

**Stock Exchange Announcement of
17 December 2015
and extract of
Annual Report
1 October 2014 - 30 September 2015
(The Company's 42nd financial year)**

**Investeringselskabet
Luxor A/S**

Nasdaq OMX Copenhagen A/S
 Nikolaj Plads 6
 PO Box 1040
 DK-1007 Copenhagen K

Annual Report 2014/15
 Date 17 December 2015

Announcement No 1 2015/16

The Supervisory Board of Investeringsselskabet Luxor A/S has today considered and adopted the Company's Annual Report for 2014/15.

Comments to the Annual Report:

- Basic earnings for the financial year increased from DKK 13.8 million in 2013/14 to DKK 24.1 million in 2014/15, which is higher than expected in the Announcement for the third quarter 2014/15. The improvement is primarily attributable to an increase in net financial income.
- The Group's results before tax for the financial year show a loss of DKK 10.2 million (DKK 15.0 million). After tax, the Group shows a loss of DKK 8.5 million (DKK 11.1 million). The Group's results are within the range stated.

The results are influenced by net negative fair value adjustments and realised losses on bonds of DKK 34.9 million as a result of volatility in the bond market and a widening of the yield spread to government bonds, among other things as a consequence of exposure to the energy and commodity sectors as well as currency hedging.

- Net asset value per share in circulation is DKK 354.29 (DKK 412.78).
- The Supervisory Board proposes to the General Meeting that dividend of DKK 20.0 million (DKK 50.0 million) be distributed, corresponding to DKK 20.0 (DKK 50.0) per share.
- For the coming financial year 2015/16, basic earnings of approx. DKK 20.0 million are expected. Fair value adjustments and losses and gains realised on bonds, foreign currencies and interest swaps, etc are not included in basic earnings and will at 9 December 2015 affect results for the year before tax by DKK -11.0 million.

Fourth quarter of the financial year 2015:

- Basic earnings for the quarter have increased from DKK 5.6 million in 2013/14 to DKK 6.6 million in 2014/15. The improvement is primarily attributable to an increase in net interest income.
- The Group's results before tax for the fourth quarter of the financial year 2015 show a loss of DKK 15.9 million (DKK -3.7 million). After tax, the Group shows a loss of DKK 13.0 million (DKK -3.3 million).
- The results for the quarter are influenced by net negative fair value adjustments and realised losses on bonds of DKK 21.4 million (DKK -10.8 million) as a result of volatility in the bond market and a widening of the yield spread to government bonds, among other things as a consequence of exposure to the energy and commodity sectors as well as currency hedging.

For additional information concerning the Annual Report, please contact Jannik Rolf Larsen, Manager.

Yours faithfully
 Investeringsselskabet Luxor A/S

Svend Rolf Larsen
 CEO

Jannik Rolf Larsen
 Manager

FINANCIAL HIGHLIGHTS OF THE GROUP

OCTOBER - SEPTEMBER

<u>DKK million</u>	<u>2014/15</u>	<u>2013/14</u>	<u>2012/13</u>	<u>2011/12</u>	<u>2010/11</u>	<u>Q4 2014/15</u>	<u>Q4 2013/14</u>
<u>Key figures</u>							
Income	59.9	59.9	47.7	37.1	18.7	15.9	10.2
Gross earnings	43.1	60.4	33.0	28.8	50.1	-9.4	21.2
Profit/loss before tax.....	-10.2	15.0	14.4	0.5	20.6	-15.9	-3.7
Net profit/loss	-8.5	11.1	10.3	1.1	17.6	-13.0	-3.3
Basic earnings.....	24.1	13.8	4.9	8.6	16.5	6.6	5.6
Assets.....	915.5	888.2	797.2	782.1	890.8	915.5	888.2
Investment in property, plant and equipment	0.7	0.0	0.2	0.0	0.0	0.6	0.0
Equity	354.3	412.8	407.6	397.3	396.2	354.3	412.8
Proposed dividend for the year.....	20.0	50.0	6.0	0.0	0.0	20.0	50.0
Profit/loss for analytical purposes:							
Net profit/loss (after tax)	-8.5	11.1	10.3	1.1	17.6	-13.0	-3.3
<u>Ratios</u>							
<u>Values per DKK 100 share</u>							
Earnings per share (EPS) (DKK).....	-8.48	11.15	10.33	1.07	17.63	-12.95	-3.27
Net asset value per share in circulation (DKK).....	354.29	412.78	407.63	397.30	396.23	354.29	412.78
Return on equity in percentage p.a.	-2.21	2.72	2.57	0.27	4.55	-14.36	-3.15
Equity share in percentage.....	38.70	46.47	51.14	50.80	44.48	38.70	46.47
Dividend per share (DKK)*	20.0	50.0	6.00	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	261	216	185	203	250	313	248
Highest.....	362	264	222	258	279	323	264
End of year	317	264	221	203	253	317	264
Volume of trade on the Stock Exchange, number of shares.....							
Listed on the Stock Exchange, number of shares.....	32,385	20,679	17,947	15,457	29,245	4,625	5,511
	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 2015" 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

Basic earnings and results for the year

The Group's basic earnings amount to DKK 24.1 million (DKK 13.8 million). Basic earnings are calculated as profit/loss 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 higher than both the range of DKK 20.0 to DKK 23.0 million as stated in the Announcement of 27 August 2015 and the range of DKK 17.0 to DKK 21.0 million as stated in the Annual Report 2013/14. The higher basic earnings are primarily attributable to an increase in the Group's net financial income.

The Group's results before tax amount to DKK -10.2 million (DKK 15.0 million). After recognition of tax for the year of DKK -1.7 million (DKK 3.9 million), the results after tax for the year amount to DKK -8.5 million (DKK 11.1 million). The results are within the range of DKK -5.0 to DKK -12.0 million as stated in the Announcement of 27 August 2015, but lower than the range of DKK 2.0 to DKK 6.0 million as stated in the Annual Report 2013/14. The results for the year are influenced by net negative fair value adjustments and realised losses on bonds as well as currency hedging, DKK 34.9 million.

The Group's basic earnings for the fourth quarter of the financial year 2015 amount to DKK 6.6 million (DKK 5.6 million), and results before tax amount to DKK -15.9 million (DKK -3.7 million). The results for the quarter are negatively affected by DKK 21.4 million (DKK -4.2 million) resulting from net negative fair value adjustments and realised losses on bonds as a result of volatility in the bond market and a widening of the yield spread to government bonds, among other things as a consequence of exposure to the energy and commodity sectors as well as currency hedging.

Business areas

The Group's balance sheet, which compared with the same time last year has increased from DKK 888.2 million to DKK 915.5 million, includes the following business areas:

	<u>2014/15</u> <u>DKK million</u>	<u>2013/14</u> <u>DKK million</u>
Mortgage deeds.....	510.9	368.8
Bonds	153.2	271.2
Shares	<u>1.8</u>	<u>0.0</u>
Total securities	665.9	640.0
Investment properties.....	<u>180.5</u>	<u>180.1</u>
Total	<u>846.4</u>	<u>820.1</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 510.9 million (DKK 368.8 million).

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

	<u>2014/15</u> <u>DKK million</u>	<u>2013/14</u> <u>DKK million</u>
Interest income	36.0	23.7
Capital gains, mortgage deeds.....	4.3	1.2
Fair value adjustment	<u>2.1</u>	<u>2.6</u>
	42.4	27.5
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>11.7</u>	<u>10.5</u>
	<u>30.7</u>	<u>17.0</u>

The fair value of the Group's portfolio of mortgage deeds is distributed with DKK 362.2 million (DKK 229.9 million) in fixed-interest mortgage deeds and DKK 148.7 million (DKK 138.9 million) in floating-rate cibor mortgage deeds. Irrespective of the term to maturity and the present market rate for new mortgage deeds of approx. 7.5% - 9.0% 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 2.1 million (DKK 2.6 million); the amount 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 270.2 (kDKK 296.4).

The nominal amount of the mortgage deed portfolio has increased from DKK 398.2 million to DKK 589.3 million. The increase consists of additions of DKK 262.5 million (DKK 115.1 million) and redemptions of DKK 71.4 million (DKK 48.9 million). The addition of mortgage deeds in the financial year primarily consists of specific mortgage deeds purchased on the basis of an individual assessment as well as the purchase of the mortgage deed portfolio which the Group previously managed for a third party.

In the financial year 2014/15, the Group saw a small increase in the rate of redemption of mortgage deeds.

The prices of freehold housing 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 premature repayments in line with the financial year 2014/15.

Net loss/gain and direct expenses amount to DKK -12.3 million (DKK -10.7 million), which is approx. DKK 1.5 million higher than expected. Net loss/gain includes a net loss of approx. DKK 1.4 million relating to the purchase of the mortgage deed portfolio from a third party. The amount primarily relates to an adjustment to the Group's accounting policy for meeting credit risks. The loss for the year and fair value adjustment of credit risk are higher than expected as the development towards more normalised losses and fair value adjustment of credit risk has progressed more slowly than expected.

Net loss/gain and direct expenses include:

- an increase in adjustment to meet the credit risk on mortgage deeds and mortgage deed receivables of DKK 1.4 million (DKK -7.2 million);
- bad debts recovered of DKK 2.3 million (DKK 1.8 million);
- gain on sale of properties acquired for the purpose of resale of DKK 0.5 million (DKK -2.1 million), and provisions for losses on properties acquired for the purpose of resale of DKK 1.8 million (DKK -2.9 million) have been reversed. Properties acquired for the purpose of resale have been purchased to secure loans granted by the Group.

The total fair value adjustment of credit risk on mortgage deeds amounts to DKK 15.4 million (DKK 14.7 million), corresponding to 2.9% (3.8%) of the portfolio.

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

	<u>2014/15</u>	<u>2013/14</u>
Single-family houses.....	47.45%	38.70%
Freehold flats	7.16%	8.65%
Holiday houses.....	5.19%	5.02%
Disused farms.....	3.23%	3.01%
Residential and business properties	6.33%	8.91%
Farms.....	1.85%	1.22%
Rental properties	21.11%	25.34%
Trade and industry	3.89%	5.19%
Other	<u>3.79%</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 (10.5 years).

Other income

In the financial year, the Group has received DKK 0.4 million (DKK 1.3 million) as fee for the management of mortgage deeds for third parties.

In the financial year, the Group has entered into an agreement concerning the purchase of a mortgage deed portfolio which the Group previously managed for a third party; subsequently, the management agreement has been terminated.

Bonds

The fair value of the Group's portfolio of bonds amounts to DKK 153.2 million (DKK 271.2 million).

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

	<u>2014/15</u> <u>DKK million</u>	<u>2013/14</u> <u>DKK million</u>
Interest income.....	16.0	17.3
Realised capital gains on bonds (including foreign exchange)	-7.1	-0.2
Fair value adjustment.....	<u>-1.5</u>	<u>15.5</u>
Return before currency hedging.....	7.4	32.6
Forward exchange contracts.....	-5.2	-2.3
Exchange loss/gain on foreign loans etc, net	<u>-21.1</u>	<u>-14.4</u>
Return after currency hedging.....	<u>-18.9</u>	<u>15.9</u>

The fair value adjustment includes an unrealised exchange gain of DKK 3.0 million (DKK 18.3 million), and realised capital losses on bonds include a realised exchange gain of DKK 17.2 million (DKK -1.6 million). The amounts have by and large been hedged with regard to currency fluctuations.

Fair value adjustments for the financial year are negative as a result of volatility in the bond market and a widening of the yield spread to government bonds, among other things as a consequence of exposure to the energy and commodity sectors.

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 4.0 years (3.91 years).

At 30 September 2015, the portfolio of bonds comprises a total negative fair value adjustment and possible gains on redemptions of up to approx. DKK 24.6 million excluding foreign exchange (approx. DKK 9.4 million excluding foreign exchange) provided that the portfolio of bonds is redeemed or sold at par. Gains on redemptions 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 153.2 million (DKK 271.2 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>2014/15</u> DKK million	<u>2013/14</u> DKK million
2015/16.....	9.8	33.2
2016/17.....	6.7	7.1
2017/18.....	11.3	31.9
2018/19.....	10.3	5.6
2019/20.....	53.0	87.2
2020/21.....	41.1	89.0
2021/22.....	32.0	19.2
2022/23.....	<u>17.6</u>	<u>7.4</u>
Total	<u>181.8</u>	<u>280.6</u>

The Group's portfolio of bonds distributed on issuer at 30 September 2015 – at a fair value totalling DKK 153.2 million – is specified as follows:

	<u>DKK million</u>		<u>DKK million</u>
Icahn Enterprises LP.	11.8	Flextronics Intl.	6.7
Lukoil Intl.	10.5	Calfrac Well Services Ltd.	6.6
Lexmark International Inc.	10.4	CGG Veritas	6.5
Allegheny Technologies Inc.	10.3	Superior Energy Services HC.	6.3
Vedanta Resources PLC.	9.3	Raiffeisen Bank Intl.	5.2
Barrick Gold Corp.	9.2	Stone Energy Corp.	5.2
International Game Technology PLC.	8.6	AngloGold Ashanti Ltd.	4.8
Seadrill Ltd.	8.3	Coeur Mining Inc.	4.0
Aker ASA	7.9	Cliffs Resources	3.9
Noble Group Ltd.	7.8	Primorsk Int. Shipping Ltd.	2.1
Bon-Ton Stores Inc.	7.8		

The Group'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 portfolio of bonds is as follows:

	<u>2014/15</u>		<u>2013/14</u>	
	<u>DKK million</u>	<u>% of portfolio</u>	<u>DKK million</u>	<u>% of portfolio</u>
Corporate bonds	<u>153.2</u>	<u>100.0%</u>	<u>271.2</u>	<u>100.0%</u>

The portfolio of bonds is distributed on 21 (33) issuers with an average amount per issuer of DKK 7.3 million (DKK 8.2 million).

The portfolio of bonds is distributed on the following currencies:

	2014/15		2013/14	
	<u>DKK million</u>	<u>% of portfolio</u>	<u>DKK million</u>	<u>% of portfolio</u>
DKK.....	0.0	0.0%	10.5	3.9%
USD.....	137.9	90.0%	233.5	86.1%
EUR.....	5.2	3.4%	0.0	0.0%
NOK.....	<u>10.1</u>	<u>6.6%</u>	<u>27.2</u>	<u>10.0%</u>
	<u>153.2</u>	<u>100.0%</u>	<u>271.2</u>	<u>100.0%</u>

After the balance sheet date and until 9 December 2015, the Group has realised a loss on bonds of DKK 14.9 million and positive fair value adjustments of DKK 9.5 million, corresponding to a total loss of DKK 5.4 million, which is primarily due to a widening of the yield spread to government bonds and the exposure to the energy and commodity sectors. The fair value adjustments and losses include an exchange gain of DKK 1.4 million, which has by and large been hedged with regard to currency fluctuations.

For the coming year, the Group expects a reduction in the portfolio of bonds.

Investment properties

The Group's balance sheet includes 5 (5) rental properties with a fair value of DKK 180.5 million (DKK 180.1 million).

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

	2014/15	2013/14
	<u>DKK million</u>	<u>DKK million</u>
Rental income.....	14.3	15.1
Fair value adjustment	0.4	0.4
Direct expenses, investment properties.....	<u>5.3</u>	<u>7.2</u>
	<u>9.4</u>	<u>8.3</u>

The reduction in rental income of DKK 0.8 million primarily relates to adjustments of existing tenancies to market rent.

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 2015 the lease rate in m² is 85.5% (85.5%). In the financial year, the Group has had average floorage vacancy of 14.5% (14.7%), corresponding to lost rental income of approx. DKK 2.6 million (DKK 3.0 million). Calculation of lost rental income compared with obtainable rental income shows an average rental vacancy of approx. 15.8% (15.4%).

Total direct expenses for the operation of the properties have decreased from DKK 7.2 million to DKK 5.3 million. The fair value of the Group's property portfolio corresponds to a net yield of 7.4% (7.9%) 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 0.4 million).

The Group's portfolio of rental properties is distributed on the following types as at 30 September 2015:

	<u>DKK million</u>	<u>Yield range</u>
Office/shop.....	21.7	7.00%
Warehouse/production/office.....	<u>158.8</u>	<u>6.75 - 8.25%</u>
Total.....	<u>180.5</u>	<u>7.00 - 8.25%</u>

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/residential.....	21.8	7.00%
Warehouse/production/office.....	<u>158.3</u>	<u>7.00 - 9.25%</u>
Total.....	<u>180.1</u>	<u>7.00 - 9.25%</u>

The Group expects to maintain the property portfolio in the coming year.

Properties acquired for the purpose of resale

Properties acquired for the purpose of resale, DKK 12.6 million (DKK 20.6 million), comprise 3 (6) properties taken over to secure loans granted by the Group. The properties are distributed with DKK 11.8 million (DKK 18.6 million) on business-related properties and DKK 0.8 million (DKK 2.0 million) on residential properties.

In the period after 30 September 2015, the Group has sold a small part of a business property.

Gain on the sale of properties acquired for the purpose of resale for the financial year amounts to DKK 0.5 million (DKK -2.1 million). After set-off of reversed provision for loss on properties acquired for the purpose of resale, DKK 1.8 million (DKK 2.9 million), the net income on properties acquired for the purpose of resale amounts to DKK 2.3 million (DKK 0.8 million). The net income is recognised in the item net loss/gain and direct expenses.

Shares

The Group's portfolio of shares consists of one share issuer – Team Tankers Intl. At 30 September 2015, the fair value amounts to DKK 1.8 million (DKK 0.0 million), and fair value adjustment for the financial year amounts to DKK -0.1 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 Group's portfolio are converted into shares, the Supervisory Board has granted authorization 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. Thus, the authority is not an authority to buy shares and build up a share portfolio.

The shares are expected to be sold when they have a value which, in the opinion of the Parent Company, reflects the actual value of the share.

Pursuant to the Danish Act on Alternative Investment Fund Managers, the Danish Financial Supervisory Authority has granted the Parent Company an exemption in respect of being permitted to manage shares received in connection with a corporate bond in the portfolio being wholly or partly converted into shares.

Financing and debt

The fair value of the Group's short-term debt to credit institutions amounts to DKK 449.5 million (DKK 382.9 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>
DKK.....	52.33%	24.65%
USD.....	34.24%	61.05%
EUR.....	11.10%	8.24%
NOK.....	<u>2.33%</u>	<u>6.06%</u>
	<u>100.00%</u>	<u>100.00%</u>

Part of the loans in DKK has been converted into USD, and a significant part of the loans in EUR has been converted into DKK with currency swaps. The effect of this is included in the above currency distribution. Currency hedging in USD solely refers to the hedging of assets in the same currency.

The Company has pegged the interest rate on DKK 150.0 million (DKK 25.0 million) through DKK interest swaps with a remaining term of up to 10 years. Fair value adjustment of interest swaps for the financial year is a negative DKK 1.3 million (DKK -0.9 million).

The net movement for the year deriving from exchange adjustments of foreign loans, forward contracts, securities, etc is a negative DKK 5.8 million (DKK 0.0 million) as a result of a volatile USD rate and negative fair value adjustments. 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>	<u>30 September 2015</u>		<u>30 September 2014</u>	
	<u>Assets %</u>	<u>Liabilities %</u>	<u>Assets %</u>	<u>Liabilities %</u>
DKK	82.76%	76.55%	70.13%	67.48%
EUR	0.58%	5.48%	0.00%	3.56%
NOK	1.30%	1.14%	3.10%	2.61%
USD	<u>15.36%</u>	<u>16.83%</u>	<u>26.77%</u>	<u>26.35%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Redemption and raising of mortgage credit loans for investment properties

In the financial year, the Parent Company has:

- raised new mortgage credit loans for DKK 25.3 million. The loans were raised as cibor loans with maturity in 2025. The interest rate was pegged at the conclusion of the interest swap agreements in respect of the principals of the loans for the remaining term to maturity;
- raised new mortgage credit loans for DKK 21.6 million. The loans were raised as cash loans issued on the basis of 2% bonds with maturity in 2037;
- redeemed DKK 24.4 million cash loans issued on the basis of 1.5% bond loans with maturity in 2024.

Fair value adjustments of mortgage credit institutes and debt to credit institutions amount to an income of DKK 1.3 million (DKK -1.0 million). Fair value adjustments of interest swaps on debt to mortgage credit institutes and debt to credit institutions are a negative DKK 1.6 million (DKK -2.5 million).

Cash flows and liquidity

Cash flows from the Group's operating activities amount to DKK 41.6 million (DKK 26.4 million). In 2014/15, cash flows from operating activities were affected by the inflow of cash from properties acquired for the purpose of resale of DKK 15.5 million (DKK 7.0 million).

Based on the credit facilities available at the end of September 2015, the Group is able to carry through the planned activities in the coming financial year.

Risk factors

The Group's activities are exposed to a number of risk factors, which may be divided into categories. For an elaboration of these and other factors, reference is made to the description of the Group's risk factors in note 36.

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 2015 and 30 September 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	510.9	18.5	368.8	11.5
Bonds	1% effective rate of interest	153.2	5.3	271.2	10.5
Shares	10% change in value	1.8	0.2	0	0
Rental properties	0.5% yield requirement	180.5	11.3	180.1	10.8
Foreign currency loans	10% change in exchange rate	214.4	21.4	288.9	28.9
Securities in foreign currencies	10% change in value	153.2	15.3	260.6	26.1

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 3.2 million (DKK 3.6 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.

In connection with the preparation of the Annual Report, Management makes a number of accounting estimates and lays down the assumptions forming the basis of the presentation, recognition and measurement of the Group's assets and liabilities. The most significant accounting estimates and assessments appear from the paragraph significant accounting estimates and assessments in note 2 to the Annual Report, description of accounting policies.

Dividend, repurchase of own shares and other capital issues

Based on an overall assessment of results for the year, the development in basic earnings, existing budgets and more efficient utilisation of the capital structure, etc, the Supervisory Board has decided to propose distribution of dividend of DKK 20.0 (DKK 50.0) per share – corresponding to DKK 20.0 million.

The Supervisory Board has authority to let the Company acquire own shares for up to a nominal amount of DKK 10.0 million. The acquisition must take place at prices which do not deviate more than +/- 10% from the official price for the Company's shares quoted on Nasdaq Copenhagen A/S at the time of the acquisition. The authority was received at the Annual General Meeting on 30 January 2015 and applies for 5 years.

During the financial year, no repurchases were made under the scheme for repurchase of own shares, and the Company holds no own shares at present.

Future prospects and post balance sheet events

At present, basic earnings of approx. DKK 20.0 million are expected for the coming year. Fair value adjustments and losses and gains realised on bonds, foreign currencies and interest swaps, etc are not included in basic earnings and will at 9 December 2015 affect results for the year before tax by DKK -11.0 million.

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.

Alternative investment fund manager

On 28 November 2014, Investeringsselskabet Luxor A/S obtained permission to carry on management activities as an alternative investment fund manager according to section 6 (1) of the Danish Act on Alternative Investment Fund Managers etc.

Pursuant to the Danish Act on Alternative Investment Fund Managers, the Parent Company is permitted to invest in mortgage deeds, bonds and properties. This year, the Parent Company was granted an exemption by the Danish Financial Supervisory Authority according to section 15 of the Act in respect of also being permitted to manage shares received in connection with a corporate bond in the portfolio being wholly or partly converted into shares.

In the information to the investors pursuant to the Danish Act on Alternative Investment Fund Managers, the only significant change is that the individual bond issuer may not constitute more than 3.5% of the Company's equity compared to previously when, as a general rule, the individual issuer could not constitute more than 5% of the total portfolio of bonds. Apart from this, there have been no significant changes in the Parent Company's information to the investors.

The Company's shares are listed on Nasdaq Copenhagen A/S, and therefore the Company's shares cannot be redeemed; consequently, the market value of the share may differ from the net asset value of the Company.

Information to the investors can be read on www.luxor.dk under Investor information.

Distribution of dividend

The Supervisory Board proposes distribution of dividend of DKK 20.0 million, corresponding to DKK 20.0 per share.

Corporate social responsibility, human rights and climatic impact

Investeringsselskabet Luxor A/S has no policy on corporate social responsibility including human rights and climatic impact.

Target figures and policies for the gender composition of Management

The Supervisory Board of Luxor A/S consists of three members, none of whom are women at present. In accordance with section 139a of the Danish Companies Act, the Supervisory Board has adopted a target figure according to which the aim is to have female board members elected corresponding to at least 20% of the total Supervisory Board at the latest at the Annual General Meeting in 2017.

Furthermore, according to the same legal provision, the Supervisory Board has adopted a policy concerning inclusion of both genders at the Company's supreme levels of management. The Company's supreme levels of management consist of the Executive Board and the CFO. The members of the Supervisory Board agree that vacancies at these management levels should be filled on the basis of specific qualifications, and that men and women should have completely equal career opportunities in the Company. The Supervisory Board points out that the Company's other management levels have a balanced gender composition at present.

Agreements between the Company and Management

Agreements between the Company and its Management are disclosed in note 14.

Intellectual capital resources

The Group's future development depends on its ability also in future to retain and attract qualified employees for the performance of the Group's main activities.

Capital

Information the purpose of which is to promote the sale of the Company's shares is included partly in note 24 and partly in continuation of the Company's statement of Corporate Governance on the Company's website under Investor information.

Corporate Governance

In May 2013 (revised November 2014), the Committee on Corporate Governance issued updated recommendations on Corporate Governance based on the "comply or explain" principle. In the opinion of the Supervisory Board, the Management of Investeringsselskabet Luxor A/S complies with the most significant recommendations in the Corporate Governance report.

Investeringsselskabet Luxor A/S has chosen a different practice in the following areas:

- The Company has no policy on corporate social responsibility including human rights and climatic impact. However, in the investment process etc, the Company attaches importance to investing in enterprises which run their business in a socially responsible way.
- The Company publishes Interim Reports in Danish and English; the Annual Report is published in Danish, and an extract of the Annual Report is published in English. The English version is published shortly after the publication of the Danish version. Other announcements are published in Danish only. The Company's website is in Danish.
- The Supervisory Board has not appointed a deputy chairman due to the size of the Supervisory Board.
- The Company has not published a competence description on its website, and the Company has not described the individual members' competences in the Annual Report. The Supervisory Board is composed on the basis of an overall assessment of the competence and versatility of the members.
- The Company has not stipulated any specific retirement age for the members of the supreme governing body, as the Supervisory Board is of the opinion that the members' qualifications, and not their age, are decisive for their ability to discharge their duties.
- At present, the Company has no committees, as the supreme governing body finds that a small operational Supervisory Board makes it possible for the total supreme governing body to discuss and make all significant decisions.
- The supreme governing body does not evaluate its performance based on a formal procedure. Strategic objectives and planning are followed up on a current basis. So far, this method has ensured the efficient function of the supreme governing body. The self-evaluation procedure and its outcome are not disclosed in the Annual Report.
- The Company does not evaluate the cooperation between the Executive Board and the supreme governing body based on a formal procedure. The cooperation between the parties is followed up on a current basis. This method ensures efficient cooperation.
- The Company does not publish a description of the criteria forming the basis of the balance between the individual remuneration components.

- The Annual Report does not provide an explanation of the linkage between remuneration and remuneration policy.

Investeringsselskabet Luxor A/S has prepared a complete description of the Group's Corporate Governance policy based on the recommendations of Nasdaq Copenhagen A/S. The description can be read or downloaded on <http://www.luxor.dk/investor-information/virksomhedsledelse/> under the item Shareholder information.

The Supervisory Board's description of internal controls and risk management in connection with the financial reporting process:

The Supervisory Board and the Executive Board have overall responsibility for the Group's risk management and internal controls in connection with the financial reporting, including compliance with relevant legislation and other regulation in relation to the financial reporting.

The Company has systems for risk management and internal controls in order to ensure that the internal and external financial reporting give a true and fair view without material misstatement.

Investeringsselskabet Luxor A/S has prepared a statement of Corporate Governance for the financial year 2014/15, which can be read on <http://www.luxor.dk/investor-information/virksomhedsledelse/>.

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

<u>Parent Company</u>			<u>Group</u>		
2014/15 DKK '000	2013/14 DKK '000	Note	2014/15 DKK '000	2013/14 DKK '000	
Income					
45,246	39,795	3	45,246	39,795	Financial income
10,276	11,198	4	14,295	15,092	Rental income.....
<u>0</u>	<u>4,806</u>	5	<u>360</u>	<u>5,061</u>	Other income.....
55,522	55,799		59,901	59,948	Total income.....
-12,020	-10,732	6	-12,291	-10,738	Net loss/gain and direct expenses.....
<u>4,287</u>	<u>5,716</u>	7	<u>5,305</u>	<u>7,247</u>	Direct expenses, properties
39,215	39,351		42,305	41,963	
3,447	21,353	8	417	18,030	Fair value adjustment of financial assets.....
<u>400</u>	<u>-1,400</u>	18	<u>400</u>	<u>400</u>	Fair value adjustment of investment properties.....
43,062	59,304	9	43,122	60,393	Total gross earnings
<u>40,762</u>	<u>32,201</u>	11	<u>39,416</u>	<u>31,691</u>	Financial expenses
<u>2,300</u>	<u>27,103</u>		<u>3,706</u>	<u>28,702</u>	
3,529	2,952	12	3,266	3,360	Other external expenses
-7	1	13	-7	1	Other income and expenses.....
9,236	9,797	14	10,381	10,047	Staff expenses.....
<u>253</u>	<u>235</u>	17	<u>253</u>	<u>235</u>	Depreciation and amortisation
<u>13,011</u>	<u>12,985</u>		<u>13,893</u>	<u>13,643</u>	
-10,711	14,118		-10,187	15,059	Profit/loss before tax
<u>-2,519</u>	<u>2,895</u>	15	<u>-1,702</u>	<u>3,910</u>	Tax on profit/loss for the year
NET PROFIT/LOSS FOR THE YEAR					
<u>-8,192</u>	<u>11,223</u>		<u>-8,485</u>	<u>11,149</u>	(COMPREHENSIVE INCOME)
-8.2	11.2		-8.5	11.1	Earnings per share (EPS) for A & B shares in DKK
-8.2	11.2		-8.5	11.1	Earnings per share (EPS) for A & B shares in DKK (diluted value)

BALANCE SHEET AT 30 SEPTEMBER 2015

ASSETS

Parent Company				Group	
2014/15	2013/14			2014/15	2013/14
<u>DKK '000</u>	<u>DKK '000</u>	<u>Note</u>		<u>DKK '000</u>	<u>DKK '000</u>
11,364	11,551		Domicile properties.....	11,364	11,551
<u>922</u>	<u>294</u>		Fixtures, fittings and equipment.....	<u>922</u>	<u>294</u>
<u>12,286</u>	<u>11,845</u>	17	Property, plant and equipment	<u>12,286</u>	<u>11,845</u>
<u>123,600</u>	<u>123,200</u>		Investment properties.....	<u>180,500</u>	<u>180,100</u>
<u>123,600</u>	<u>123,200</u>	18	Investment properties	<u>180,500</u>	<u>180,100</u>
300	300	16	Subsidiary.....	0	0
78,588	82,558	16	Subsidiary measured at fair value	0	0
<u>665,882</u>	<u>639,965</u>	20	Securities.....	<u>665,882</u>	<u>639,965</u>
<u>744,770</u>	<u>722,823</u>		Fixed asset investments	<u>665,882</u>	<u>639,965</u>
<u>17,797</u>	<u>16,093</u>	15	Deferred tax.....	<u>12,301</u>	<u>10,599</u>
<u>898,453</u>	<u>873,961</u>		Non-current assets	<u>870,969</u>	<u>842,509</u>
<u>12,622</u>	<u>19,408</u>	19	Properties acquired for the purpose of resale	<u>12,622</u>	<u>20,647</u>
22,317	22,806	21	Other receivables.....	22,322	22,913
270	213	15	Corporation tax receivable	270	213
<u>426</u>	<u>447</u>	22	Prepayments	<u>506</u>	<u>526</u>
<u>23,013</u>	<u>23,466</u>		Receivables	<u>23,098</u>	<u>23,652</u>
<u>6,947</u>	<u>455</u>	23	Cash at bank and in hand	<u>8,852</u>	<u>1,394</u>
<u>42,582</u>	<u>43,329</u>		Current assets	<u>44,572</u>	<u>45,693</u>
<u>941,035</u>	<u>917,290</u>		ASSETS	<u>915,541</u>	<u>888,202</u>

BALANCE SHEET AT 30 SEPTEMBER 2015

LIABILITIES AND EQUITY

Parent Company				Group	
2014/15	2013/14			2014/15	2013/14
<u>DKK '000</u>	<u>DKK '000</u>	<u>Note</u>		<u>DKK '000</u>	<u>DKK '000</u>
100,000	100,000	24	Share capital.....	100,000	100,000
20,000	50,000		Proposed dividend.....	20,000	50,000
<u>234,224</u>	<u>262,416</u>		Retained earnings.....	<u>234,292</u>	<u>262,777</u>
<u>354,224</u>	<u>412,416</u>		Equity	<u>354,292</u>	<u>412,777</u>
63,056	43,172	27	Mortgage credit institutes.....	77,898	59,257
<u>6,778</u>	<u>5,105</u>	32	Forward contracts, interest swaps.....	<u>8,121</u>	<u>6,486</u>
<u>69,834</u>	<u>48,277</u>		Non-current liabilities	<u>86,019</u>	<u>65,743</u>
0	1,362	27	Mortgage credit institutes, properties held for sale	0	1,362
3,430	2,732	27	Mortgage credit institutes.....	4,595	3,871
449,525	382,370	28	Credit institutions.....	449,525	382,897
1,318	1,325		Deposits.....	3,026	3,010
45,120	50,957		Payables to group enterprises.....	0	0
16,341	17,219	30	Other payables.....	16,806	17,910
736	337	32	Forward contracts and currency swaps.....	736	337
<u>507</u>	<u>295</u>	31	Deferred income.....	<u>542</u>	<u>295</u>
<u>516,977</u>	<u>456,597</u>		Current liabilities	<u>475,230</u>	<u>409,682</u>
<u>586,811</u>	<u>504,874</u>		Liabilities	<u>561,249</u>	<u>475,425</u>
<u>941,035</u>	<u>917,290</u>		LIABILITIES AND EQUITY	<u>915,541</u>	<u>888,202</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 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
Equity A & B shares at 1 October 2014	17,500	82,500	262,416	50,000	412,416
Dividend paid	0	0	0	-50,000	-50,000
Proposed dividend	0	0	-20,000	20,000	0
Net profit/loss for the year (comprehensive income)	0	0	-8,192	0	-8,192
Equity A & B shares at 30 September 2015	17,500	82,500	234,224	20,000	354,224

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 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
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
Proposed dividend	0	0	-20,000	20,000	0
Net profit/loss for the year (comprehensive income)	0	0	-8,485	0	-8,485
Equity A & B shares at 30 September 2015	17,500	82,500	234,292	20,000	354,292

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

<u>Parent Company</u>			<u>Group</u>	
2014/15 DKK '000	2013/14 DKK '000		2014/15 DKK '000	2013/14 DKK '000
		Cash flows from operating activities		
52,752	40,773	Interest received on mortgage deeds and bonds.....	52,752	40,773
-4,024	-2,090	Other financial income.....	-4,024	-2,090
0	1,045	Other income.....	360	1,300
10,611	11,404	Rental income.....	14,665	15,305
-15,378	-12,602	Interest payments.....	-16,062	-13,294
-19,426	-19,412	Operating expenses and other payments.....	-21,459	-21,535
14,481	8,243	Properties acquired for the purpose of resale.....	15,458	7,004
-53	-1,016	Tax payments.....	-53	-1,016
<u>38,963</u>	<u>26,345</u>	Cash flows from operating activities.....	<u>41,637</u>	<u>26,447</u>
		Cash flows from investing activities		
-264,162	-225,640	Additions of mortgage deeds and bonds.....	-264,162	-225,640
215,743	129,152	Disposals of mortgage deeds and bonds.....	215,743	129,152
1,140	3,259	Payments from group enterprises.....	0	0
24	55	Deposits received.....	102	172
-694	0	Capital investments.....	-694	0
0	5,574	Properties held for sale.....	0	5,574
<u>-47,949</u>	<u>-87,600</u>	Cash flows from investing activities.....	<u>-49,011</u>	<u>-90,742</u>
		Cash flows from financing activities		
47,596	72,630	Raising of loans, credit institutions.....	47,069	73,153
-1,549	0	Repayment, credit institutions.....	-1,549	0
-2,658	-370	Repayment, mortgage credit institutes, properties acquired for the purpose of resale.....	-2,658	-370
53,712	27,505	Raising of loans, mortgage credit institutes.....	53,712	39,857
-30,518	-30,880	Repayment, mortgage credit institutes.....	-31,656	-44,219
-1,074	-3,330	Payments to group enterprises.....	0	0
-50,000	-6,000	Dividend.....	-50,000	-6,000
-31	-156	Deposits paid.....	-86	-188
<u>15,478</u>	<u>59,399</u>	Cash flows from financing activities.....	<u>14,832</u>	<u>62,233</u>
6,492	-1,856	Net change in cash and cash equivalents.....	7,458	-2,062
455	2,311	Cash and cash equivalents, beginning of year.....	1,394	3,456
<u>6,947</u>	<u>455</u>	Cash and cash equivalents, end of year.....	<u>8,852</u>	<u>1,394</u>

NOTES TO THE ANNUAL REPORT

Parent Company			Group	
2014/15 DKK '000	2013/14 DKK '000		2014/15 DKK '000	2013/14 DKK '000
3. Financial income				
35,956	23,699	Mortgage deeds, interest	35,956	23,699
<u>16,033</u>	<u>17,256</u>	Bonds, interest.....	<u>16,033</u>	<u>17,256</u>
51,989	40,955		51,989	40,955
4,309	1,175	Capital gains, mortgage deeds.....	4,309	1,175
-24,368	1,304	Capital gains, bonds	-24,368	1,304
102	2	Capital gains, shares.....	102	2
-5,245	-2,334	Forward contracts.....	-5,245	-2,334
17,238	-1,551	Exchange adjustments, securities.....	17,238	-1,551
<u>1,221</u>	<u>244</u>	Other financial income.....	<u>1,221</u>	<u>244</u>
<u>45,246</u>	<u>39,795</u>		<u>45,246</u>	<u>39,795</u>
<u>45,246</u>	<u>39,795</u>	Financial income relating to assets measured at fair value in the income statement.....	<u>45,246</u>	<u>39,795</u>

Interest income on lost and impaired mortgage deeds amounts to kDKK 3,356 (kDKK 2,616) distributed as follows: kDKK 2,914 (kDKK 1,965) relating to impaired mortgage deeds and kDKK 442 (kDKK 651) relating to realised losses on mortgage deeds.

6. Net loss/gain and direct expenses

14,868	20,256	Realised net losses on mortgage deeds and mortgage deed receivables	14,868	20,256
1,394	-7,163	Change of fair value adjustment of credit risk, mortgage deeds.....	1,394	-7,163
-743	2,110	Gain/loss on sale of properties acquired for the purpose of resale	-481	2,110
-1,750	-2,905	Provision for losses on properties acquired for the purpose of resale.....	-1,750	-2,905
<u>2,321</u>	<u>1,816</u>	Bad debts recovered.....	<u>2,321</u>	<u>1,816</u>
-11,448	-10,482		-11,710	-10,482
389	102	Fees	398	108
<u>183</u>	<u>148</u>	Collection charges.....	<u>183</u>	<u>148</u>
<u>-12,020</u>	<u>-10,732</u>		<u>-12,291</u>	<u>-10,738</u>

Parent Company			Group	
2014/15 DKK '000	2013/14 DKK '000		2014/15 DKK '000	2013/14 DKK '000
8. Fair value adjustment of financial assets				
2,066	2,580	Fair value adjustment, mortgage deeds	2,066	2,580
-1,511	15,450	Fair value adjustment, bonds	-1,511	15,450
-138	0	Fair value adjustment, shares	-138	0
<u>3,030</u>	<u>3,323</u>	Fair value adjustment, subsidiary	<u>0</u>	<u>0</u>
<u>3,447</u>	<u>21,353</u>		<u>417</u>	<u>18,030</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%).

		Total fair value adjustment included in notes 3, 8 and 11, respectively:	
3,447	21,353	Securities	417 18,030
-399	-351	Forward contracts, currency swaps	-399 -351
<u>-1,673</u>	<u>-2,077</u>	Forward contracts, interest swaps	<u>-1,635</u> <u>-2,460</u>
1,375	18,925		-1,617 15,219
<u>1,214</u>	<u>-656</u>	Mortgage credit institutes	<u>1,293</u> <u>-999</u>
<u>2,589</u>	<u>18,269</u>		<u>-324</u> <u>14,220</u>

	Group	
	2014/15 DKK '000	2013/14 DKK '000
10. Statement of basic earnings		
Financial income	57,518	42,377
Rental income	14,295	15,091
Other income	360	1,300
Net loss/gain and direct expenses	-12,291	-10,738
Direct expenses, properties	5,305	7,247
Financial expenses	16,553	13,308
Other external expenses	3,276	3,360
Staff expenses	10,369	10,046
Depreciation and amortisation	<u>252</u>	<u>235</u>
Basic earnings	<u>24,127</u>	<u>13,834</u>

Basic earnings are calculated for the Group only.

Parent Company			Group	
2014/15 DKK '000	2013/14 DKK '000		2014/15 DKK '000	2013/14 DKK '000
11. Financial expenses				
12,489	10,442	Credit institutions	12,489	10,442
103	118	Interest swaps, credit institutions	103	118
1,253	914	Interest swaps, credit institutions, fair value adjustment	1,253	914
21,108	14,384	Exchange loss/gain on foreign loans etc, net	21,108	14,384
34,953	25,858		34,953	25,858
1,456	1,523	Mortgage credit institutes.....	1,916	2,000
888	651	Interest swaps, mortgage credit institutes	1,112	865
-1,214	656	Mortgage credit institutes, fair value adjustment..	-1,293	999
420	1,163	Interest swaps, mortgage credit institutes, fair value adjustment	382	1,546
1,913	2,055	Interest expenses, group enterprises.....	0	0
1,409	295	Expenses and loss on conversion of debt to mortgage credit institutes	1,409	423
937	0	Other interest expenses	937	0
40,762	32,201		39,416	31,691
Interest expenses are specified as follows:				
12,489	10,442	Credit institutions	12,489	10,442
1,456	1,523	Mortgage credit institutes.....	1,916	2,000
1,913	2,055	Interest expenses, group enterprises.....	0	0
15,858	14,020		14,405	12,442
40,473	31,743	Financial expenses on debt measured at fair value in the income statement.....	39,127	31,233
289	458	Financial expenses on debt measured at amortised value	289	458

The average effective interest rate for the year is 3.11% (3.36%) based on total average financial expenses in the Group.