

TK Development implements planned incentive scheme

Summary:

- *The planned incentive scheme for the Executive Board and other executive staff members of TK Development has been implemented.*

Forging a link between the individual staff member's efforts and long-term value creation in the Group

As described in Company Announcement no. 5/2010, the Supervisory Board has decided to exercise the authorization given to it at the Annual General Meeting on 25 May 2010 to issue warrants. Thus, warrants for nominally DKK 7,880,000 (394,000 shares of nominally DKK 20) have been issued to the Executive Board and other executive staff members of TK Development.

The aim of allocating warrants is to forge a link between the individual staff member's efforts and long-term value creation in the Group.

The warrants have been allocated to 28 employees in all. The two Executive Board members have received 50,000 warrants each, and other executive staff members have received a total of 294,000 warrants. No warrants have been allocated to members of the Supervisory Board.

The above-mentioned 394,000 warrants correspond to 1.4 % of the share capital. The warrants allocated under the incentive scheme can be exercised in three six-week periods placed as follows:

- following publication of the preliminary announcement of financial statements for 2011/12 (from around 30 April 2012);
- following publication of the interim announcement of results for the first half of 2012/13 (from around 30 September 2012);
- following publication of the preliminary announcement of financial statements for 2012/13 (from around 30 April 2013).

An advance return of 8 % p.a. for TK Development's existing shareholders

Each warrant entitles the holder to subscribe for one share of nominally DKK 20 at a subscription price fixed as a simple average of the daily market prices quoted for all trades in the TK Development share during the period from 9 to 22 June 2010, plus an annual 8 % adjustment to reflect an advance

return to existing shareholders and less dividend payments made to shareholders until the time of exercise of the warrants.

Thus, based on a price of DKK 24.3 per share of nominally DKK 20, the subscription price, before a deduction for any dividend, can be calculated at DKK 28.0, DKK 28.9 and DKK 30.3 for the exercise of warrants in the three respective six-week periods.

The main condition for exercising warrants is that the employee has not given notice to terminate his or her employment before having exercised the warrants allocated. If the Company terminates the employee's employment without this being due to breach of contract by the employee, he or she will be entitled to exercise the warrants.

Based on a price of DKK 23.5 per share and an annual dividend of DKK 0 per share, using the Black-Scholes pricing formula, the value of the newly issued warrants has been calculated at DKK 1.9 million, to be expensed over the term of the incentive scheme.

The calculation is based on an anticipated future volatility of 40 %, a hurdle rate of 8 % p.a. and a risk-free interest rate of 5 % p.a. In addition, it is assumed that the warrants will be exercised in the second exercise period.

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