a portion of its loans and advances should be hedged by financial instruments. No financial instruments were used in the 2009/10 financial year or the previous year to hedge interest-rate risks.

Liquidity risks

The Group manages its liquidity risks by using continuous short-term cash budgets and long-term cash budgets that cover several years. The Group aims to continuously secure an optimum liquidity buffer to make efficient use of its cash resources in case of unforeseen fluctuations in cash withdrawals. The Group aims to optimize its liquidity buffer by raising loans or forward funding for its projects in progress.

To provide for sufficient future financial resources, Management has adopted a liquidity target for the whole Group. In addition, Management has adopted a solvency target for the whole Group corresponding to a solvency ratio of minimum 30 %, calculated as the ratio of equity to total assets. The Group has undertaken a commitment towards its main banker to meet a liquidity target and a solvency target. Both targets were met during the period under review.

Credit risks

In connection with the sale of the Group's projects, the title to a project does not pass to the investor until payment has been effected. Thus, the Group's sale of projects does not generally generate credit risks as such. Each receivable is assessed individually, after which any necessary impairment losses are recognized.

The maximum credit risks associated with securities, equity investments, trade receivables, other receivables, cash and cash equivalents and deposits in blocked and escrow accounts correspond to their carrying amounts. The impairment losses for the year relating to trade receivables appear from note 21.

Other financial assets have been written down by DKK 0.8 million (2008/09: DKK 0.0 million). The carrying amount of other receivables has been written down to the net realizable e and amounts to DKK 0.9 million (2008/09: DKK 0.0 million).

Note 35. Financial risks and financial instruments, continued

Foreign-exchange risks relating to recognized assets and liabilities:

Currency	Cash, cash equivalents, deposits and securities	Receivables	Credit insti-tutions	Liabilities	Unsecured net position
EUR	**15.0**	**52.0**	**-848.9**	**-56.1**	**-838.0**
SEK	**27.6**	**25.8**	**-42.1**	**-17.2**	**-5.9**
PLN	**32.1**	**27.1**	**-180.4**	**-29.4**	**-150.6**
CZK	**15.1**	**3.7**	**-50.8**	**-15.0**	**-47.0**
31.1.2010	**89.8**	**108.6**	**-1,122.2**	**-117.7**	**-1,041.5**
EUR	7.1	102.6	-605.0	-65.2	-560.5
SEK	65.7	10.4	-43.5	-63.6	-31.0
PLN	23.6	36.6	-251.1	-27.4	-218.3
CZK	15.7	14.8	-31.7	-31.7	-32.9
31.1.2009	112.1	164.4	-931.3	-187.9	-842.7

Sensitivity of profit/loss and equity to foreign-exchange fluctuations	**2009/10**	2008/09
Effect if the EUR rate were 10 % lower than the actual rate	**62.9**	42.0
Effect if the SEK rate were 10 % lower than the actual rate	**0.4**	2.3
Effect if the PLN rate were 10 % lower than the actual rate	**11.3**	16.4
Effect if the CZK rate were 10 % lower than the actual rate	**3.5**	2.5

The Group's major foreign-exchange exposures relate to EUR, SEK, PLN and CZK. The above calculations show the effect on equity and profit or loss if the rate of the relevant currency had been 10 % lower than the actual rate. A corresponding increase in foreign-exchange rates would have a corresponding negative impact on profit or loss and equity.

As all foreign-exchange adjustments relating to the above-mentioned financial instruments are recognized in the income statement, any exchange-rate fluctuations will have the same effect on profit or loss and equity.

In the 2009/10 financial year, a forward contract was concluded to hedge the contract currency for a project, which differs from the invoicing currency. In the year of comparison, a forward contract was concluded to hedge the contract currency for a project, which differed from the expected invoicing currency. This forward contract was finally settled in the 2009/10 financial year.

Note 35. Financial risks and financial instruments, continued

Interest-rate risks and the dates of revaluation or maturity regarding financial assets and liabilities:

	Date of revaluation/maturity				Effective rate
	0 - 1 year	1 - 5 year	> 5 year	Total	in %
2009/10					
Other securities and investments	**1.3**	**0.0**	**0.0**	**1.3**	**7.75 %**
Securities	**4.0**	**0.0**	**0.0**	**4.0**	**0 - 7 %**
Trade receivables	**106.5**	**0.0**	**0.0**	**106.5**	**0 %**
Other receivables	**125.7**	**0.0**	**0.0**	**125.7**	**0 %**
Deposits with credit institutions (cash, cash equivalents, blocked and escrow accounts)	**141.0**	**0.0**	**0.0**	**141.0**	**1 - 3 %**
Receivables from associates	**2.9**	**0.0**	**0.0**	**2.9**	**6 - 8 %**
Trade payables	**-144.1**	**0.0**	**0.0**	**-144.1**	**0 %**
Other debt	**-185.8**	**-3.9**	**0.0**	**-189.7**	**0 - 5 %**
Payables to credit institutions	**-2,298.0**	**-26.0**	**0.0**	**-2,324.0**	**2.5 - 9.25 %**
Total at 31 January 2010	**-2,246.5**	**-29.9**	**0.0**	**-2,276.4**	

2008/09					
Other securities and investments	1.3	0.0	0.0	1.3	7.75 %
Securities	5.0	0.0	0.0	5.0	0 - 7 %
Trade receivables	154.2	0.0	0.0	154.2	0 %
Other receivables	160.3	0.0	0.0	160.3	0 %
Deposits with credit institutions (cash, cash equivalents, blocked and escrow accounts)	227.2	0.0	0.0	227.2	2 - 5 %
Receivables from associates	8.4	0.0	0.0	8.4	6 - 8 %
Trade payables	-224.0	0.0	0.0	-224.0	0 %
Other debt	-234.7	-2.5	0.0	-237.2	0 - 5 %
Payables to credit institutions	-1,639.2	-84.7	-22.5	-1,746.4	3 - 8 %
Total at 31 January 2009	-1,541.5	-87.2	-22.5	-1,651.2	

With regard to interest-rate sensitivity, an increase in the interest level of 1 % p.a. compared to the interest level at the reporting date in respect of the Group's variable-interest deposits with and payables to credit institutions would have a negative impact on the profit or loss for the year, and thus on equity, of DKK 16.3 million for a full year. A fall in the interest level of 1 % p.a. would result in a corresponding positive impact on the profit or loss for the year and on equity. For the 2008/09 financial year, the interest-rate sensitivity in case of a change in the interest level of 1 % p.a. would have a DKK 11.4 million impact for a full year.

Liquidity risks

The maturity dates of financial liabilities are specified for the individual categories of liabilities in the notes, with the exception of trade payables and other debt largely falling due for payment within one year. The TKD Group's liquidity reserve consists of cash and cash equivalents as well as unutilized credit facilities.

Note 35. Financial risks and financial instruments, continued

	2009/10	2008/09
The liquidity reserve breaks down as follows:		
Cash and cash equivalents	**77.5**	111.0
Unutilized credit facilities	**20.3**	55.2
Total	**97.8**	166.2
Deposited funds for later release	**63.5**	116.2
Total liquidity reserve	**161.3**	282.4

Capital management

The Company's Management reviews the Group's capital structure on a regular basis, as well as the need for any adjustments. Management's overall aim is to provide a capital structure that supports the Group's long-term growth, while at the same time ensuring the best possible relation between equity and loan capital and thus maximizing the return for the Company's shareholders.

The Group has adopted a solvency target corresponding to a solvency ratio of around 30 %, and compliance with this target also represents a covenant that commits the Group vis-à-vis its main bankers. This target was met throughout the financial year. The solvency ratio was 36.4 % at 31 January 2010.

The Group has pursued its business model, and Management would like to make proactive use of the earnings potential offered by existing projects and new project opportunities. The Group's present cash resources and equity capital base are sufficient to execute the portfolio of development projects in progress. In order to also exploit the potential of expected additional projects, Management assesses that a capital injection of about DKK 200 million may increase the shareholders' returns.

The payment of any dividends will be considered from year to year. The Supervisory Board's current policy is not to distribute dividends. The Supervisory Board intends to maintain the Group's cash flow, particularly in light of the present market situation. Moreover, the Supervisory Board wishes to channel any earnings into the continued expansion of the Group's activities.

Breach of loan agreements

During the financial year and the previous year, the TK Development Group was not in breach of any loan agreements.

Note 36. Transactions with related parties

The Group has no related parties with a controlling interest.

The Group has the following related parties:
Supervisory Board and Executive Board (and their related parties)
Joint ventures and associates; see the overview of group companies, note 40.

	2009/10	2008/09
Supervisory Board and Executive Board (and their related parties)		
Holding of shares, in terms of number	**2,382,628**	2,382,934
Obligation towards Executive Board, employee bonds	**1.5**	1.5

Remuneration, etc. to the Supervisory Board and Executive Board, see note 7.

Joint ventures and associates		
Fees from joint ventures	**0.3**	0.9
Interest income from joint ventures	**5.0**	4.0
Interest expenses, joint ventures	**-9.7**	-8.1
Interest income from associates	**0.3**	0.4
Receivables from associates	**2.9**	8.4
Receivables from joint ventures	**87.1**	102.3
Payables to joint ventures	**110.1**	106.5

Apart from the above, there were no transactions with related parties in the year under review.

No security or guarantees have been furnished for balances owing to or by related parties at the reporting date. Receivables and payables are settled by payment in cash. No losses were realized on receivables from related parties, nor was any impairment made to provide for any probable losses.

Suretyships and guarantees have been issued on behalf of joint ventures and associates; see note 34.

Note 37. Post-balance sheet events

No such post balance sheet events have occurred as could change the assessment of the Annual Report.

Note 38. Adoption of Annual Report for publication

On 22 April 2010, the Supervisory Board adopted the Annual Report for publication. The Annual Report will be submitted to the Company's shareholders for adoption at the Annual General Meeting on 25 May 2010.

Note 39. New IFRS and IFRIC interpretations

At the date of publication of this Annual Report, a number of new or amended financial reporting standards and IFRIC interpretations had not yet entered into force or been approved by the EU. Thus, they have not been incorporated into the Annual Report. The implementation of the above-mentioned standards and interpretations is not expected to materially affect the annual reports for the next financial years, except from the impact that the revised IFRS 3 will have from the 2010/11 financial year on the accounting treatment of any future business acquisitions.

Note 40. Overview of group companies

No parent companies other than the listed company TK Development A/S prepare consolidated financial statements.

The TKD Group's subsidiaries

Name	Reg. office	Ownership interest	Name	Reg. office	Ownership interest
TK Bygge-Holding A/S	Aalborg	100 %	D & V Properties Sp. z o.o.	Warsaw	100 %
TKD Nordeuropa A/S	Aalborg	100 %	TK Development Polska Sp. z o.o	Warsaw	100 %
TK Bygge-Holding Russia A/S	Aalborg	100 %	Euro Mall Bytom Sp. z o.o i likvidation	Warsaw	100 %
TK Development Danmark A/S	Aalborg	100 %	Centrum Handlowe Reduta Sp. z o.o. i likvidation	Warsaw	100 %
TKD Projekt A/S	Aalborg	100 %	Centrum Handlowe Targowek Sp. z o.o i likvidation	Warsaw	100 %
TK Valby Torvene A/S	Aalborg	100 %	Euro Mall Polska XXI Sp. z o.o. i likvidation	Warsaw	100 %
TK Amerika Plads H A/S	Aalborg	100 %	Euro Mall Polska III Sp. z o.o	Warsaw	100 %
Kommanditaktieselskabet Frederikssund Shoppingcenter	Aalborg	100 %	TK Czech Operations s.r.o.	Prague	100 %
Komplementarselskabet Frederikssund Shoppingcenter ApS	Aalborg	100 %	Euro Mall Czech VI s.r.o.	Prague	100 %
Trøjborgvej ApS	Aalborg	100 %	Euro Mall Brno South Retail Park s.r.o.	Prague	100 %
Euro Mall Holding A/S	Aalborg	100 %	TK Development Czech II s.r.o.	Prague	100 %
Euro Mall Poland Holding A/S	Aalborg	100 %	Euro Mall Ceske Budejovice s.r.o.	Prague	100 %
TKD Milgravis ApS	Aalborg	100 %	TK Sites s.r.o.	Prague	100 %
Driftsselskabet Frederikssund ApS	Aalborg	100 %	TK Czech Development III s.r.o.	Prague	100 %
K/S Tampere IV, Finland i likvidation	Copenhagen	100 %	Euro Mall Project s.r.o.	Prague	100 %
ApS Komplementarselskabet Tampere retail IV, Finland in liquidation	Copenhagen	100 %	Euro Mall Bohemia s.r.o.	Prague	100 %
K/S Kaarina Retail Park 1, Finland i likvidation	Copenhagen	100 %	Euro Mall City s.r.o.	Prague	100 %
Komplementarselskabet Kaarina Retail Park 1 ApS in liquidation	Copenhagen	100 %	Euro Mall Delta s.r.o.	Prague	100 %
Euro Mall Sweden AB	Stockholm	100 %	Euro Mall Event s.r.o.	Prague	100 %
TK Development Sweden Holding AB	Stockholm	100 %	Euro Mall Praha a.s.	Prague	100 %
TK Projekt AB	Stockholm	100 %	TK Development Slovakia s.r.o.	Bratislava	100 %
EMÖ Projekt AB	Stockholm	100 %	Saprex s.r.o.	Bratislava	100 %
EMÖ Center AB	Stockholm	100 %	Targest s.r.o.	Bratislava	100 %
TK Utveckling AB	Stockholm	100 %	UAB TK Development Lietuva	Vilnius	100 %
TK Sverige AB	Stockholm	100 %	UAB "Profista"	Vilnius	100 %
Byggnetto i Blekinge AB	Stockholm	100 %	SIA TKD Retail Park	Riga	100 %
Enebyängen Fastighets AB Stockholm	Stockholm	100 %	SIA TK Development Latvia	Riga	100 %
TKD Suomi OY	Helsinki	100 %	SIA "KK"	Riga	100 %
OY TKD Construction Finland	Helsinki	100 %	TKD Bulgaria EOOD i likvidation	Sofia	100 %
TK Polska Operations S.A.	Warsaw	100 %	Euro Mall Luxembourg S.A.	Luxembourg	100 %
Euro Mall Polska X Sp. z o.o.	Warsaw	100 %	Euro Mall Poland Invest B.V.	Amsterdam	100 %
Euro Mall Targówek III Sp. z o.o.	Warsaw	100 %	Euro Mall Torun Holding B.V.	Amsterdam	100 %
Euro Mall Targówek Sp. z o.o.	Warsaw	100 %	Euro Mall Czech & Slovakia Invest B.V.	Amsterdam	100 %
Jero II Sp. z o.o. i likvidation	Warsaw	100 %	Euro Mall Czech Invest B.V.	Amsterdam	100 %
Euro Mall Polska XIV Sp. z o.o.	Warsaw	100 %	Euro Mall Sterboholy Holding B.V.	Amsterdam	100 %
Euro Mall Polska XV Sp. z o.o.	Warsaw	100 %	TK Development Bau GmbH	Berlin	100 %
Euro Mall Polska XVIII Sp. z o.o.in liquidation	Warsaw	100 %	TK Development GmbH	Berlin	100 %
Nowa Wilda Sp. z o.o.	Warsaw	100 %	TKH Datzeberg Grundstücksgesellschaft mbH	Berlin	100 %
Euro Mall Sosnowiec Retail Sp. z o.o. in liquidation	Warsaw	100 %	TKH Projektbeteiligungsgesellschaft mbH	Berlin	100 %
Euro Mall Sosnowiec Dev. Sp z o.o. in liquidation	Warsaw	100 %	TKD Oranienburg Grundstücksgesellschaft mbH	Berlin	100 %
Euro Mall Torun Sp. z o.o.in liquidation	Warsaw	100 %	TKH Mahlow Wohnungsbaugesellschaft mbH	Berlin	100 %
TK Polska Development II Sp. z o.o.	Warsaw	100 %	TKH Bauprojekt Weissensee GmbH	Berlin	100 %
Euro Mall Polska XXII Sp. z o.o.	Warsaw	100 %	TKH Ferienwohnungsgesellschaft mbH	Berlin	100 %
Euro Mall Polska XXIII Sp. z o.o.	Warsaw	100 %	EKZ Datzeberg Scan-Car GmbH	Berlin	100 %
Euro Mall Polska XXIV Sp. z o.o.	Warsaw	100 %	EKZ Datzeberg Scan-Car GmbH & Co. KG	Berlin	100 %
TK Development Sp. z o.o.	Warsaw	100 %	TKH Bauprojekt Gäblerstrasse GmbH	Berlin	100 %

The companies are included in the Consolidated Financial Statement by full consolidation.

Note 40. Overview of group companies, continued

The TKD Group's joint ventures					
Ejendomsselskabet Klampenborgvej I/S	Aalborg	50 %	ApS Komplementarselskabet DLU nr. 1	Copenhagen	50 %
Kommanditaktieselskabet Østre Havn P/S	Aalborg	50 %	Euro Mall Polska XVI Sp. z o.o.	Warsaw	76 %
Østre Havn ApS	Aalborg	50 %	Euro Mall Polska XIX Sp. z o.o.	Warsaw	76 %
Ringsted Outlet Center P/S	Aalborg	50 %	Euro Mall Polska XX Sp. z o.o.	Warsaw	76 %
SPV Ringsted ApS	Aalborg	50 %	Euro Mall Hradec Kralove Real Estate s.r.o.	Prague	20 %
Udviklingsselskabet Nordkranen A/S	Copenhagen	50 %	Euro Mall FM a.s.	Prague	90 %
Kommanditaktieselskabet Danlink - Udvikling	Copenhagen	50 %	Euro Mall Sterboholy SC a.s.	Prague	75 %
Komplementarselskabet DLU ApS	Copenhagen	50 %	Euro Mall Ventures S.á.r.l.	Luxembourg	20 %
Kommanditaktieselskabet DLU nr. 1	Copenhagen	50 %			

The companies are included in the Consolidated Financial Statements by pro-rata consolidation.

Associates					
I/S Fritscheshof	Aalborg	35 %	Euro Mall Center Management s.r.o.	Prague	33 %
EMCM Holding A/S	Herning	33 %	SIA EMCM Baltic	Riga	33 %
Euro Mall Center Management Poland Sp. z o.o.	Warsaw	33 %	Euro Mall Center Management s.r.o.	Bratislava	33 %
			Pedersen Fritscheshof Neubrandenburg KG	Hamburg	35 %

The companies have been recognized in the Consolidated Financial Statements according to the equity method.

PARENT COMPANY FINANCIAL STATEMENTS

Income statement and comprehensive income statement

DKKm	Note	**2009/10**	2008/09
Net revenue		**0.0**	0.0
External direct project costs	3	**-0.2**	0.0
Gross profit/loss		**-0.2**	0.0
Other external expenses	4	**3.8**	5.0
Staff costs	5	**2.4**	4.7
Total		**6.2**	9.7
Profit/loss before financing, depreciation and amortization		**-6.4**	-9.7
Depreciation, amortization and impairment of long-term assets		**0.0**	0.0
Profit/loss before financing		**-6.4**	-9.7
Income from investments in group enterprises	8	**54.1**	-16.3
Financial income	9	**48.2**	49.9
Financial expenses	10	**-9.7**	-21.4
Total		**92.6**	12.2
Profit/loss before tax		**86.2**	2.5
Tax on profit/loss for the year	11	**14.3**	-25.0
Profit/loss for the year		**71.9**	27.5

Comprehensive income statement

Profit/loss for the year according to income statement		**71.9**	27.5
Comprehensive income for the year		**71.9**	27.5

Balance sheet

DKKm	Note	**31.1.2010**	31.1.2009	31.1.2008
ASSETS				
Long-term assets				
Goodwill	12	**5.1**	5.1	5.1
Intangible assets		**5.1**	5.1	5.1
Investments in group enterprises	8	**1,163.7**	1,159.9	1,182.4
Receivables from group enterprises		**824.8**	725.7	962.6
Deferred tax assets	13	**42.2**	33.1	9.7
Other long-term assets		**2,030.7**	1,918.7	2,154.7
Total long-term assets		**2,035.8**	1,923.8	2,159.8
Short-term assets				
Other receivables		**0.3**	0.0	0.1
Corporate income tax		**0.0**	1.7	0.0
Prepayments		**0.2**	0.3	0.4
Total receivables		**0.5**	2.0	0.5
Securities	14	**4.0**	4.0	4.0
Deposits in blocked and escrow accounts	15	**5.7**	8.3	13.4
Cash and cash equivalents		**0.1**	0.1	0.5
Total short-term assets		**10.3**	14.4	18.4
ASSETS		**2,046.1**	1,938.2	2,178.2

Balance sheet

DKKm	Note	**31.1.2010**	31.1.2009	31.1.2008
EQUITY AND LIABILITIES				
Equity				
Share capital	16	**560.9**	560.9	560.9
Retained earnings		**1,237.9**	1,162.1	1,130.3
Total shareholders' equity		**1,798.8**	1,723.0	1,691.2
Liabilities				
Credit institutions	17	**0.0**	80.0	190.0
Provisions	18	**19.2**	19.9	20.0
Other debt	20	**3.9**	2.5	0.0
Total long-term liabilities		**23.1**	102.4	210.0
Credit institutions	17	**189.0**	105.4	79.8
Trade payables		**0.7**	0.9	0.6
Payables to group enterprises		**7.4**	0.0	175.3
Corporate income tax		**23.3**	0.0	8.4
Provisions	18	**1.9**	1.6	1.8
Other debt	20	**1.9**	4.9	11.1
Total short-term liabilities		**224.2**	112.8	277.0
Total liabilities		**247.3**	215.2	487.0
EQUITY AND LIABILITIES		**2,046.1**	1,938.2	2,178.2

Statement of changes in equity

DKKm	Share capital	Retained earnings	Total
Equity at 1 February 2008	**560.9**	**1,130.3**	**1,691.2**
Comprehensive income for the year	0.0	27.5	27.5
Share-based remuneration	0.0	4.3	4.3
Equity at 31 January 2009	**560.9**	**1.162,1**	**1,723.0**
Comprehensive income for the year	**0.0**	**71.9**	**71.9**
Share-based remuneration	**0.0**	**3.9**	**3.9**
Equity at 31 January 2010	**560.9**	**1,237.9**	**1,798.8**

Cash flow statement

DKKm	**2009/10**	2008/09
Profit/loss before financing	**-6.4**	-9.7
Adjustments for non-cash items:		
Share-based remuneration (warrants)	**0.2**	0.2
Provisions	**-0.4**	-1.8
Market-value adjustments	**-0.3**	-0.1
Increase/decrease in receivables	**-112.6**	221.7
Increase/decrease in payables and other debt	**5.6**	-178.7
Changes in deposits in blocked and escrow accounts	**2.6**	5.1
Cash flows from operating activities before net financials and tax	**-111.3**	36.7
Interest paid, etc.	**-9.5**	-21.2
Interest received, etc.	**48.2**	49.9
Corporate income tax paid	**-0.1**	-8.4
Cash flows from operating activities	**-75.3**	51.9
Sale of securities and investments	**0.0**	27.1
Received dividend	**69.1**	0.0
Cash flows from investing activities	**69.1**	27.1
Repayment of long-term financing	**0.0**	-110.0
Raising of short-term financing	**3.6**	25.6
Cash flows from financing activities	**3.6**	-84.4
Cash flows for the year	**0.0**	-0.4
Cash and cash equivalents, beginning of year	**0.1**	0.5
Cash and cash equivalents at year-end	**0.1**	0.1

The figures in the cash flow statement cannot be inferred from the Parent Company's financial statements alone.

Table of contents, Notes Parent Company

Note 1. Accounting policies

Reference is made to note 1 in the Consolidated Financial Statement.

Note 2. Accounting estimates and assessments

Many account items cannot be measured with certainty, but only estimated. Such estimates consist of assessments based on the most recent information available at the time of presenting the financial statements. It may be necessary to change previous estimates based on changes in the assumptions underlying the estimate or based on supplementary information, additional experience or subsequent events.

In connection with the practical application of the accounting policies described, Management has made a number of significant accounting estimates and assessments that have materially affected this Annual Report:

Deferred tax assets
The valuation has been based on the existing possibilities for carrying forward losses and for group pooling. A change in the conditions for carrying forward losses and group pooling could result in the value of the tax assets being either higher or lower than the carrying amount computed at 31 January 2010. The valuation of the tax asset has been based on existing budgets and profit forecasts for a five-year period. The valuation for the first three years has been based on an assessment of specific projects in the Group's project portfolio. The valuation for the next two years has been based on specific projects in the project portfolio with a longer time horizon than three years as well as various project opportunities. The carrying amount of deferred tax assets totalled DKK 42.2 million at 31 January 2010.

Investments in group enterprises
To assess the need for impairment of investments in group enterprises in the Parent Company's financial statements, the values in use of the cash-flow-generating units to which the investment relates must be calculated. Calculating the value in use assumes that an estimate of future expected cash flows in the individual cash-flow-generating unit has been made and that a reasonable discount rate has been determined. If the actual course of an investment deviates from the expected development, this may necessitate adjustments to the impairment recognized. The carrying amount of investments in group enterprises totalled DKK 1,163.7 million at 31 January 2010.

Note 3. External direct project costs

	2009/10	2008/09
Project costs	**0.2**	0.0
External direct project costs, total	**0.2**	0.0

Note 4. Other external expenses

	2009/10	2008/09
Administrative expenses	**3.5**	4.6
Cars, operating expenses	**0.3**	0.4
Other external expenses, total	**3.8**	5.0

Note 5. Staff costs

	2009/10	2008/09
Fees for Supervisory Board	**2.3**	2.3
Salaries, etc. for the Parent Company's Executive Board; see table below	**8.2**	10.2
Social security costs	**0.7**	0.7
Other salaries and staff costs	**-0.6**	0.8
Reinvoiced via service agreements	**-8.2**	-9.3
Total staff costs	**2.4**	4.7
Average number of employees	**2**	2
Number of employees at year-end	**2**	2

2009/10	Salary	Pension	Bonus	Incentive scheme	Total
Frede Clausen	**4.0**	**0.1**	**0.0**	**0.5**	**4.6**
Robert Andersen	**3.0**	**0.1**	**0.0**	**0.5**	**3.6**
Salaries, etc., total	**7.0**	**0.2**	**0.0**	**1.0**	**8.2**

2008/09					
Frede Clausen	4.0	0.0	0.8	0.8	5.6
Robert Andersen	3.0	0.0	0.8	0.8	4.6
Salaries, etc., total	7.0	0.0	1.6	1.6	10.2

In addition the Executive Board has usual free benefits at their disposal, including company car. The value hereof amounts to DKK 0.1 million for the 2009/10 financial year.

The Supervisory Board is composed of the Chairman, Deputy Chairman and four other members. Supervisory Board members are paid a basic fee of DKK 250,000. The Chairman is paid three times the basic fee and the Deputy Chairman twice the basic fee, while the remaining members are paid the basic fee.

Defined contribution pension plans

The Group has entered into defined contribution pension plans with the majority of the employees in Danish group companies. According to these plans, the group companies pay a monthly amount of 2 % of the relevant employees' basic salaries to independent pension companies.

An amount of DKK 0.2 million for defined contribution pension plans was expensed in the 2009/10 financial year (2008/09: DKK 0.0 million).

Note 6. Share-based remuneration

The group has two incentive programmes. For further descrition reference is made to note 8 in the Consolidated Financial Statement.

Active warrants break down as follows: 410,000 to the Executive Board and 940,000 to other executive staff members in the Group.

The development in outstanding warrants is shown below:

	Number of warrants		Weighted average exercise price	
	31.1.2010	31.1.2009	**31.1.2010**	31.1.2009
Outstanding warrants at 1 February	**1,376,000**	690,000	**81.61**	77.05
Warrants issued during the year	**0**	698,000	**-**	86.20
Lapsed due to termination of employment	**-26,000**	-12,000	**81.27**	86.20
Exercised during the year	**0**	0	**-**	-
Outstanding warrants at 31 January	**1,350,000**	1,376,000	**83.41**	81.61
Number of warrants exercisable at the balance sheet date	**676,000**	0		
Share-based remuneration recognized in the income statement	**1.0**	1.6		

The average term to expiry has been calculated at 11 months (2008/09: 20 months).

Note 7. Fees payable to the auditors elected at the General Meeting

	2009/10	2008/09
Total fees, Deloitte	**0.2**	0.2
Total fees, Nielsen & Christensen	**0.1**	0.6
Total fees	**0.3**	0.8

Fees break down as follows:

Deloitte:

Statutory audit	**0.2**	0.2
Total	**0.2**	0.2

Nielsen & Christensen:

Statutory audit	**0.1**	0.3
Tax consultancy	**0.0**	0.2
Other services	**0.0**	0.1
Total	**0.1**	0.6

Note 8. Investments in group enterprises

	2009/10	2008/09
Cost at 1 February	**1,233.4**	1,285.4
Additions for the year	**3.8**	4.2
Disposals for the year	**0.0**	-56.2
Cost at 31 January	**1,237.2**	1,233.4
Impairment at 1 February	**-445.2**	-457.9
Impairment for the year	**-15.0**	-16.8
Reversal relating to disposals	**0.0**	29.5
Impairment at 31 January	**-460.2**	-445.2
Setoffs at 1 February	**371.7**	354.8
Impairment set off against receivables/provisions	**15.0**	16.9
Setoffs at 31 January	**386.7**	371.7
Carrying amount at 31 January	**1,163.7**	1,159.9

Investments in group enterprises are recognized at cost. Investments and receivables were subjected to an impairment test at 31 January. In the cases where the cost exceeds the recoverable amount, it is written down to such lower value.

The recoverable amount is based on the value in use, which has been determined using the expected cash flows on the basis of budgets for the next three financial years and forecasts for another two financial years approved by the Supervisory Board. The calculation of the recoverable amount included a discount rate of 10 % before tax.

Impairment is recognized in the line "Income from investments in group enterprises".

Income from investments:	**2009/10**	2008/09
Impairment for the year; see above	**-15.0**	-16.8
Gains on sale and liquidation	**0.0**	0.5
Dividend	**69.1**	0.0
Total income from investments	**54.1**	-16.3

Overview of investments in group enterprises:

Name	**Reg. office**	**Ownership interest**
TK Bygge-Holding A/S	Aalborg	100 %
TK Development Bau GmbH	Berlin	100 %
TK Development GmbH	Berlin	100 %
TKD Nordeuropa A/S *	Aalborg	48 %

* On the basis of TK Development A/S' 100 % direct and indirect ownership of the company, the company is considered an affiliated company.

The ownership interests shown above are the Company's direct holdings.

Note 9. Financial income

	2009/10	2008/09
Interest, cash and cash equivalents, etc.	**0.0**	0.3
Interest income from group enterprises	**42.9**	49.6
Financial income from loans, advances and receivables	**42.9**	49.9
Other fiancial income	**5.3**	0.0
Total financial income	**48.2**	49.9
Which breaks down as follows:		
Interest income from financial assets not measured at fair value through profit and loss	**48.2**	49.9

Note 10. Financial expenses

	2009/10	2008/09
Interest expenses, credit institutions	**9.4**	15.8
Interest expenses, group enterprises	**0.0**	5.4
Foreign-exchange losses and capital losses on securities	**0.1**	0.1
Other financial expenses	**0.3**	0.1
Total financial expenses	**9.8**	21.4
which break down as follows:		
Interest expenses on financial liabilities not measured at fair value through profit and loss	**9.5**	21.3
Other financial expenses	**0.3**	0.1
Total financial expenses	**9.8**	21.4

Note 11. Corporate income tax

	2009/10	2008/09
Accrued corporate income tax	**23.3**	-1.7
Adjustment regarding accrued tax relating to prior years	**0.1**	0.0
Change in deferred tax	**-9.1**	-23.3
Tax on profit/loss for the year	**14.3**	-25.0
The tax on the net profit/loss for the year results as follows:		
Danish tax rate	**21.6**	0.6
Adjustment relating to prior years	**9.5**	0.0
Tax effect of:		
Non-deductible costs	**-13.5**	4.3
Other	**-0.1**	-1.0
Change in value adjustment	**-3.2**	4.1
Change in non-capitalized tax asset relating to:		
Losses carried forward, group pooling	**0.0**	-33.1
Other	**0.0**	0,1
Tax on net profit/loss for the year	**14.3**	-25.0
Deferred tax assets at 1 February	**33.1**	9.7
Deferred tax for the year recognized in profit or loss for the year	**9.1**	23.4
Deferred tax assets at 31 January	**42.2**	33.1

Note 12. Goodwill

	31.1.2010	31.1.2009
Cost at 1 February	**7.7**	7.7
Additions	**0.0**	0.0
Cost at 31 January	**7.7**	7.7
Amortization and impairment at 1 February	**2.6**	2.6
Impairment for the year	**0.0**	0.0
Amortization and impairment at 31 January	**2.6**	2.6
Carrying amount at 31 January	**5.1**	5.1

The total goodwill relates to the cash-flow-generating unit, Euro Mall Holding A/S; see note 3 in the Consolidated Financial Statement.

At 31 January 2010, Management carried out an impairment test of the carrying amount of goodwill. The recoverable amount is based on the value in use, determined by means of expected cash flows on the basis of budgets for the comming 3 years, approved by Management, and further 2 years prognosis. In the calculation of the recoverable amount, a discount rate of 10 % before tax has been used. The impairment test did not give rise to any recognition of impairment.

Management assesses that potential changes to the basic assumptions would not result in the carrying amount of goodwill exceeding the recoverable amount.

Note 13. Deferred tax assets

	31.1.2010	31.1.2009
Deferred tax assets at 1 February	**38.0**	10.5
Additions for the year	**5.9**	33.0
Disposals for the year	**0.0**	-5.5
Deferred tax assets at 31 January	**43.9**	38.0
Value adjustment at 1 February	**-4.9**	-0.8
Value adjustment for the year	**3.2**	-4.1
Value adjustments at 31 January	**-1.7**	-4.9
Carrying amount at 31 January	**42.2**	33.1
The deferred tax assets relates to:		
Short-term assets	**0.2**	-1.4
Provisions	**0.0**	1.5
Value of tax losses	**43.8**	37.9
Impairment of tax assets	**-1.8**	-4.9
Total deferred tax assets	**42.2**	33.1

The change in deferred tax assets for the year has been recognized in profit and loss.

The contingent retaxation liability attaching to German subsidiaries, regarding which no provisions have been made, amounts to DKK 87.9 million (2008/09 DKK 87.9 million). The Company controls whether such tax liability will be triggered, but this is believed to be highly unlikely.

Note 14. Securities

	31.1.2010	31.1.2009
Listed securities	**0.1**	0.1
Unlisted securities (equity interests)	**3.9**	3.9
Total securities	**4.0**	4.0

Securities consisting of listed shares and unlisted equity interests are classified as "financial assets available for sale". Listed securities consist of listed shares and are measured at fair value. Unlisted equity interests are not traded in an active market. As the fair value of these equity interests cannot be determined with a sufficient degree of reliability, they are measured at cost.

Note 15. Deposits in blocked and escrow accounts

	31.1.2010	31.1.2009	31.1.2008
Escrow accounts and other accounts that the Group cannot fully dispose of	**5.7**	8.3	13.4
Total deposits in blocked and escrow accounts	**5.7**	8.3	13.4

Note 16. Share capital

The share capital consists of 28,043,810 shares of DKK 20 each (nom. DKK 560,876,200). The share capital has been paid up in full. The shares are not divided into several share classes, and no shares are subject to special rights or restrictions, including restrictions with regard to the payment of dividend and repayment of capital. No changes occurred in the 2009/10 financial year.

Changes in the share capital over the past five years:	Number in thousands		Nominal value	
	Changes	Year-end	Changes	Year-end
2005/06	14,021.9	28,043.8	280.4	560.9
2006/07	0.0	28,043.8	0.0	560.9
2007/08	0.0	28,043.8	0.0	560.9
2008/09	0.0	28,043.8	0.0	560.9
2009/10	**0.0**	**28,043.8**	**0.0**	**560.9**

The Company did not hold treasury shares in the 2009/10 financial year or in the year of comparison.

Note 17. Payables to credit institutions

Payables to credit institutions are recognized as follows in the balance sheet:	**31.1.2009**	31.1.2009
Long-term liabilities	**0.0**	80.0
Short-term liabilities	**189.0**	105.4
Total payables to credit institutions	**189.0**	185.4

Financial liabilities are offset against trade receivables and tied-up cash and cash equivalents, to the extent that the Company has a right of setoff and also intends or is contractually obliged to realize assets and liabilities at the same time. No setoffs were made in the year under review or the previous financial year.

Fair value	**189.0**	**185.4**
Carrying amount	**189.0**	**185.4**

At 31 January, the Parent Company had the following loans and credits:

		Fixed/	Effective rate		Carrying amount		Fair value	
Loans	Maturity	variable	**2009/10**	2008/09	**2009/10**	2008/09	**2009/10**	2008/09
Bank DKK	2009-2010	variable	**4 - 6 %**	6 - 7%	**189.0**	185.4	**189.0**	185.4

Note 18. Provisions

	31.1.2010	31.1.2009
Rent guarantees for properties sold at 1 February	**2.3**	4.1
Applied during the year	**-0.4**	-1.8
Rent guarantees for properties sold at 31 January	**1.9**	2.3
Other provisions at 1 February	**19.2**	17.7
Provisions for the year	**0.0**	1.5
Other provisions at 31 January	**19.2**	19.2
Provisions at 31 January	**21.1**	21.5
Expected maturity dates of the liabilities provided for:		
0-1 year	**1.9**	1.6
1-5 years	**19.2**	19.9
> 5 years	**0.0**	0.0
Provisions at 31 January	**21.1**	21.5

Rent guarantee liabilities for sold properties have been calculated based on experience with rent guarantees and on an individual assessment of the individual leases.

Other provisions consist of provisions for negative equity in a subsidiary.

Note 19. Operating leases

For the years 2010-2011, operating leases for the rental of operating equipment have been concluded. The leases have been concluded for a three-year period with fixed lease payments that are index-adjusted annually. The leases are non-terminable for the period mentioned, after which they can be renewed for three- to five-year periods. The annual lease payments are expensed in the income statement.

Future, minimum lease payments according to non-terminable lease contracts break down as follows:

	31.1.2010	31.1.2009
Within 1 year	**0.2**	0.1
Within 1-5 years	**0.2**	0.0
After 5 years	**0.0**	0.0
Total	**0.4**	0.1

Note 20. Other debt

	31.1.2010	31.1.2009
Other debt related to employees	**5.7**	7.3
Other costs payable	**0.1**	0.1
Other debt, total	**5.8**	7.4
Splitted in balance sheet as follows		
Long-term liabilities	**3.9**	2.5
Short-term liabilities	**1.9**	4.9
Other debt, total	**5.8**	7.4

The carrying amount of payables consisting of salaries, A-tax, social security contributions, holiday pay, etc., project-related costs and other costs is equal to the fair value of these payables. Holiday pay obligations represent the Group's liability to pay salary during holiday periods to which the employees had earned entitlement by the balance sheet date and which are to be taken in the following financial year(s).

Note 21. Contingent assets and liabilities as well as security furnished

A contingent asset in the form of deferred tax assets not recognized appears from note 13.

Contingent liabilities and security furnished	**31.1.2010**	31.1.2009
Surety and guarantee commitments on behalf of group enterprises	**1,833.1**	1,721.4

The amounts shown below in brackets are comparative figures for 2008/09.

The amounts stated for surety and guarantee commitments on behalf of group enterprises are the upper limits. At 31 January 2010, the subsidiaries had drawn an amount of DKK 1,610.1 million (DKK 1,250.4 million) on their credit facilities.

In addition, the Company has guaranteed the liabilities of a few group enterprises in relation to construction contracts.

The contingent retaxation liability attaching to German subsidiaries, regarding which no provisions have been made, amounts to DKK 87.9 million (DKK 87.9 million). The Company controls whether such tax liability will be triggered, but this is believed to be highly unlikely.

Note 22. Financial risks and financial instruments

Categories of financial instruments	**31.1.2010**	31.1.2009
Receivables from group enterprises	**824.8**	725.7
Other receivables	**0.3**	0.0
Cash and cash equivalents	**5.8**	8.4
Loans, advances and receivables	**830.9**	734.1
Securities	**4.0**	4.0
Financial assets available for sale	**4.0**	4.0
Credit institutions	**189.0**	185.4
Payables to group enterprises	**7.4**	0.0
Trade payables	**0.7**	0.9
Other debt	**5.8**	7.4
Financial liabilities measured at amortized cost	**202.9**	193.7

Reference is made to note 35 i the Consolidated Financial Statement regarding the company's policies on risk management, foreign-exchange risks, interest-rate risks, liquidity risks and credit risks..

Foreign-exchange risks relating to recognized assets and liabilities
No forward agreements or other derivative financial instruments were used in the 2009/10 financial year or the previous year to hedge foreign-exchange risks in the Company.

Currency	Cash, cash equivalents and securities	Receivables	Credit insti-tutes	Liabilities	Unsecured net position
EUR at 31 January 2010	**5.7**	**111.0**	**0.0**	**-1.9**	**114.8**

Currency	Cash, cash equivalents and securities	Receivables	Credit insti-tutes	Liabilities	Unsecured net position
EUR at 31 January 2009	8.3	121.0	0.0	-2.4	126.9

Sensitivity of profit/loss and equity to foreign-exchange fluctuations	**2009/10**	2008/09
Effect if the EUR rate were 10 % lower than the actual rate	**-8.6**	-9.5

The Company's major foreign-exchange exposures relate to EUR. The above calculations show the effect on equity and profit or loss if the rate of EUR had been 10 % lower than the actual rate. A corresponding increase in EUR would have a corresponding positive impact on profit or loss and equity.

As all foreign-exchange adjustments relating to the above-mentioned financial instruments are recognized in the income statement, any exchange-rate fluctuations will have the same effect on profit or loss and equity.

Interest-rate risks and the dates of revaluation or maturity regarding financial assets and liabilities:

	Date of revaluation/maturity				
	0-1 year	1-5 years	> 5 years	Total	Effective rate in %
2009/10					
Securities	**4.0**	**0.0**	**0.0**	**4.0**	**0 - 3 %**
Receivables from group enterprises	**0.0**	**824.8**	**0.0**	**824.8**	**6 - 8 %**
Other receivables	**0.3**	**0.0**	**0.0**	**0.3**	**0 %**
Deposits with credit institutions	**5.8**	**0.0**	**0.0**	**5.8**	**1 - 3 %**
Payables to credit institutions	**-189.0**	**0.0**	**0.0**	**-189.0**	**4 - 6 %**
Trade payables	**-0.7**	**0.0**	**0.0**	**-0.7**	**0 %**
Other debt	**-1.9**	**-3.9**	**0.0**	**-5.8**	**0 - 5 %**
Total at 31 January 2010	**-181.5**	**820.9**	**0.0**	**639.4**	

Note 22. Financial risks and financial instruments, continued

	Date of revaluation/maturity				
	0-1 year	1-5 years	> 5 years	Total	Effective rate in %
2008/09					
Securities	4.0	0.0	0.0	4.0	0 - 3 %
Receivables from group enterprises	0.0	725.7	0.0	725.7	6 - 8 %
Other receivables	0.0	0.0	0.0	0.0	0 %
Deposits with credit institutions	8.4	0.0	0.0	8.4	3 - 5 %
Payables to credit institutions	-105.4	-80.0	0.0	-185.4	6 - 7 %
Trade payables	-0.9	0.0	0.0	-0.9	0 %
Other debt	-4.9	-2.5	0.0	-7.4	0 - 5 %
Total at 31 January 2009	-98.8	643.2	0.0	544.4	

With regard to interest-rate sensitivity, an increase in the interest level of 1 % p.a. compared to the interest level at the balance sheet date in respect of the Company's variable-interest deposits with and payables to credit institutions would have a negative impact on the profit or loss for the year, and thus on equity, of DKK 1.3 million for a full year. A fall in the interest level of 1 % p.a. would result in a corresponding positive impact on the profit or loss for the year and on equity. For the 2008/09 financial year, the interest-rate sensitivity in case of a change in the interest level of 1 % p.a. would have a DKK 1.3 million impact for a full year.

Liquidity risks
The maturity dates of financial liabilities are specified for the individual categories of liabilities in the notes, with the exception of trade payables and other debt largely falling due for payment within one year. The Company's liquidity reserve consists of cash and cash equivalents as well as unutilized credit facilities. Reference is further made to note 35 in the Consolidated Financial Statement.

Breach of loan agreements
During the financial year and the previous year, the Company was not in breach of any loan agreements.

Note 23. Transactions with related parties

The Company has no related parties with a controlling interest.

The Company has the following related parties:

Supervisory Board and Executive Board (and their related parties)
Joint ventures and group enterprises; see the overview of group companies, note 40.

	2009/10	2008/09
Supervisory Board and Executive Board (and their related parties)		
Holding of shares, in terms of number	**2,382,628**	2,382,934
Obligation towards Executive Board, employee bonds	**1.5**	1.5

Remuneration, etc. to the Supervisory Board and Executive Board, see note 5.

Joint ventures and group enterprises		
Interest income from group enterprises	**42.9**	49.6
Interest expenses, group enterprises	**0.0**	-5.4
Receivables from group enterprises	**824.8**	725.7
Payables to group enterprises	**7.4**	0.0
Impairment for the year regarding investment in group enterprises	**15.0**	16.8
Accumulated impairment regarding investment in group enterprises	**460.2**	445.2
Costs allocated to group enterprises according to service agreements concluded	**8.2**	9.3
Dividend from daughter companies	**69.1**	0.0

Suretyships and guarantees have been issued on behalf of joint ventures and associates; see note 34 in the Annual Report for the Group.

Apart from the above, there were no transactions with related parties in the year under review.

Note 24. Post-balance sheet events

Reference is made to note 37 in the Consolidated financial Statement.

Note 25. Adoption of Annual Report for publication

Reference is made to note 38 in the Consolidated financial Statement.

Note 26. New IFRS and IFRIC interpretations

Reference is made to note 39 in the Consolidated Financial Statements.