

# Financial statement

July 2008 to December 2009



# Akelius Fastigheter AB (publ)

CIN: 556156-0383

Financial statement July 2008 – December 2009

- Rental income increased to SEK 4,182 million (2,318)
- Profits from property sales were SEK 855 million (893)
- Income for the year amounted to SEK 1,084 million (868)

## The group

### Business operations

Akelius Fastigheter's business idea is to own and administer a property portfolio with the ability to generate a stable cash flow. Residential properties should amount to 90 percent of the total market value of all properties held. In the holdings of properties for community and commercial operations, the goal will be to achieve long-term and secure lease contracts. A low level of financial risk will be achieved by borrowings with long-term fixed interest rates and a long-term capital structure.

The consolidated results cover a period of 18 months and relate to the financial year 1 July 2008 to 31 December 2009. The previous financial year covered a period of 12 months. Comparisons of assets and liabilities relate to the last financial year change, 30 June 2008.

At the end of the financial year, the group owned properties in Sweden and in Germany with an estimated market value of SEK 29,286 million. The properties were concentrated to areas with high levels of growth. In accordance with the company's strategy, the share of residential properties was high and was 88 percent at the end of the period, measured as a share of the market value. The properties' rentable area was 2,527,326 m<sup>2</sup> (2,871,696) with a book value of SEK 24,463 million (25,656).

The housing stock consists of 32,988 apartments (35,676), of which 7,907 apartments (6,121) are in Germany.

Akelius Fastigheter AB is the parent company in the group and the group's property portfolio is owned directly by the parent company or via its subsidiary companies.

### Turnover and results

The group's rental income for the financial year increased by SEK 1,864 million to SEK 4,182 (2,318). The letting market remains strong and the occupancy rate at the end of December was 98.6 percent (98.4). Vacancies are primarily attributable to commercial premises. Housing vacancies were 0.9 percent (0.9), this relates primarily to moving vacancies.

Property costs were SEK 2,155 million (1,230), which is the equivalent of an increase of SEK 925 million. Of the property costs, SEK 529 million (298) relate to maintenance, which is the equivalent of an average annual cost of SEK 131 per square metre. The operating surplus for the year increased by SEK 939 million to SEK 2,027 million (1,088). The surplus degree increased to 48.5 percent (46.1).

Depreciation according to plan, write-downs and

reversals for tangible and intangible fixed assets was SEK 341 million (317). Write-downs and reversals amounted to a total of SEK 57 million (177).

### **Property sales**

During the financial year, properties have been sold for SEK 5,056 million (2,542), with a profit of SEK 855 million (893). In total, sales are in line with the estimated market value. Of sales, SEK 3,430 million relate to properties in western Sweden which were sold to the recently formed real estate company Apartment Bostad Väst AB.

### **Net financial income**

Interest revenues for the period including interest subsidies were SEK 144 million (26) and the financial costs for the period were SEK 1,723 (927).

### **Profit for the period**

Profit after tax increased by SEK 216 million to SEK 1,084 million (868). This year's profit before tax excluding profits from the sales of properties, write-downs and reversals increased by SEK 76 million to SEK 110 million (34).

### **The property portfolio**

During the financial year, properties were purchased for a total of SEK 1,727 million (4,999), of which SEK 1,120 million (2,952) related to residential properties in Germany. The purchases have increased the property portfolio by 1,940 apartments (6,259) and a rentable area of 140,912 m<sup>2</sup> (412,660).

The year's investments in existing properties was SEK 1,129 million (684), of which SEK 251 million (293)

was for the production of new residential properties.

### **Market valuation of the property portfolio**

At the end of the accounting period, the market value of all properties was estimated via an internal valuation. The valuations were based on a cash flow model for each individual property with an individual valuation of future earnings capacity and yield requirements. The cash flow model is based on actual revenues and costs adjusted for a normalised future cash flow. Properties purchased during the year have been valued at their procurement value. In order to ensure the valuation, CB Richard Ellis has analysed and presented a second opinion during the year of the valuations for the properties which corresponds to a value of SEK 9,912 million, or 34 percent of the property portfolio. Of these, SEK 2,158 million relate to properties in Germany. The selection has been made in order to reflect the property portfolio's composition and also in relation to geographic and real estate category.

The estimated market value of the group's total real estate holdings at the end of the accounting period was SEK 29,286 million (31,095), which means a decrease of SEK 1,809 million compared to the value as of 30 June 2007. The decrease in the market value is a result of net sales throughout the year. In total, properties were sold amounting to SEK 5,056 million and purchases were made amounting to SEK 1,727 million. The largest single sale was to Apartment Bostad Väst AB amounting to SEK 3,430 million. Adjusted for investments, sales and changes in foreign exchange market rates, the estimated market value is equal to an increase in value of SEK 128 million. The market value indicates a surplus value in the property portfolio of SEK 4,823 million (5,439). Of the total market value, SEK 22,664 million relates to proper-

ties in Sweden and SEK 6,622 relates to properties in Germany. In total, residential properties amount to 88 percent of the market value which is in line with the group's objective that the share of residential properties should be at least 75 percent.

### Financial position

The group's interest-bearing liabilities at the end of December were SEK 20,237 million (20,624), of which SEK 16,831 million (18,014) related to real estate credits and SEK 3,406 million (2,610) related to loans without collateral. Real estate credits relate to loans secured by real estate. Of the real estate credits, SEK 2,579 million had a fixed interest rate term of less than 12 months and SEK 11,187 million (10,826) had a fixed interest rate term greater than five years. The average interest rate was 4.84 percent (4.94). Capital tie-up amounted to an average of 5.7 years (6.8).

Available funds in terms of cash and secured but unutilised credit agreements at the end of the financial year amounted to SEK 1,450 million (1,037). In total, unutilised credit agreements amounted to SEK 2,485 million (1,323).

The group's equity increased throughout the year by SEK 80 million and at the end of the financial year, equity amounted to SEK 4,219 million (4,139) which corresponds to an equity/assets ratio of 16.0 percent (15.5). During the financial year, the company paid a dividend of SEK 1,000 million following a decision made at an extraordinary general meeting held 8 June 2009. Adjusted equity, which includes the overvaluation of the property portfolio after deductions of 26.3 percent deferred taxes, was SEK 7,773 million (8,055). The adjusted equity/assets ratio was 24.7 percent (25.1).

### Events after the balance sheet

After the expiry of the report period, 23 properties have been sold for SEK 1,212 million. The sales price exceeded the market value as of 31 December by SEK 132 million or 12 percent.

Stockholm, 14 April 2010



Jan-Erik Höjvall  
Managing Director

## INCOME STATEMENTS

Group, amounts in MSEK	2008/09 July-Dec 18 mths	2007/08 July-June 12 mths
<b>Rental income</b>	<b>4,182</b>	<b>2,318</b>
Operating costs	-1,523	-870
Maintenance	-529	-298
Property tax and site leasehold fees	-103	-62
<b>Property Costs</b>	<b>-2,155</b>	<b>-1,230</b>
<b>Operating surplus</b>	<b>2,027</b>	<b>1,088</b>
Depreciations, write-downs, reversals	-341	-317
<b>Gross Profit</b>	<b>1,686</b>	<b>771</b>
Other revenues	2	3
Central administration expenses	-58	-22
Income from sales	857	901
<b>Operating profit/loss</b>	<b>2,487</b>	<b>1,653</b>
Financial income	144	26
Financial costs	-1,723	-927
<b>Earnings before tax</b>	<b>908</b>	<b>752</b>
Tax	176	116
<b>Profit for the year</b>	<b>1,084</b>	<b>868</b>

## BALANCE SHEETS

Group, amounts in MSEK	2009-12-31	2008-06-30
Properties	24,463	25,656
Other assets	1,834	978
Liquid funds	24	55
<b>Total assets</b>	<b>26,321</b>	<b>26,689</b>
Restricted equity	1,039	924
Non-restricted equity	2,096	2,347
Profit for the year	1,084	868
<b>Total equity</b>	<b>4,219</b>	<b>4,139</b>
Allocations	1,152	1,429
Interest bearing liabilities without collateral	3,406	2,610
Interest-bearing liabilities against collateral in properties	16,831	18,014
Other liabilities	713	497
<b>Total equity and liabilities</b>	<b>26,321</b>	<b>26,689</b>

**Cash Flow Statement  
amounts in MSEK**

	<b>2008/09 July-Dec 18 mths</b>	<b>2007/08 July-June 12 mths</b>
Cash flow from operating activities	793	123
Cash flow from investing activities	1,061	-6,154
Cash flow from financing activities	-1,885	6,057
<b>Cash flow for the year</b>	<b>-31</b>	<b>26</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>24</b>	<b>55</b>

**Fixed-interest term real estate credits, 31-12-2009**

<b>Duration Years</b>	<b>Amount in MSEK</b>	<b>Share %</b>	<b>Average int.rate %</b>
0-1	2,579	15	1.56
1-2	76	1	4.22
2-3	693	4	3.91
3-4	839	5	5.92
4-5	1,457	9	5.67
5-6	1,755	10	5.16
6-7	2,282	14	5.19
7-8	2,696	16	5.38
8-9	2,150	13	5.88
9-10	2,068	12	5.79
10 -	236	1	4.78
<b>Total</b>	<b>16,831</b>	<b>100</b>	<b>4.84</b>



*Fregatten, Täby*

### Change i market value amounts in MSEK

	<b>2008/09</b>	<b>2007/08</b>	<b>2006/07</b>
	<b>31 Dec</b>	<b>30 June</b>	<b>30 June</b>
	<b>18 mths</b>	<b>12 mths</b>	<b>12 mths</b>
Market value at the beginning of the year	31,095	23,543	18,851
Acquisitions and investments	3,119	8,704	6,061
Change in value	128	1,374	3,012
Sales	-5,056	-2,526	-4,381
<b>Market value at the end of the year</b>	<b>29,286</b>	<b>31,095</b>	<b>23,543</b>

### Key ratios

	<b>2008/09</b>	<b>2007/08</b>	<b>2006/07</b>
	<b>31 Dec</b>	<b>30 June</b>	<b>30 June</b>
	<b>18 mths</b>	<b>12 mths</b>	<b>12 mths</b>
Equity/assets ratio, %	16.00	14.87	15.51
Adjusted Solvency, %	24.70	24.21	25.07
Adjusted loan ratio, %	69.10	68.000	66.33
Interest coverage ratio	1.23	1.18	1.13
Vacancies, %	1.41	1.60	1.60
Vacancies residential, %	0.88	0.90	0.90

### Property holdings, 31-12-2009

Region	Number of apartments	Lettable area, square meters				Share
		Residential properties	Public	Commercial	Total	
Southern Sweden	11,921	750,878	100,274	133,396	<b>984,548</b>	39
Northern Sweden	13,160	904,490	69,560	70,958	<b>1,045,008</b>	41
<b>Sweden</b>	<b>25,081</b>	<b>1,655,368</b>	<b>169,834</b>	<b>204,354</b>	<b>2,029,556</b>	<b>80</b>
Germany	7,907	479,153	0	18,618	<b>497,771</b>	20
<b>Total</b>	<b>32,988</b>	<b>2,134,521</b>	<b>169,834</b>	<b>222,972</b>	<b>2,527,327</b>	<b>100</b>

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