

Copenhagen Stock Exchange

31 August 2006
Announcement No. 14 - 2006
Page 1 of 2

PARKEN Sport & Entertainment invest in a new Holiday and Leisure Centre at Billund

PARKEN Sport & Entertainment have today reached agreement with REKA Gruppen Holding A/S regarding the purchase of 75% of the share capital in REKA Leisure A/S, with the name change to Lalandia Billund A/S for 31,5 million DKK. The company has the rights and options for the construction of a large holiday and leisure centre next to LEGOLAND at Billund. The remaining 25% of shares will continue to be owned by REKA Gruppen Holding A/S, who has developed the project. A put and call option has been entered into with these 25% shares for the earliest employment in the autumn of 2014 and 2015, respectively.

The area is over 200 ha, and when fully built there will be room for 1.500 holiday houses and a 40.000-m² large indoor holiday and leisure centre including a 10.000 m² water-world. On the site there already is applicable building capacity of 10.344 m².

The ground plans are already in place including the VVM plan and local plan and there are also master plans for the centre, water-world and house area (Local plan 121 and 122 for the Billund Local Authority together with local plan OF 2.4.2 for Egtved Local Authority).

The sale of the holiday homes is planned to start in the spring of 2007, while the centre is expected to open in the spring of 2009.

The centre will be arranged and furnished to the same high standard and with the same wide choice of activities as the Lalandia centre in Rødby, while the operations and synergy opportunities between the two centres will be fully utilized.

The profitability of the project is tied partly to the sales of holiday homes and partly to the following renting of the holiday homes and the running of the Centre.



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Announcement No. 14 - 2006
Page 2 of 2

The profit margin on the sale of the holiday homes is naturally dependent on the market price and the construction costs, the profits will first be noted in the accounts at the delivery / risk change of the houses, which is why it is not expected that profit will be noted in the accounts in the current accounting year. How many holiday homes are to be sold in the first stage is not yet decided, but it is expected that there will be so many houses sold by the time of the opening in 2009 that it will realize a 3-digit million (DKK) profit.

Lalandia Billund's expected operating income is dependent on, how many holiday homes to be sold and rented out, the final size of the centre and the percentage of occupancy of the houses. With 750 houses it is estimated that the yearly turnover will be over 300 million DKK and the estimated EBITDA after full running in will be in the region of 50-60 million DKK per annum.

Investment in the centre will be over 400 million DKK, while the coming investment in the holiday homes, will be covered by the sale before the construction of the houses. The total investment in the first phase will be therefore approx 1 billion DKK, while with 1.500 fully built holiday homes the total investment will be over 2 billion DKK.

The board of directors will be made up of: Chairman of the Board Flemming Østergaard (chairman), Managing Director Jesper Kristensen (REKA, Vice-chairman), Estate Agent, Director Peter Norvig, Managing Director Jørgen Glistrup (PARKEN), Managing Director Christer Rosenkrands (Lalandia) and Director Mikael Kristensen (REKA).

Yours sincerely

PARKEN Sport & Entertainment A/S

Flemming Østergaard
Chairman