

**Stock Exchange Announcement of
19 December 2013
and extract of
Annual Report
1 October 2012 - 30 September 2013
(The Company's 40th financial year)**

Investeringselskabet

Luxor A/S



Investeringselskabet Luxor A/S

Annual Report 2012/13

Date 19 December 2013

Nasdaq OMX Copenhagen A/S
 Nikolaj Plads 6
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Announcement No 2 2013/14

The Supervisory Board of Investeringselskabet Luxor A/S has today considered and adopted the Company's Annual Report for 2012/13.

Comments to the Annual Report:

- The Group's results before tax for the financial year show a profit of DKK 14.4 million (DKK 0.5 million). After tax, the Group's profit amounts to DKK 10.3 million (DKK 1.1 million). The results are influenced by negative fair value adjustments and realised losses on securities of DKK 0.9 million (DKK -5.6 million) as well as positive fair value adjustments of debt to credit institutions, mortgage debt and interest swaps of DKK 6.6 million (DKK 0.7 million). The Group's results before tax are in accordance with the announcement of 22 November 2013.
- Basic earnings for the financial year decreased from DKK 8.6 million to DKK 4.9 million. The decrease is primarily due to lower net interest on mortgage deeds and bonds.
- Net asset value per share in circulation is DKK 407.6 (DKK 397.3).
- The Supervisory Board proposes to the General Meeting that dividend of DKK 6.0 million (DKK 0.0 million) be distributed, corresponding to DKK 6.0 (DKK 0.0) per share.
- For the coming financial year 2013/14, a profit before tax of DKK 12.0 - 17.0 million is expected. The expected profit for the year includes basic earnings of DKK 12.0 - 16.0 million.

Fourth quarter of the financial year 2012/13:

- The Group's results before tax for the fourth quarter of the financial year 2012/13 show a profit of DKK 8.4 million (DKK 7.6 million). After tax, the Group's profit amounts to DKK 6.1 million (DKK 6.1 million).
- The results for the quarter are influenced by net negative fair value adjustments and realised losses on securities of DKK -1.4 million (DKK 1.8 million) as well as positive fair value adjustments of debt to credit institutions, mortgage debt and interest swaps of DKK 4.8 million (DKK -0.5 million).
- Basic earnings for the quarter have increased from DKK 1.3 million in 2011/12 to DKK 2.4 million in 2012/13. The increase is primarily due to lower negative fair value adjustment of credit risk on mortgage deeds.

For additional information concerning the Annual Report, please contact the undersigned.

Yours faithfully
 Investeringselskabet Luxor A/S

Svend Rolf Larsen
 CEO

INVESTERINGSSELSKABET LUXOR A/S
FINANCIAL HIGHLIGHTS OF THE GROUP

OCTOBER - SEPTEMBER

<u>DKK million</u>	<u>2012/13</u>	<u>2011/12</u>	<u>2010/11</u>	<u>2009/10</u>	<u>2008/09</u>	<u>Q4</u> <u>2012/13</u>	<u>Q4</u> <u>2011/12</u>
<u>Key figures</u>							
Income	47.7	37.1	18.7	108.6	-114.8	13.7	16.8
Net financials.....	25.8	5.6	-11.6	21.1	-229.4	11.3	13.1
Gross earnings	33.0	28.8	50.1	160.4	28.9	9.5	13.8
Profit/loss before tax.....	14.4	0.5	20.6	71.2	-83.3	8.4	7.6
Net profit/loss	10.3	1.1	17.6	53.2	-76.6	6.1	6.1
Basic earnings.....	4.9	8.6	16.5	25.9	33.2	2.4	1.3
Assets.....	797.2	782.1	890.8	1,138.3	1,310.7	797.2	782.1
Investment in property, plant and equipment	0.2	0.0	0.0	0.0	0.1	0.0	0.0
Equity	407.6	397.3	396.2	378.6	325.4	407.6	397.3
Proposed dividend for the year.....	6.0	0.0	0.0	0.0	0.0	6.0	0.0
Profit/loss for analytical purposes:							
Net profit/loss (after tax)	10.3	1.1	17.6	53.2	-76.6	6.1	6.1
Tax relating to previous year.....	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>-0.2</u>	<u>-0.3</u>	<u>0.0</u>	<u>0.0</u>
	<u>10.3</u>	<u>1.1</u>	<u>17.6</u>	<u>53.0</u>	<u>-76.9</u>	<u>6.1</u>	<u>6.1</u>
<u>Ratios</u>							
<u>Values per DKK 100 share</u>							
Earnings per share (EPS) (DKK).....	10.33	1.07	17.63	53.02	-76.92	6.10	6.06
Net asset value per share in circulation (DKK).....	407.63	397.30	396.23	378.60	325.36	407.63	397.30
Return on equity in percentage p.a.	2.57	0.27	4.55	15.06	-21.15	6.03	6.15
Equity share in percentage.....	51.14	50.80	44.48	33.26	24.82	51.14	50.80
Dividend per share (DKK)*	6.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>Share capital</u>							
Nominal share capital, end of year (DKK million)	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of shares in circulation (DKK million)	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Official price on the Stock Exchange per DKK 100 share:							
Lowest	185	203	250	200	70	197	217
Highest.....	222	258	279	327	560	222	203
End of year	221	203	253	255	228	221	203
Volume of trade on the Stock Exchange, number of shares.....							
	17,947	15,457	29,245	33,326	33,091	7,746	3,856
Listed on the Stock Exchange, number of shares.....	825,000	825,000	825,000	825,000	825,000	825,000	825,000

The key figures have been calculated in accordance with "Recommendations and key figures 2010" issued by the Danish Society of Financial Analysts. EPS and diluted EPS are in accordance with IAS 33.

* Calculated on the basis of proposed dividend distribution

MANAGEMENT'S REVIEW

Development in the year

The Group's results before tax show a profit of DKK 14.4 million compared with a profit of DKK 0.5 million in the previous year. After recognition of tax for the year of DKK 4.1 million (DKK -0.6 million), the profit after tax for the year amounts to DKK 10.3 million (DKK 1.1 million).

The Group's profit before tax is in accordance with the expectation in the announcement of 22 November 2013 of a profit before tax of DKK 14.4 million, but slightly lower than the profit in the range of DKK 15.0 - 17.0 million before tax as estimated in last year's Annual Report.

The Group's basic earnings amount to DKK 4.9 million (DKK 8.6 million) calculated on the basis of profit before tax for the year adjusted for fair value adjustments of securities, investment properties, debt and foreign exchange movements and realised losses on securities. Basic earnings are in accordance with the most recent expectations as stated in the announcement of 22 November 2013, but lower than the basic earnings of DKK 15 - 17 million assumed in last year's Annual Report. The lower basic earnings are primarily due to slower normalisation of losses and fair value adjustment of the credit risk on mortgage deeds, lower net interest on mortgage deeds and bonds as well as exchange adjustments of these.

The Group's balance sheet, which compared with the same time last year has increased from DKK 782.1 million to DKK 797.2 million, includes the following business areas:

	<u>2012/13</u> <u>DKK million</u>	<u>2011/12</u> <u>DKK million</u>
Mortgage deeds	303.5	286.4
Bonds	<u>228.5</u>	<u>237.7</u>
Total securities	532.0	524.1
Investment properties	<u>179.7</u>	<u>181.8</u>
Total	<u>711.7</u>	<u>705.9</u>

Below, the individual business areas are described. The financing and the effect of currency hedging as well as currency exposure and hedging of currency risk are described in the section financing and debt.

Mortgage deeds

The fair value of the Group's portfolio of mortgage deeds amounts to DKK 303.5 million (DKK 286.4 million).

The total return on the portfolio of mortgage deeds for the financial year is specified as follows:

	<u>2012/13</u> <u>DKK million</u>	<u>2011/12</u> <u>DKK million</u>
Interest income	20.5	20.8
Capital gains, mortgage deeds.....	0.8	0.4
Fair value adjustment	<u>9.2</u>	<u>1.7</u>
	30.5	22.9
Realised losses on mortgage deeds, fair value adjustment of credit risk, bad debts recovered and gain on sale of properties acquired for the purpose of resale	<u>16.1</u>	<u>16.5</u>
	<u>14.4</u>	<u>6.4</u>

The Group's portfolio of mortgage deeds is distributed with DKK 181.7 million (DKK 148.7 million) fixed-interest mortgage deeds and DKK 121.8 million (DKK 137.7 million) floating-rate cibor mortgage deeds. Irrespective of the term to maturity and the present market rate for new mortgage deeds of approx. 7.5% - 9.5% p.a. (7.75% - 10.0%), the Group's portfolio of fixed-interest mortgage deeds is measured on the basis of an average effective interest rate of 8.5% p.a. (average 9.25% p.a.). The total effect of the change of the average effective interest rate of fixed-interest mortgage deeds from 9.25% to 8.5% is a positive fair value adjustment of DKK 7.0 million. The total fair value adjustment of mortgage deeds is a positive DKK 9.2 million (DKK 1.7 million), which is recognised in fair value adjustment of financial assets.

The Group's portfolio of mortgage deeds has an average market value per mortgage deed of kDKK 321.6 (kDKK 410.5).

The nominal amount of the mortgage deed portfolio has increased from DKK 318.2 million to DKK 332.0 million. The increase consists of additions of DKK 72.7 million (DKK 35.2 million) and redemptions of DKK 58.9 million (DKK 43.0 million). Over a number of years, the Company has seen a decreasing rate of redemption of the mortgage deed portfolio. For the financial year 2012/13, the rate of redemption has increased slightly.

For a number of years, the competitive situation in the mortgage deeds market has been characterised by moderate competition. The financial year 2012/13 has seen increasing activity on the mortgage deeds market, which has resulted in decreasing effective interest rates on the acquisition of mortgage deeds.

However, pricing still includes the possibility of a negative development as regards the future loss-development.

For the coming year, the Group expects a continued increase of the portfolio of mortgage deeds and a continued low level of premature repayments.

The prices of freehold housing must be assumed to have been considerably supported by the continued low level of interest rates and the possibility for individuals of obtaining up to 10 years' exemption from repayment on mortgage loans. The past financial year saw a continued large number of – and long turnover times for – houses for year-round occupancy and holiday houses offered for sale, particularly in the peripheral regions, where the polarisation of the price development between the major cities and the peripheral areas seems to have increased. The present polarisation must be assumed to result in a lengthy period of weak price development on real property in the peripheral regions compared with the major cities. The difference in price development is already considered quite significant.

Net loss/gain and direct expenses amount to DKK -16.4 million (DKK -17.0 million). The item includes an increase of fair value adjustment to meet the credit risk on mortgage deeds of DKK 2.2 million (DKK 2.7 million), so that the total fair value adjustment of credit risk amounts to DKK 24.8 million (DKK 22.6 million), corresponding to 7.6% (7.3%) of the portfolio. Bad debts recovered amount to DKK 1.9 million (DKK 2.0 million). Gain on sale of properties acquired for the purpose of resale amounts to DKK 0.1 million (DKK 6.4 million). The provision for loss on properties acquired for the purpose of resale has increased by DKK 3.2 million (DKK -1.3 million). The properties sold have been purchased at forced sale with a view to limitation of losses on lending.

Net loss/gain has improved marginally compared with last financial year; however, the normalisation of losses recognised and change of fair value adjustment to meet the credit risk on mortgage deeds have developed more slowly than expected. The negative fair value adjustment of credit risk includes DKK 5.0 million on a number of business-related mortgage deeds recognised in the second quarter of the financial year. For the coming year, more normalised losses and fair value adjustment of credit risk are expected.

The mortgage deed portfolio is distributed on the following types of property:

	<u>2012/13</u>	<u>2011/12</u>
Single-family houses.....	36.22%	33.40%
Freehold flats	9.21%	8.30%
Holiday houses.....	5.60%	4.56%
Disused farms.....	3.43%	2.50%
Residential and business properties	8.02%	7.40%
Farms.....	0.84%	0.65%
Rental properties	24.59%	30.41%
Trade and industry	8.13%	8.90%
Other	<u>3.96%</u>	<u>3.88%</u>
Total	<u>100.0%</u>	<u>100.0%</u>

The average term to maturity of the mortgage deed portfolio before extraordinary and premature repayments is approx. 11 years (12 years).

For the coming year, the Group expects an increase of the mortgage deed portfolio.

Other income

In the financial year, the Group has received DKK 1.3 million (DKK 1.3 million) as fee for the administration of mortgage deeds for third parties.

Bonds

The fair value of the Group's portfolio of bonds amounts to DKK 228.5 million (DKK 237.7 million).

The total return on the portfolio of bonds for the financial year is specified as follows:

	<u>2012/13</u> <u>DKK million</u>	<u>2011/12</u> <u>DKK million</u>
Interest income.....	14.3	19.9
Realised capital gains on bonds (including foreign exchange)	-6.7	-3.9
Fair value adjustment.....	<u>-4.3</u>	<u>-6.4</u>
	<u>3.3</u>	<u>9.6</u>

The fair value adjustment includes an unrealised exchange loss of DKK 7.7 million (DKK 2.0 million), and realised capital gains on bonds include a realised exchange gain of DKK 0.4 million (DKK 0.5 million). The amounts have by and large been hedged with regard to currency fluctuations.

The year saw a narrowing of the yield spread to government bonds; this is partially counterbalanced by negative fair value adjustments of DKK 4.3 million on a few issuers under restructuring.

The Group's portfolio of bonds consists primarily of investment in foreign corporate bonds with senior status and a rating composition which is above and below investment grade, respectively. The Group's portfolio of bonds is characterised by an overweight of securities with a relatively short to medium term to maturity and a weighted average remaining term to maturity of 4.8 years (2.0 years).

At 30 September 2013, the portfolio of bonds comprises a total negative fair value adjustment and possible gains on redemptions of up to approx. DKK 20.6 million excluding foreign exchange (approx. DKK 31.8 million excluding foreign exchange), which are expected to be reversed over the period to maturity of the bonds until 2021/22. The fair value of the portfolio of bonds, DKK 228.5 million (DKK 237.7 million), should be seen in the light of the below stated maturity profile of the nominal remaining debt of the portfolio of bonds.

Maturity profile of the nominal remaining debt of the bonds:

	<u>2012/13</u> <u>DKK million</u>	<u>2011/12</u> <u>DKK million</u>
2012/13.....	0.0	54.9
2013/14.....	31.6	115.6
2014/15.....	0.3	63.6
2015/16.....	56.7	39.7
2016/17.....	25.9	25.7
2017/18.....	26.6	1.7
2018/19.....	9.7	0.0
2019/20.....	52.5	0.0
2020/21.....	41.2	0.0
2021/22.....	<u>4.6</u>	<u>0.0</u>
Total	<u>249.1</u>	<u>301.2</u>

The Company's portfolio of bonds distributed on issuer at 30 September 2013 – at a fair value totalling DKK 228.5 million – is specified as follows:

	<u>DKK million</u>		<u>DKK million</u>
Appvion Inc.	13.8	Stoneridge Inc.	7.2
EDP Finance EMTN	11.6	ArcelorMittal	7.1
Abertis Infraestruct	10.5	Bon-ton Stores Inc.	6.6
DLG Finance A/S	10.3	Sappi Ltd.	6.4
Superior Energy Services Inc.	10.2	Lexmark International Inc.	5.9
Allegheny Technologies Inc.	10.2	GazProm	5.8
Pitney Bowes Inc.	10.1	DNO Intl. ASA	5.7
Noble Group Ltd.	9.7	Community Health System Inc.	5.3
Lukoil Intl.	9.5	Aker ASA	4.8
Icahn Enterprises LP.	9.5	Suburban Propane Partners LP.	4.5
Time Warner Cable Inc.	9.1	ISS	3.9
Aperam	8.1	Royal Caribbean Cruises Ltd.	3.8
Cgg	7.8	Petroplus Finance Ltd.	3.8
Calfrac Well Services Ltd.	7.8	Eitzen Chemical ASA	2.7
Ferrellgas LP.	7.6	Primorsk Int. Ship. Ltd.	1.6
Danske Bank	7.3	Hawker Beechcraft Inc.	0.3

The Company's portfolio of bonds distributed on issuer at 30 September 2012 – at a fair value totalling DKK 237.7 million – is specified as follows:

	<u>DKK million</u>		<u>DKK million</u>
M-Real OYJ	38.5	Abertis Infraestruct	9.7
HTM Sport & Freizeit AG	27.0	ISS	6.0
Stone Energy Corp.	24.5	ArcelorMittal	6.9
Royal Caribbean Cruises Ltd.	23.1	Dynegy Inc.	5.1
The Bon-Ton Stores Inc.	16.7	Primorsk Int. Ship. Ltd.	4.6
Cascades Inc.	16.2	Gas Natural Capital Markets	4.5
Appleton Paper Inc.	13.5	Eitzen Chemical ASA	4.2
Jacobs Entertainment	11.4	Petroplus Finance Ltd.	2.0
Chiquita Brands Int. Inc.	10.6	Hawker Beechcraft Inc.	1.9
EDP Finance EMTN	10.9	Petro Mena	0.4

The portfolio of bonds is as follows:

	2012/13		2011/12	
	<u>DKK million</u>	<u>% of portfolio</u>	<u>DKK million</u>	<u>% of portfolio</u>
Corporate bonds	<u>228.5</u>	<u>100.0%</u>	<u>237.7</u>	<u>100.0%</u>
	<u>228.5</u>	<u>100.0%</u>	<u>237.7</u>	<u>100.0%</u>

The portfolio of bonds is distributed on 32 (20) issuers with an average amount per issuer of DKK 7.1 million (DKK 11.9 million).

The portfolio of bonds is distributed on the following currencies:

	2012/13		2011/12	
	<u>DKK million</u>	<u>% of portfolio</u>	<u>DKK million</u>	<u>% of portfolio</u>
DKK.....	10.3	4.5%	0.0	0.0%
USD.....	168.7	73.8%	104.3	43.9%
EUR.....	35.1	15.4%	124.9	52.5%
NOK.....	<u>14.4</u>	<u>6.3%</u>	<u>8.5</u>	<u>3.6%</u>
	<u>228.5</u>	<u>100.0%</u>	<u>237.7</u>	<u>100.0%</u>

After the balance sheet date and until 13 December 2013, the Group has seen negative fair value adjustments of bonds of DKK 3.8 million and realised gains of DKK 1.2 million. The fair value adjustments and gains include an exchange loss of DKK 3.7 million, which has by and large been hedged with regard to currency fluctuations.

For the coming year, the Group expects a small increase of the portfolio of bonds as a consequence of new investment and reinvestment of ordinary and extraordinary redemptions.

Investment properties

The Group's balance sheet includes 5 (6) rental properties with a fair value of DKK 179.7 million (DKK 181.8 million).

In the financial year, the Group sold a small rental property at a total loss of kDKK 223.0, which includes reversal of fair value adjustment of kDKK 335.0.

The total return on investment properties for the financial year is specified as follows:

	<u>2012/13</u> <u>DKK million</u>	<u>2011/12</u> <u>DKK million</u>
Rental income.....	14.3	14.9
Fair value adjustment	1.9	3.0
Direct expenses, investment properties.....	<u>4.8</u>	<u>4.1</u>
	<u>11.4</u>	<u>13.8</u>

The reduction in rental income of DKK 0.6 million relates to vacancies under re-letting. During the financial year, the Group has relet two vacancies on long-term contracts with a total annual rent of DKK 1.2 million.

As to the Group's total portfolio of rental properties, which comprises approx. 34,017 m² (approx. 34,251 m²), it can be stated that at 1 October 2013 the lease rate in m² is 86.3% (86.4%). In the financial year, the Group has had average floorage vacancy of approx. 14.6% (13.0%), corresponding to lost rental income of approx. DKK 3.0 million (DKK 2.7 million). Calculation of lost rental income compared with obtainable rental income shows an average rental vacancy of approx. 14.6% (14.7%).

Total direct expenses for the operation of the properties have increased from DKK 4.1 million to DKK 4.8 million. The fair value of the Group's property portfolio corresponds to a net yield of approx. 7.7% (7.6%) calculated as expected rental income at full lease less expected operating expenses.

Fair value adjustment of the properties amounts to DKK 1.9 million (DKK 3.0 million).

The Group's portfolio of rental properties is distributed on the following types as at 30 September 2013:

	<u>DKK million</u>	<u>Yield range</u>
Office/shop.....	22.9	6.75%
Warehouse/production/office.....	<u>156.8</u>	<u>7.0 - 8.75%</u>
Total	<u>179.7</u>	<u>6.75 - 8.75%</u>

The Group's portfolio of rental properties is distributed on the following types as at 30 September 2012:

	<u>DKK million</u>	<u>Yield range</u>
Office/shop/residential	27.4	3.99 - 6.50%
Warehouse/production/office	<u>154.4</u>	<u>7.00 - 8.75%</u>
Total	<u>181.8</u>	<u>3.99 - 8.75%</u>

The portfolio of rental properties is not expected to be increased at the moment.

Properties acquired for the purpose of resale

Properties acquired for the purpose of resale, DKK 26.9 million (DKK 12.4 million), comprise 9 (6) properties taken over to secure loans granted by the Group. The properties are distributed with DKK 22.0 million on business-related properties and DKK 4.9 million on residential properties.

Gain on the sale of properties acquired for the purpose of resale for the financial year amounts to DKK 0.1 million (DKK 6.4 million). The income is recognised in the item net loss/gain and direct expenses.

Financing and debt

The fair value of the Group's short-term debt to credit institutions amounts to DKK 295.4 million (DKK 290.7 million). After conversion by means of matching forward contracts, the debt is distributed as follows:

<u>Currency</u>	<u>2012/13</u>	<u>2011/12</u>
DKK.....	19.00%	34.51%
USD.....	57.00%	36.39%
EUR.....	20.44%	22.64%
CHF.....	0.00%	2.97%
NOK.....	<u>3.56%</u>	<u>3.49%</u>
	<u>100.00%</u>	<u>100.00%</u>

The Group's total fixed-interest loans, excl. mortgage credit loans, amount to DKK 0.0 million (DKK 103.2 million) with fixed-interest periods of up to approx. 0.0 year (0.75 year). In the financial year, the Company has had the interest rate pegged on approx. DKK 87.6 million through a USD interest swap. Fair value adjustment of the expired USD interest swap is a positive DKK 1.3 million (DKK 1.2 million).

Fair value adjustments of mortgage credit institutes and debt to credit institutions amount to DKK 0.0 million (DKK 5.0 million). Fair value adjustments of interest swaps on debt to mortgage credit institutes and debt to credit institutions are a positive DKK 2.7 million (DKK -0.2 million).

Part of the loans in DKK has been converted into USD. The effect of this is included in the above currency distribution. The USD share of the above-mentioned distribution solely refers to the hedging of assets in the same currency.

The net movement for the year deriving from exchange adjustments of foreign loans, forward contracts, securities, etc is a negative DKK 0.5 million (DKK -5.6 million). Financing in foreign currencies is primarily used with a view to hedging assets in foreign currencies.

In view of the fact that a considerable part of the Group's assets is placed in foreign currencies, it can be stated that the Group's total currency exposure in respect of assets and liabilities is distributed as follows:

<u>Currency</u>	30 September 2013		30 September 2012	
	<u>Assets %</u>	<u>Liabilities %</u>	<u>Assets %</u>	<u>Liabilities %</u>
DKK	72.04%	69.95%	68.29%	75.64%
EUR	4.53%	7.58%	16.48%	8.41%
NOK	1.84%	1.32%	1.11%	1.30%
CHF	0.00%	0.00%	0.00%	1.14%
USD	<u>21.59%</u>	<u>21.15%</u>	<u>14.12%</u>	<u>13.51%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

During the financial year, the Group has converted DKK 39.4 million from 4% and 5% mortgage credit loans to 1.5% mortgage credit loans. The conversion takes effect as at 1 October 2013.

Cash flows and liquidity

Cash flows from the Group's operating activities amount to DKK 6.8 million (DKK 48.3 million). Cash flows from operating activities are significantly affected by the outflow of cash in connection with properties acquired for the purpose of resale, DKK -17.6 million. For comparison, cash inflow relating to properties acquired for the purpose of resale in 2011/12 amounted to DKK 31.2 million.

Based on the credit facilities available at the end of September 2013, the Group is able to carry through the planned activities in the coming financial year.

Risk relating to equity and market values upon change of parameter

The below table shows the sensitivity of a number of significant balance sheet items at 30 September 2013 and 30 September 2012.

<u>DKK million</u>	<u>Increase in parameter</u>	<u>2012/13 Fair value</u>	<u>2012/13 Change of value</u>	<u>2011/12 Fair value</u>	<u>2011/12 Change of value</u>
Mortgage deeds	1% effective rate of interest	303.5	9.5	286.4	8.9
Bonds	1% effective rate of interest	228.5	9.5	237.7	3.9
Rental properties	0.5% yield requirement	179.7	11.0	181.8	11.4
Foreign currency loans	10% change in value	239.3	23.9	190.2	19.0
Securities in foreign currencies	10% change in exchange rate	218.3	21.8	237.7	23.8

It should be added that if the above parameters were to develop negatively due to an increase in interest rates, this would be counterbalanced by a certain reduction of the cash value of mortgage credit loans and other fixed-interest loans raised. A 1% change in interest rates on the part of the Company's financing which is not raised at a fixed interest rate over a multi-year period will affect the profit/loss for the year before tax by approx. DKK 2.9 million (DKK 1.9 million) on an annual basis. Similarly, a 10% change of the exchange rate on securities in foreign currencies will to a considerable extent be counterbalanced by adjustment of loans and forward contracts in foreign currencies.

A description of the Group's risk factors is provided in note 35.

Dividend, repurchase of own shares and other capital issues

Based on an overall assessment of results for the year, existing budgets, etc, the Supervisory Board has decided to propose distribution of final dividend of DKK 6.0 (DKK 0.0) per share – corresponding to DKK 6.0 million.

During the financial year, no repurchases were made under the scheme for repurchase of own shares. Consequently, the framework for repurchasing own shares for a market value of up to DKK 10.0 million adopted by the Supervisory Board on 19 March 2002 still leaves room for repurchasing shares for a market value of DKK 5.6 million.

Future prospects and post balance sheet events

At present, basic earnings of approx. DKK 12.0 - 16.0 million are expected for the coming year. To this should be added fair value adjustments and losses and gains realised on bonds and foreign currencies, etc, which at 13 December 2013 make up a positive amount of approx. DKK 0.6 million. Consequently, at present a profit before tax of DKK 12.0 - 17.0 million is expected. The expectation for the coming financial year presupposes stable interest rates and stable foreign exchange markets.

The expectations for the future, including expectations relating to basic earnings, fair value adjustments and losses/gains on securities, are subject to risks and uncertainties and may be affected by factors such as global economic conditions, including credit market, interest rate and foreign exchange developments. Thus, the actual development and actual results might differ significantly from the expectations in the Annual Report.

In Management's opinion, the existing loan-financing, expected cash flows from operating activities and existing capital resources are satisfactory.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD
1 OCTOBER 2012 - 30 SEPTEMBER 2013

Parent Company			Group	
2012/13 DKK '000	2011/12 DKK '000	Note	2012/13 DKK '000	2011/12 DKK '000
Income				
32,041	20,798	3	32,041	20,800
10,544	11,117		14,280	14,935
0	62		0	62
1,335	1,348		1,335	1,348
43,920	33,325		47,656	37,145
223	0		223	0
-16,443	-16,948	6	-16,448	-16,954
3,900	3,148		4,757	4,069
23,354	13,229		26,228	16,122
8,319	13,451	8	4,879	9,690
2,100	1,720		1,900	3,020
33,773	28,400		33,007	28,832
7,527	16,173	11	6,122	15,242
26,246	12,227		26,885	13,590
2,494	2,378		2,904	2,802
83	0		83	0
9,213	10,066		9,234	10,084
251	253		251	253
12,041	12,697		12,472	13,139
14,205	-470		14,413	451
3,841	-1,580		4,084	-616
NET PROFIT/LOSS FOR THE YEAR				
(COMPREHENSIVE INCOME).....				
10,364	1,110		10,329	1,067
10.4	1.1		10.3	1.1
10.4	1.1		10.3	1.1
Proposed distribution of profit in its entirety accruing to Parent Company shareholders:				
6,000	0		Proposed dividend	
4,364	1,110		Retained earnings	
10,364	1,110			

BALANCE SHEET AT 30 SEPTEMBER 2013

ASSETS

Parent Company			Group	
2012/13 DKK '000	2011/12 DKK '000		2012/13 DKK '000	2011/12 DKK '000
11,738	13,738	Domicile properties.....	11,738	13,738
342	181	Fixtures, fittings and equipment.....	342	181
12,080	13,919	Property, plant and equipment.....	12,080	13,919
124,600	126,500	Investment properties.....	179,700	181,800
124,600	126,500	Investment properties.....	179,700	181,800
300	300	Investment in group enterprise.....	0	0
79,235	75,795	Investment in group enterprise measured at fair value.....	0	0
532,025	524,121	Securities.....	532,025	524,121
611,560	600,216	Fixed asset investments.....	532,025	524,121
19,147	22,997	Deferred tax.....	14,323	17,791
767,387	763,632	Non-current assets.....	738,128	737,631
26,856	12,385	Properties acquired for the purpose of resale.....	26,856	12,385
1,813	0	Other properties held for sale.....	1,813	0
28,669	12,385	Properties held for sale.....	28,669	12,385
26,303	16,856	Other receivables.....	26,292	16,843
14	0	Forward contracts, currency swaps.....	14	0
497	456	Prepayments.....	594	549
26,814	17,312	Receivables.....	26,900	17,392
2,311	13,630	Cash at bank and in hand.....	3,456	14,739
57,794	43,327	Current assets.....	59,025	44,516
825,181	806,959	ASSETS.....	797,153	782,147

BALANCE SHEET AT 30 SEPTEMBER 2013

LIABILITIES AND EQUITY

Parent Company			Group	
2012/13 DKK '000	2011/12 DKK '000		2012/13 DKK '000	2011/12 DKK '000
100,000	100,000	Share capital	100,000	100,000
6,000	0	Proposed dividend	6,000	0
<u>301,193</u>	<u>296,829</u>	Retained earnings	<u>301,628</u>	<u>297,299</u>
<u>407,193</u>	<u>396,829</u>	Equity	<u>407,628</u>	<u>397,299</u>
45,721	51,794	Mortgage credit institutes	62,746	69,669
<u>3,028</u>	<u>4,053</u>	Forward contracts, interest swaps	<u>4,025</u>	<u>5,388</u>
<u>48,749</u>	<u>55,847</u>	Non-current liabilities	<u>66,771</u>	<u>75,057</u>
1,732	2,895	Mortgage credit institutes, properties acquired for the purpose of resale	1,732	2,895
<u>996</u>	<u>0</u>	Mortgage credit institutes, other properties held for sale	<u>996</u>	<u>0</u>
<u>2,728</u>	<u>2,895</u>	Mortgage credit institutes, properties held for sale	<u>2,728</u>	<u>2,895</u>
1,905	3,032	Mortgage credit institutes	2,748	4,265
295,355	290,743	Credit institutions	295,360	290,743
1,426	1,424	Deposits	3,026	2,979
49,317	47,547	Payables to group enterprises	0	0
616	213	Corporation tax	616	213
17,517	6,542	Other payables	17,867	6,809
0	1,344	Forward contracts, currency and interest swaps ...	0	1,344
<u>375</u>	<u>543</u>	Deferred income	<u>409</u>	<u>543</u>
<u>369,239</u>	<u>354,283</u>	Current liabilities	<u>322,754</u>	<u>309,791</u>
<u>417,988</u>	<u>410,130</u>	Liabilities	<u>389,525</u>	<u>384,848</u>
<u>825,181</u>	<u>806,959</u>	LIABILITIES AND EQUITY	<u>797,153</u>	<u>782,147</u>

CASH FLOW STATEMENT FOR THE PERIOD 1 OCTOBER 2012 - 30 SEPTEMBER 2013

Parent Company			Group	
2012/13 DKK '000	2011/12 DKK '000		2012/13 DKK '000	2011/12 DKK '000
		Cash flows from operating activities		
36,169	43,043	Interest received on mortgage deeds and bonds.....	36,169	43,043
0	864	Share dividends received.....	0	864
3,083	-5,501	Other financial income.....	3,083	-5,499
1,335	1,349	Other income.....	1,335	1,349
10,369	11,388	Rental income.....	14,138	15,213
-12,891	-17,310	Interest payments	-13,811	-18,237
-15,074	-18,137	Operating expenses	-16,289	-19,578
-17,582	31,227	Properties acquired for the purpose of resale	-17,582	31,227
-213	-101	Tax payments	-213	-101
5,196	46,822	Cash flows from operating activities	6,830	48,281
		Cash flows from investing activities		
-255,834	-41,359	Additions of mortgage deeds, bonds and shares	-255,834	-41,359
233,996	99,747	Disposals of mortgage deeds, bonds and shares	233,996	99,747
2,992	3,002	Payments from group enterprises.....	0	0
465	260	Deposits received	510	346
-225	0	Capital investments	-225	0
4,000	520	Investment properties	4,000	520
-14,606	62,170	Cash flows from investing activities	-17,553	59,254
		Cash flows from financing activities		
301,845	8,441	Raising of loans, credit institutions.....	301,850	8,441
-293,379	-95,721	Repayment, credit institutions.....	-293,379	-95,721
-2,012	-13,811	Repayment, mortgage credit institutes, properties acquired for the purpose of resale	-2,012	-13,811
0	18,254	Raising of loans, mortgage credit institutes	0	18,254
850	483	Raising of loans, mortgage credit institutes, properties acquired for the purpose of resale	850	483
-6,173	-22,649	Repayment, mortgage credit institutes.....	-7,406	-24,503
-2,577	-3,817	Payments to group enterprises.....	0	0
-463	-409	Deposits paid.....	-463	-505
-1,909	-109,229	Cash flows from financing activities.....	-560	-107,362
-11,319	-237	Net change in cash and cash equivalents	-11,283	173
13,630	13,867	Cash and cash equivalents, beginning of year.....	14,739	14,566
2,311	13,630	Cash and cash equivalents, end of year.....	3,456	14,739

NOTES TO THE ANNUAL REPORT

Parent Company			Group	
2012/13 DKK '000	2011/12 DKK '000		2012/13 DKK '000	2011/12 DKK '000
3. Financial income				
20,488	20,839	Mortgage deeds, interest	20,488	20,839
<u>14,268</u>	<u>19,873</u>	Bonds, interest.....	<u>14,268</u>	<u>19,873</u>
34,756	40,712		34,756	40,712
<u>0</u>	<u>861</u>	Shares, dividends.....	<u>0</u>	<u>861</u>
34,756	41,573		34,756	41,573
800	414	Capital gains, mortgage deeds.....	800	414
-7,159	-4,376	Capital gains, bonds	-7,159	-4,376
166	-10,228	Capital gains, shares.....	166	-10,228
2,929	-5,820	Forward contracts.....	2,929	-5,820
395	-1,084	Exchange adjustments, securities.....	395	-1,084
<u>154</u>	<u>319</u>	Other financial income	<u>154</u>	<u>321</u>
32,041	20,798		32,041	20,800
<u>32,041</u>	<u>20,798</u>	Financial income relating to assets measured at fair value in the income statement.....	<u>32,041</u>	<u>20,800</u>
6. Net loss/gain and direct expenses				
12,689	23,616	Realised net losses on mortgage deeds and mortgage deed receivables	12,689	23,616
2,197	2,679	Change of fair value adjustment of credit risk, mortgage deeds.....	2,197	2,679
114	6,425	Gain on sale of properties acquired for the purpose of resale	114	6,425
3,225	-1,305	Provision for losses on properties acquired for the purpose of resale.....	3,225	-1,305
<u>1,915</u>	<u>2,048</u>	Bad debts recovered	<u>1,915</u>	<u>2,048</u>
-16,082	-16,517		-16,082	-16,517
172	213	Fees	177	219
<u>189</u>	<u>218</u>	Collection charges.....	<u>189</u>	<u>218</u>
-16,443	-16,948		-16,448	-16,954

Parent Company			Group	
2012/13 DKK '000	2011/12 DKK '000		2012/13 DKK '000	2011/12 DKK '000
8. Fair value adjustment of financial assets				
9,216	1,688	Fair value adjustment, mortgage deeds	9,216	1,688
0	14,450	Fair value adjustment, shares	0	14,450
-4,337	-6,448	Fair value adjustment, bonds.....	-4,337	-6,448
3,440	3,761	Fair value adjustment, subsidiaries	0	0
8,319	13,451		4,879	9,690

The portfolio of fixed-interest mortgage deeds has been measured at fair value on the basis of an effective interest rate of 8.50% compared with 9.25% at 30 September 2012. The total effect of the change of the valuation is a positive fair value adjustment of kDKK 6,966.

	Group	
	2012/13 DKK million	2011/12 DKK million
10. Statement of basic earnings		
Financial income	35.7	42.5
Rental income	14.3	14.9
Other income	1.3	1.3
Net loss/gain and direct expenses	-16.7	-16.9
Loss on sale of investment property	0.2	-0.1
Direct expenses, properties.....	4.8	4.0
Financial expenses.....	12.8	15.9
Other external expenses.....	2.9	2.8
Staff expenses.....	9.2	10.1
Depreciation and amortisation.....	0.2	0.3
Basic earnings	4.9	8.6

Parent Company			Group	
2012/13 DKK '000	2011/12 DKK '000		2012/13 DKK '000	2011/12 DKK '000
11. Financial expenses				
7,780	10,585	Credit institutions	7,780	10,585
1,326	1,307	Interest swaps, credit institutions	1,326	1,307
0	-5,082	Credit institutions, fair value adjustment	0	-5,082
-1,335	-1,216	Interest swaps, credit institutions, fair value adjustment	-1,335	-1,216
-3,853	4,099	Exchange loss/gain on foreign loans etc, net	-3,853	4,099
3,918	9,693		3,918	9,693
2,040	2,425	Mortgage credit institutes.....	2,749	3,183
640	514	Interest swaps, mortgage credit institutes	851	683
-26	91	Mortgage credit institutes, fair value adjustment..	-34	76
-1,025	1,095	Interest swaps, mortgage credit institutes, fair value adjustment	-1,362	1,456
1,980	2,204	Interest expenses, group enterprises.....	0	0
0	14	Other interest expenses	0	14
0	137	Expenses and loss on conversion of debt to mortgage credit institutes	0	137
7,527	16,173		6,122	15,242
Interest expenses are specified as follows:				
7,780	10,585	Credit institutions	7,780	10,585
2,040	2,425	Mortgage credit institutes.....	2,749	3,183
1,980	2,204	Interest expenses, group enterprises.....	0	0
0	14	Other interest expenses	0	14
11,800	15,228		10,529	13,782