

# Interim report

July 2008 to June 2009



# Akelius Fastigheter AB (publ)

Corporate Identity Number 556156-0383

Interim report July 2008 to June 2009

- Rental income increased to SEK 2,858 million (2,318)
- Profits from property sales were SEK 164 million (901)
- Income for the period amounted to SEK 330 million (868)

## The Group

### Business operations

- Akelius Fastigheter shall, during this century, own and administer a diversified property portfolio, with the ability to generate a stable cash flow.
- Residential properties shall account for a minimum of 75 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 ensuring that there is a long-term capital structure.

Comparisons in parentheses relate to the corresponding period in 2007/08 except for comparisons relating to assets and liabilities where the comparisons relate to the change of fiscal year, 30 June 2008. The income statements and the balance sheets are established according to the Swedish annual accounts act and to generally accepted accounting principles. The same accounting principles have been used as were used during the last annual report.

At the end of June, the group owned diversified property holdings in Sweden and in Germany which were concentrated in growth areas. In accordance with the company's strategy, the share of residential properties was high and exceeded 85 percent at the end of the period, measured as a share of the properties' market value. The property holdings' rentable area was 2,963,866 m<sup>2</sup> (2,871,696 m<sup>2</sup>) with a book value of SEK 27,737 million (25,656). The housing stock consists of 37,919 apartments (36,417), of which 7,918 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 period from July 2008 to June 2009 increased by SEK 540 million to SEK 2,858 million compared to the corresponding period last year. The change in turnover is due to an increased property portfolio. The letting market remains strong and the occupancy rate at the end of December was 98.5 percent (98.3). Vacancies are primarily attributable to commercial premises. Housing vacancies were 1.0 percent (0.9). Housing vacancies in Sweden were 0.9 percent (0.8), which primarily relates to moving vacancies.

Property costs were SEK 1,492 million (1,230), which is the equivalent of an increase of SEK 262 million. The operating surplus for the period increased by SEK 278 million to SEK 1,366 million (1,088). The change is due to an increased property portfolio. The surplus degree was 47.8 percent (46.9).

Depreciation according to plan on tangible fixed assets was SEK 211 million (130). The change is due to an increased property portfolio. Write-downs were made on the properties amounting to SEK 16 million (176). Costs for central administration were SEK 34 million (22).

### Property sales

During the period, properties were sold to a value of SEK 718 million (2,542). All in all, sales provided a

total profit of SEK 164 million (901) for the period. The total sales price exceeds the market value as of 30 June 2008 by SEK 13 million.

### **Net financial income**

Interest revenues for the period including interest subsidies were SEK 106 million (26). The increase in interest revenues is partly due to an increase in re-acquired Akero debentures and partly due to promissory notes which were provided in conjunction with the sale of properties. The financial costs for the period were SEK 1,151 (927). Interest costs have increased primarily as a result of increased borrowings in connection with the purchase of properties.

### **Profit for the period**

Profit after tax amounted to SEK 330 million (868). The lower level of earnings is primarily due to a decrease in property sales compared to the previous year.

### **The property portfolio**

During the period July 2008 to June 2009, properties were purchased for a total of SEK 1,420 million (4,159), of which SEK 1,120 million (2,391) were residential properties in Germany. The period's investments in existing properties amounted to SEK 747 million (396), of which SEK 152 million (213) was for new production of properties.

Through purchases, a total of 1,816 apartments (4,918) were added to the property portfolio as a result of these purchases, with a rentable area of 125,995 m<sup>2</sup> (328,718). The period's net property transactions have increased the property portfolio by 1,276 (3,461) apartments the equivalent of a rentable area of 78,225 m<sup>2</sup> (187,680).

### **Financial position**

The group's interest-bearing liabilities at the end of June were SEK 22,722 million (20,625), of which SEK 19,283 million (18,014) related to real estate credits, bank loans with collateral in properties, and SEK 3,439 million (2,611) related to loans without

collateral. Of the real estate credits, SEK 2,309 million (5,991) had a fixed interest rate term of less than 12 months and SEK 14,446 million (13,019) or 75 percent (63) had a fixed interest rate term greater than five years. The average interest rate was 4.71 percent (4.94) which is the equivalent of a decrease of 0.23 percentage points compared to the previous year. Capital tie-up amounted to an average of 5.4 years (6.8).

Available funds in terms of cash and secured but unutilised credit agreements at the end of the period amounted to SEK 1,519 Million (1,037). In total, the unutilised credit agreements amounted to SEK 1,721 million (1 323).

### **Other assets**

Other assets of SEK 1,415 million (978) relate primarily to the reacquired Akero debentures, SEK 530 million, and promissory notes which were provided in conjunction with the sale of properties, SEK 453 million.

### **Equity**

At the end of June, equity amounted to SEK 3,466 million (4,139), which correspond to a visible equity/assets ratio of 11.9 percent (15.5). During the accounting year, the company paid a dividend of SEK 1,000 million (-).

### **Events after the balance sheet**

After the expiry of the report period, 159 properties were sold for SEK 3,749 million. The sales produced a profit of SEK 560 million.

Stockholm 7 September 2009



Jan-Erik Höjvall  
Managing Director

## Income Statements

<b>Group, amounts in MSEK</b>	<b>12 mths July-June 2008/09</b>	<b>12 mths July-June 2007/08</b>
<b>Rental income</b>	<b>2,858</b>	<b>2,318</b>
Operating costs	-1,055	-870
Maintenance	-368	-298
Property tax and site leasehold fees	-69	-62
<b>Property costs</b>	<b>-1,492</b>	<b>-1,230</b>
<b>Operating surplus</b>	<b>1,366</b>	<b>1,088</b>
Depreciation and write-downs	-227	-317
<b>Gross profit</b>	<b>1,139</b>	<b>771</b>
Other revenues	3	3
Central administration expenses	-34	-22
Income from sales	164	901
<b>Operating profit/loss</b>	<b>1,272</b>	<b>1,653</b>
Financial income	106	26
Financial costs	-1,151	-927
<b>Earnings before tax</b>	<b>227</b>	<b>752</b>
Tax	103	116
<b>Profit for the period</b>	<b>330</b>	<b>868</b>

## Balance Sheets

<b>Group, amounts in MSEK</b>	<b>30-06-2009</b>	<b>30-06-2008</b>
Properties	27,737	25,656
Other assets	1,402	978
Liquid funds	9	55
<b>Total assets</b>	<b>29,148</b>	<b>26,689</b>
Restricted equity	935	924
Profit brought forward	2,180	2,347
Profit for the period	330	868
<b>Total equity</b>	<b>3,445</b>	<b>4,139</b>
Allocations	1,305	1,429
Interest bearing liabilities without collateral	3,439	2,611
Interest-bearing liabilities against collateral in properties	19,283	18,014
Other liabilities	1,676	496
<b>Total equity and liabilities</b>	<b>29,148</b>	<b>26,689</b>

<b>Cash Flow Statement amounts in MSEK</b>	<b>12 mths July-June 2008/09</b>	<b>12 mths July-June 2007/08</b>
Cash flow from operating activities	1,168	123
Cash flow from investing activities	-2,545	-6,154
Cash flow from financing activities	1,331	6,057
<b>Cash flow for the period</b>	<b>-46</b>	<b>26</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>55</b>

#### Fixed-interest term real estate credits

<b>Duration Years</b>	<b>Amount MSEK</b>	<b>Share %</b>	<b>Average int. rate %</b>
0-1	2,309	12	1.26
1-2	282	1	4.50
2-3	106	1	2.98
3-4	1,475	8	5.02
4-5	666	3	5.03
5-6	2,560	13	5.27
6-7	2,317	12	4.84
7-8	3,082	16	5.13
8-9	1,436	8	5.38
9-10	4,042	21	5.45
10 -	1,038	5	5.25
<b>Total</b>	<b>19,283</b>	<b>100</b>	<b>4.71</b>



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*Höstfibblan 8, Täby*

### Property holdings, 30-06-2009

Region	Number of apartments	Lettable area, square meters				Share
		Residential properties	Public	Commercial	Total	
Southern Sweden	7,762	477,985	63,387	90,363	<b>631,735</b>	21
Western Sweden	5,922	373,928	9,702	74,207	<b>457,837</b>	15
Eastern Sweden	13,043	887,526	116,823	99,593	<b>1 103,942</b>	37
Northern Sweden	3,274	203,098	37,028	31,526	<b>271,652</b>	9
<b>Sweden</b>	<b>30,001</b>	<b>1,942,537</b>	<b>226,940</b>	<b>295,689</b>	<b>2,465,166</b>	<b>82</b>
Germany	7,918	479,737	-	18,963	<b>498,700</b>	18
<b>Total</b>	<b>37,919</b>	<b>2,422,274</b>	<b>226,940</b>	<b>314,652</b>	<b>2,963,866</b>	<b>100</b>

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