

Investeringselskabet Luxor A/S

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Announcement No 8
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Interim Report for Q1-Q3

The Supervisory Board of Investeringselskabet Luxor A/S has today adopted the Interim Report as at 30 June 2016.

Q3 2015/16:

- Basic earnings amount to DKK 9.8 million (DKK 6.8 million).
- The Group's results for the quarter before tax show a profit of DKK 23.3 million (DKK 10.4 million). After tax, the Group shows a profit of DKK 18.2 million (DKK 8.2 million).

Q1-Q3 2015/16:

- Basic earnings for the period increased from DKK 17.5 million to DKK 24.3 million. The increase is primarily attributable to an increase in net financial income and an improvement of net loss/gain on mortgage deeds.
- The Group's results before tax for the period show a profit of DKK 19.3 million (DKK 5.8 million). The results for the period are affected by net positive fair value adjustments and realised losses on bonds including currency hedging of DKK 3.4 million as well as negative fair value adjustments of interest swaps and debt to mortgage credit institutes of DKK -7.9 million.
- The net asset value per share in circulation is DKK 349.34 (DKK 367.24). The net asset value per share in circulation is affected by the dividend distribution of DKK 20 million in January 2016, corresponding to DKK 20 per share.

Expected profit for the year 2015/16:

- At present, basic earnings of approx. DKK 28 million are expected for the financial year 2015/16 compared to approx. DKK 24 million previously expected.

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 18 August 2016, affected results for the year before tax by DKK -3 million. The amount covers DKK -5 million relating to the first three quarters of the financial year and DKK 2 million relating to the period 1 July to 18 August 2016.

For additional information concerning the Interim Report, please contact Jannik Rolf Larsen, CEO.

Med venlig hilsen
Investeringselskabet Luxor A/S

Jannik Rolf Larsen
CEO

Announcement No 8 of 26 August 2016
Interim Report for the period 1 October 2015 to 30 June 2016

Contents

	<u>Page</u>
Financial Highlights of the Group	3
Interim Report.....	4 - 9
Management's Statement	10
Consolidated Statement of Comprehensive Income.....	11
Consolidated Balance Sheet	12 - 13
Statement of Changes in Equity	14
Cash Flow Statement	15
Segment Reporting	16
Significant Notes	17 - 19

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>DKK million</u>	<u>OCTOBER - JUNE</u>			
	<u>2015/16</u>	<u>2014/15</u>	<u>2013/14</u>	<u>2014/15</u>
	<u>Q1-Q3</u>	<u>Q1-Q3</u>	<u>Q1-Q3</u>	<u>full year</u>
<u>Key figures</u>				
Income.....	48.6	44.1	49.8	59.9
Gross earnings.....	52.7	52.6	39.2	43.1
Profit/loss before tax.....	19.3	5.8	18.7	-10.2
Net profit/loss for the period.....	15.0	4.5	14.4	-8.5
Basic earnings.....	24.3	17.5	8.2	24.1
Assets.....	901.1	944.4	874.8	915.5
Equity.....	349.3	367.2	416.0	354.3
Investment in property, plant and equipment.....	0.4	0.1	0.0	0.7
Profit/loss for analytical purposes:				
Net profit/loss for the period (after tax).....	<u>15.0</u>	<u>4.5</u>	<u>14.4</u>	<u>-8.5</u>
<u>Ratios</u>				
<u>Values per DKK 100 share</u>				
Earnings per share (EPS) (DKK).....	15.04	4.46	14.42	-8.48
Net asset value per share in circulation (DKK).....	349.34	367.24	416.04	354.29
Return on equity in percentage p.a.....	5.70	1.53	4.70	-2.21
Equity share in percentage.....	38.77	38.89	47.56	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	252	362
End of period.....	316	318	250	317
Volume of trade on the Stock Exchange, number of shares.....	12,970	27,760	15,168	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.

INTERIM REPORT

Basic earnings and results

The Group's basic earnings amount to DKK 24.3 million (DKK 17.5 million). The increase in basic earnings is primarily attributable an increase in net financial income of DKK 5.1 million and an improvement of net loss/gain on mortgage deeds of DKK 2.9 million.

Basic earnings are calculated as profit/loss before tax for the period 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 19.3 million (DKK 5.8 million). After recognition of tax for the period of DKK 4.3 million (DKK 1.3 million), the results for the period after tax amount to DKK 15.0 million (DKK 4.5 million). The results for the period are affected by net positive fair value adjustments and realised losses on bonds including currency hedging of DKK 3.4 million as well as negative fair value adjustments of interest swaps and debt to mortgage credit institutes of DKK -7.9 million.

Business areas

The Group's balance sheet, which compared with the same time last year has decreased from DKK 944.4 million to DKK 901.1 million, includes the following business areas:

	<u>2015/16</u> <u>DKK million</u>	<u>2014/15</u> <u>DKK million</u>
Mortgage deeds.....	556.6	488.0
Bonds	91.2	202.7
Shares.....	<u>1.7</u>	<u>2.2</u>
Total securities.....	649.5	692.9
Investment properties.....	<u>180.5</u>	<u>180.1</u>
Total.....	<u>830.0</u>	<u>873.0</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 556.6 million (DKK 488.0 million).

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

	<u>2015/16</u> DKK million	<u>2014/15</u> DKK million
Interest income.....	33.4	25.9
Capital gains, mortgage deeds	5.7	2.9
Fair value adjustment.....	<u>-0.4</u>	<u>2.4</u>
Gross return.....	38.7	31.2
Realised and unrealised losses on mortgage deeds, bad debts recovered and gain on sale of properties acquired for the purpose of resale.....	<u>-5.8</u>	<u>-8.7</u>
	<u>32.9</u>	<u>22.5</u>

Fixed-interest mortgage deeds of a nominal amount of DKK 413.1 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 45.7 million and cibor mortgage deeds of a nominal amount of DKK 172.5 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 277.3 (kDKK 267.6).

Net loss/gain and direct expenses amount to DKK -5.8 million (DKK -8.7 million), which is lower than expected as bad debts recovered as well as realised net losses 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 4.1 million (DKK 13.8 million);
- an increase in adjustment to meet the credit risk on mortgage deeds and mortgage deed receivables of DKK 2.8 million (DKK -1.5 million);
- bad debts recovered of DKK 2.7 million (DKK 1.5 million);
- loss on sale of properties acquired for the purpose of resale of DKK 0.1 million (DKK 0.5 million) and provisions for losses on properties acquired for the purpose of resale of DKK 0.5 million (DKK 2.0 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 16.5 million (DKK 13.4 million), corresponding to 2.9% (2.7%) of the portfolio.

For the current financial year, the Group expects an increase of the mortgage deed portfolio, which is in line with the Company's strategy.

Bonds

The fair value of the Group's portfolio of bonds amounts to DKK 91.2 million (DKK 202.7 million).

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

	<u>2015/16</u> <u>DKK million</u>	<u>2014/15</u> <u>DKK million</u>
Interest income	7.3	12.7
Realised capital gains on bonds (including foreign exchange)	-7.7	-4.8
Fair value adjustment	14.0	18.8
Forward exchange contracts	-0.9	-4.9
Exchange loss/gain on foreign loans etc, net	<u>-2.0</u> <u>3.4</u>	<u>-22.6</u> <u>-13.5</u>
Return after currency hedging	<u>10.7</u>	<u>-0.8</u>

The loss on bonds realised includes a realised exchange gain of DKK 9.8 million (DKK 12.1 million), and fair value adjustments include an unrealised exchange loss of DKK 7.5 million (DKK 12.5 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.

At 30 June 2016, the portfolio of bonds comprises a total negative fair value adjustment and possible gains on redemptions of up to approx. DKK 18.0 million excluding foreign exchange (approx. DKK 6.1 million excluding foreign exchange at 30 June 2015) 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. 3.3 years (approx. 4.1 years).

Since the closing of the financial period and until 18 August 2016, the Group has seen positive fair value adjustments of bonds of DKK 0.2 million and a realised gain of DKK 0.4 million. The fair value adjustments include an exchange loss of DKK 1.3 million.

Shares

The fair value of the Group's portfolio of shares amounts to DKK 1.7 million (DKK 2.2 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 period is specified as follows:

	<u>2015/16</u> <u>DKK million</u>	<u>2014/15</u> <u>DKK million</u>
Rental income.....	10.5	10.7
Direct expenses, investment properties.....	3.5	4.3
	7.0	6.4

Properties acquired for the purpose of resale

Properties acquired for the purpose of resale, DKK 10.0 million (DKK 12.9 million), comprise 3 (3) properties taken over to secure loans granted by the Group. The properties are distributed with DKK 9.3 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 435.7 million (DKK 457.4 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.....	0.00%	8.32%
DKK	81.31%	47.52%
USD.....	16.82%	41.65%
NOK	1.87%	2.51%
	100.00%	100.00%

The Company has pegged the interest rate on DKK 150.0 million (DKK 50.0 million) through DKK interest swaps with a remaining term of up to 9 years; fair value adjustment of interest swaps for the period is a negative DKK 5.6 million (DKK 0.4 million). The amount is counterbalanced through current fair value adjustments over the remaining term of the contracts.

The net movement for the period deriving from exchange adjustments of foreign loans, forward contracts, securities, etc is a negative DKK 0.6 million (DKK -3.0 million) as a result of exchange movements in USD and adjustment of 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:

Currency	30 June 2016		30 June 2015	
	Assets	Liabilities	Assets	Liabilities
DKK	89.44%	91.17%	76.86%	74.52%
EUR	0.00%	0.00%	0.55%	4.08%
NOK	1.08%	0.90%	1.76%	1.21%
USD	<u>9.48%</u>	<u>7.93%</u>	<u>20.83%</u>	<u>20.19%</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 2.2 million (DKK 0.0 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 2016 and 30 June 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	556.6	21.1	488.0	16.8
Bonds	1% effective rate of interest	91.2	2.5	202.7	8.1
Shares	10% change in value	1.7	0.2	2.2	0.2
Investment properties	0.5% yield requirement	180.5	11.3	180.1	11.8
Foreign currency loans	Change in exchange rate *	73.7	7.4	452.3	45.2
Securities in foreign currencies	10% change in value	92.9	9.3	202.8	20.5

* 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

At present, basic earnings of approx. DKK 28 million are expected for the financial year 2015/16 compared to approx. DKK 24 million previously 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, as from the beginning of the financial year until 18 August 2016, affect results for the year before tax by DKK -3 million. The amount covers DKK -5 million relating to the first half-year and DKK 2 million relating to the period 1 July to 18 August 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.

Basis of preparation

The Interim Report has been prepared in accordance with the same accounting policies as the Annual Report 2014/2015, 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 2015 - 30 June 2016.

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 2016 of the Group and of the results of the Group's operations and cash flows for the period 1 October 2015 - 30 June 2016.

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

Copenhagen, 26 August 2016

Executive Board:

Jannik Rolf Larsen

Supervisory Board:

Steffen Heegaard

Casper Moltke
Chairman

Michael Hedegaard Lyng

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD
1 OCTOBER 2015 - 30 JUNE 2016

		<u>GROUP</u>				
		<u>1/4 - 30/6</u>	<u>1/4 - 30/6</u>	<u>1/10 2015 -</u>	<u>1/10 2014 -</u>	<u>1/10 2014 -</u>
		<u>2016</u>	<u>2015</u>	<u>30/6 2016</u>	<u>30/6 2015</u>	<u>30/9 2015</u>
<u>Note</u>		<u>DKK '000</u>	<u>DKK '000</u>	<u>DKK '000</u>	<u>DKK '000</u>	<u>DKK '000</u>
Income						
	1	17,772	23,469	38,098	32,958	45,246
		3,453	3,542	10,482	10,735	14,295
		<u>0</u>	<u>-285</u>	<u>0</u>	<u>357</u>	<u>360</u>
		21,225	26,726	48,580	44,050	59,901
	2	-1,548	-3,957	-5,791	-8,684	-12,291
		<u>1,227</u>	<u>1,454</u>	<u>3,525</u>	<u>4,279</u>	<u>5,305</u>
		18,450	21,315	39,264	31,087	42,305
	3	<u>16,805</u>	<u>-11,649</u>	<u>13,426</u>	<u>21,465</u>	<u>817</u>
		35,255	9,666	52,690	52,552	43,122
	5	<u>8,464</u>	<u>-4,340</u>	<u>21,748</u>	<u>36,172</u>	<u>39,416</u>
		26,791	14,006	30,942	16,380	3,706
		848	784	3,391	2,541	3,259
	4	2,476	2,766	7,893	7,902	10,381
		<u>138</u>	<u>65</u>	<u>330</u>	<u>187</u>	<u>253</u>
		3,462	3,615	11,614	10,630	13,893
		23,329	10,391	19,328	5,750	-10,187
	6	<u>5,169</u>	<u>2,224</u>	<u>4,285</u>	<u>1,285</u>	<u>-1,702</u>
		18,160	8,167	15,043	4,465	-8,485
NET PROFIT/LOSS FOR THE PERIOD						
		18.2	8.2	15.0	4.5	-8.5
		18.2	8.2	15.0	4.5	-8.5

BALANCE SHEET AS AT 30 JUNE 2016

ASSETS

	G R O U P		
	30/6 2016 DKK '000	30/6 2015 DKK '000	30/9 2015 DKK '000
Fixed assets			
Domicile properties	11,224	11,411	11,364
Fixtures, fittings and equipment	1,105	378	922
Property, plant and equipment	12,329	11,789	12,286
Investment properties	180,500	180,100	180,500
Rebuilding in progress	2,373	0	0
	182,873	180,100	180,500
Securities	649,511	692,850	665,882
Fixed asset investments	649,511	692,850	665,882
Deferred tax	8,828	9,313	12,301
Non-current assets	853,541	894,052	870,969
Properties acquired for the purpose of resale	10,046	12,883	12,622
Other receivables	21,559	23,259	22,322
Corporation tax receivable	0	266	270
Forward contracts, currency swaps	79	0	0
Prepayments	111	123	506
Receivables	21,749	23,648	23,098
Cash at bank and in hand	15,806	13,800	8,852
Current assets	47,601	50,331	44,572
ASSETS	901,142	944,383	915,541

BALANCE SHEET AS AT 30 JUNE 2016

LIABILITIES AND EQUITY

	G R O U P		
	30/6 2016 DKK '000	30/6 2015 DKK '000	30/9 2015 DKK '000
Share capital	100,000	100,000	100,000
Proposed dividend	0	0	20,000
Retained earnings	249,335	267,242	234,292
Equity	349,335	367,242	354,292
Mortgage credit institutes	75,476	80,251	77,898
Forward contracts, interest swaps	15,024	6,186	8,121
Non-current liabilities	90,500	86,437	86,019
Mortgage credit institutes	4,587	4,575	4,595
Credit institutions	435,695	457,379	449,525
Deposits	2,947	3,003	3,026
Other payables	16,570	24,868	16,806
Corporation tax payable	644	0	0
Forward contracts and currency swaps	171	589	736
Deferred income	693	290	542
Current liabilities	461,307	490,704	475,230
Liabilities	551,807	577,141	561,249
LIABILITIES AND EQUITY	901,142	944,383	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>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>
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>15,043</u>	<u>0</u>	<u>15,043</u>
Equity A & B shares at 30 June 2016.....	<u>17,500</u>	<u>82,500</u>	<u>249,335</u>	<u>0</u>	<u>349,335</u>

CASH FLOW STATEMENT FOR THE PERIOD 1 OCTOBER 2015 - 30 JUNE 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	41,114	38,584
Other financial income	-589	-3,876
Other income	0	357
Rental income.....	10,906	10,863
Interest payments.....	-12,552	-12,163
Operating expenses and other payments	-17,287	-15,973
Properties acquired for the purpose of resale	1,943	15,497
Tax payments.....	102	-53
Cash flows from operating activities.....	23,637	33,236
Cash flows from investing activities		
Additions of mortgage deeds and bonds.....	-102,180	-210,689
Disposals of mortgage deeds and bonds.....	127,515	167,555
Deposits received.....	241	39
Other capital investments	-2,746	-131
Cash flows from investing activities.....	22,830	-43,226
Cash flows from financing activities		
Raising of loans, credit institutions.	-15,797	51,918
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	-3,397	-30,529
Dividend	-20,000	-50,000
Deposits paid	-319	-47
Cash flows from financing activities.....	-39,513	22,396
Net change in cash and cash equivalents.....	6,954	12,406
Cash and cash equivalents, beginning of period.....	8,852	1,394
Cash and cash equivalents, end of period.....	15,806	13,800

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 2015/16</u>						
Income (realised)	39,329	-1,231	0	10,482	0	48,580
Fair value adjustment....	-419	14,000	-155	0	0	13,426
Gross earnings	33,119	12,769	-155	6,957	0	52,690
Assets.....	585,539	93,588	1,658	159,041	61,316	901,142
Capital investments.....	96,609	5,571	0	2,373	440	104,993
Liabilities (segments)....	397,626	44,885	1,161	85,314	4,914	533,900

<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	134,877	1,473	88,300	5,135	551,983

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 16,466 (kDKK 13,381). The financial period saw a negative fair value adjustment relating to credit risks on mortgage deeds and mortgage deed receivables of kDKK 2,834 (kDKK 1,478). 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:

	<u>Group</u>	
	<u>2015/16</u> DKK '000	<u>2014/15</u> DKK '000
Liabilities, segments	533,900	551,983
Other payables	16,570	24,868
Corporation tax	644	0
Deferred income	693	290
Segment liabilities	<u>551,807</u>	<u>577,141</u>

Investeringselskabet Luxor A/S
INTERIM REPORT

page 17 of 19

GROUP

	2015/16 <u>DKK '000</u>	2014/15 <u>DKK '000</u>
1. Financial income		
Mortgage deeds, interest.....	33,362	25,889
Bonds, interest.....	<u>7,286</u>	<u>12,728</u>
	40,648	38,617
Capital gains, mortgage deeds.....	5,698	2,939
Capital gains, bonds.....	-17,429	-16,883
Capital gains, shares.....	0	102
Forward contracts.....	-858	-4,935
Exchange adjustments, securities.....	9,770	12,059
Other financial income.....	<u>269</u>	<u>1,059</u>
	<u>38,098</u>	<u>32,958</u>
 2. Net loss/gain and direct expenses		
Realised net losses on mortgage deeds and mortgage deed receivables.....	4,115	13,809
Fair value adjustment of credit risk, mortgage deeds and mortgage deed receivables.....	-2,834	1,478
Gain/loss on sale of properties acquired for the purpose of resale.....	-128	491
Provision for losses on properties acquired for the purpose of resale....	-505	2,040
Bad debts recovered.....	<u>2,693</u>	<u>1,485</u>
	-4,889	-8,315
Fees.....	706	250
Collection charges.....	<u>196</u>	<u>119</u>
	<u>-5,791</u>	<u>-8,684</u>
 3. Fair value adjustment of financial assets		
Fair value adjustment, mortgage deeds.....	-419	2,374
Fair value adjustment, bonds.....	14,000	18,844
Fair value adjustment, shares.....	<u>-155</u>	<u>247</u>
	<u>13,426</u>	<u>21,465</u>
 4. Staff expenses		
Remuneration of Supervisory Board.....	<u>456</u>	<u>506</u>
Wages and salaries.....	6,972	6,875
Defined contribution plan.....	408	459
Other social security expenses.....	<u>57</u>	<u>62</u>
Other staff, total.....	<u>7,437</u>	<u>7,396</u>
Total staff expenses.....	<u>7,893</u>	<u>7,902</u>
Average number of employees.....	<u>10</u>	<u>10</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 3.1 million.

	G R O U P	
	2015/16 DKK '000	2014/15 DKK '000
5. Financial expenses		
Credit institutions	9,216	9,204
Interest swaps, credit institutions.....	386	214
Interest swaps, credit institutions, fair value adjustment.....	5,616	-357
Exchange loss/gain on foreign loans etc, net.....	1,968	22,564
	17,186	31,625
Mortgage credit institutes	1,371	1,441
Interest swaps, mortgage credit institutes.....	928	787
Mortgage credit institutes, fair value adjustment	961	-84
Interest swaps, mortgage credit institutes, fair value adjustment	1,287	57
Expenses and loss on conversion of debt to mortgage credit institutes	0	1,409
Other interest expenses.....	15	937
	21,748	36,172
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.....	4,252	1,351
Tax effect of:		
Non-taxable income, expenses, value adjustments, etc.....	33	-76
Reduction of the tax rate from 23.5% to 22% up until 2016.....	0	10
	4,285	1,285
Effective tax rate.....	22.17%	22.35%
Tax asset at 1 October 2015	36,350	34,521
Transferred to DI-Ejendoms Invest A/S.....	-244	-459
Transferred to Metalvarefabriken Luxor A/S.....	-2	0
Change in deferred tax recognised in the income statement	-3,055	-630
Tax asset at 30 June 2016.....	33,049	33,432
Deferred tax at 1 October 2015	24,049	23,922
Change in deferred tax recognised in the income statement	172	197
Deferred tax at 30 June 2016.....	24,221	24,119
Total tax asset at 30 June 2016.....	8,828	9,313

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.....	-24,178	-24,104
Fixed asset investments, mortgage deeds, bonds and fair value adjustments relating to mortgage credit institutes and credit institutions, etc..	1,366	1,328
Tax loss carry-forwards.....	31,640	32,089
Tax asset.....	8,828	9,313

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 8.8 million (DKK 9.3 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 30 June 2016, the loss amounts to DKK 97.6 million (DKK 97.5 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 '000	2014/15 DKK '000
7. Statement of basic earnings		
Financial income	46,616	42,615
Rental income.....	10,482	10,735
Other income	0	357
Net loss/gain and direct expenses.....	-5,791	-8,684
Direct expenses, properties.....	3,525	4,279
Financial expenses.....	11,916	12,583
Other external expenses.....	3,391	2,541
Staff expenses.....	7,894	7,902
Depreciation and amortisation.....	330	187
Basic earnings	24,251	17,531