

Interim report

July-September 2007



Akelius Fastigheter AB

Corporate Identity Number 556156-0383
Interim report for July to September 2007

- Rental income increased to SEK 544 million (496)
- Profits from property sales were SEK 135 million (63)
- Income for the period amounted to SEK 223 million (69)

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 2006 except for comparisons relating to assets and liabilities where the comparisons relate to the change of fiscal year, 30 June 2007.

At the end of September, 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 80% at the end of the period, measured as a share of the properties' market value. The property holdings' rentable area was 2 475 000 m² (2 445 000) with a book value of SEK 19 577 million (18 855). The housing stock consists of 30 000 apartments (29 100), of which 3 700 apartments (3 000) 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 to September increased by SEK 48 million to SEK 544 million compared to the corresponding period last year. The letting market remains strong and the occupancy rate compared to the same period last year has improved by 0.9 % and at the end of September was 98.6 %. Vacancies are primarily attributable to commercial premises. Housing vacancies were 0.6 %, an improvement of 0.6 % compared to September 2006.

Property costs were SEK 226 million, which is the equivalent of an increase of SEK 8 million. Cost increases relate primarily to increases in costs for water, heating, refuse collection etc. The operating surplus for the period increased by SEK 40 million to SEK 318 million (278). The surplus degree was 58.5 % (56.0).

Depreciation according to plan on tangible fixed assets was SEK 32 million (27) and costs for central administration were SEK 3 million (3).

Property sales

During the period, properties were sold to a value of SEK 373 million. All in all, this year's sales provided a

total profit of SEK 135 million (63) for the period. The total sales price exceeds the market value as of 30 June 2007 by SEK 63 million.

Net financial income

Interest revenues for the period including interest subsidies were SEK 4 million (1) and the financial costs for the period were SEK 188 (200).

Profit for this period

Profit before taxes increased by SEK 154 million to SEK 223 million (69). The improvement in results depends primarily on an improved operating surplus as well as increased profits from property sales.

The property portfolio

During the period July to September, properties were purchased for a total of SEK 840 million, of which SEK 549 were residential properties in Germany. The period's investments in existing properties amounted to SEK 146 million, of which SEK 90 million was invested in ongoing new production of properties.

A total of 1 092 apartments were added to the property portfolio as a result of these purchases, with a rentable area of 75 500 m². Sales for the period amounted to 325 apartments and a rentable area of 39 000 m². The period's property transactions have thus increased the property portfolio by 767 apartments equal to 35 800 m².

Financial position

The group's interest-bearing liabilities at the end of September were SEK 15 002 million (14 525), of which SEK 12 188 million related to real estate credits, bank loans with collateral in properties, and SEK 2 814 million (2 442) related to loans without collateral. Of the real estate credits, SEK 5 453 million had a fixed interest rate term of less than 12 months and SEK 6 227 million had a fixed interest rate term greater than five years. The average interest rate was 4.6 % which is the equivalent of an increase of 0.1 percentage points compared to the previous year. Capital tie-up amounted to an average of 5.8 (5.9) years.

Available funds in terms of cash and secured but unutilised credit agreements at the end of the period amounted to SEK 1 181 million (965). In total, the unutilised credit agreements amounted to SEK 1 463 million (2 032).

At the end of September, equity amounted to SEK 3 500 million (3 278), which corresponds to a visible equity/assets ratio of 17.3 (16.8) %.

Danderyd 17 December 2007



Jan-Erik Höjvall
Managing Director

INCOME STATEMENTS

Group, amounts in MSEK	3 mths Jul-Sept 2007	3 mths Jul-Sept 2006
Rental income	544	496
Operating costs	-158	-142
Maintenance	-54	-58
Property tax and site leasehold fees	-14	-18
Property costs	-226	-218
Operating surplus	318	278
Depreciation and reversals	-32	-27
Gross profit	286	251
Central administration expenses	-3	-3
Income from sales	135	63
Operating profit/loss	418	311
Financial income	4	1
Financial costs	-188	-200
Earnings before tax	234	112
Tax	-11	-43
Profit for the period	223	69

BALANCE SHEETS

Group, amounts in MSEK	30-09-2007	30-09-2006	30-06-2007
Properties	19 577	17 218	18 855
Other assets	605	432	600
Liquid funds	42	82	29
Total assets	20 224	17 732	19 484
Equity	3 277	1 818	1 825
Result	223	546	1 453
Total equity	3 500	2 364	3 278
Allocations	1 261	1 319	1 265
Interest bearing liabilities without collateral	2 814	2 442	2 780
Interest-bearing liabilities against collateral in properties	12 188	11 140	11 745
Other liabilities	461	467	416
Total equity and liabilities	20 224	17 732	19 484

Batteriet 13, Halmstad

Cash Flow Statement amounts in MSEK	3 mths Jul-Sept 2007	3 mths Jul-Sept 2006
Cash flow from operating activities	149	337
Cash flow from investing activities	-613	-1 405
Cash flow from financing activities	477	1 026
Cash flow for this period	13	-42
Cash and cash equivalents at the end of the period	42	82

Fixed-interest term real estate credits

Tenure	Loans MSEK	Average interest %	Share %
0 - 1 years	5 453	4,29%	44%
1 - 2	192	4,73%	2%
2 - 3	308	5,48%	3%
3 - 4	-	-	-
4 - 5	8	5,85%	0%
5 - 6	200	5,35%	2%
6 - 7	-	-	-
7 - 8	1 645	4,99%	13%
8 - 9	1 984	4,66%	16%
9 -	2 398	4,97%	20%
Total	12 188	4,63%	100%





Hoppet 4, Trollhättan

Property portfolio, 30.09.07

Region	Number of apartments	Lettable area, square meters			Share
		Residential properties	Commercial	Total	
Northern Sweden	2 374	148 350	30 356	178 706	7%
Eastern Sweden	10 328	774 661	140 880	915 541	37%
Western Sweden	5 838	370 743	90 978	461 721	19%
Southern Sweden	7 803	521 576	166 645	688 220	28%
Germany	3 660	225 491	5 002	230 493	9%
Total	30 003	2 040 821	433 861	2 474 682	100%

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