

Investeringsselskabet LUXOR $\frac{A}{S}$

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Interim Report for Q1-Q3

The Supervisory Board of Investeringsselskabet Luxor A/S has today adopted the Interim Report as at 30 June 2015.

Third quarter of the financial year:

- Basic earnings amount to DKK 6.8 million (DKK 4.9 million), which is DKK 1.9 million higher than expected. The improvement is primarily attributable to an increase in net financial income of DKK 3.0 million offset by an increase in net loss/gain on mortgage deeds of DKK 0.9 million. In comparison, basic earnings for the first and second quarters of the financial year amounted to DKK 10.8 million.
- The Group's results before tax show a profit of DKK 10.4 million (DKK 11.6 million). The results are influenced by realised gains on bonds of DKK 5.3 million and negative net fair value adjustments of bonds and debt of approx. DKK 1.7 million. In comparison, results before tax for the first and second quarters of the financial year showed a loss of DKK 4.6 million.

Interim period Q1-Q3 2014/15:

- Basic earnings for the period increased from DKK 8.2 million to DKK 17.5 million. The increase is primarily attributable to an increase in net financial income of DKK 9.3 million.
- The Group's results before tax for the period show a profit of DKK 5.8 million (DKK 18.7 million).
- The net asset value per share in circulation is DKK 367.24 (DKK 416.04) after distribution of DKK 50.00 per share.

Expected profit for the year 2014/15

- Expected basic earnings are adjusted to DKK 20.0 to DKK 23.0 million compared with previously DKK 17.0 to DKK 21.0 million. The expected profit for the year before tax is adjusted to the range of DKK -5.0 to DKK -12.0 million compared with previously DKK 5.0 to DKK 9.0 million as a consequence of negative fair value adjustments of bonds after the end of the quarter.

This Interim Report includes:

- Financial Highlights of the Group
- Interim Report
- Management's Statement
- Consolidated Statement of Comprehensive Income for the Period 1 October 2014 - 30 June 2015
- Consolidated Balance Sheet at 30 June 2015
- Statement of Changes in Equity
- Cash Flow Statement
- Segment Information
- Significant Notes

For additional information concerning this Interim Report, please contact the undersigned.

Yours faithfully
Investeringsselskabet Luxor A/S

Svend Rolf Larsen
CEO

Jannik Rolf Larsen
Manager

FINANCIAL HIGHLIGHTS OF THE GROUP

	<u>OCTOBER - JUNE</u>			
<u>DKK million</u>	<u>2014/15</u> <u>Q1-Q3</u>	<u>2013/14</u> <u>Q1-Q3</u>	<u>2012/13</u> <u>Q1-Q3</u>	<u>2013/14</u> <u>Full year</u>
<u>Key figures</u>				
Income.....	44.1	49.8	33.9	59.9
Gross earnings.....	52.6	39.2	23.5	60.4
Profit/loss before tax	5.8	18.7	6.0	15.0
Net profit/loss for the period	4.5	14.4	4.2	11.1
Basic earnings	17.5	8.2	2.5	13.8
Assets	944.4	874.8	741.7	888.2
Equity	367.2	416.0	401.5	412.8
Investment in property, plant and equipment.....	0.1	0.0	0.2	0.0
Profit/loss for analytical purposes:				
Net profit/loss for the period (after tax).....	<u>4.5</u>	<u>14.4</u>	<u>4.2</u>	<u>11.1</u>
<u>Ratios</u>				
<u>Values per DKK 100 share</u>				
Earnings per share (EPS) (DKK)	4.46	14.42	4.23	11.15
Net asset value per share in circulation (DKK)	367.24	416.04	401.53	412.78
Return on equity in percentage p.a.....	1.53	4.70	1.41	2.72
Equity share in percentage	38.89	47.56	54.14	46.47
<u>Share capital</u>				
Nominal share capital, end of period (DKK million)	100.0	100.0	100.0	100.0
Number of shares in circulation (DKK million).....	100.0	100.0	100.0	100.0
Official price on the Stock Exchange per DKK 100 share:				
Lowest.....	261	216	185	216
Highest	362	252	203	264
End of period.....	318	250	194	264
Volume of trade on the Stock Exchange,				
number of shares	27,760	15,168	10,201	20,679
Listed on the Stock Exchange, number of shares	825,000	825,000	825,000	825,000

The key figures have been calculated in accordance with "Recommendations and key figures 2015" issued by the Danish Society of Financial Analysts. EPS and diluted EPS are in accordance with IAS 33.

INTERIM REPORT

The Group's results before tax show a profit of DKK 5.8 million against a profit of DKK 18.7 million in the previous year. After recognition of tax for the period of DKK 1.3 million (DKK 4.3 million), the profit for the period after tax amounts to DKK 4.5 million (DKK 14.4 million).

Exclusive of fair value adjustments of securities, foreign exchange movements, realised net losses on securities and gain on the sale of property held for sale, basic earnings before tax for the period amount to DKK 17.5 million (DKK 8.2 million), which is DKK 1.9 million higher than the expectation in the stock exchange announcement of 28 May 2015. The higher basic earnings in the third quarter of the financial year are primarily attributable to an increase in net financial income.

Compared with the same period last year, basic earnings have improved by DKK 9.3 million, which is primarily attributable to an increase in financial income of DKK 9.3 million, an improvement in losses and fair value adjustment of credit risk on mortgage deeds of DKK 0.6 million and a net improvement of the result of investment properties of DKK 0.6 million.

Due to the above, basic earnings for the full financial year are expected adjusted to the range of DKK 20.0 to DKK 23.0 million compared with previously DKK 17.0 to DKK 21.0 million.

The Group's profit for the period is higher than expected in the stock exchange announcement of 28 May 2015, primarily as a result of improved basic earnings.

The Group's balance sheet, which compared with the same time last year has increased from DKK 874.8 million to DKK 944.4 million, includes the following business areas:

	2014/15 <u>DKK million</u>	2013/14 <u>DKK million</u>
Mortgage deeds.....	479.9	350.0
Bonds	202.7	269.9
Shares.....	<u>2.2</u>	<u>0.0</u>
Total securities.....	684.8	619.9
Investment properties.....	<u>180.1</u>	<u>179.7</u>
Total.....	<u>864.9</u>	<u>799.6</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 479.9 million (DKK 350.0 million).

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

	2014/15 <u>DKK million</u>	2013/14 <u>DKK million</u>
Interest income	25.9	17.3
Capital gains, mortgage deeds	2.9	0.8
Fair value adjustment	<u>2.4</u>	<u>2.3</u>
Gross return.....	31.2	20.4
Realised and unrealised losses on mortgage deeds, bad debts recovered and gain on sale of properties acquired for the purpose of resale	<u>-8.7</u>	<u>-9.2</u>
	<u>22.5</u>	<u>11.2</u>

The Group's portfolio of mortgage deeds is distributed with DKK 328.9 million (DKK 224.9 million) fixed-interest mortgage deeds and DKK 151.0 million (DKK 125.1 million) floating-rate cibor mortgage deeds. The addition of mortgage deeds in the quarter consists partly of the purchased mortgage deed portfolio which the Group previously managed for a third party as well as other acquisitions in the mortgage deed market.

A significant part of the Group's portfolio of mortgage deeds is still placed in detached houses, freehold flats and summer houses with an average market value per mortgage deed of kDKK 267.6 (kDKK 293.3).

Fixed-interest mortgage deeds and cibor mortgage deeds are measured at fair value. Irrespective of the term to maturity and the present market rate for new mortgage deeds of approx. 7.5% - 9.0% p.a. (7.5% - 9.5% p.a.), fixed-interest mortgage deeds of a nominal amount of DKK 339.0 million are measured at fair value on the basis of an average effective interest rate of 8.5% p.a. (8.5% p.a.), and fixed-interest mortgage deeds of a nominal amount of DKK 53.7 million are measured at fair value based on the cost of the mortgage deeds. Fair value adjustment of mortgage deeds is a positive DKK 2.4 million (DKK 2.3 million).

Net loss/gain and direct expenses amount to DKK -8.7 million (DKK -9.2 million), which is DKK 0.9 million higher than expected. The increase of the net loss for the quarter is distributed with an improvement of the net gain of DKK 0.5 million before recognition of the mortgage deed portfolio purchased in the quarter. The net loss on the purchased mortgage deed portfolio is approx. DKK 1.4 million higher than expected; the amount includes adjustment to the Group's accounting policy for provisions for losses.

Net loss/gain and direct expenses include:

- an improvement of adjustment to meet the credit risk on mortgage deeds by DKK 1.5 million (DKK 5.3 million), after which the total fair value adjustment of the credit risk on mortgage deeds amounts to DKK 21.4 million (DKK 19.6 million) corresponding to 4.3% (5.3%) of the portfolio;
- bad debts recovered amount to DKK 1.5 million (DKK 1.3 million);

- gain on sale of properties acquired for the purpose of resale amounts to DKK 0.5 million (DKK -2.1 million), and provisions for losses on properties acquired for the purpose of resale of DKK 2.0 million (DKK 1.5 million) have been reversed. Properties acquired for the purpose of resale have been purchased to secure loans granted by the Group.

The Group expects a continued increase in the portfolio of mortgage deeds in this financial year.

Bonds

The fair value of the Group's portfolio of bonds amounts to DKK 202.7 million (DKK 269.9 million).

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

	<u>2014/15</u> <u>DKK million</u>	<u>2013/14</u> <u>DKK million</u>
Interest income	12.7	12.2
Realised capital gains on bonds (including foreign exchange)	-4.8	3.2
Fair value adjustment	<u>18.8</u>	<u>1.9</u>
	<u>26.7</u>	<u>17.3</u>

Realised losses on bonds include a realised exchange gain of DKK 12.1 million (DKK -1.9 million).

Fair value adjustments include an unrealised exchange gain of DKK 12.5 million (DKK -0.8 million) as well as reversed fair value adjustment of bonds sold in the financial period of DKK 11.4 million (DKK -2.4 million).

The portfolio of bonds, primarily in USD, has by and large been hedged with regard to currency fluctuations by means of currency swaps and loans in the same currency.

The financial period saw an increase in the yield spread to government bonds, including a particularly negative development in the energy and raw materials sectors. This resulted in a negative fair value adjustment excluding foreign exchange and reversed write-downs on the sale of bonds.

At 30 June 2015, the portfolio of bonds comprises a total negative fair value adjustment and expected gains on redemptions of up to approx. DKK 6.1 million excluding foreign exchange (approx. DKK 14.3 million excluding foreign exchange), which is expected counterbalanced over the period to maturity of the bonds until 2022/23. The portfolio of bonds is characterised by an over-weight of bonds with a relatively short to medium term to maturity and an average Macaulay duration of approx. 4.1 years (approx. 4.1 years).

Since the closing of the financial period and until 25 August 2015, the Group has seen negative fair value adjustments of bonds of DKK 19.9 million and a realised loss of DKK 3.6 million. The fair value adjustments and realised loss include an exchange loss of DKK 3.6 million. The portfolio of bonds has been hedged with regard to currency fluctuations.

Shares

The fair value of the Group's portfolio of shares amounts to DKK 2.2 million (DKK 0.0 million). The shares were received in connection with a reconstruction of a bond issuer where the Group's portfolio of bonds was converted into shares.

To the extent that corporate bonds in the Parent Company's portfolio are converted into shares, the Supervisory Board has granted authority to maintain the ownership of the listed or unlisted shares for a period until the shares can be sold at a value which, in the opinion of the Parent Company, reflects the actual value of the share.

Investment properties

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

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

	<u>2014/15</u> <u>DKK million</u>	<u>2013/14</u> <u>DKK million</u>
Rental income.....	10.7	11.3
Direct expenses, investment properties.....	<u>4.3</u>	<u>5.5</u>
	<u>6.4</u>	<u>5.8</u>

Properties acquired for the purpose of resale

Properties acquired for the purpose of resale, DKK 12.9 million (DKK 22.2 million), comprise 3 (7) properties taken over to secure loans granted by the Group. The properties are distributed with DKK 12.0 million on business-related properties and DKK 0.9 million on residential properties.

In the third quarter of the financial year, the Group sold a minor business property.

Financing and debt

The fair value of the Group's short-term debt to credit institutions amounts to DKK 457.4 million (DKK 365.0 million). After conversion by means of matching forward contracts, the debt is distributed as follows:

<u>Currency</u>	<u>2014/15</u>	<u>2013/14</u>
EUR.....	8.32%	8.61%
DKK	47.52%	23.51%
USD.....	41.65%	61.69%
NOK	<u>2.51%</u>	<u>6.19%</u>
	<u>100.00%</u>	<u>100.00%</u>

As at 30 June 2015, the Group has pegged the interest rate on a total of DKK 50 million (DKK 25.0 million) with a remaining term of up to 4.0 years through an interest swap. Fair value adjustment for the period is a positive DKK 0.4 million (DKK -0.6 million).

After 30 June 2015, the Group has pegged the interest rate on a further DKK 25 million for 5 years, DKK 50 million for 7 years and DKK 25 million for 10 years through interest swaps.

The net movement for the period from exchange adjustments of loans in foreign currencies, forward contracts, securities, etc is a negative DKK 3.0 million (DKK -0.2 million).

Part of the Group's assets is placed in foreign currencies. The Group's total currency exposure in respect of assets and liabilities is distributed as follows:

<u>Currency</u>	<u>30 June 2015</u>		<u>30 June 2014</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
DKK	76.86%	74.52%	69.87%	68.06%
EUR	0.55%	4.08%	0.00%	3.59%
NOK	1.76%	1.21%	3.07%	2.59%
USD	<u>20.83%</u>	<u>20.19%</u>	<u>27.06%</u>	<u>25.76%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Fair value adjustments of mortgage credit institutes for the period, including interest swaps, are a negative DKK 0.0 million (DKK 2.1 million) as a consequence of changes in interest rates. The amount is counterbalanced through current fair value adjustments over the remaining term of the loans/contracts.

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 June 2015 and 30 June 2014.

<u>DKK million</u>	<u>Increase in parameter</u>	<u>2014/15 Fair value</u>	<u>2014/15 Change of value</u>	<u>2013/14 Fair value</u>	<u>2013/14 Change of value</u>
Mortgage deeds	1% effective rate of interest	479.9	16.8	350.0	11.4
Bonds	1% effective rate of interest	202.7	8.1	269.9	11.6
Shares	10% change in value	2.2	0.2	0.0	0.0
Investment properties	0.5% yield requirement	180.1	11.8	179.7	11.0
Foreign currency loans	10% change in exchange rate	452.3	45.2	249.4	24.9
Securities in foreign currencies	10% change in value	202.8	20.5	259.3	25.9

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 raised.

The Group's financial risks and financial instruments are described in note 37 to the Annual Report; see the Company's website www.luxor.dk.

Future prospects and post balance sheet events

Considering the results announced and the progress until 25 August 2015 of the fourth quarter of the financial year, the expected profit for the year before tax is adjusted to the range of DKK -5.0 to DKK -12.0 million compared with previously DKK 5.0 to DKK 9.0 million as a result of negative fair value adjustments and realised losses on bonds in the fourth quarter of the financial year. The expectation presupposes stable conditions as regards interest, securities and foreign exchange.

Basic earnings included in the above-mentioned expectations are adjusted to the range of DKK 20.0 to DKK 23.0 million compared with previously DKK 17.0 to DKK 21.0 million.

In view of the general economic development, estimated basic earnings are subject to some uncertainty, including the development in losses and fair value adjustment of credit risk on mortgage deeds.

Basis of preparation

The Interim Report has been prepared in accordance with the same accounting policies as the Annual Report 2013/2014, to which we refer.

The Interim Report comprises summarised consolidated financial statements of Investeringselskabet Luxor A/S.

The Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, including IAS 34 on Interim Reports, and additional Danish disclosure requirements relating to listed companies.

MANAGEMENT'S STATEMENT

The Supervisory and Executive Boards have today considered and adopted the Interim Report of Investeringselskabet Luxor A/S for the period 1 October 2014 - 30 June 2015.

The Interim Report, which comprises summarised consolidated financial statements of Investeringselskabet Luxor A/S, has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, including IAS 34 on Interim Reports, and additional Danish disclosure requirements relating to listed companies.

We consider the accounting policies applied appropriate, so that the Interim Report gives a true and fair view of the assets, liabilities and financial position as at 30 June 2015 of the Group and of the results of the Group's operations and cash flows for the period 1 October 2014 - 30 June 2015.

The Interim Report has not been audited by the Company's auditor.

Copenhagen, 27 August 2015

Executive Board:

Svend Rolf Larsen

Jannik Rolf Larsen

Supervisory Board:

Steffen Heegaard

Casper Moltke
Chairman

Michael Hedegaard Lyng

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD
1 OCTOBER 2014 - 30 JUNE 2015

		<u>GROUP</u>		<u>GROUP</u>	
		1/4 - 30/6 2015	1/4 - 30/6 2014	1/10 2014- 30/6 2015	1/10 2013- 30/6 2014
	<u>Note</u>	<u>DKK '000</u>	<u>DKK '000</u>	<u>DKK '000</u>	<u>DKK '000</u>
Income					
Financial income	1	23,469	11,189	32,958	33,673
Rental income		3,542	3,780	10,735	11,345
Other income		<u>-285</u>	<u>4,083</u>	<u>357</u>	<u>4,733</u>
Total income		26,726	19,052	44,050	49,751
Net loss/gain and direct expenses	2	-3,957	-2,010	-8,684	-9,249
Direct expenses, properties		<u>1,454</u>	<u>1,498</u>	<u>4,279</u>	<u>5,484</u>
		21,315	15,544	31,087	35,018
Fair value adjustment of financial assets	3	<u>-11,649</u>	<u>5,013</u>	<u>21,465</u>	<u>4,162</u>
Total gross earnings		9,666	20,557	52,552	39,180
Financial expenses	5	<u>-4,340</u>	<u>5,640</u>	<u>36,172</u>	<u>10,453</u>
		<u>14,006</u>	<u>14,917</u>	<u>16,380</u>	<u>28,727</u>
Other external expenses		784	586	2,541	2,316
Staff expenses	4	2,766	2,694	7,902	7,513
Depreciation and amortisation		<u>65</u>	<u>58</u>	<u>187</u>	<u>176</u>
		<u>3,615</u>	<u>3,338</u>	<u>10,630</u>	<u>10,005</u>
Profit/loss before tax		10,391	11,579	5,750	18,722
Tax on profit/loss for the period	6	<u>2,224</u>	<u>2,531</u>	<u>1,285</u>	<u>4,307</u>
NET PROFIT/LOSS FOR THE PERIOD		<u>8,167</u>	<u>9,048</u>	<u>4,465</u>	<u>14,415</u>
Earnings per A & B share (EPS) in DKK		8.2	9.0	4.5	14.4
Earnings per A & B share (EPS) in DKK (diluted value)		8.2	9.0	4.5	14.4

BALANCE SHEET AT 30 JUNE 2015

ASSETS

	G R O U P		
	30/6 2015 DKK '000	30/6 2014 DKK '000	30/9 2014 DKK '000
Fixed assets			
Domicile properties.....	11,411	11,598	11,551
Fixtures, fittings and equipment.....	378	306	294
Property, plant and equipment.....	11,789	11,904	11,845
 Investment properties	 180,100	 179,700	 180,100
Securities.....	684,830	619,850	637,009
Fixed asset investments.....	684,830	619,850	637,009
 Deferred tax.....	 9,313	 10,952	 10,599
Non-current assets.....	886,032	822,406	839,553
 Properties held for sale	 12,883	 22,212	 20,647
Other receivables.....	31,279	26,415	25,869
Corporation tax receivable	266	0	213
Forward contracts, currency swaps	0	40	0
Prepayments	123	151	526
Receivables.....	31,668	26,606	26,608
Cash at bank and in hand.....	13,800	3,583	1,394
Current assets	58,351	52,401	48,649
ASSETS.....	944,383	874,807	888,202

BALANCE SHEET AT 30 JUNE 2015

LIABILITIES AND EQUITY

	GROUP		
	30/6 2015 DKK '000	30/6 2014 DKK '000	30/9 2014 DKK '000
Share capital.....	100,000	100,000	100,000
Proposed dividend.....	0	0	50,000
Retained earnings.....	267,242	316,043	262,777
Equity	367,242	416,043	412,777
Mortgage credit institutes.....	80,251	60,300	59,257
Forward contracts, interest swaps	6,186	5,695	6,486
Non-current liabilities	86,437	65,995	65,743
Mortgage credit institutes, properties held for sale	0	1,456	1,362
Mortgage credit institutes.....	4,575	3,848	3,871
Credit institutions.....	457,379	365,019	382,897
Deposits.....	3,003	3,044	3,010
Corporation tax	0	536	0
Other payables.....	24,868	18,139	17,910
Forward contracts and currency swaps	589	0	337
Deferred income.....	290	727	295
Current liabilities	490,704	392,769	409,682
Liabilities	577,141	458,764	475,425
LIABILITIES AND EQUITY	944,383	874,807	888,202

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 2013.....	17,500	82,500	301,628	6,000	407,628
Dividend paid	0	0	0	-6,000	-6,000
Net profit/loss for the period (comprehensive income).....	<u>0</u>	<u>0</u>	<u>14,415</u>	<u>0</u>	<u>14,415</u>
Equity A & B shares at 30 June 2014.....	<u>17,500</u>	<u>82,500</u>	<u>316,043</u>	<u>0</u>	<u>416,043</u>
Equity A & B shares at 1 October 2014.....	17,500	82,500	262,777	50,000	412,777
Dividend paid	0	0	0	-50,000	-50,000
Net profit/loss for the period (comprehensive income).....	<u>0</u>	<u>0</u>	<u>4,465</u>	<u>0</u>	<u>4,465</u>
Equity A & B shares at 30 June 2015.....	<u>17,500</u>	<u>82,500</u>	<u>267,242</u>	<u>0</u>	<u>367,242</u>

CASH FLOW STATEMENT FOR THE PERIOD 1 OCTOBER 2014 - 30 JUNE 2015

	G R O U P	
	2014/15 DKK '000	2013/14 DKK '000
Cash flows from operating activities		
Interest received on mortgage deeds and bonds	38,584	29,557
Other financial income	-3,876	212
Other income	357	972
Rental income.....	10,863	11,989
Interest payments.....	-12,163	-9,835
Operating expenses and other payments	-15,973	-15,308
Properties acquired for the purpose of resale	15,497	3,997
Tax payments.....	-53	-1,016
Cash flows from operating activities.....	33,236	20,568
 Cash flows from investing activities		
Additions of mortgage deeds and bonds.....	-210,689	-187,021
Disposals of mortgage deeds and bonds.....	167,555	98,578
Deposits received.....	39	134
Other capital investments	-131	5,574
Cash flows from investing activities.....	-43,226	-82,735
 Cash flows from financing activities		
Raising of loans, credit institutions.	566,459	144,667
Repayment, credit institutions	-514,541	-72,572
Repayment, mortgage credit institutes, properties acquired for the purpose of resale	-2,658	-276
Raising of loans, mortgage credit institutes.....	53,712	39,857
Repayment, mortgage credit institutes	-30,529	-43,266
Dividend	-50,000	-6,000
Deposits paid	-47	-116
Cash flows from financing activities.....	22,396	62,294
Net change in cash and cash equivalents.....	12,406	127
Cash and cash equivalents, beginning of period.....	1,394	3,456
Cash and cash equivalents, end of period.....	13,800	3,583

SEGMENT REPORTING
Group

	<u>Mortgage deeds</u> DKK '000	<u>Bonds</u> DKK '000	<u>Shares</u> DKK '000	<u>Investment properties</u> DKK '000	<u>Other</u> DKK '000	<u>Total</u> DKK '000
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<u>Group 2014/15</u>						
Income (realised)	29,887	2,969	102	10,735	357	44,050
Fair value adjustment....	2,374	18,844	247	0	0	21,465
Gross earnings	23,577	21,813	349	6,456	357	52,552
Assets.....	519,926	206,513	2,198	156,468	59,278	944,383
Capital investments.....	159,011	49,727	1,951	0	131	210,820
Liabilities (segments)....	322,198	134,288	1,473	88,300	5,135	551,394

<u>Group 2013/14</u>						
Income (realised)	18,215	15,456	2	11,345	4,733	49,751
Fair value adjustment....	2,288	1,874	0	0	0	4,162
Gross earnings	11,254	17,330	2	5,861	4,733	39,180
Assets.....	393,241	274,230	0	156,966	50,370	874,807
Capital investments.....	70,420	116,601	0	0	0	187,021
Liabilities (segments)....	214,422	152,171	0	69,684	3,085	439,362

Gross earnings of the segments do not include depreciation, amortisation and interest expenses. Consequently, there is an asymmetry between interest expenses and liabilities.

The segment mortgage deeds include fair value adjustments relating to credit risks of kDKK 21,401 (kDKK 19,564). The financial period saw a positive fair value adjustment relating to credit risks of kDKK 1,478 (kDKK 5,276). Fair value adjustments relating to credit risks are based on an individual assessment of each claim.

For all segments, gross earnings include the item fair value adjustment, which is not a cash income/expense.

The liabilities in the segment reporting can be reconciled with group totals as follows:

	Group	
	2014/15 DKK '000	2013/14 DKK '000
Liabilities, segments	551,394	439,362
Corporation tax	0	536
Other payables	24,868	18,139
Forward contracts and currency swaps	589	0
Deferred income	290	727
Segment liabilities	577,141	458,764

GROUP

	<u>2014/15</u>	<u>2013/14</u>
	<u>DKK '000</u>	<u>DKK '000</u>

1. Financial income

Mortgage deeds, interest.....	25,889	17,324
Bonds, interest	<u>12,728</u>	<u>12,152</u>
	38,617	29,476
Capital gains, mortgage deeds	2,939	828
Capital gains, bonds.....	-16,883	5,077
Capital gains, shares	102	2
Forward contracts	-4,935	149
Exchange adjustments, securities	12,059	-1,922
Other financial income	<u>1,059</u>	<u>63</u>
	<u>32,958</u>	<u>33,673</u>

2. Net loss/gain and direct expenses

Realised net losses on mortgage deeds and mortgage deed receivables.....	13,809	15,007
Change of fair value adjustment of credit risk, mortgage deeds	-1,478	-5,276
Gain/loss on sale of properties acquired for the purpose of resale	-491	2,107
Provision for losses on properties acquired for the purpose of resale	-2,040	-1,460
Bad debts recovered	<u>1,485</u>	<u>1,320</u>
	-8,315	-9,058
Fees.....	250	73
Collection charges	<u>119</u>	<u>118</u>
	<u>-8,684</u>	<u>-9,249</u>

3. Fair value adjustment of financial assets

Fair value adjustment, mortgage deeds	2,374	2,288
Fair value adjustment, bonds	18,844	1,874
Fair value adjustment, shares.....	<u>247</u>	<u>0</u>
	<u>21,465</u>	<u>4,162</u>

GROUP

2014/15 2013/14
DKK '000 DKK '000

4. Staff expenses

Remuneration of Supervisory Board	<u>506</u>	<u>469</u>
Wages and salaries	6,875	6,669
Defined contribution plan.....	459	322
Other social security expenses.....	<u>62</u>	<u>53</u>
Other staff, total.....	<u>7,396</u>	<u>7,044</u>
Total staff expenses	<u>7,902</u>	<u>7,513</u>
Average number of employees	<u>10</u>	<u>10</u>

Pursuant to the Danish Act on Alternative Investment Fund Managers etc, it can be stated that the remuneration policy and practice are in accordance with the requirements concerning sound and effective risk management. In the Parent Company, remuneration of the Executive Board and employees, a total of three persons, who have a significant influence on the Parent Company's risk profile amounts to DKK 2.8 million.

5. Financial expenses

Credit institutions	9,204	7,580
Interest swaps, credit institutions.....	214	0
Interest swaps, credit institutions, fair value adjustment.....	-357	590
Exchange loss/gain on foreign loans etc, net.....	<u>22,564</u>	<u>-2,437</u>
	31,625	5,733
Mortgage credit institutes.....	1,441	1,505
Interest swaps, mortgage credit institutes.....	787	649
Mortgage credit institutes, fair value adjustment	-84	1,063
Interest swaps, mortgage credit institutes, fair value adjustment	57	1,080
Expenses and loss on conversion of debt to mortgage credit institutes	1,409	423
Other interest expenses.....	<u>937</u>	<u>0</u>
	<u>36,172</u>	<u>10,453</u>

6. Corporation tax

Tax on profit/loss on ordinary activities for the period is specified as follows:

Calculated tax 23.5% (24.5%) on profit/loss before tax for the period ..	1,351	4,587
Tax effect of:		
Non-taxable income, expenses, value adjustments, etc.....	-76	-280
Reduction of the tax rate from 24.5% to 22% - 23.5% up until 2016	<u>10</u>	<u>0</u>
	<u>1,285</u>	<u>4,307</u>
Effective tax rate.....	<u>22.35%</u>	<u>23.01%</u>

Note 6 continued:

	G R O U P	
	2014/15 DKK '000	2013/14 DKK '000
Tax asset at 1 October 2014	34,521	37,745
Transferred to DI-Ejendoms Invest A/S	-459	-541
Change in deferred tax recognised in the income statement	-630	-2,833
Tax asset at 30 June 2015	33,432	34,371
Deferred tax at 1 October 2014	23,922	23,422
Change in deferred tax recognised in the income statement	197	-3
Deferred tax at 30 June 2015	24,119	23,419
Total tax asset at 30 June 2015	9,313	10,952

The deferred tax asset is recognised at the tax rate which is expected to be applicable when the deferred tax is realised. The calculation has been made at 23.5% - 22% up until 2016 (24.5% - 22% up until 2016). The value is distributed on the following items:

Tax asset:		
Property, plant and equipment.....	-24,104	-23,385
Fixed asset investments, mortgage deeds, bonds and fair value adjustments relating to mortgage credit institutes and credit institutions, etc..	1,328	2,308
Tax loss carry-forwards	32,089	32,029
Tax asset	9,313	10,952

When measuring deferred tax, the Company applies the corporation tax rate which is expected to be applicable to the temporary differences in the financial years in which the Company's temporary differences are expected to be realised.

The tax asset is recognised to the extent that it is expected to be realised in the form of future taxable profits. It is assessed that the tax asset of DKK 9.3 million (DKK 11.0 million) can be realised within a period of up to five years. Utilisation of the tax asset is assessed on the basis of expected basic earnings and profits on the Company's portfolio of bonds.

The loss on the Group's portfolio of shares which is deductible against income from like-kind source is not recognised in the tax loss. At 30 June 2015, the loss amounts to DKK 97.5 million (DKK 97.6 million) measured on the basis of a tax rate of 22%.

GROUP

	<u>2014/15</u> <u>DKK million</u>	<u>2013/14</u> <u>DKK million</u>
7. Statement of basic earnings		
Financial income	42.6	30.4
Rental income	10.7	11.3
Other income	0.4	1.0
Net loss/gain and direct expenses	-8.7	-9.3
Direct expenses, properties.....	4.3	5.5
Financial expenses.....	12.6	9.7
Other external expenses.....	2.5	2.3
Staff expenses.....	7.9	7.5
Depreciation and amortisation.....	<u>0.2</u>	<u>0.2</u>
Basic earnings	<u>17.5</u>	<u>8.2</u>