

**Stock Exchange Announcement of
18 December 2014
and extract of
Annual Report
1 October 2013 - 30 September 2014
(The Company's 41st financial year)**

Investeringselskabet

Luxor A/S



Nasdaq OMX Copenhagen A/S
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Annual Report 2013/14
 Date 18 December 2014

Announcement No 2 2014/15

The Supervisory Board of Investeringsselskabet Luxor A/S has today considered and adopted the Company's Annual Report for 2013/14.

Comments to the Annual Report:

- Basic earnings for the financial year increased from DKK 4.9 million in 2012/13 to DKK 13.8 million in 2013/14. The improvement is primarily due to lower net losses on mortgage deeds of DKK 5.6 million, an increase in net interest of DKK 6.2 million offset by an increase in planned direct expenses relating to investment properties of DKK 2.6 million.
- The Group's results before tax for the financial year show a profit of DKK 15.0 million (DKK 14.4 million). After tax, the Group's profit amounts to DKK 11.1 million (DKK 10.3 million). The results are influenced by positive fair value adjustments and realised losses on securities of DKK 19.0 million (DKK -0.9 million) as well as negative fair value adjustments of debt to credit institutions, mortgage debt and interest swaps of DKK 17.8 million (DKK -6.6 million).
- Net asset value per share in circulation is DKK 412.8 (DKK 407.6).
- The Supervisory Board proposes to the General Meeting that dividend of DKK 50.0 million (DKK 6.0 million) be distributed, corresponding to DKK 50.0 (DKK 6.0) per share.
- For the coming financial year 2014/15, basic earnings in the range of 17.0 – 21.0 million and a profit before tax in the range of DKK 2.0 - 6.0 million are expected as a result of, at present, negative fair value adjustments of bonds.

Fourth quarter of the financial year 2014:

- Basic earnings for the quarter have increased from DKK 2.4 million in 2012/13 to DKK 5.6 million in 2013/14. The increase is primarily due to lower net losses on mortgage deeds and an increase in net interest income.
- The Group's results before tax for the fourth quarter of the financial year 2014 show a loss of DKK 3.7 million (DKK 8.4 million). After tax, the Group shows a loss of DKK 3.3 million (DKK 6.1 million).
- The results for the quarter are influenced by net positive fair value adjustments and realised losses on securities of DKK 10.8 million (DKK -1.4 million) as well as negative fair value adjustments of debt to credit institutions, mortgage debt and interest swaps of DKK 17.5 million (DKK 4.8 million) as a result of a widening of the yield spread on bonds and currency hedging.

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

Yours faithfully
 Investeringsselskabet Luxor A/S

Svend Rolf Larsen
 CEO

REVIEW OF INVESTERINGSSLSKABET LUXOR A/S
FINANCIAL HIGHLIGHTS OF THE GROUP

OCTOBER - SEPTEMBER

<u>DKK million</u>	<u>2013/14</u>	<u>2012/13</u>	<u>2011/12</u>	<u>2010/11</u>	<u>2009/10</u>	<u>Q4</u> <u>2013/14</u>	<u>Q4</u> <u>2012/13</u>
<u>Key figures</u>							
Income	59.9	47.7	37.1	18.7	108.6	10.2	13.7
Gross earnings	60.4	33.0	28.8	50.1	160.4	21.2	9.5
Profit/loss before tax.....	15.0	14.4	0.5	20.6	71.2	-3.7	8.4
Net profit/loss	11.1	10.3	1.1	17.6	53.2	-3.3	6.1
Basic earnings.....	13.8	4.9	8.6	16.5	25.9	5.6	2.4
Assets.....	888.2	797.2	782.1	890.8	1.138.3	888.2	797.2
Investment in property, plant and equipment	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Equity	412.8	407.6	397.3	396.2	378.6	412.8	407.6
Proposed dividend for the year.....	50.0	6.0	0.0	0.0	0.0	50.0	6.0
Profit/loss for analytical purposes:							
Net profit/loss (after tax)	11.1	10.3	1.1	17.6	53.2	-3.3	6.1
Tax relating to previous year.....	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>-0.2</u>	<u>0.0</u>	<u>0.0</u>
	<u>11.1</u>	<u>10.3</u>	<u>1.1</u>	<u>17.6</u>	<u>53.0</u>	<u>-3.3</u>	<u>6.1</u>
<u>Ratios</u>							
<u>Values per DKK 100 share</u>							
Earnings per share (EPS) (DKK).....	11.15	10.33	1.07	17.63	53.02	-3.27	6.10
Net asset value per share in circulation (DKK).....	412.78	407.63	397.30	396.23	378.60	412.78	407.63
Return on equity in percentage p.a.	2.72	2.57	0.27	4.55	15.06	-3.15	6.03
Equity share in percentage.....	46.47	51.14	50.80	44.48	33.26	46.47	51.14
Dividend per share (DKK)*	50.0	6.00	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	216	185	203	250	200	248	197
Highest.....	264	222	258	279	327	264	222
End of year	264	221	203	253	255	264	221
Volume of trade on the Stock Exchange, number of shares.....							
	20,679	17,947	15,457	29,245	33,326	5,511	7,746
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

REVIEW

Development in the year

The Group's results before tax show a profit of DKK 15.0 million compared with a profit of DKK 14.4 million in the previous year. After recognition of tax for the year of DKK 3.9 million (DKK 4.1 million), the profit after tax for the year amounts to DKK 11.1 million (DKK 10.3 million).

The Group's profit before tax is in line with the expected profit in the range of DKK 12.0 - 17.0 million as stated in the Annual Report for 2012/13, but at the lower end of the expected profit in the range of DKK 15.0 - 20.0 million as stated in the Announcement of 28 August 2014.

The Group's basic earnings amount to DKK 13.8 million (DKK 4.9 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 a little higher than the range of DKK 9.0 - 13.0 million as stated in the Announcement of 28 August 2014, but within the range of DKK 12.0 - 16.0 million as stated in the Annual Report 2012/13. The higher basic earnings are primarily attributable to an improvement of losses and fair value adjustment of the credit risk on mortgage deeds.

The Group's basic earnings for the fourth quarter of the financial year 2014 amount to DKK 5.6 million (DKK 2.4 million). The Group's results before tax for the fourth quarter of the financial year 2014 show a loss of DKK 3.7 million (DKK 8.4 million). The results for the quarter are negatively influenced by DKK 6.7 million resulting from net positive fair value adjustments and realised losses on securities of DKK 10.8 million (DKK -1.4 million) offset by negative fair value adjustments of debt to credit institutions, mortgage debt and interest swaps of DKK 17.5 million (DKK 4.8 million) as a result of a widening of the yield spread on bonds and currency hedging.

The Group's balance sheet, which compared with the same time last year has increased from DKK 797.2 million to DKK 888.2 million, includes the following business areas:

	<u>2013/14</u> DKK million	<u>2012/13</u> DKK million
Mortgage deeds.....	365.9	303.5
Bonds	<u>271.2</u>	<u>228.5</u>
Total securities	637.1	532.0
Investment properties.....	<u>180.1</u>	<u>179.7</u>
Total	<u>817.2</u>	<u>711.7</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 365.9 million (DKK 303.5 million).

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

	<u>2013/14</u> <u>DKK million</u>	<u>2012/13</u> <u>DKK million</u>
Interest income	23.7	20.5
Capital gains, mortgage deeds.....	1.2	0.8
Fair value adjustment	<u>2.6</u>	<u>9.2</u>
	27.5	30.5
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>10.5</u>	<u>16.1</u>
	<u>17.0</u>	<u>14.4</u>

The Group's portfolio of mortgage deeds is distributed with DKK 227.5 million (DKK 181.7 million) fixed-interest mortgage deeds and DKK 138.3 million (DKK 121.8 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. (7.5% - 9.5%), 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 8.5% p.a.). The total fair value adjustment of mortgage deeds is a positive DKK 2.6 million (DKK 9.2 million); the amount is recognised in fair value adjustment of financial assets. The fair value adjustment of DKK 9.2 million for the financial year 2012/13 was significantly influenced by an adjustment of the average effective interest on fixed-interest mortgage deeds from 9.25% to 8.5%, corresponding to DKK 7.0 million.

The Group's portfolio of mortgage deeds has an average market value per mortgage deed of kDKK 296.4 (kDKK 321.6).

The nominal amount of the mortgage deed portfolio has increased from DKK 332.0 million to DKK 398.2 million. The increase consists of additions of DKK 115.1 million (DKK 72.7 million) and redemptions of DKK 48.9 million (DKK 58.9 million). In the financial year 2012/13, the Group saw a small increase in the rate of redemption of mortgage deeds. In this financial year, the rate of redemption is in line with the decreasing rates of redemption of the mortgage deed portfolio seen in the previous years.

The competitive situation intensified during the financial year, which resulted in decreasing effective interest rates on the acquisition of mortgage deeds.

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 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.

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

Net loss/gain and direct expenses amount to DKK 10.7 million (DKK -16.4 million). The item includes a positive fair value adjustment to meet the credit risk on mortgage deeds of DKK 7.2 million (DKK -2.2 million), so that the total fair value adjustment of credit risk amounts to DKK 17.7 million (DKK 24.8 million), corresponding to 4.7% (7.6%) of the portfolio. Bad debts recovered amount to DKK 1.8 million (DKK 1.9 million). Loss on sale of properties acquired for the purpose of resale amounts to DKK 2.1 million (DKK 0.1 million), and the provision for loss on properties acquired for the purpose of resale is a positive DKK 2.9 million (DKK -3.2 million). The properties sold have been purchased at forced sale with a view to limitation of losses on lending.

In the Company Announcements for 2013/14, the Group noted current improvements in net loss/gain and direct expenses on mortgage deeds compared with the same periods in the 2012/13 financial year. The overall improvement of net loss/gain and direct expenses compared with last financial year amounts to DKK 5.7 million. Despite the positive development in the year, the fair value adjustment to meet credit risk has developed somewhat more slowly than expected.

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

	<u>2013/14</u>	<u>2012/13</u>
Single-family houses.....	38.70%	36.22%
Freehold flats	8.65%	9.21%
Holiday houses.....	5.02%	5.60%
Disused farms.....	3.01%	3.43%
Residential and business properties	8.91%	8.02%
Farms.....	1.22%	0.84%
Rental properties	25.34%	24.59%
Trade and industry	5.19%	8.13%
Other	<u>3.96%</u>	<u>3.96%</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. 10.5 years (11 years).

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.

The Group has sold the property held for sale recognised in the balance sheet at 30 September 2013 at a profit of DKK 3.8 million.

Bonds

The fair value of the Group's portfolio of bonds amounts to DKK 271.2 million (DKK 228.5 million).

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

	<u>2013/14</u> <u>DKK million</u>	<u>2012/13</u> <u>DKK million</u>
Interest income.....	17.3	14.3
Realised capital gains on bonds (including foreign exchange)	-0.2	-6.7
Fair value adjustment.....	<u>15.5</u>	<u>-4.3</u>
	<u>32.6</u>	<u>3.3</u>

The fair value adjustment includes an unrealised exchange gain of DKK 18.3 million (DKK -7.7 million), and realised capital gains on bonds include a realised exchange loss of DKK 1.6 million (DKK 0.4 million). The amounts have by and large been hedged with regard to currency fluctuations.

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 Macaulay duration of 3.91 years (3.94 years).

At 30 September 2014, the portfolio of bonds comprises a total negative fair value adjustment and possible gains on redemptions of up to approx. DKK 9.4 million excluding foreign exchange (approx. DKK 20.6 million excluding foreign exchange), which are expected to be reversed over the period to maturity of the bonds until 2022/23. The fair value of the portfolio of bonds, DKK 271.2 million (DKK 228.5 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>2013/14</u> DKK million	<u>2012/13</u> DKK million
2013/14.....	0.0	31.6
2014/15.....	0.0	0.3
2015/16.....	33.2	56.7
2016/17.....	7.1	25.9
2017/18.....	31.9	26.6
2018/19.....	5.6	9.7
2019/20.....	87.2	52.5
2020/21.....	89.0	41.2
2021/22.....	19.2	4.6
2022/23.....	<u>7.4</u>	<u>0.0</u>
Total	<u>280.6</u>	<u>249.1</u>

The Company's portfolio of bonds distributed on issuer at 30 September 2014 – at a fair value totalling DKK 271.2 million – is specified as follows:

	<u>DKK million</u>		<u>DKK million</u>
Lukoil Intl.	11.3	Vedanta Res.	8.2
Noble Group Ltd.	11.2	Suburban Propane Partners LP.	8.0
AngloGold Holdings	11.1	Aperam	7.9
Allegheny Technologies Inc.	11.0	Newmont Mining	7.7
Sirius XM Holdigns	10.8	Stone Energy Corp.	7.6
Ferrellgas LP.	10.4	Stoneridge Inc.	7.5
DLG Finance A/S	10.5	Albain Bidco Norway	7.1
Sappi Papier Holding	10.6	Coeur Mining Inc.	7.1
Icahn Enterprises LP.	10.5	Bon-ton Dept.	7.1
Gaz Capital	10.1	DNO International	6.6
Seadrill	10.1	Sesi LLC S.WI	5.8
Aker ASA	9.8	Petroplus Finance Ltd.	5.4
Calfrac Holdings LP.	9.6	Cliffs Resources	4.9
Lexmark International Inc.	9.5	CHS/Community Health	3.1
Cgg Veritas	9.2	Eitzen 2016	2.5
Rexel	8.7	Primorsk Int. Shipping Ltd.	1.7
Barrick Gold Corp.	8.6		

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 portfolio of bonds is as follows:

	2013/14		2012/13	
	<u>DKK million</u>	<u>% of portfolio</u>	<u>DKK million</u>	<u>% of portfolio</u>
Corporate bonds	<u>271.2</u>	<u>100.0%</u>	<u>228.5</u>	<u>100.0%</u>
	<u>271.2</u>	<u>100.0%</u>	<u>228.5</u>	<u>100.0%</u>

The portfolio of bonds is distributed on 33 (32) issuers with an average amount per issuer of DKK 8.2 million (DKK 7.1 million).

The portfolio of bonds is distributed on the following currencies:

	2013/14		2012/13	
	<u>DKK million</u>	<u>% of portfolio</u>	<u>DKK million</u>	<u>% of portfolio</u>
DKK.....	10.5	3.9%	10.3	4.5%
USD.....	233.5	86.1%	168.7	73.8%
EUR.....	0.0	0.0%	35.1	15.4%
NOK.....	<u>27.2</u>	<u>10.0%</u>	<u>14.4</u>	<u>6.3%</u>
	<u>271.2</u>	<u>100.0%</u>	<u>228.5</u>	<u>100.0%</u>

After the balance sheet date and until 12 December 2014, the Group has seen negative fair value adjustments of bonds of DKK 18.1 million as a result of a widening of the yield spread and realised gains of DKK 2.3 million. The fair value adjustments and gains include an exchange loss of DKK 1.4 million, which has by and large been hedged with regard to currency fluctuations.

For the coming year, the Group expects an unchanged or a small reduction in the portfolio of bonds.

Investment properties

The Group's balance sheet includes 5 (5) rental properties with a fair value of DKK 180.1 million (DKK 179.7 million).

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

	<u>2013/14</u> DKK million	<u>2012/13</u> DKK million
Rental income.....	15.1	14.3
Fair value adjustment	0.4	1.9
Direct expenses, investment properties.....	<u>7.2</u>	<u>4.8</u>
	<u>8.3</u>	<u>11.4</u>

The increase in rental income of DKK 0.8 million primarily relates to re-letting of vacancies.

As to the Group's total portfolio of rental properties, which comprises approx. 34,017 m² (approx. 34,017 m²), it can be stated that at 1 October 2014 the lease rate in m² is 85.5% (86.3%). In the financial year, the Group has had average floorage vacancy of approx. 14.7% (14.6%), corresponding to lost rental income of approx. DKK 3.0 million (DKK 3.0 million). Calculation of lost rental income compared with obtainable rental income shows an average rental vacancy of approx. 15.4% (14.6%).

Total direct expenses for the operation of the properties have increased from DKK 4.8 million to DKK 7.2 million; the increase is primarily attributable to expenses incurred for planned maintenance work. The fair value of the Group's property portfolio corresponds to a net yield of approx. 7.9% (7.7%) calculated as expected rental income at full lease less expected operating expenses.

Fair value adjustment of the properties amounts to DKK 0.4 million (DKK 1.9 million).

The Group's portfolio of rental properties is distributed on the following types as at 30 September 2014:

	<u>DKK million</u>	<u>Yield range</u>
Office/shop.....	21.8	7.0%
Warehouse/production/office.....	<u>158.3</u>	<u>7.0 - 9.25%</u>
Total	<u>180.1</u>	<u>7.0 - 9.25%</u>

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/residential	22.9	6.75%
Warehouse/production/office	<u>156.8</u>	<u>7.00 - 8.75%</u>
Total	<u>179.7</u>	<u>6.75 - 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 20.6 million (DKK 26.9 million), comprise 6 (9) properties taken over to secure loans granted by the Group. The properties are distributed with DKK 18.6 million (DKK 22.0 million) on business-related properties and DKK 2.0 million (DKK 4.9 million) on residential properties.

Loss on the sale of properties acquired for the purpose of resale for the financial year amounts to DKK 2.1 million (DKK 0.1 million). After set-off of reversed provision for loss on properties acquired for the purpose of resale, DKK 2.9 million (DKK -3.2 million), the net income on properties acquired for the purpose of resale amounts to DKK 0.9 million (DKK -3.1 million). The net 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 382.9 million (DKK 295.4 million). After conversion by means of matching forward contracts, the debt is distributed as follows:

<u>Currency</u>	<u>2013/14</u>	<u>2012/13</u>
DKK.....	24.65%	19.00%
USD.....	61.05%	57.00%
EUR.....	8.24%	20.44%
NOK.....	<u>6.06%</u>	<u>3.56%</u>
	<u>100.00%</u>	<u>100.00%</u>

In the financial year, the Company has pegged the interest rate on DKK 25.0 million for 5 years through a DKK interest swap. Fair value adjustment of the interest swap is a negative DKK 0.9 million.

Fair value adjustments of mortgage credit institutes and debt to credit institutions amount to DKK -1.0 million (DKK 0.0 million). Fair value adjustments of interest swaps on debt to mortgage credit institutes and debt to credit institutions are a negative DKK 3.4 million (DKK 2.7 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 0.0 million (DKK 0.5 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 2014		30 September 2013	
	<u>Assets %</u>	<u>Liabilities %</u>	<u>Assets %</u>	<u>Liabilities %</u>
DKK	70.13%	67.48%	72.04%	69.95%
EUR	0.00%	3.56%	4.53%	7.58%
NOK	3.10%	2.61%	1.84%	1.32%
USD	<u>26.77%</u>	<u>26.35%</u>	<u>21.59%</u>	<u>21.15%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

With effect as from 1 January 2015, the Parent Company has converted DKK 28.0 million from 1.5% mortgage credit loans with an original 10-year term to 2.0% mortgage credit loans with a 20-year term. At the same time, the Parent Company has raised additional mortgage credit loans for approx. DKK 24 million with terms to maturity of 10 years and 20 years, respectively. Following this, the Parent Company's total outstanding debt on cash loans at 1 January 2015 amounts to DKK 70.6 million compared with DKK 46.3 million at 30 September 2014. The Parent Company's mortgage debt at 1 January 2015 falls due as follows: DKK 4.6 million falls due within one year, DKK 16.5 million between 1 - 5 years and DKK 49.5 after 5 years.

Cash flows and liquidity

Cash flows from the Group's operating activities amount to DKK 26.4 million (DKK 6.8 million). In 2012/13, cash flows from operating activities were 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 is a positive DKK 7.0 million in 2013/14.

Based on the credit facilities available at the end of September 2014, 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 2014 and 30 September 2013.

<u>DKK million</u>	<u>Increase in parameter</u>	<u>2013/14 Fair value</u>	<u>2013/14 Change of value</u>	<u>2012/13 Fair value</u>	<u>2012/13 Change of value</u>
Mortgage deeds	1% effective rate of interest	365.9	11.5	303.5	9.5
Bonds	1% effective rate of interest	271.2	10.5	228.5	9.5
Rental properties	0.5% yield requirement	180.1	10.8	179.7	11.0
Foreign currency loans	10% change in value	288.9	28.9	239.3	23.9
Securities in foreign currencies	10% change in exchange rate	260.6	26.1	218.3	21.8

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 3.6 million (DKK 2.9 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 37.

Dividend, repurchase of own shares and other capital issues

Based on an overall assessment of results for the year, existing budgets and more efficient utilisation of the capital structure, etc, the Supervisory Board has decided to propose distribution of dividend of DKK 50.0 (DKK 6.0) per share – corresponding to DKK 50.0 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. The Group holds no own shares at present.

Future prospects and post balance sheet events

At present, basic earnings of approx. DKK 17.0 - 21.0 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 12 December 2014 make up a negative amount of approx. DKK 15.0 million. Consequently, at present a profit before tax of DKK 2.0 - 6.0 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 2013 - 30 SEPTEMBER 2014

<u>Parent Company</u>			<u>Group</u>		
2013/14 DKK '000	2012/13 DKK '000	Note	2013/14 DKK '000	2012/13 DKK '000	
Income					
39,795	32,041	3	39,795	32,041	Financial income
11,198	10,544	4	15,092	14,280	Rental income.....
<u>4,806</u>	<u>1,335</u>	5	<u>5,061</u>	<u>1,335</u>	Other income
55,799	43,920		59,948	47,656	Total income.....
0	223	6	0	223	Loss on sale of investment property.....
-10,732	-16,443	7	-10,738	-16,448	Net loss/gain and direct expenses.....
<u>5,716</u>	<u>3,900</u>	8	<u>7,247</u>	<u>4,757</u>	Direct expenses, properties
39,351	23,354		41,963	26,228	
21,353	8,319	9	18,030	4,879	Fair value adjustment of financial assets.....
-1,400	2,100	19	400	1,900	Fair value adjustment of investment properties.....
59,304	33,773	10	60,393	33,007	Total gross earnings
<u>32,201</u>	<u>7,527</u>	12	<u>31,691</u>	<u>6,122</u>	Financial expenses
27,103	26,246		28,702	26,885	
2,952	2,494	13	3,360	2,904	Other external expenses
1	83	14	1	83	Other income and expenses.....
9,797	9,213	15	10,047	9,234	Staff expenses.....
<u>235</u>	<u>251</u>	18	<u>235</u>	<u>251</u>	Depreciation and amortisation
12,985	12,041		13,643	12,472	
14,118	14,205		15,059	14,413	Profit/loss before tax
<u>2,895</u>	<u>3,841</u>	16	<u>3,910</u>	<u>4,084</u>	Tax on profit/loss for the year
<u>11,223</u>	<u>10,364</u>		<u>11,149</u>	<u>10,329</u>	NET PROFIT/LOSS FOR THE YEAR (COMPREHENSIVE INCOME)
11.2	10.4		11.1	10.3	Earnings per share (EPS) for A & B shares in DKK
11.2	10.4		11.1	10.3	Earnings per share (EPS) for A & B shares in DKK (diluted value)

BALANCE SHEET AT 30 SEPTEMBER 2014

ASSETS

<u>Parent Company</u>				<u>Group</u>	
2013/14 DKK '000	2012/13 DKK '000	Note		2013/14 DKK '000	2012/13 DKK '000
11,551	11,738		Domicile properties.....	11,551	11,738
<u>294</u>	<u>342</u>		Fixtures, fittings and equipment.....	<u>294</u>	<u>342</u>
<u>11,845</u>	<u>12,080</u>	18	Property, plant and equipment	<u>11,845</u>	<u>12,080</u>
<u>123,200</u>	<u>124,600</u>		Investment properties.....	<u>180,100</u>	<u>179,700</u>
<u>123,200</u>	<u>124,600</u>	19	Investment properties	<u>180,100</u>	<u>179,700</u>
300	300	17	Investment in group enterprise.....	0	0
82,558	79,235	17	Investment in group enterprise measured at fair value	0	0
<u>637,009</u>	<u>532,025</u>	21	Securities.....	<u>637,009</u>	<u>532,025</u>
<u>719,867</u>	<u>611,560</u>		Fixed asset investments	<u>637,009</u>	<u>532,025</u>
<u>16,093</u>	<u>19,147</u>	16	Deferred tax.....	<u>10,599</u>	<u>14,323</u>
<u>871,005</u>	<u>767,387</u>		Non-current assets	<u>839,553</u>	<u>738,128</u>
19,408	26,856		Properties acquired for the purpose of resale	20,647	26,856
<u>0</u>	<u>1,813</u>		Other properties held for sale.....	<u>0</u>	<u>1,813</u>
<u>19,408</u>	<u>28,669</u>	20	Assets held for sale	<u>20,647</u>	<u>28,669</u>
25,762	26,303	22	Other receivables.....	25,869	26,292
213	0	16	Corporation tax receivable	213	0
0	14	33	Forward contracts and currency swaps	0	14
<u>447</u>	<u>497</u>	23	Prepayments.....	<u>526</u>	<u>594</u>
<u>26,422</u>	<u>26,814</u>		Receivables	<u>26,608</u>	<u>26,900</u>
<u>455</u>	<u>2,311</u>	24	Cash at bank and in hand	<u>1,394</u>	<u>3,456</u>
<u>46,285</u>	<u>57,794</u>		Current assets	<u>48,649</u>	<u>59,025</u>
<u>917,290</u>	<u>825,181</u>		ASSETS	<u>888,202</u>	<u>797,153</u>

BALANCE SHEET AT 30 SEPTEMBER 2014

LIABILITIES AND EQUITY

Parent Company				Group	
2013/14	2012/13			2013/14	2012/13
<u>DKK '000</u>	<u>DKK '000</u>	Note		<u>DKK '000</u>	<u>DKK '000</u>
100,000	100,000	25	Share capital	100,000	100,000
50,000	6,000		Proposed dividend	50,000	6,000
<u>262,416</u>	<u>301,193</u>		Retained earnings	<u>262,777</u>	<u>301,628</u>
<u>412,416</u>	<u>407,193</u>		Equity	<u>412,777</u>	<u>407,628</u>
43,172	45,721	28	Mortgage credit institutes	59,257	62,746
<u>5,105</u>	<u>3,028</u>	33	Forward contracts, interest swaps	<u>6,486</u>	<u>4,025</u>
<u>48,277</u>	<u>48,749</u>		Non-current liabilities	<u>65,743</u>	<u>66,771</u>
1,362	1,732		Mortgage credit institutes, properties acquired for the purpose of resale	1,362	1,732
<u>0</u>	<u>996</u>		Mortgage credit institutes, other properties held for sale	<u>0</u>	<u>996</u>
<u>1,362</u>	<u>2,728</u>	28	Mortgage credit institutes, properties held for sale	<u>1,362</u>	<u>2,728</u>
2,732	1,905	28	Mortgage credit institutes	3,871	2,748
382,370	295,355	29	Credit institutions	382,897	295,360
1,325	1,426		Deposits	3,010	3,026
50,957	49,317		Payables to group enterprises	0	0
0	616	16	Corporation tax	0	616
17,219	17,517	31	Other payables	17,910	17,867
337	0	33	Forward contracts and currency swaps	337	0
<u>295</u>	<u>375</u>	32	Deferred income	<u>295</u>	<u>409</u>
<u>456,597</u>	<u>369,239</u>		Current liabilities	<u>409,682</u>	<u>322,754</u>
<u>504,874</u>	<u>417,988</u>		Liabilities	<u>475,425</u>	<u>389,525</u>
<u>917,290</u>	<u>825,181</u>		LIABILITIES AND EQUITY	<u>888,202</u>	<u>797,153</u>

STATEMENT OF CHANGES IN EQUITY
Parent Company

	Share capital A shares DKK '000	Share capital B shares DKK '000	Retained earnings DKK '000	Proposed dividend DKK '000	Total DKK '000
Equity A & B shares at 1 October 2012	17,500	82,500	296,829	0	396,829
Proposed dividend	0	0	-6,000	6,000	0
Net profit/loss for the year (comprehensive income).....	0	0	10,364	0	10,364
Equity A & B shares at 30 September 2013	17,500	82,500	301,193	6,000	407,193
Equity A & B shares at 1 October 2013	17,500	82,500	301,193	6,000	407,193
Dividend paid	0	0	0	-6,000	-6,000
Proposed dividend	0	0	-50,000	50,000	0
Net profit/loss for the year (comprehensive income).....	0	0	11,223	0	11,223
Equity A & B shares at 30 September 2014	17,500	82,500	262,416	50,000	412,416

According to the Articles of Association, the Company's share classes have the following rights in connection with dividend distribution:

B shareholders have the right to an interim dividend of 6% of the nominal B share capital. If the adopted dividend exceeds 6% of the nominal B share capital, the A shareholders receive up to 6% dividend of the nominal A share capital. When both A and B shareholders have received 6% dividend of the nominal amount, any remaining adopted dividend is divided between all shareholders in proportion to the nominal amount of their respective shares without any distinction between A and B shares. The right to dividend cannot be accumulated.

STATEMENT OF CHANGES IN EQUITY
Group

	Share capital A shares DKK '000	Share capital B shares DKK '000	Retained earnings DKK '000	Proposed dividend DKK '000	Total DKK '000
Equity A & B shares at 1 October 2012	17,500	82,500	297,299	0	397,299
Proposed dividend	0	0	-6,000	6,000	0
Net profit/loss for the year (comprehensive income).....	0	0	10,329	0	10,329
Equity A & B shares at 30 September 2013	17,500	82,500	301,628	6,000	407,628
Equity A & B shares at 1 October 2013	17,500	82,500	301,628	6,000	407,628
Dividend paid	0	0	0	-6,000	-6,000
Proposed dividend	0	0	-50,000	50,000	0
Net profit/loss for the year (comprehensive income).....	0	0	11,149	0	11,149
Equity A & B shares at 30 September 2014	17,500	82,500	262,777	50,000	412,777

CASH FLOW STATEMENT FOR THE PERIOD 1 OCTOBER 2013 - 30 SEPTEMBER 2014

<u>Parent Company</u>			<u>Group</u>	
2013/14 DKK '000	2012/13 DKK '000	Note	2013/14 DKK '000	2012/13 DKK '000
Cash flows from operating activities				
40,773	36,169		40,773	36,169
-2,090	3,083		-2,090	3,083
1,045	1,335		1,300	1,335
11,404	10,369		15,305	14,138
-12,602	-12,891		-13,294	-13,811
-19,412	-15,074		-21,535	-16,289
8,243	-17,582		7,004	-17,582
-1,016	-213		-1,016	-213
<u>26,345</u>	<u>5,196</u>		<u>26,447</u>	<u>6,830</u>
Cash flows from investing activities				
-225,640	-255,834		-225,640	-255,834
129,152	233,996		129,152	233,996
3,259	2,992		0	0
55	465		172	510
0	-225		0	-225
0	4,000		0	4,000
5,574	0		5,574	0
<u>-87,600</u>	<u>-14,606</u>		<u>-90,742</u>	<u>-17,553</u>
Cash flows from financing activities				
161,094	301,845		161,679	301,850
-88,464	-293,379		-88,526	-293,379
-370	-2,012		-370	-2,012
27,505	0		39,857	0
0	850		0	850
-30,880	-6,173		-44,219	-7,406
-3,330	-2,577		0	0
-6,000	0		-6,000	0
-156	-463		-188	-463
<u>59,399</u>	<u>-1,909</u>		<u>62,233</u>	<u>-560</u>
-1,856	-11,319		-2,062	-11,283
2,311	13,630		3,456	14,739
<u>455</u>	<u>2,311</u>		<u>1,394</u>	<u>3,456</u>

NOTES TO THE ANNUAL REPORT

Parent Company					Group	
2013/14 DKK '000	2012/13 DKK '000	Note		2013/14 DKK '000	2012/13 DKK '000	
3. Financial income						
23,699	20,488		Mortgage deeds, interest	23,699	20,488	
<u>17,256</u>	<u>14,268</u>		Bonds, interest.....	<u>17,256</u>	<u>14,268</u>	
40,955	34,756			40,955	34,756	
1,175	800		Capital gains, mortgage deeds.....	1,175	800	
1,304	-7,159		Capital gains, bonds	1,304	-7,159	
2	166		Capital gains, shares.....	2	166	
-2,334	2,929		Forward contracts.....	-2,334	2,929	
-1,551	395		Exchange adjustments, securities.....	-1,551	395	
<u>244</u>	<u>154</u>		Other financial income	<u>244</u>	<u>154</u>	
<u>39,795</u>	<u>32,041</u>			<u>39,795</u>	<u>32,041</u>	
<u>39,795</u>	<u>32,041</u>		Financial income relating to assets measured at fair value in the income statement.....	<u>39,795</u>	<u>32,041</u>	

For segment reporting, please see above.

Interest income on lost and impaired mortgage deeds amounts to kDKK 2,616 (kDKK 2,971) distributed as follows: kDKK 1,965 (kDKK 2,495) relating to impaired mortgage deeds and kDKK 651 (kDKK 476) relating to realised losses on mortgage deeds.

7. Net loss/gain and direct expenses

20,256	12,689		Realised net losses on mortgage deeds and mortgage deed receivables	20,256	12,689	
-7,163	2,197		Change of fair value adjustment of credit risk, mortgage deeds.....	-7,163	2,197	
2,110	-114		Gain/loss on sale of properties acquired for the purpose of resale	2,110	-114	
-2,905	3,225		Provision for losses on properties acquired for the purpose of resale.....	-2,905	3,225	
<u>1,816</u>	<u>1,915</u>		Bad debts recovered	<u>1,816</u>	<u>1,915</u>	
-10,482	-16,082			-10,482	-16,082	
102	172		Fees	108	177	
<u>148</u>	<u>189</u>		Collection charges.....	<u>148</u>	<u>189</u>	
<u>-10,732</u>	<u>-16,443</u>			<u>-10,738</u>	<u>-16,448</u>	

Parent Company			Group	
2013/14 DKK '000	2012/13 DKK '000	Note	2013/14 DKK '000	2012/13 DKK '000
9. Fair value adjustment of financial assets				
2,580	9,216	Fair value adjustment, mortgage deeds	2,580	9,216
15,450	-4,337	Fair value adjustment, bonds.....	15,450	-4,337
<u>3,323</u>	<u>3,440</u>	Fair value adjustment, subsidiaries	<u>0</u>	<u>0</u>
<u>21,353</u>	<u>8,319</u>		<u>18,030</u>	<u>4,879</u>

The portfolio of fixed-interest mortgage deeds has been measured at fair value on the basis of an effective interest rate of 8.5% (8.5%).

		Group	
		2013/14 DKK million	2012/13 DKK million
11. Statement of basic earnings			
Financial income		42.4	35.7
Rental income.....		15.1	14.3
Other income		1.3	1.3
Net loss/gain and direct expenses.....		-10.7	-16.4
Loss on sale of investment property		0.0	0.2
Direct expenses, properties.....		7.3	4.7
Financial expenses.....		13.3	12.8
Other external expenses.....		3.4	2.9
Staff expenses.....		10.1	9.2
Depreciation and amortisation.....		<u>0.2</u>	<u>0.2</u>
Basic earnings		<u>13.8</u>	<u>4.9</u>

12. Financial expenses

10,442	7,780	Credit institutions	10,442	7,780
118	1,326	Interest swaps, credit institutions	118	1,326
914	-1,335	Interest swaps, credit institutions, fair value adjustment	914	-1,335
<u>14,384</u>	<u>-3,853</u>	Exchange loss/gain on foreign loans etc, net	<u>14,384</u>	<u>-3,853</u>
25,858	3,918		25,858	3,918
1,523	2,040	Mortgage credit institutes.....	2,000	2,749
651	640	Interest swaps, mortgage credit institutes	865	851
656	-26	Mortgage credit institutes, fair value adjustment..	999	-34
1,163	-1,025	Interest swaps, mortgage credit institutes, fair value adjustment	1,546	-1,362
2,055	1,980	Interest expenses, group enterprises.....	0	0
<u>295</u>	<u>0</u>	Expenses and loss on conversion of debt to mortgage credit institutes	<u>423</u>	<u>0</u>
<u>32,201</u>	<u>7,527</u>		<u>31,691</u>	<u>6,122</u>