

## Wihlborgs off to strong start in 2014

**Result for the period amounts to SEK 73 million (277), corresponding to earnings per share of SEK 0.95 (3.60)**

**Rental income increased by 17 percent to SEK 462 million (396)**

**Operating surplus\* increased by 18 percent to SEK 320 million (272)**

**Income from property management\* increased by 17 percent to SEK 192 million (164)**

Group key figures, SEKm	2014	2013
	Jan–Mar	Jan–Mar
Rental income	462	396
Operating surplus*	320	272
Income property management*	192	164
Changes in value	-198	193
Result for the period	73	277
Earnings per share, SEK	0.95	3.60
Surplus ratio, %	73	72
Equity/assets ratio, %	29.9	30.7
Occupancy rate, %	91	91

\* Excluding one-time payment for early lease termination with SEK 49 m (1).



You can find a lot of Italian delicatessen at Paolo's shop at Ileon Gateway in Lund.

Wihlborgs Fastigheter AB (publ) is a property company that focuses on commercial properties in the Öresund region. Its property portfolio is located in Malmö, Helsingborg, Lund and Copenhagen. In Malmö, Lund and Helsingborg Wihlborgs is the leading property company.

The carrying value for the Company's properties totals SEK 22.8 billion. The lettable space totals 1.5 million m<sup>2</sup>. The annual rental value of the properties is SEK 2 billion. Wihlborgs shares are quoted on the Mid Cap List of the OMX Nordic Exchange.

## Business concept

Focusing on selected sub-markets in the Öresund region, Wihlborgs will own, manage in-house and develop commercial properties.

## Objective

Wihlborgs will operate according to a business model for growth and will be one of the leading and most profitable property companies on the Stockholm Stock Exchange.

## Financial targets

- A return on equity that exceeds the risk-free interest rate by no less than six percentage points
- An equity/assets ratio of no less than 30 percent
- An interest coverage ratio of no less than 2.0
- The loan-to-value ratio is not to exceed 60 percent

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## Financial information 2014

Wihlborgs' interim reports are distributed electronically. The Annual Report is printed in Swedish and English and will be sent to any shareholders notifying the Company that they wish to receive it in printed form.

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**7 July 2014**  
**21 October 2014**  
**12 February 2015**



# CEO's comments

Growth in both income and profit at Wihlborgs remains strong.

Rental income increased to SEK 462 million, 17 percent higher than in the same quarter in 2013. We laid the foundations for this growth in 2013 via the completion of a number of projects and several acquisitions, wholly in line with our strategy. On the income side, other income includes a substantial item, SEK 49 million. The background is that when we acquired Ideon last summer a major tenant had relocated from one of the buildings. The tenant had an option for early lease termination, but not until December 2014. However, in the first quarter we reached agreement under which the tenant made a one-time payment and we gained possession of the premises for letting as of 1 April.

Excluding this early lease termination payment, we recorded an operating surplus of SEK 320 million, a rise of 18 percent. We are keeping control of costs and can report a surplus ratio excluding early lease termination payment of 69 percent, a few tenths of a percentage point higher than in the same quarter last year. Income from property management increased by 17 percent to SEK 192 million, excluding the early lease termination payment.

Net profit totalled SEK 73 million, which was charged with negative value changes in derivatives of SEK 212 million.

During the past quarter, we carried out a number of transactions. In January, we sold the Terminalen 2 property in Helsingborg for SEK 318 million. The buyer was the tenant, Elite Hotels Sweden AB. We also acquired four properties in Copenhagen during February. This transaction further strengthened our position in Ballerup, which, along with Herlev, is the area of Copenhagen that we focus on.

The acquisition in Denmark also provided us with the opportunity to sign a twelve-year lease with Schneider Electric, which will bring its Danish operations together within the 14,000 m<sup>2</sup> premises that we are providing. We will be investing around DKK 100 million in one of the properties that we have just acquired and the company will take up occupancy in the first quarter of 2015. Another exciting agreement has been signed with the recently established Sparbanken Skåne, on behalf of whom we are in the process of redeveloping the Landstinget property in Lund. However, despite these relatively major agreements, our net leasing result remains at just SEK 4 million. We have had a number of minor lease terminations in both Helsingborg and Malmö, which lowers the net figure. Nonetheless, it is of course pleasing that we are able to post a positive net leasing result for the twenty-fifth consecutive quarter.

We can look forward with confidence. Activity in the market is high and the economic outlook is increasingly bright on both sides of Öresund. We recently took the decision to go ahead with the expansion of Knutpunkten in Helsingborg, where we will be creating approximately 8,000 m<sup>2</sup> of offices in a superb location – in a market where modern office space is in short supply. In April, we have also succeeded in completing a number of new acquisitions, including Terminalen 3, the only one of the office buildings in Knutpunkten that we did not already own. This creates excellent opportunities for us to continue developing the best location in Helsingborg.

It is also pleasing that the construction of Max IV is progressing on schedule and within budget.

The supply of capital remains good. We maintain constructive dialogue with our banks and take the view that margins are on the way down. In February, we issued a new bond loan. The issue, for SEK 300 million, has a term of five years until maturity and a coupon of 3-month STIBOR + 55 basis points. In April, a further issue of SEK 485 million was made. The bond is guaranteed by Region Skåne, which is receiving a guarantee fee from Wihlborgs. In our view, we have created a financing solution that is good both for us ourselves and for Region Skåne.

To sum up, we are looking to the future with confidence. Of course, there are factors of uncertainty on both economic and political levels, but we are secure in our belief that our strategic focus is the right one and that we are well placed to make the most of the business opportunities that exist in our region. We will continue to grow.



## Market comments

The latest economic review from ØresundsInstitutet, issued in March 2014, confirms that the Öresund region has come out of recession and will enter a boom period in 2015. Copenhagen and Malmö, the engines of growth, have in recent years recorded higher growth than in other parts of the region. This will remain the case going forward, but other parts of the region will start to grow faster. The GRP is estimated at 2.6 percent in 2014 and 2.6 percent in 2015.

In 2008-2012, the number of people in employment in Skåne increased by 19,000, an annualized increase of 0.88 percent. Malmö, one of the cities in Sweden where growth was highest during the period, was the driving force in Skåne, with an increase of more than 10,000 jobs during the period.

ØresundsInstitutet forecasts growth of 1.5 percent in employment in 2014 and 1.1 percent in 2015. Per labour market area, Malmö-Lund-Helsingborg is expected to grow by 1.6 percent in 2014 and 1.2 percent in 2015. The concentration of jobs in west Skåne is increasing.

ØresundsInstitutet estimates that employment in the Capital Region of Denmark will rise by 1.3 percent in 2014 and 1.2 percent in 2015.

According to Savills, the transaction volume in the first quarter of 2014 was 55 percent higher than in the corresponding quarter in 2013. Low interest rates, plentiful supply of equity and increasingly advantageous terms for external financing are favouring the transaction market. Three quarters of the volume is found in the three big city regions. Competition for the properties that come on to these markets is fierce, and pricing remains aggressive. During 2013, residential was a buoyant segment but in 2014 the market resumed a more normal trend, dominated by commercial property, with a clear overweight in office properties. Savills concludes that we will see healthy transaction volumes over the next few quarters.





# Income, expenses and profits, Jan-Mar 2014

Comparative figures for income statement items relate to values for the corresponding period 2013 and balance sheet items as of 31-12-2013.

## Rental income

Rental income was SEK 462 million (396). Other revenues from property management was SEK 49 million (1) relating to premature cancellation of rental contracts.

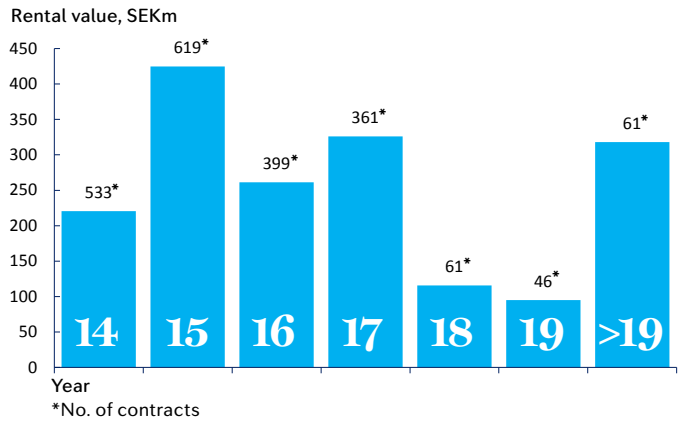
Other increases in rental income are attributable to property acquisitions, renegotiations and new lettings.

The total growth in rental income was 17 percent compared with the corresponding period 2013.

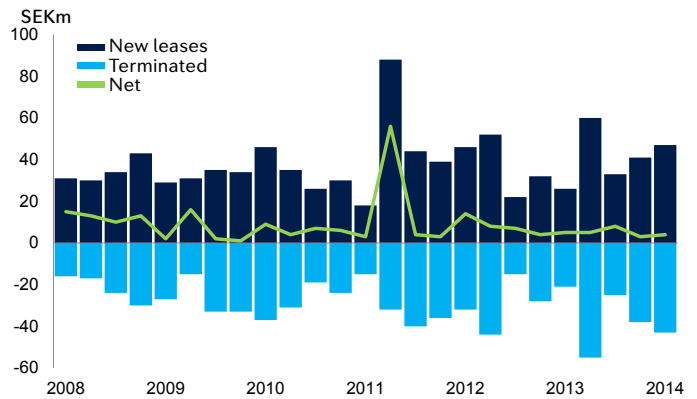
The occupancy rate for managed properties remains unchanged compared with year-end, 91 percent (91).

During the period new leases were signed to a value of SEK 47 million (26) on an annualized basis. Lease terminations during the period totalled SEK 43 million (21). This represents net leasing income of SEK 4 million (5).

Terms of Wihlborgs' rental contracts per 31 March 2014



Net rental surplus



Max IV in Lund received in March an award as best future project at Mipim Real Estate Event in Cannes.



The property Terminalen 2 in Helsingborg was sold at the beginning of 2014 to Elite Hotels Sweden AB. The price was SEK 318 million.

## Property costs

Total property costs amounted to SEK 142 (124) million. The year's first quarter is the most expensive. This is because the cost of snow clearance, electricity and heating is at its highest during the winter. However, costs for these items were somewhat lower than in the previous year because of the mild winter.

The historical summary at the bottom of page 16 illustrates how costs vary over the different quarters of the year.

## Operating surplus

The operating surplus including other income amounted to SEK 369 million (273). Excluding non-recurring income for early lease termination, the operating surplus totalled SEK 320 million, representing a surplus ratio of 69 percent.

## Central administration

The costs for central administration were SEK 10 million (9).

## Financial income and expense

Net interest totalled SEK -118 million (-99), of which interest income accounted for SEK 1 million (4).

Interest costs for the period were SEK 119 million (103). Higher interest costs resulted from a higher loan liability. The average interest rate was somewhat higher than in the preceding year. At the end of the period, the average interest rate, including the cost of credit agreements, was 3.55 percent, compared with 3.50 percent at year-end.

## Income from property management

Income from property management, that is, income before value changes and tax, totalled SEK 192 million excluding non-recurring income for early lease termination; including this income the total was SEK 241 million (165).

## Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 43 million (358). During the period value changes on derivatives amounted to SEK -212 million (185) which explains the decrease.

## Profit after taxes

The profit after taxes was SEK 73 million (277).

# Assets

## Property portfolio as of 31 March 2014

The summaries below are based on Wihlborgs' property portfolio as of 31 March 2014. Rental income relates to contracted rental income on an annual basis as of 1 April 2014.

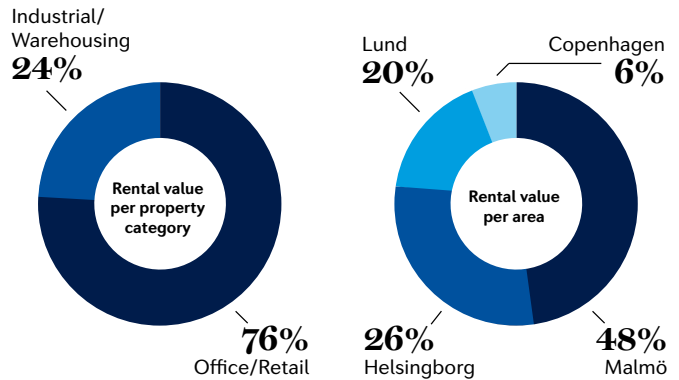
The surplus ratio is based on the properties' earning capacity on an annual basis based on rental income for April 2014, operating and maintenance costs, property administration on a rolling twelve-month basis, property tax and leasehold rent.

Wihlborgs' property portfolio consists of commercial properties in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. The property portfolio 31 March 2014 consisted of 267 properties with a lettable area of 1,549,000 m<sup>2</sup>.

Eleven of the properties are leasehold rights. The properties' carrying amount was SEK 22,751 million, which corresponds to the estimated market value. The total rental value was SEK 2,010 million and the contracted rental income on annual basis SEK 1,819 million.

The economic occupancy rate for office/retail properties was 92 percent and for Industrial/Warehousing properties 88 percent.

The operating surplus from managed properties, excluding property administration, is SEK 1,389 million which with a carrying amount of SEK 22,139 million corresponds to a current yield of 6.3 percent. Broken down by property category, this is 5.9 percent for office/retail and 7.8 percent for industrial/warehousing.



One of the employees at the Mercedes headquarters in Malmö, enjoys the first glance of spring.



## Changes in values of properties

According to an internal valuation of the properties on 31 March 2014, their value had risen by SEK 14 million (8).

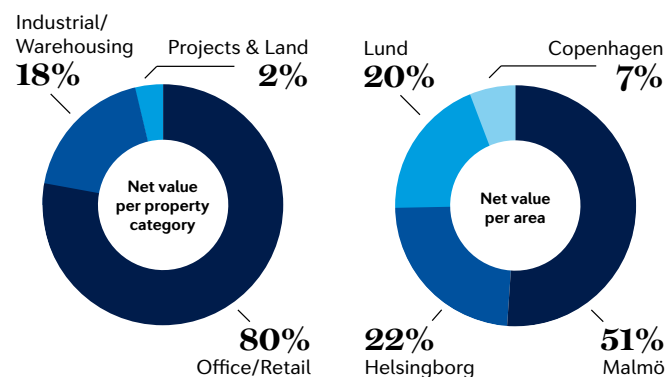
Fair value is determined by a combination of a yield-based and a comparable sales method. The value is considered to correspond to the yield value that is calculated from normally five-year cash flow analyses. The value of newbuild projects in progress is determined as the value as if the project were complete, less deduction of the remaining cost.

As of 31 March 2014, the carrying amount for the properties was SEK 22,751 million (22,584).

### CHANGES IN CARRYING AMOUNT OF PROPERTIES

Changes	Group total, SEKm
Carrying amount 1 January 2014	22,584
Acquisitions	300
Investments <sup>1)</sup>	170
Properties sold	-318
Change in value	14
Currency translations	1
Carrying amount 31 March 2014	22,751

1) Includes properties of SEK 51 million that has arisen due to reclassification of collaborative arrangements.



## Investments and current projects

Investments in the property portfolio totalled SEK 170 million.

Approved investments in ongoing projects amount to SEK 756 million, of which SEK 268 million had been invested on 31 March 2014. The biggest current project is redevelopment of Knutpunkten, Helsingborg. The investment totals around SEK 250 million and comprises 8,000 m<sup>2</sup> of lettable area.

## Liquid assets

The Groups liquid assets totalled SEK 279 million (168) including unutilised overdraft facilities.



Caretakers Petra Westman and Stefan Carlén lending a hand with the sorting of waste.

### INVESTMENTS IN PROGRESS >SEK 50 MILLION, 31 MARCH 2014

Property	Category of use	Municipality	Completion date	Lettable area, m <sup>2</sup>	Occupancy rate, %	Estimated investment, SEKm	Expended 31-03-14, SEKm
Floretten 3	Office/Retail	Helsingborg	Q1 2015	4,800	40	104	20
Ruuth 35	Office/Retail	Helsingborg	Q3 2014	3,900	100	61	17
Terminalen 1	Office/Retail	Helsingborg	Q1 2016	8,000	0	250	10
Lautrupvang 1	Office/Retail	Copenhagen	Q1 2015	14,000	100	116	0
<b>Summa</b>				<b>30,700</b>		<b>531</b>	<b>47</b>

**510 000 m<sup>2</sup>**

**33**

Office/Retail

**58**

Industrial/  
Warehousing

**13**

Projects &  
Land

**205 000 m<sup>2</sup>**

**21**

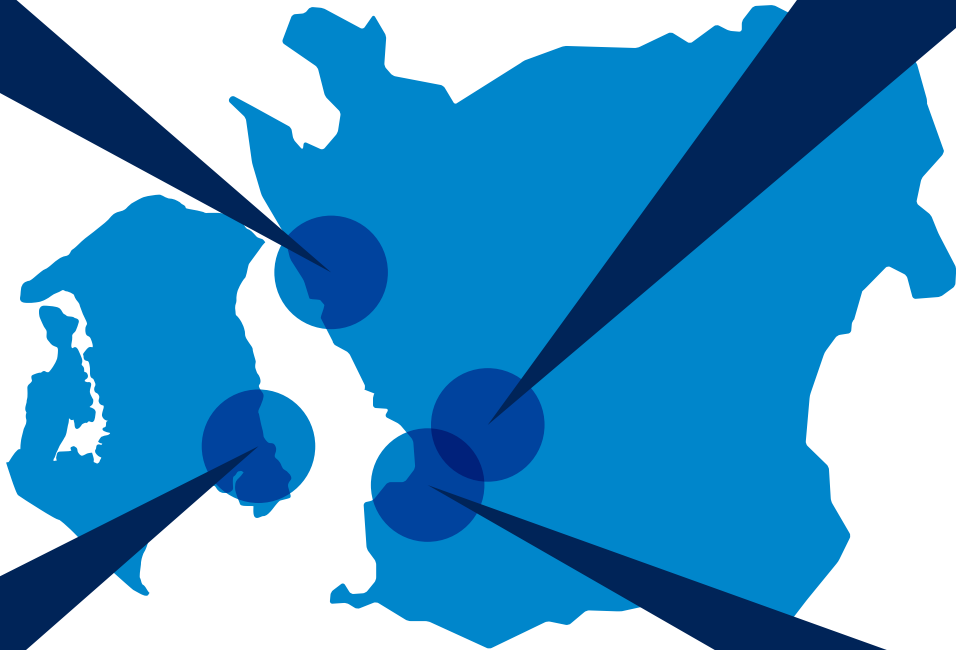
Office/Retail

**4**

Industrial/  
Warehousing

**1**

Projects &  
Land



**169 000 m<sup>2</sup>**

**14**

Office/Retail

**3**

Industrial/  
Warehousing

**2**

Projects &  
Land

**664 000 m<sup>2</sup>**

**45**

Office/Retail

**50**

Industrial/  
Warehousing

**23**

Projects &  
Land

### ANALYSIS OF LETTABLE SPACE PER AREA AND CATEGORY OF USE

Area	Office, m <sup>2</sup>	Retail, m <sup>2</sup>	Ind./Ware- housing, m <sup>2</sup>	Education/ Health care, m <sup>2</sup>	Misc., m <sup>2</sup>	Total, m <sup>2</sup>	Share, %
Malmö	306,002	44,747	248,972	49,024	15,618 <sup>1</sup>	664,363	43
Helsingborg	148,636	52,194	274,833	20,684	13,717 <sup>2</sup>	510,064	33
Lund	121,343	10,598	31,203	32,952	8,609 <sup>3</sup>	204,705	13
Copenhagen	153,657	0	15,740	0	0	169,397	11
<b>Total</b>	<b>729,638</b>	<b>107,539</b>	<b>570,748</b>	<b>102,660</b>	<b>37,944</b>	<b>1,548,528</b>	<b>100</b>
<b>Share, %</b>	<b>47</b>	<b>7</b>	<b>37</b>	<b>7</b>	<b>2</b>	<b>100</b>	

1) Includes 10,275 m<sup>2</sup> hotel.

2) Includes 5,260 m<sup>2</sup> housing.

3) Includes 8,215 m<sup>2</sup> hotel.

### ANALYSIS PER PROPERTY CATEGORY IN EACH MANAGEMENT AREA

Area/ property category	Number of properties thousand	Area, m <sup>2</sup>	Carrying amount, SEKm	Rental value, SEKm	Rental value SEKm/m <sup>2</sup>	Economic occupancy rate, %	Rental income SEKm	Operating surplus incl. property mgmt., SEKm	Surplus ratio, %	Operating surplus excl. property mgmt., SEKm	Direct return, excl. property admin., %
<b>MALMÖ</b>											
Office/Retail	45	407	9,589	764	1,879	94	715	542	76	562	5.9
Industrial/Warehousing	50	252	1,720	202	801	87	176	123	70	130	7.6
Projects & Land	23	6	380	3	507	-	1	0	-	0	-
<b>Total Malmö</b>	<b>118</b>	<b>664</b>	<b>11,690</b>	<b>969</b>	<b>1,458</b>	<b>92</b>	<b>893</b>	<b>665</b>	<b>74</b>	<b>692</b>	<b>5.9</b>
<b>HELSINGBORG</b>											
Office/Retail	33	164	2,859	268	1,634	94	252	177	70	186	6.5
Industrial/Warehousing	58	341	2,033	257	753	87	225	153	68	165	8.1
Projects & Land	13	5	109	1	119	-	-	-1	-	-1	-
<b>Total Helsingborg</b>	<b>104</b>	<b>510</b>	<b>5,001</b>	<b>525</b>	<b>1,030</b>	<b>91</b>	<b>477</b>	<b>330</b>	<b>69</b>	<b>350</b>	<b>7.0</b>
<b>LUND</b>											
Office/Retail	21	183	4,297	385	2,098	87	335	241	72	254	5.9
Industrial/Warehousing	4	21	124	15	699	90	13	11	79	11	9.0
Projects & Land	1	-	17	-	-	-	-	-	-	-	-
<b>Total Lund</b>	<b>26</b>	<b>205</b>	<b>4,438</b>	<b>400</b>	<b>1,953</b>	<b>87</b>	<b>348</b>	<b>252</b>	<b>72</b>	<b>265</b>	<b>6.0</b>
<b>COPENHAGEN</b>											
Office/Retail	14	135	1,402	108	802	86	93	70	75	74	5.3
Industrial/Warehousing	3	20	114	8	398	99	8	7	82	7	6.1
Projects & Land	2	14	106	-	-	-	-	-	-	-	-
<b>Total Copenhagen</b>	<b>19</b>	<b>169</b>	<b>1,622</b>	<b>116</b>	<b>688</b>	<b>87</b>	<b>101</b>	<b>77</b>	<b>76</b>	<b>81</b>	<b>5.0</b>
<b>Total Wihlborgs</b>	<b>267</b>	<b>1,549</b>	<b>22,751</b>	<b>2,010</b>	<b>1,298</b>	<b>91</b>	<b>1,819</b>	<b>1,323</b>	<b>73</b>	<b>1,388</b>	<b>6.1</b>
<b>Total, excluding Projects &amp; Land</b>	<b>228</b>	<b>1,524</b>	<b>22,139</b>	<b>2,007</b>	<b>1,317</b>	<b>91</b>	<b>1,817</b>	<b>1,324</b>	<b>73</b>	<b>1,389</b>	<b>6.3</b>





Hanna Claesson, Environmental Affairs Director.

## Property transactions

During the first quarter, Wihlborgs acquired four properties in Ballerup (in the west of Greater Copenhagen) at a cost of SEK 300 million and sold one property for SEK 318 million.

### PROPERTY ACQUISITIONS AND SALES JANUARI–MARCH 2014

Quarter	Property	Municipality	Management area	Category	Area m <sup>2</sup>	Price, SEKm	Operating surplus 2014, SEKm <sup>1</sup>
1	Lautrupvang 1	Ballerup	Copenhagen	Projects & Land	14,000		
	Lautrupvang 3	Ballerup	Copenhagen	Office/Retail	12,260		
	Industriparken 29	Ballerup	Copenhagen	Office/Retail	3,118		
	Literbuen 16-18	Ballerup	Copenhagen	Office/Retail	8,333		
<b>Total acquisitions</b>					<b>37,711</b>	<b>300</b>	<b>1</b>
1	Terminalen 2	Helsingborg	Centre	Office/Retail	13,213		
<b>Total sales</b>					<b>13,213</b>	<b>318</b>	<b>1</b>

1) Operating surplus from properties acquired and sold that are included in the results for the period.

# Liabilities and equity

As of 31 March 2014, equity totalled SEK 6,967 million (6,894) and the equity/assets ratio 29.9 percent (29.7).

## Interest-bearing liabilities

The group's interest-bearing liabilities as of 31 March amounted to SEK 13,586 million (13,740) with an average interest rate including costs for credit agreements of 3.55 percent (3.50).

With consideration to the company's net debt of SEK 13.6 billion, as a percentage of property values, the leverage ratio is 59.7 percent (60.8).

The loans' average fixed interest period including effects of derivatives on 31 March 2014, amounted to 5.3 years (5.0). The average loan maturity, including committed credit facilities, amounted to 4.5 years (4.0).

### STRUCTURE OF INTEREST AND LOAN MATURITIES AS OF 31 MARCH 2014

Matures, years	Interest maturity		Loan maturity	
	Loan amount, SEKm	Av. interest rate, %	Credit ag, SEKm	Utilised, SEKm
2014	3,298	1.76	720	720
2015	401	1.07	1,448	1,448
2016	1,000	3.49	6,226	5,683
2017	500	3.86	4,390	3,936
2018	1,500	4.10	0	0
>2018	6,887	4.33	1,799	1,799
<b>Total</b>	<b>13,586</b>	<b>3.51</b>	<b>14,583</b>	<b>13,586</b>

Wihlborgs use interest rate derivatives in order to reduce the risk level in the loan portfolio. A summary of the terms is shown below.

### INTEREST RATE DERIVATIVES PORTFOLIO 31 MARCH 2014

Amount, SEKm	Interest, %	Can be closed	End date
<b>Closable swaps</b>			
1,000	3.95	quarterly	2021
500	3.83	quarterly	2021
500	2.63	quarterly	2026
500	2.52	quarterly	2026
500	2.33	quarterly	2026
500	2.58	quarterly	2027
1,000	1.96	August 2014	2021
<b>Interest rate swaps</b>			
2,000	2.70		2021
1,000	2.04		2022
1,000	2.01		2022
<b>Threshold swap</b>			
1,000	3.07	Threshold 4.75	2021

As a result of lower market rates, the deficit in Wihlborgs' interest rate derivative portfolio rose to a net of SEK 322 million, a negative change totalling SEK 212 million. The change in value for the interest rate derivatives does not affect the cash flow. When the term of the derivative expires, the value is always zero.

Wihlborgs' interest derivatives are recognized at fair value in accordance with IAS 39. The closable swaps are classified at level 3 in accordance with IFRS 13. The change during year for these swaps amounts to SEK 67 million, which is attributable in entirety to change in value. The remaining swaps are classified at level 2 in accordance with IFRS 13.

In February, a SEK 300 million bond loan was issued, guaranteed by Region Skåne. The loan has a term of five years until maturity and a coupon of 3-month STIBOR + 55 basis points. In addition, Wihlborgs is paying a guarantee fee to Region Skåne. A further SEK 225 million was borrowed during the quarter via the part-owned property finance company Svensk FastighetsFinansiering AB, which issued a two-year bond with a coupon of 3-month STIBOR + 80 basis points.



Lautrupvang 1 in Ballerup, Denmark.

# Miscellaneous

## Employees

At the period end Wihlborgs employed 109 people (111), 39 of whom as property caretakers.

There were 55 employees in Malmö, 26 in Helsingborg, 16 in Lund and 12 in Copenhagen. The average age was 45 and the proportion of women was 40 percent.

## Parent company

The parent company owns no properties, but deals with questions relating to the stock market and joint Group functions for administration, management and borrowing. The parent company's turnover is mostly related to the billing of services to Group companies.

The parent company has invested SEK 0 (115) in shares in subsidiaries, including shareholders' contributions, during the period.

The parent company's income statement and balance sheet are found on page 19.

## Participations in other companies

A description of all participations held by Wihlborg in other companies will be found on pages 114-115 in the Company's 2013 annual report.

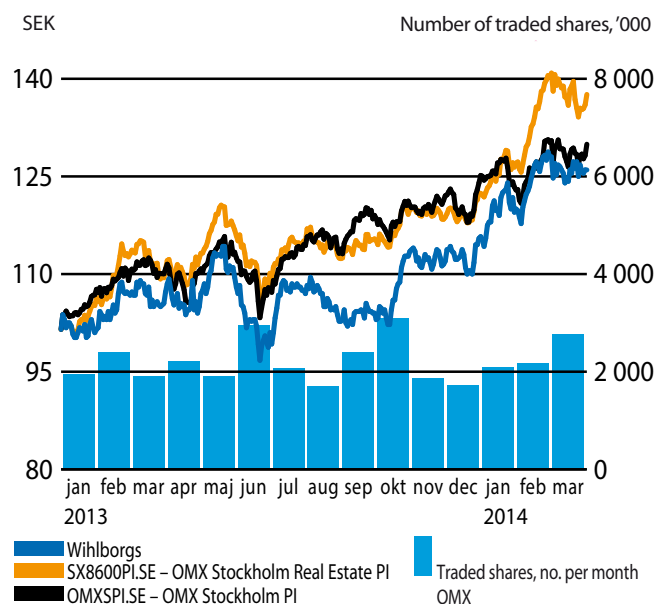
## Largest shareholders 31 March 2014

The largest shareholder in Wihlborgs is Brinova Fastigheter AB, who holds 10.1 percent of the outstanding shares. Shares held by owners registered abroad accounted for 39 percent of the total. The number of shareholders was 24,558.

### LARGEST SHAREHOLDER IN WIHLBORGS 31 MARCH 2014

Shareholder	No. of shares thousands	Share of capital percent
Brinova	7,734	10.1
Länsförsäkringar Funds	2,558	3.3
Handelsbanken Funds	2,501	3.3
SEB Funds	2,412	3.1
Qviberg family	2,162	2.8
Robur Funds	1,835	2.4
Tibia Konsult AB	1,203	1.6
Skandia Funds	957	1.2
Lannebo Funds	718	0.9
Avanza Pension	600	0.8
Other shareholders reg in Sweden	24,206	31.5
Other shareholders reg abroad	29,971	39.0
<b>Total outstanding shares</b>	<b>76,857</b>	<b>100.0</b>

### DEVELOPMENT OF SHARE PRICE 01-01-2013 – 31-03-2014



## Significant risks and uncertainty factors

Wihlborgs operations, financial status and profit are affected by a number of risk factors. Risks that have a decisive influence on the Group's profit trend are variations in rental income, interest rate changes, costs, property valuations and taxes. There is also risks relating to cash flow and borrowing.

There is a comprehensive description of the risks facing the Group on pages 82-85 and 106-107 in the Company's 2013 annual report.

## Accounting policies

Wihlborgs complies with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), as well as interpretations issued by the IFRS and approved by the European Union. The interim report has been prepared in accordance with IAS 34.

Accounting policies and calculation methods are identical to those applied in Wihlborgs' latest annual report, other than the following amendments: The EU has approved a package of five standards to come into effect after 1 January 2014. IFRS 11 Joint Arrangements introduces a certain change in the way that what were formerly referred to as joint ventures are classified. These are now classified as either joint operations or joint ventures. Joint ventures are as before accounted for in accordance with the equity method. A party to a joint operation accounts for his assets, liabilities, income and expense and his share of the assets, liabilities, income and expense of the joint operation in the consolidated financial statements. For Wihlborgs' part, the amendment has the effect that the Company's participations in Dockan Exploater AB and Nyckel 0328 AB are classified as joint operations as of 1 January 2014. This means that certain assets, liabilities, income





Wihlborgs AGM 2014 will be held at Slagthuset in Malmö.

and expense have been accrued while assets in the form of equity participations, profit/loss items and shares in income have decreased. Another effect has been to increase the scope for intra-Group offsetting.

The other four changes in the package, which affects IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Consolidated and Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures do not have any material effect on Wihlborgs' accounting.

Amendments to IAS 32 Financial Instruments – Presentation, valid as of 1 January 2014, do not have any material effect on Wihlborgs' accounting.

In accordance with IFRIC 21 Levies, which is expected to be adopted by the EU shortly, the entire property tax liability for 2014 is accounted for in quarter 1.

Furthermore, the Group applies the Swedish Financial Accounting Standards Council's recommendation RFR 1, Supplementary Rules for Consolidated Financial Statements. The Parent Company applies RFR 2.

## Events after the accounting period

In April, Wihlborgs has bought three properties in Helsingborg for a total of SEK 115 million. The biggest is Terminalen 3, in Knutpunkten, central Helsingborg, comprising 3,700 m<sup>2</sup> of office space. In Berga, we have acquired the Armborstet 6 industrial/warehousing property, with 4,300 m<sup>2</sup> of lettable area, and undeveloped land measuring 4,800 m<sup>2</sup> in the Visiret block. Also in April, the Iris 6 property in Helsingborg has been sold to a local property owner. In Malmö, Wihlborgs has acquired Söderhavet 4, a warehouse property, at a cost of SEK 27 million. The building is on Carlsgatan, right next to Central Station, and extends to 2,600 m<sup>2</sup>.

In April, a further issue of SEK 485 million was made within the scope of the guaranteed bond loan launched in February 2013. The interest rate for the bond is set as variable at 3-month STIBOR + 55 base points. It matures in February 2019.

## Forthcoming reports

**7 Jul 2014**

Interim report Jan – Jun

**21 Oct 2014**

Interim report Jan – Sep

**12 Feb 2015**

Bokslutskommuniké

*Malmö, 29 April 2014*

**Wihlborgs Fastigheter AB (publ)**

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*This Year End Report has not been reviewed by the company's auditors.*

## CONSOLIDATED INCOME STATEMENT Summary

SEKm	2014 Jan-Mar 3 months	2013 Jan-Mar 3 months	2013/2014 Apr-Mar 12 months	2013 Jan-Dec 12 months
Rental income	462	396	1,770	1,704
Other revenues	49	1	51	3
<b>Total income</b>	<b>511</b>	<b>397</b>	<b>1,821</b>	<b>1,707</b>
Operating costs	-80	-77	-241	-238
Repairs and maintenance	-18	-13	-75	-70
Property tax	-22	-18	-86	-82
Leasehold rent	-1	-1	-6	-6
Property administration	-21	-15	-79	-73
<b>Total property costs</b>	<b>-142</b>	<b>-124</b>	<b>-487</b>	<b>-469</b>
<b>Operating surplus</b>	<b>369</b>	<b>273</b>	<b>1,334</b>	<b>1,238</b>
Central administration	-10	-9	-38	-37
Net interest	-118	-99	-471	-452
<b>Income from property management</b>	<b>241</b>	<b>165</b>	<b>825</b>	<b>749</b>
Change in value of properties	14	8	173	167
Change in value of derivatives	-212	185	52	449
<b>Pre-tax profit</b>	<b>43</b>	<b>358</b>	<b>1,050</b>	<b>1,365</b>
Current tax	-2	-2	-4	-4
Deferred tax	32	-79	-187	-298
<b>Profit for the period<sup>1</sup></b>	<b>73</b>	<b>277</b>	<b>859</b>	<b>1,063</b>
OTHER TOTAL PROFIT/LOSS <sup>2</sup>				
Translation differences and hedging for international activities, including tax	0	0	0	0
<b>Total comprehensive income for the period<sup>1</sup></b>	<b>73</b>	<b>277</b>	<b>859</b>	<b>1,063</b>
Earning per share <sup>3</sup>	0.95	3.60	11.18	13.83
No. of shares at end of the period, thousands	76,857	76,857	76,857	76,857
Average no. of shares, thousands	76,857	76,857	76,857	76,857

1) The entire profit/income is attributable to the parent company's shareholders.

2) Refers to records that have been or can be transferred to the result for the period.

3) Key ratios per share have been calculated based on a weighted average number of shares during the period.

There are no outstanding subscription options, convertibles or other potential ordinary shares to take into consideration.

## HISTORICAL SUMMARY OF LAST EIGHT QUARTERS

SEKm	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Rental income	462	453	451	404	396	380	372	373
Other revenues	49	0	1	1	1	0	0	0
Operating costs	-80	-68	-44	-49	-77	-62	-41	-44
Repairs and maintenance	-18	-22	-19	-16	-13	-17	-15	-14
Property tax	-22	-21	-23	-20	-18	-17	-18	-17
Leasehold rent	-1	-2	-1	-2	-1	-1	-2	-2
Property administration	-21	-24	-20	-14	-15	-16	-14	-13
<b>Operating surplus</b>	<b>369</b>	<b>316</b>	<b>345</b>	<b>304</b>	<b>273</b>	<b>267</b>	<b>282</b>	<b>283</b>
Income from property management	241	185	211	188	165	158	180	183
Surplus ratio, % *	69.3	69.8	76.3	75.0	68.7	70.3	75.8	75.9
Direct return, % *	5.6	5.6	6.4	5.9	5.4	5.4	5.9	6.1
Equity/assets ratio, %	29.9	29.7	29.4	30.6	30.7	30.0	28.6	30.1
Return on equity, %	4.2	10.0	16.0	21.9	17.7	25.4	1.9	9.3
Earnings per share, SEK	0.95	2.22	3.42	4.58	3.60	4.92	0.36	1.76
Income property management per share, SEK	3.14	2.41	2.75	2.45	2.15	2.06	2.34	2.38
Cash flow per share, SEK	4.09	2.91	3.54	1.39	2.17	2.02	3.90	1.13
Equity per share II, SEK	110.28	110.49	107.71	103.40	101.60	96.96	95.76	95.29
Market value as % of Equity II	114.3	104.3	95.9	96.2	105.6	104.7	102.3	97.3

The above key ratios are based on the results for each quarter. The direct return and the return on equity have been converted into annual figures without taking seasonal variations into account.

\* Excluding one-time payment for early lease termination.

**CONSOLIDATED BALANCE SHEET summary**

SEKm	31-03-2014	31-03-2013	31-12-2013
<b>ASSETS</b>			
Managed properties	22,751	20,303	22,584
Other fixed assets	188	385	359
Derivatives	48	75	110
Current receivables	198	90	126
Liquid assets	132	76	11
<b>Total assets</b>	<b>23,317</b>	<b>20,929</b>	<b>23,190</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	6,967	6,415	6,894
Deferred tax liability	1,509	1,394	1,598
Borrowings	13 586	12,026	13,740
Derivatives	371	415	220
Other long-term liabilities	52	66	67
Current liabilities	832	613	671
<b>Total equity &amp; liabilities</b>	<b>23,317</b>	<b>20,929</b>	<b>23,190</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

SEKm	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
<b>Total equity at beginning of period</b>	6,894	6,138	6,138
<i>Equity attributable to parent company's shareholderse</i>			
Opening amount	6,894	6,138	6,138
Dividend paid	-	-	-307
Profit for the period	73	277	1,063
Other comprehensive income	-	-	-
<b>Closing amount</b>	<b>6,967</b>	<b>6,415</b>	<b>6,894</b>
<i>Equity attributable to minority shares</i>	-	-	-
<b>Total equity at end of period</b>	<b>6,967</b>	<b>6,415</b>	<b>6,894</b>

**CONSOLIDATED CASH FLOW STATEMENT summary**

SEKm	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
<b>Operating activities</b>			
Operating surplus	369	273	1,238
Central administration	-10	-9	-37
Depreciation	0	0	1
Net financial items paid	-116	-84	-447
Income tax paid	-18	0	-6
Change in other working capital	89	-12	21
<b>Cashflow from operating activities</b>	<b>314</b>	<b>168</b>	<b>770</b>
<b>Investment activities</b>			
Investments in and acquisitions of properties	-470	-484	-2,558
Sales of properties	318	25	65
Change in other non-current assets	114	-5	17
<b>Cash flow from investment activities</b>	<b>-38</b>	<b>-464</b>	<b>-2,476</b>
<b>Financing activities</b>			
Dividend paid	-	-	-307
Expiry of derivatives	-	-	22
Change in borrowing	-155	270	1,902
Change in other long-term liabilities	-	-	-2
<b>Cash flow from financing activities</b>	<b>-155</b>	<b>270</b>	<b>1,615</b>
<b>Cash flow for the year</b>	<b>121</b>	<b>-26</b>	<b>-91</b>
<b>Opening cash flow</b>	<b>11</b>	<b>102</b>	<b>102</b>
<b>Closing cash flow</b>	<b>132</b>	<b>76</b>	<b>11</b>



## CONSOLIDATED SEGMENT REPORTING JAN–MAR

Property management SEKm	Malmö		Helsingborg		Lund		Copenhagen		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues	221	216	126	124	140	37	24	20	511	397
Costs	-62	-63	-46	-44	-27	-13	-7	-4	-142	-124
Operating surplus	159	153	80	80	113	24	17	16	369	273

In the Group's internal reporting, activities are divided into the above segments, which are the same as described in the latest annual report. The total operating surplus shown above corresponds with the operating surplus recorded in the income statement.

The difference between the operating surplus of SEK 369 million (273) and the pre-tax profit of SEK 43 million (358) consists of central administration SEK -10 million (-9), net interest SEK -118 million (-99) and changes in value of properties and derivatives SEK -198 million (193).

## Definitions

### Financial

#### Return on equity

Profit for the period as a percentage of average shareholders' equity excluding minority shares. In interim reports the return is converted to its annualised value without taking account of seasonal variations.

#### Return on total capital

Profit before tax plus interest expenses and value changes of derivatives as a percentage of average balance sheet total. In interim reports the return is converted to its annualised value without taking account of seasonal variations.

#### Equity/assets ratio

Shareholders' equity as a percentage of balance sheet total.

#### Interest coverage ratio

Income from property management increased by interest costs divided by interest costs.

#### Leverage of properties

Borrowings as a percentage of the carrying amount for the properties.

#### Debt/equity ratio

Interest-bearing liabilities divided by share-holders' equity.

### Share-related

#### Earnings per share

Profit for the period divided by average number of outstanding shares.

#### Earnings per share before tax

Profit before tax divided by the average number of outstanding shares.

#### Income from property management per share

Income from property management divided by the average number of outstanding shares.

#### Cash flow from operations per share

Cash flow from operations divided by the average number of outstanding shares.

#### Equity per share I

The parent company's shareholders' share of the equity at the end of year in relation to the number of shares at period end.

#### Equity per share II

Calculated as Equity per share I, but not charged with deferred tax. Equity is increased by the addition of the carrying amount for deferred tax.

#### Direct return from shares

Proposed dividend as a percentage of the stock exchange market value at the year end.

#### The share's total return

The share's growth and actual dividend in relation to the market value at the beginning of the year.

#### P/E-ratio I, times

The market value per share divided by the profit per share. The conversion has been carried out to full-year basis without taking account of seasonal variations.

#### P/E-ratio II, times

The market value divided by the income from property management loaded with nominal tax, per share. The conversion has been carried out to full-year basis without taking account of seasonal variations.

### Property related

The key figures are based on property stocks at the end of each quarter.

#### No. of properties

Total number of properties owned by Wihlborgs at the end of the period.

#### Carrying amount of properties

Carrying amount of the Group's property portfolio at the end of the period.

#### Lease value

Lease income plus estimated market rent on unrented areas.

#### Direct return

Net operating income as a percentage of the book value of the properties at period end.

#### Lettable area

Total area that is available to let.

#### Rental income per m<sup>2</sup>

Annualized rental income divided by lettable area.

#### Net operating income per m<sup>2</sup>

Net operating income divided by lettable area.

#### Financial occupancy rate

Rental income as a percentage of rental value.

#### Surplus ratio

Net operating income as a percentage of rental income.

**KEY FIGURES FOR THE GROUP**

SEKm	Jan-Mar 2014	Jan-Mar 2013	Apr/Mar 2013/14	Jan-Dec 2013
<b>FINANCIAL</b>				
Return on equity, %	4.2	17.7	12.8	16.3
Return on total capital, %	6.4	5.3	6.6	6.4
Equity/assets ratio, %	29.9	30.7	29.9	29.7
Interest coverage ratio, multiple	3.0	2.6	2.7	2.6
Leverage properties, %	59.7	59.2	59.7	60.8
Debt/equity ratio, multiple	2.0	1.9	2.0	2.0
<b>SHARE-RELATED</b>				
Earnings per share, SEK	0.95	3.60	11.18	13.83
Earnings per share before tax, SEK	0.56	4.66	13.66	17.76
Operating earnings per share, SEK	3.14	2.15	10.73	9.75
Cashflow from operations per share, SEK	4.09	2.17	11.93	10.02
Equity per share I, SEK	90.65	83.47	90.65	89.70
Equity per share II, SEK	110.28	101.60	110.28	110.49
Market value per share, SEK	126.00	107.25	126.00	115.25
Dividend per share, SEK	-	-	-	4.25
Return from share, % <sup>1</sup>	-	-	-	3.7
Total return from share, % <sup>1</sup>	-	-	-	15.7
P/E-ratio I, multiple	33.2	7.4	11.3	8.3
P/E-ratio II, multiple	12.9	16.0	15.0	17.5
Number of shares at the end of period, thousands	76,857	76,857	76,857	76,857
Average number of shares, thousands	76,857	76,857	76,857	76,857
<b>PROPERTY-RELATED</b>				
Number of properties	267	252	267	264
Carrying amount of properties, SEKm	22,751	20,303	22,751	22,584
Direct return, % - all properties	5.8	5.6	5.8	5.9
Direct return, % - excl project properties	6.0	6.0	6.0	6.0
Lettable area, m <sup>2</sup>	1,548,528	1,450,849	1,548,528	1,523,125
Rental income, SEK per m <sup>2</sup>	1,175	1,086	1,175	1,199
Operating surplus, SEK per m <sup>2</sup>	854	787	854	876
Financial occupancy rate, % - all properties	91	91	91	91
Financial occupancy rate, % - excl project properties	91	91	91	91
Surplus ratio, %	73	72	73	73
<b>EMPLOYEES</b>				
Number of employees at period end	109	88	109	111

1) Calculated only per calendar.

**PARENT COMPANY'S INCOME STATEMENT summary**

SEKm	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Income	27	27	118
Expenses	-31	-26	-117
<b>Operating profits</b>	<b>-4</b>	<b>1</b>	<b>1</b>
Financial income	83	301	1,277
Financial expenses	-348	-120	-527
<b>Pre-tax profit</b>	<b>-269</b>	<b>182</b>	<b>751</b>
Tax	59	-41	-83
<b>Profit for the period</b>	<b>-210</b>	<b>141</b>	<b>668</b>
Other comprehensive income	0	0	0
<b>Comprehensive income for the period</b>	<b>-210</b>	<b>141</b>	<b>668</b>

**PARENT COMPANY'S BALANCE SHEET summary**

SEKm	31-03-2014	31-03-2013	31-12-2013
Participations in Group companies	7,625	3,897	7,626
Receivables from Group companies	8,593	10,124	8,998
Other assets	607	596	598
Cash and bank balances	7	70	4
<b>Total assets</b>	<b>16,832</b>	<b>14,687</b>	<b>17,226</b>
Equity	1,885	1,875	2,095
Liabilities to credit institutions	10,988	10,073	11,626
Liabilities to Group companies	2,193	2,193	3,132
Other liabilities	568	546	373
<b>Total equity and liabilities</b>	<b>15,634</b>	<b>14,687</b>	<b>17,226</b>

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Through our commitment and our properties  
we create conditions for strong growth for business  
in the Öresund region.



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