

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

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## INTERIM REPORT

page 1 of 11  
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This is a free translation of the Danish version of the Interim Report.  
In case of discrepancies the Danish version will be prevailing.

### Interim Report at 31 December 2006

The Supervisory Board of Investeringsselskabet Luxor A/S has today adopted the Interim Report for the first quarter ending 31 December 2006.

#### **Summary:**

The results before tax show a profit of DKK 125.5 million (DKK 97.0 million). The results are influenced by positive fair value adjustments of securities and foreign exchange. Earnings per share after tax amount to DKK 101.8 million (DKK 82.8 million), and the return on equity amounts to 37.0% p.a. (41.5% p.a.). As a consequence of a positive securities market in the 2<sup>nd</sup> quarter, the expected profit for the year before tax is adjusted from DKK 120 – 140 million to DKK 180 – 200 million. Basic earnings for the year are expected to amount to an unchanged DKK 36 – 40 million.

This Interim Report includes:

- Financial Highlights of the Group
- Interim Report
- Management's Statement
- Consolidated Income Statement for the Period 1 October 2006 – 31 December 2006
- Consolidated Balance Sheet at 31 December 2006
- Statement of Changes in Equity
- Cash Flow Statement
- Segment Information

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

Yours faithfully

Investeringsselskabet Luxor A/S

Svend Rolf Larsen

CEO

**FINANCIAL HIGHLIGHTS OF THE GROUP**

**OCTOBER - DECEMBER**

<u>DKK million</u>	2006/07	2005/06	2004/05	2005/06
	<u>Q1</u>	<u>Q1</u>	<u>Q1</u>	<u>Full year</u>
Gross earnings.....	114.7	101.7	81.9	323.0
Financial expenses .....	-13.3	2.4	-0.6	-1.2
Profit/loss before tax .....	125.5	97.0	80.1	299.9
Net profit/loss for the period.....	101.8	82.8	61.8	328.8
Assets .....	2,479.9	1,975.6	1,351.3	2,305.3
Equity .....	1,152.2	839.4	577.9	1,050.40
Profit/loss for analytic purposes:				
Net profit/loss for the period (after tax) .....	101.8	82.8	61.8	328.8
Tax relating to previous years .....	<u>0</u>	<u>0</u>	<u>0</u>	<u>+0.4</u>
	<u>101.8</u>	<u>82.8</u>	<u>61.8</u>	<u>329.2</u>
 <u>Values per DKK 100 share</u>				
Earnings per share (EPS) (DKK) .....	101.77	82.81	61.78	329.21
Net asset value per share in circulation (DKK) .....	1,152.17	839.37	578.06	1,050.41
Return on equity in percentage p.a.....	36.96	41.51	45.16	36.44
Equity share in percentage .....	46.46	42.49	42.77	45.56
 <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.....	1,310	1,000	642	1,000
Highest .....	1,510	1,490	690	1,490
End of period.....	1,430	1,350	675	1,330
 Volume of trade on the Stock Exchange, number of shares .....				
	3,521	8,183	12,746	60,260
Listed on the Stock Exchange, number of shares .....	825,000	825,000	825,000	825,000

The ratios have been calculated in accordance with "Recommendations and Ratios 2005" issued by the Danish Society of Financial Analysts and IAS 34.

INTERIM REPORT FOR INVESTERINGSSKABET LUXOR A/S

According to the income statement, the Group's profit before tax for the first quarter ending 31 December 2006 amounts to DKK 125.5 million against DKK 97.0 million in the previous year. After provision for tax for the period of DKK 23.7 million (DKK 14.2 million), the net profit amounts to DKK 101.8 million (DKK 82.8 million) for the Group.

The Group's results are better than expected. It should particularly be pointed out that the profit includes positive fair value adjustments of securities totalling DKK 65.6 million (DKK 81.6 million). Positive exchange adjustments affect the income statement by DKK 35.7 million against a negative DKK 9.4 million last year. A considerable part of the unrealised foreign exchange gain is attributable to the hedging of unrealised foreign exchange losses on shares and bonds in foreign currencies. Fair value adjustments of mortgage debt and debt to credit institutions make up an unrealised gain of DKK 5.6 million against DKK 7.6 million last year.

Gains on ordinary and premature repayments on mortgage deeds included in the item financial income amount to DKK 0.9 million (DKK 1.4 million).

After elimination of the above-mentioned fair value adjustments of securities, foreign exchange movements, etc, the basic earnings of the Group amount to DKK 7.0 million (DKK 10.0 million), which is better than expected.

Losses and direct expenses for the period amount to DKK 0.5 million (DKK +0.8 million), as losses and provisions adjusted for bad debts recovered show a negative DKK 0.2 million (DKK +1.0 million). The item includes an increase of the provision for losses on mortgage deeds of DKK 0.7 million against a reduction of DKK 0.7 million last year. Following this, the total provision amounts to DKK 5.8 million (DKK 4.1 million), corresponding to 1.6% (1.4%) of the total portfolio. Bad debts recovered amounted to DKK 0.6 million (DKK 1.0 million).

The total portfolio of mortgage deeds of DKK 348.9 million (DKK 296.0 million) consists of DKK 243.1 million (DKK 276.7 million) fixed-interest mortgage deeds and DKK 105.8 million (19.3 million) floating-rate cibor mortgage deeds. Fixed-interest mortgage deeds and cibor mortgage deeds are measured at fair value. Irrespective of the term to maturity and the present market rate for new, fixed-interest mortgage deeds of approx. 7.0 - 8.5% p.a., these mortgage deeds are still measured at fair value on the basis of an effective interest rate of 8.5% p.a. (8.5% p.a.) as was the case in the Annual Report.

A considerable part of the mortgage deed portfolio is still placed in single-family houses, freehold flats and holiday houses with an average market value of kDKK 313 per mortgage deed (kDKK 233 per mortgage deed).

The Group's balance sheet, which compared with the same time last year has increased from DKK 1,976 million to DKK 2,480 million, includes the following under other securities:

<u>DKK million</u>	<u>2006/07</u>	<u>2005/06</u>
Mortgage deeds.....	348.9	296.0
Bonds .....	497.0	369.7
Shares.....	<u>1,391.0</u>	<u>1,005.1</u>
Total other securities.....	<u>2,236.9</u>	<u>1,670.8</u>

The Group's securities in USD are still largely hedged, while approximately half of the securities in GBP are hedged.

Moreover, the balance sheet includes 8 (10) rental buildings at DKK 197.9 million (DKK 266.6 million). As to the Group's total portfolio of rental properties, approx. 48,775 m<sup>2</sup> (approx. 55,000 m<sup>2</sup>), it can be stated that at 1 January 2007, the lease rate in m<sup>2</sup> is 83.4% (86.9%). Calculated on the basis of lease value, the lease rate amounts to 87.3% (92.4%).

The fair value of the Group's long-term debt to credit institutions amounts to DKK 1,138.6 million (DKK 852.1 million). The distribution of the debt between Danish kroner and foreign currencies after matching conversion via forward contracts is as follows:

	<u>2006/07</u>	<u>2005/06</u>
CHF	34.67%	36.06%
JPY	13.91%	11.75%
EUR	6.88%	8.71%
DKK	3.34%	14.18%
USD	41.20%	27.14%
NOK	<u>0.00%</u>	<u>2.16%</u>
	<u>100.00%</u>	<u>100.00%</u>

The raising of loans in USD solely refers to hedging of securities in the same currency. The total raising of fixed-interest loans, excl. mortgage credit loans, amounts to approx. DKK 500.0 million, with fixed-interest periods of up to approx. 6.5 years (7 years).

In the financial period, no repurchases took place under the scheme for repurchase of own shares. At present, the Group does not hold any own shares.

The Supervisory Board has as at today appointed Mr Casper Moltke, Lawyer, Chairman of the Supervisory Board. Otherwise, the Supervisory Board remains unchanged.

#### Future prospects

As the first quarter and the period of the second quarter until now have proceeded better than expected as a consequence of positive fair value adjustments of securities etc, the expected profit for the year before tax is adjusted from DKK 120 – 140 million to DKK 180 – 200 million. The expectation presupposes stable conditions as regards interest, securities and foreign exchange. As previously stated, basic earnings are included in the above-mentioned expectations with an unchanged DKK 36.0 – 40.0 million.

#### Basis of preparation

The Interim Report has been prepared according to the same accounting policies as the Annual Report 2005/2006, 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 Investeringsselskabet Luxor A/S for the period 1 October 2006 – 31 December 2006.

The Interim Report, which comprises summarised consolidated financial statements of Investeringsselskabet 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, the accounting estimates made reasonable and the overall presentation of the Interim Report adequate. In our opinion, the Interim Report gives a true and fair view of the financial position as at 31 December 2006 of the Group and of the results of the Group's operations and cash flows for the period 1 October 2006 - 31 December 2006.

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

Copenhagen, 28 February 2007

Executive Board:

Svend Rolf Larsen

Supervisory Board:

Casper Moltke

Frede Lund Mortensen

Flemming Pfingstl

**INCOME STATEMENT FOR THE PERIOD 1 OCTOBER 2006 – 31 DECEMBER 2006**

	<u>THE GROUP</u>	
	<u>2006/07</u> <u>DKK '000</u>	<u>2005/06</u> <u>DKK '000</u>
<b>Income</b>		
Financial income .....	46,138	12,384
Rental income .....	4,734	6,066
Gain on sale of investment properties .....	<u>0</u>	<u>2,174</u>
<b>Total income</b> .....	50,872	20,624
Losses and direct expenses .....	467	-829
Direct expenses, investment properties .....	<u>1,263</u>	<u>1,314</u>
	49,142	20,139
Fair value adjustment of financial assets .....	<u>65,582</u>	<u>81,608</u>
<b>Total gross earnings</b> .....	114,724	101,747
Financial expenses .....	<u>-13,260</u>	<u>2,370</u>
	<u>127,984</u>	<u>99,377</u>
Other external expenses .....	877	666
Staff expenses .....	1,524	1,624
Depreciation and amortisation .....	<u>56</u>	<u>59</u>
	<u>2,457</u>	<u>2,349</u>
<b>Profit before tax</b> .....	125,527	97,028
Tax on profit for the period .....	<u>23,761</u>	<u>14,223</u>
<b>NET PROFIT FOR THE PERIOD</b> .....	<u>101,766</u>	<u>82,805</u>
Earnings per share (EPS) in DKK .....	101.8	82.8
Earnings per share (EPS) in DKK (diluted value) .....	101.8	82.8

**BALANCE SHEET AT 31 DECEMBER 2006**

**ASSETS**

	<u>THE GROUP</u>		
	31 December 2006 <u>DKK '000</u>	31 December 2005 <u>DKK '000</u>	Full year 2005/06 <u>DKK '000</u>
<b>Fixed assets</b>			
Domicile property.....	12,112	1,306	1,803
Fixtures, fittings and equipment .....	<u>148</u>	<u>355</u>	<u>193</u>
<b>Property, plant and equipment .....</b>	<u>12,260</u>	<u>1,661</u>	<u>1,996</u>
<b>Investment properties.....</b>	<u>197,900</u>	<u>266,600</u>	<u>197,900</u>
Securities .....	<u>2,236,922</u>	<u>1,670,769</u>	<u>2,081,171</u>
<b>Fixed asset investments .....</b>	<u>2,236,922</u>	<u>1,670,769</u>	<u>2,081,171</u>
<b>Non-current assets.....</b>	<u>2,447,082</u>	<u>1,939,030</u>	<u>2,281,067</u>
Other receivables.....	27,931	14,513	20,344
Corporation tax.....	0	9,719	0
Prepayments .....	<u>177</u>	<u>183</u>	<u>508</u>
<b>Receivables .....</b>	<u>28,108</u>	<u>24,415</u>	<u>20,852</u>
<b>Cash at bank and in hand .....</b>	<u>4,708</u>	<u>12,133</u>	<u>3,417</u>
<b>Current assets .....</b>	<u>32,816</u>	<u>36,548</u>	<u>24,269</u>
<b>ASSETS .....</b>	<u><b>2,479,898</b></u>	<u><b>1,975,578</b></u>	<u><b>2,305,336</b></u>

**BALANCE SHEET AT 31 DECEMBER 2006**

**LIABILITIES AND EQUITY**

	<b>THE GROUP</b>		
	31 December 2006	31 December 2005	Full year 2005/06
	<u>DKK '000</u>	<u>DKK '000</u>	<u>DKK '000</u>
Share capital .....	100,000	100,000	100,000
Reserve for investment assets.....	539,400	376,996	478,175
Retained earnings .....	477,775	342,369	437,234
Proposed dividend .....	<u>35,000</u>	<u>20,000</u>	<u>35,000</u>
<b>Equity</b> .....	<u>1,152,175</u>	<u>839,365</u>	<u>1,050,409</u>
Mortgage credit institutes .....	110,375	135,054	108,723
Credit institutions .....	1,138,587	852,057	1,071,084
Deferred tax liabilities .....	<u>37,114</u>	<u>99,090</u>	<u>27,354</u>
<b>Non-current liabilities</b> .....	<u>1,286,076</u>	<u>1,086,201</u>	<u>1,207,161</u>
Mortgage credit institutes .....	6,628	7,355	6,424
Credit institutions .....	11,553	23,965	0
Deposits .....	3,237	5,569	3,507
Corporation tax .....	10,173	0	11,309
Other payables .....	9,984	13,015	25,959
Deferred income .....	<u>72</u>	<u>108</u>	<u>567</u>
<b>Current liabilities</b> .....	<u>41,647</u>	<u>50,012</u>	<u>47,766</u>
<b>Liabilities</b> .....	<u>1,327,723</u>	<u>1,136,213</u>	<u>1,254,927</u>
<b>LIABILITIES AND EQUITY</b> .....	<u>2,479,898</u>	<u>1,975,578</u>	<u>2,305,336</u>



**STATEMENT OF CHANGES IN EQUITY**  
**Group**

	Share capital DKK '000	Reserve for invest- ment assets DKK '000	Retained earnings DKK '000	Proposed dividend DKK '000	Total DKK '000
<b>Equity at 1 October 2005.....</b>	<b>100,000</b>	<b>299,190</b>	<b>337,370</b>	<b>20,000</b>	<b>756,560</b>
Net profit for the period (total income) .....	0	0	82,805	0	82,805
Reserve for investment assets for the period.....	<u>0</u>	<u>77,806</u>	<u>-77,806</u>	<u>0</u>	<u>0</u>
<b>Equity at 31 December 2005 .....</b>	<b><u>100,000</u></b>	<b><u>376,996</u></b>	<b><u>342,369</u></b>	<b><u>20,000</u></b>	<b><u>839,365</u></b>
<b>Equity at 1 October 2006.....</b>	<b>100,000</b>	<b>478,175</b>	<b>437,234</b>	<b>35,000</b>	<b>1,050,409</b>
Net profit for the period (total income) .....	0	0	101,766	0	101,766
Reserve for investment assets for the period.....	<u>0</u>	<u>61,225</u>	<u>-61,225</u>	<u>0</u>	<u>0</u>
<b>Equity at 31 December 2006 .....</b>	<b><u>100,000</u></b>	<b><u>539,400</u></b>	<b><u>477,775</u></b>	<b><u>35,000</u></b>	<b><u>1,152,175</u></b>

**CASH FLOW STATEMENT FOR THE PERIOD 1 OCTOBER 2006 - 31 DECEMBER 2006**

	THE GROUP	
	2006/07 DKK '000	2005/06 DKK '000
<b>Cash flows from operating activities</b>		
Received interest on mortgage deeds and bonds .....	18,740	7,155
Share dividends received.....	3,190	2,720
Exchange gains realised .....	11,522	3,799
Other financial income .....	16,356	-4,719
Rental income.....	4,535	4,446
Interest payments.....	-27,321	-7,086
Payments, operating expenses and employees .....	-16,283	-10,682
Loss on sale of investment properties.....	0	-450
Tax payments.....	-15,137	-4,716
<b>Cash flows from operating activities</b> .....	<b>-4,398</b>	<b>-9,533</b>
<b>Cash flows from investing activities</b>		
Capital investments .....	-10,320	0
Additions of mortgage deeds, bonds and shares.....	-232,217	-233,051
Disposals of mortgage deeds, bonds and shares.....	141,519	87,911
Disposals of investment properties.....	0	3,750
Other fixed assets .....	0	0
<b>Cash flows from investing activities</b> .....	<b>-101,018</b>	<b>-141,390</b>
<b>Cash flows from financing activities</b>		
Raising of loans, credit institutions. ....	98,486	159,568
Repayment, credit institutions .....	5,733	0
Raising of loans, mortgage credit institutes.....	4,284	0
Repayment, mortgage credit institutes .....	-1,526	-1,791
Payments received and effected, group enterprises .....	0	0
Dividend .....	0	0
Extraordinary dividend.....	0	0
Deposits.....	-270	36
<b>Cash flows from financing activities</b> .....	<b>106,707</b>	<b>157,813</b>
Net change in cash and cash equivalents.....	1,291	6,890
Cash and cash equivalents, beginning of period.....	3,417	5,243
<b>Cash and cash equivalents, end of period</b> .....	<b>4,708</b>	<b>12,133</b>

**SEGMENT INFORMATION**

	<u>Mortgage deeds</u>	<u>Bonds</u>	<u>Shares</u>	<u>Investment properties</u>	<u>Other</u>	<u>Total</u>
<b><u>Group 2006/07</u></b>						
Income (realised) .....	7,871	21,696	16,571	4,734	0	50,872
Fair value adjustment....	-255	-8,512	74,349	0	0	65,582
Gross earnings .....	7,149	13,184	90,920	3,471	0	114,724
Fixed assets.....	348,944	496,994	1,390,984	197,900	12,260	2,447,082
Capital investments.....	60,995	133,323	37,899	0	10,320	242,537
Liabilities (segments)....	266,434	379,792	508,743	137,804	-69	1,292,704
<b><u>Group 2005/06</u></b>						
Income (realised) .....	7,521	7,773	-2,910	8,240	0	20,624
Fair value adjustment....	-2,372	-10,413	94,393	0	0	81,608
Gross earnings .....	5,978	-2,640	91,483	6,926	0	101,747
Fixed assets.....	296,025	369,684	1,005,060	266,600	1,661	1,939,030
Capital investments.....	50,838	116,462	65,751	0	0	233,051
Liabilities (segments)....	241,363	305,725	380,290	166,225	-47	1,093,556