

Investeringselskabet Luxor A/S

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Announcement No 7
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Half-year Report as at 31 March 2016

The Supervisory Board of Investeringselskabet Luxor A/S has today adopted the Half-year Report as at 31 March 2016.

Second quarter of the financial year:

- Basic earnings amount to DKK 5.7 million (DKK 6.3 million).
- The Group's results for the quarter before tax show a profit of DKK 5.5 million (DKK 8.6 million). After tax, the Group shows a profit of DKK 4.3 million (DKK 6.7 million).

Half-year 2015/16:

- Basic earnings for the half-year increased from DKK 10.8 million to DKK 14.5 million. The increase is primarily attributable to an increase in net financial income of DKK 4.6 million.
- The Group's results before tax for the half-year show a loss of DKK 4.0 million (DKK -4.6 million). The results for the period are affected by net negative fair value adjustments and realised losses on bonds including currency hedging of DKK -12.6 million as well as negative fair value adjustments of interest swaps and debt to mortgage credit institutes of DKK -5.2 million.
- The net asset value per share in circulation is DKK 331.17 (DKK 359.07). The net asset value per share in circulation is significantly affected by the dividend distribution of DKK 50 million in January 2015, corresponding to DKK 50 per share.

Expected profit for the year 2015/16

- For the financial year 2015/16, expected basic earnings are maintained at approx. DKK 24.0 million.

Fair value adjustments and losses and gains realised on bonds, foreign currencies and interest swaps, etc are not included in basic earnings and have, as from the beginning of the financial year until 19 May 2016, affected results for the year before tax by DKK -11 million. The amount covers DKK -18 million relating to the first half-year and DKK 7 million relating to the period 1 April to 19 May 2016.

For additional information concerning the Half-year Report, please contact Jannik Rolf Larsen, Manager.

Yours faithfully
Investeringselskabet Luxor A/S

Svend Rolf Larsen
CEO

Jannik Rolf Larsen
Manager

Announcement No 7 of 30 May 2016
Half-year Report for the period 1 October 2015 to 31 March 2016

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Investeringselskabet Luxor A/S is an investment company investing shareholders' equity and debt capital in capital investments. The Company's main activities are distributed on mortgage deeds, bonds and properties. The Company has adopted a flexible investment strategy within a number of specific investment frameworks.

The overall objective of the Group is to achieve the best possible long-term return on investments for the shareholders by investing shareholders' equity and debt capital in capital investments within the risk frameworks established.

Pursuant to the Danish Act on Alternative Investment Fund Managers, Investeringselskabet Luxor A/S is permitted to invest in mortgage deeds, bonds and properties and has been granted 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.

FINANCIAL HIGHLIGHTS OF THE GROUP

	<u>OCTOBER - MARCH</u>			
<u>DKK million</u>	<u>2015/16</u> <u>half-year</u>	<u>2014/15</u> <u>half-year</u>	<u>2013/14</u> <u>half-year</u>	<u>2014/15</u> <u>full year</u>
<u>Key figures</u>				
Income.....	27.4	17.3	30.7	59.9
Gross earnings.....	17.4	42.9	18.6	43.1
Profit/loss before tax	-4.0	-4.6	7.1	-10.2
Net profit/loss for the period.....	-3.1	-3.7	5.4	-8.5
Basic earnings	14.5	10.8	3.3	24.1
Assets	885.1	913.2	840.4	915.5
Equity	331.2	359.1	407.0	354.3
Investment in property, plant and equipment.....	0.1	0.1	0.0	0.7
Profit/loss for analytical purposes:				
Net profit/loss for the period (after tax)	<u>-3.1</u>	<u>-3.7</u>	<u>5.4</u>	<u>-8.5</u>
<u>Ratios</u>				
<u>Values per DKK 100 share</u>				
Earnings per share (EPS) (DKK)	-3.12	-3.70	5.37	-8.48
Net asset value per share in circulation (DKK)	331.17	359.07	406.99	354.29
Return on equity in percentage p.a.....	-1.82	-1.92	2.64	-2.21
Equity share in percentage	37.42	39.32	48.43	38.70
<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.....	310	261	216	261
Highest	360	362	240	362
End of period.....	322	310	240	317
Volume of trade on the Stock Exchange, number of shares	11,803	6,070	10,633	32,385
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.

HALF-YEAR REPORT

Basic earnings and results

The Group's basic earnings amount to DKK 14.5 million (DKK 10.8 million), the increase being primarily attributable to increased net financial income.

Basic earnings are calculated as profit/loss before tax for the half-year adjusted for fair value adjustments of securities, debt and foreign exchange movements and realised losses on securities.

The Group's results before tax amount to DKK -4.0 million (DKK -4.6 million). After recognition of tax for the period of DKK -0.9 million (DKK -0.9 million), the results for the period after tax amount to DKK -3.1 million (DKK -3.7 million). The results for the period are affected by net negative fair value adjustments and realised losses on bonds including currency hedging of DKK -12.6 million as well as negative fair value adjustments of interest swaps and debt to mortgage credit institutes of DKK -5.2 million.

Business areas

The Group's balance sheet, which compared with the same time last year has decreased from DKK 913.2 million to DKK 885.1 million, includes the following business areas:

	<u>2015/16</u>	<u>2014/15</u>
	<u>DKK million</u>	<u>DKK million</u>
Mortgage deeds.....	561.2	431.9
Bonds	78.1	234.4
Shares.....	<u>1.9</u>	<u>1.7</u>
Total securities.....	641.2	668.0
Investment properties.....	<u>180.5</u>	<u>180.1</u>
 Total.....	 <u>821.7</u>	 <u>848.1</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 561.2 million (DKK 431.9 million).

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

	<u>2015/16</u> <u>DKK million</u>	<u>2014/15</u> <u>DKK million</u>
Interest income.....	22.1	14.5
Capital gains, mortgage deeds	3.1	1.0
Fair value adjustment.....	<u>-0.7</u>	<u>1.4</u>
 Gross return.....	 24.5	 16.9
 Realised and unrealised losses on mortgage deeds, bad debts recovered and gain on sale of properties acquired for the purpose of resale.....	 <u>-3.9</u>	 <u>-4.5</u>
	<u>20.6</u>	<u>12.4</u>

Fixed-interest mortgage deeds of a nominal amount of DKK 416.8 million are measured at fair value in the balance sheet on the basis of an average effective interest rate of 8.50% p.a. (8.50% p.a.) irrespective of the term to maturity and the present market rate for new mortgage deeds at the level of 7.5% - 9.0% p.a. (7.5% - 9.0% p.a.). Fixed-interest mortgage deeds of a nominal amount of DKK 48.1 million and cibor mortgage deeds of a nominal amount of DKK 174.5 million are measured at fair value on the basis of the cost of the mortgage deeds.

The Group's portfolio of mortgage deeds has an average fair value per mortgage deed of kDKK 277.0 (kDKK 304.2).

Net loss/gain and direct expenses amount to DKK -4.2 million (DKK -4.7 million), which is approx. DKK 1.6 million lower than expected as bad debts recovered and fair value adjustment of credit risk have developed more positively than expected.

Net loss/gain and direct expenses include:

- realised net losses on mortgage deeds and mortgage deed receivables of DKK 2.2 million (DKK 9.3 million);
- an increase in adjustment to meet the credit risk on mortgage deeds and mortgage deed receivables of DKK 3.7 million (DKK -0.8 million);
- bad debts recovered of DKK 2.0 million (DKK 1.1 million);
- loss on sale of properties acquired for the purpose of resale of DKK 0.1 million (DKK 0.6 million) and reversed provisions for losses on properties acquired for the purpose of resale of DKK 0.2 million (DKK 2.2 million). 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 17.4 million (DKK 14.4 million), corresponding to 3.0% (3.2%) of the portfolio.

For the current financial year, the Group expects a continued increase of the mortgage deed portfolio.

Bonds

The fair value of the Group's portfolio of bonds amounts to DKK 78.1 million (DKK 234.4 million).

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

	<u>2015/16</u> <u>DKK million</u>	<u>2014/15</u> <u>DKK million</u>
Interest income	5.2	9.3
Realised capital gains on bonds (including foreign exchange)	-8.7	-10.1
Fair value adjustment	-2.7	32.0
Forward exchange contracts	-1.2	-5.6
Exchange loss/gain on foreign loans etc, net	<u>-0.4</u> <u>-13.0</u>	<u>-29.3</u> <u>-13.0</u>
Return after currency hedging	<u>-7.8</u>	<u>-3.7</u>

The loss on bonds realised includes a realised exchange gain of DKK 9.0 million (DKK 6.6 million), and fair value adjustments include an unrealised exchange loss of DKK 10.5 million (DKK 26.1 million).

The portfolio of bonds, which is 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.

Fair value adjustments for the half-year with addition of reversed write-downs on the sale of bonds 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.

At 31 March 2016, the portfolio of bonds comprises a total negative fair value adjustment and possible gains on redemptions of up to approx. DKK 32.0 million excluding foreign exchange (approx. DKK 7.9 million excluding foreign exchange) provided that the portfolio of bonds is redeemed or sold at par. The portfolio of bonds is characterised by an overweight of bonds with a relatively short to medium term to maturity and an average Macaulay duration of approx. 3.6 years (approx. 4.2 years).

Since the closing of the financial period and until 19 May 2016, the Group has seen positive fair value adjustments of bonds of DKK 7.2 million. The fair value adjustments include an exchange gain of DKK 1.6 million.

Shares

The fair value of the Group's portfolio of shares amounts to DKK 1.9 million (DKK 1.7 million). The shares were received in connection with a reconstruction of a bond issuer where the Group's portfolio of bonds has been 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 180.5 million (DKK 180.1 million).

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

	<u>2015/16</u> <u>DKK million</u>	<u>2014/15</u> <u>DKK million</u>
Rental income.....	7.0	7.2
Direct expenses, investment properties.....	<u>2.3</u>	<u>2.8</u>
	<u>4.7</u>	<u>4.4</u>

Properties acquired for the purpose of resale

Properties acquired for the purpose of resale, DKK 10.7 million (DKK 14.4 million), comprise 3 (4) properties taken over to secure loans granted by the Group. The properties are distributed with DKK 10.0 million on business-related properties and DKK 0.7 million on residential property.

Financing and debt

The fair value of the Group's short-term debt to credit institutions amounts to DKK 438.8 million (DKK 439.1 million). After conversion by means of matching forward contracts, the debt is distributed as follows:

<u>Currency</u>	<u>2015/16</u>	<u>2014/15</u>
EUR.....	23.36%	8.81%
DKK	57.63%	38.06%
USD.....	17.16%	50.48%
NOK	<u>1.85%</u>	<u>2.65%</u>
	<u>100.00%</u>	<u>100.00%</u>

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 9 years; fair value adjustment of interest swaps for the half-year is a negative DKK 3.7 million (DKK -0.1 million). The amount is counterbalanced through current fair value adjustments over the remaining term of the contracts.

The net movement for the half-year deriving from exchange adjustments of foreign loans, forward contracts, securities, etc is a negative DKK 3.1 million (DKK -2.5 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.

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 in percentage:

<u>Currency</u>	31 March 2016		31 March 2015	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
DKK	90.74%	78.98%	73.67%	70.20%
EUR	0.00%	11.60%	0.60%	4.28%
NOK	1.05%	0.92%	1.73%	1.27%
USD	<u>8.21%</u>	<u>8.50%</u>	<u>24.00%</u>	<u>24.25%</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 half-year, including interest swaps, are a negative DKK 1.5 million (DKK -1.8 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 31 March 2016 and 31 March 2015.

<u>DKK million</u>	<u>Increase in parameter</u>	<u>2015/16 Fair value</u>	<u>2015/16 Change of value</u>	<u>2014/15 Fair value</u>	<u>2014/15 Change of value</u>
Mortgage deeds	1% effective rate of interest	561.2	21.2	431.9	14.8
Bonds	1% effective rate of interest	78.1	2.1	234.4	9.4
Shares	10% change in value	1.9	0.2	1.7	0.2
Investment properties	0.5% yield requirement	180.5	11.3	180.1	10.8
Foreign currency loans	Change in exchange rate *	432.3	11.3	406.1	21.9
Securities in foreign currencies	10% change in value	78.1	7.8	234.4	23.4

* Change in exchange rate 1% for loans in EUR and 10% for loans in NOK and USD.

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 interest swaps.

The Group's financial risks and financial instruments are described in note 36 to the Annual Report; see the Company's website www.luxor.dk.

Future prospects and post balance sheet events

For the financial year 2015/16, expected basic earnings are maintained at approx. DKK 24.0 million.

Fair value adjustments and losses and gains realised on bonds, foreign currencies and interest swaps, etc are not included in basic earnings and have, as from the beginning of the financial year until 19 May 2016, affected results for the year before tax by DKK -11 million. The amount covers DKK -18 million relating to the first half-year and DKK 7 million relating to the period 1 April to 19 May 2016.

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 the credit market and interest rate and foreign exchange developments. Thus, the actual development and actual results might differ significantly from the expectations in the Annual Report.

In Company Announcement No 6 2015/16 of 25 April 2016, it was announced that, for health reasons, Svend Rolf Larsen, CEO has agreed with the Company's Supervisory Board to withdraw from the Executive Board with effect as from 1 June 2016.

Svend Rolf Larsen has been a member of the Company's Executive Board since 1986, and throughout the years, he has made a dedicated effort and has contributed valuably to the favourable development of the Company. It has been agreed with Svend Rolf Larsen that, in connection with his withdrawal from the Executive Board, he will still be attached to the Company.

Following this, the Company's Executive Board only consists of Jannik Rolf Larsen, Manager, who will be appointed CEO of the Company.

Basis of preparation

The Half-year Report has been prepared in accordance with the same accounting policies as the Annual Report 2014/2015, to which we refer.

The Half-year Report comprises summarised consolidated financial statements of Investeringselskabet Luxor A/S.

The Half-year 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 Half-year Report of Investeringselskabet Luxor A/S for the period 1 October 2015 - 31 March 2016.

The Half-year 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 Half-year Report gives a true and fair view of the assets, liabilities and financial position as at 31 March 2016 of the Group and of the results of the Group's operations and cash flows for the period 1 October 2015 - 31 March 2016.

The Half-year Report has not been audited by the Company's auditor.

Copenhagen, 30 May 2016

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 2015 - 31 MARCH 2016

		<u>GROUP</u>			
		1/1 - 31/3 2016	1/1 - 31/3 2015	1/10 2015- 31/3 2016	1/10 2014- 31/3 2015
Note		<u>DKK '000</u>	<u>DKK '000</u>	<u>DKK '000</u>	<u>DKK '000</u>
Income					
	1	19,596	-3,605	20,326	9,489
		3,521	3,534	7,029	7,193
		<u>0</u>	<u>317</u>	<u>0</u>	<u>642</u>
		23,117	246	27,355	17,324
	2	2,949	-2,198	-4,243	-4,727
		<u>1,243</u>	<u>1,189</u>	<u>2,298</u>	<u>2,825</u>
		18,925	-3,141	20,814	9,772
	3	<u>-5,179</u>	<u>46,788</u>	<u>-3,379</u>	<u>33,114</u>
		13,746	43,647	17,435	42,886
	5	<u>4,279</u>	<u>31,325</u>	<u>13,284</u>	<u>40,512</u>
		<u>9,467</u>	<u>12,322</u>	<u>4,151</u>	<u>2,374</u>
		1,132	952	2,543	1,757
	4	2,742	2,660	5,417	5,136
		<u>96</u>	<u>63</u>	<u>192</u>	<u>122</u>
		<u>3,970</u>	<u>3,675</u>	<u>8,152</u>	<u>7,015</u>
		5,497	8,647	-4,001	-4,641
	6	<u>1,212</u>	<u>1,952</u>	<u>-884</u>	<u>-939</u>
		<u>4,285</u>	<u>6,695</u>	<u>-3,117</u>	<u>-3,702</u>
		4.3	6.7	-3.1	-3.7
		4.3	6.7	-3.1	-3.7

BALANCE SHEET AS AT 31 MARCH 2016

ASSETS

	G R O U P		
	31/3 2016 DKK '000	31/3 2015 DKK '000	30/9 2015 DKK '000
Fixed assets			
Domicile properties	11,270	11,457	11,364
Fixtures, fittings and equipment	878	352	922
Property, plant and equipment	12,148	11,809	12,286
Investment properties.....	180,500	180,100	180,500
Rebuilding in progress	1,555	0	0
	182,055	180,100	180,500
Securities	641,197	668,048	665,882
Fixed asset investments	641,197	668,048	665,882
Deferred tax	13,185	11,538	12,301
Non-current assets	848,585	871,495	870,969
Properties acquired for the purpose of resale.....	10,707	14,357	12,622
Other receivables	22,000	24,491	22,322
Corporation tax receivable.....	168	266	270
Forward contracts, currency swaps	136	245	0
Prepayments	600	527	506
Receivables.....	22,904	25,529	23,098
Cash at bank and in hand.....	2,855	1,857	8,852
Current assets	36,466	41,743	44,572
ASSETS	885,051	913,238	915,541

BALANCE SHEET AS AT 31 MARCH 2016

LIABILITIES AND EQUITY

	GROUP		
	31/3 2016 DKK '000	31/3 2015 DKK '000	30/9 2015 DKK '000
Share capital	100,000	100,000	100,000
Proposed dividend	0	0	20,000
Retained earnings	231,175	259,075	234,292
Equity	331,175	359,075	354,292
Mortgage credit institutes	76,327	81,449	77,898
Forward contracts, interest swaps.....	12,654	8,471	8,121
Non-current liabilities	88,981	89,920	86,019
Mortgage credit institutes	4,564	4,471	4,595
Credit institutions	438,782	439,112	449,525
Deposits	2,906	2,996	3,026
Other payables	16,673	17,010	16,806
Forward contracts and currency swaps.....	641	287	736
Deferred income	1,329	367	542
Current liabilities	464,895	464,243	475,230
Liabilities	553,876	554,163	561,249
LIABILITIES AND EQUITY	885,051	913,238	915,541

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 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>-3,702</u>	<u>0</u>	<u>-3,702</u>
Equity A & B shares at 31 March 2015	<u>17,500</u>	<u>82,500</u>	<u>259,075</u>	<u>0</u>	<u>359,075</u>
 Equity A & B shares at 1 October 2015	 17,500	 82,500	 234,292	 20,000	 354,292
Dividend paid	0	0	0	-20,000	-20,000
Net profit/loss for the period (comprehensive income)	<u>0</u>	<u>0</u>	<u>-3,117</u>	<u>0</u>	<u>-3,117</u>
Equity A & B shares at 31 March 2016	<u>17,500</u>	<u>82,500</u>	<u>231,175</u>	<u>0</u>	<u>331,175</u>

CASH FLOW STATEMENT FOR THE PERIOD 1 OCTOBER 2015 - 31 MARCH 2016

	G R O U P	
	2015/16 DKK '000	2014/15 DKK '000
Cash flows from operating activities		
Interest received on mortgage deeds and bonds	28,006	23,754
Other financial income	-1,360	-5,312
Other income	0	642
Rental income	7,990	7,364
Interest payments	-8,369	-7,750
Operating expenses and other payments	-12,513	-10,940
Properties acquired for the purpose of resale	1,962	9,156
Tax payments	102	-53
Cash flows from operating activities	15,818	16,861
Cash flows from investing activities		
Additions of mortgage deeds and bonds	-86,703	-134,828
Disposals of mortgage deeds and bonds	99,633	120,278
Deposits received	182	17
Other capital investments	-1,609	-85
Cash flows from investing activities	11,503	-14,618
Cash flows from financing activities		
Raising of loans, credit institutions	-10,755	26,603
Repayment, mortgage credit institutes, properties acquired for the purpose of resale	0	-2,658
Raising of loans, mortgage credit institutes	0	53,712
Repayment, mortgage credit institutes	-2,261	-29,406
Dividend	-20,000	-50,000
Deposits paid	-302	-31
Cash flows from financing activities	-33,318	-1,780
Net change in cash and cash equivalents	-5,997	463
Cash and cash equivalents, beginning of period	8,852	1,394
Cash and cash equivalents, end of period	2,855	1,857

SEGMENT REPORTING
Group

	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</u>
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<u>Group 2015/16</u>						
Income (realised)	24,993	-4,667	0	7,029	0	27,355
Fair value adjustment....	-746	-2,734	101	0	0	-3,379
Gross earnings	20,004	-7,401	101	4,731	0	17,435
Assets.....	591,435	80,164	1,914	158,875	52,663	885,051
Capital investments.....	81,132	5,571	0	1,555	54	88,312
Liabilities (segments)....	399,390	43,931	1,342	85,601	4,969	535,233

<u>Group 2014/15</u>						
Income (realised)	15,859	-6,431	61	7,193	642	17,324
Fair value adjustment....	1,362	31,999	-247	0	0	33,114
Gross earnings	12,494	25,568	-186	4,368	642	42,886
Assets.....	465,906	239,031	1,704	157,107	49,490	913,238
Capital investments.....	90,049	42,828	1,951	0	85	134,913
Liabilities (segments)....	284,973	154,077	1,120	91,138	5,191	536,499

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 includes fair value adjustments relating to credit risks of kDKK 17,447 (kDKK 14,365). The financial period saw a negative fair value adjustment relating to credit risks on mortgage deeds and mortgage deed receivables of kDKK -3,725 (kDKK 838). 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	
	2015/16 <u>DKK '000</u>	2014/15 <u>DKK '000</u>
Liabilities, segments	535,233	536,499
Other payables	16,673	17,010
Forward contracts and currency swaps	641	287
Deferred income	1,329	367
Segment liabilities	<u>553,876</u>	<u>554,163</u>

GROUP

	2015/16 DKK '000	2014/15 DKK '000
1. Financial income		
Mortgage deeds, interest.....	22,072	14,511
Bonds, interest.....	<u>5,222</u>	<u>9,252</u>
	27,294	23,763
Capital gains, mortgage deeds.....	3,094	1,033
Capital gains, bonds.....	-17,676	-16,714
Capital gains, shares.....	0	102
Forward contracts.....	-1,187	-5,627
Exchange adjustments, securities.....	8,974	6,617
Other financial income.....	<u>-173</u>	<u>315</u>
	<u>20,326</u>	<u>9,489</u>
2. Net loss/gain and direct expenses		
Realised net losses on mortgage deeds and mortgage deed receivables.....	2,154	9,270
Change of fair value adjustment of credit risk, mortgage deeds and mortgage deed receivables.....	3,725	-838
Gain/loss on sale of properties acquired for the purpose of resale.....	128	-636
Provision for losses on properties acquired for the purpose of resale....	-175	-2,230
Bad debts recovered.....	<u>-1,962</u>	<u>-1,054</u>
	-3,870	-4,512
Fees.....	301	101
Collection charges.....	<u>72</u>	<u>114</u>
	<u>-4,243</u>	<u>-4,727</u>
3. Fair value adjustment of financial assets		
Fair value adjustment, mortgage deeds.....	-746	1,362
Fair value adjustment, bonds.....	-2,734	31,999
Fair value adjustment, shares.....	<u>101</u>	<u>-247</u>
	<u>-3,379</u>	<u>33,114</u>
4. Staff expenses		
Remuneration of Supervisory Board.....	<u>313</u>	<u>363</u>
Wages and salaries.....	4,796	4,401
Defined contribution plan.....	270	338
Other social security expenses.....	<u>38</u>	<u>34</u>
Other staff, total.....	<u>5,104</u>	<u>4,773</u>
Total staff expenses.....	<u>5,417</u>	<u>5,136</u>
Average number of employees.....	<u>10</u>	<u>9</u>

Note 4 continued

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 an employee, a total of three persons, who have a significant influence on the Parent Company's risk profile amounts to DKK 2.2 million.

	G R O U P	
	2015/16 DKK '000	2014/15 DKK '000
5. Financial expenses		
Credit institutions	6,251	6,061
Interest swaps, credit institutions.....	289	116
Interest swaps, credit institutions, fair value adjustment.....	3,691	121
Exchange loss/gain on foreign loans etc, net.....	12	29,612
	10,243	35,910
Mortgage credit institutes	920	954
Interest swaps, mortgage credit institutes.....	623	489
Mortgage credit institutes, fair value adjustment	656	-114
Interest swaps, mortgage credit institutes, fair value adjustment	842	1,864
Expenses and loss on conversion of debt to mortgage credit institutes	0	1,409
	13,284	40,512
6. Corporation tax		
Tax on profit/loss on ordinary activities for the period is specified as follows:		
Calculated tax 22% (23.5%) on profit/loss before tax for the period.....	-880	-1,091
Tax effect of:		
Non-taxable income, expenses, value adjustments, etc.....	-4	11
Reduction of the tax rate from 23.5% to 22% up until 2016.....	0	141
	-884	-939
Effective tax rate.....	22.09%	20.23%
Tax asset at 1 October 2015	36,350	34,521
Transferred to DI-Ejendoms Invest A/S.....	-352	-395
Transferred to Metalvarefabriken Luxor A/S.....	-2	0
Change in deferred tax recognised in the income statement	1,167	1,331
Tax asset at 31 March 2016.....	37,163	35,457
Deferred tax at 1 October 2015	24,049	23,922
Change in deferred tax recognised in the income statement	-71	-3
Deferred tax at 31 March 2016.....	23,978	23,919
Total tax asset at 31 March 2016	13,185	11,538

Note 6 continued:

	G R O U P	
	2015/16 DKK '000	2014/15 DKK '000
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 22% (23.5%). The value is distributed on the following items:		
Tax asset:		
Property, plant and equipment.....	-23,896	-23,903
Fixed asset investments, mortgage deeds, bonds and fair value adjustments relating to mortgage credit institutes and credit institutions, etc..	1,159	1,219
Tax loss carry-forwards.....	35,922	34,222
Tax asset.....	13,185	11,538

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 13.2 million (DKK 11.5 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 gains on redemptions 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 31 March 2016, the loss amounts to DKK 97.6 million (DKK 97.6 million) measured on the basis of a tax rate of 22%. Utilisation of the tax loss is not time-limited.

	G R O U P	
	2015/16 DKK million	2014/15 DKK million
7. Statement of basic earnings		
Financial income	30.2	25.1
Rental income.....	7.0	7.2
Other income	0.0	0.6
Net loss/gain and direct expenses.....	-4.2	-4.7
Direct expenses, properties.....	2.3	2.8
Financial expenses.....	8.1	7.6
Other external expenses.....	2.5	1.8
Staff expenses.....	5.4	5.1
Depreciation and amortisation.....	0.2	0.1
Basic earnings	14.5	10.8