

# Interim report

3, 2006



# Akelius Fastigheter AB

Corporate Identity Number 556156-0383

Interim report, January to September 2006

- Rental income increased to MSEK 1,509 (1,452)
- Profits from the sale of properties amounted to MSEK 452 (266)
- Income for the period amounted to MSEK 546 (382)
- A total of 800 apartments were purchased in Germany

## THE GROUP

### Operations

- Akelius Properties shall, during this century, own and administer a diversified property portfolio, with the ability to generate a stable cash flow.
- Residential properties shall amount to 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 a long-term capital structure.

Comparisons in brackets relate to the same period the previous year except for comparisons which relate to assets and financing whereby the comparisons relate to year-end figures.

At the end of September, the Group owned properties with a rentable area of 2,303,000 m<sup>2</sup> (2,369,000), and with a book value amounting to MSEK 17,218 (15,903). The housing stock consists of 28,000 apartments (25,500), of which 800 apartments are in Germany.

### Turnover and operating profit

Rents received for the period from January to September were MSEK 1,509 (1 452) and the operating profit was MSEK 785 (751). The surplus degree increased to 52.0 percent (51.7).

The economic occupancy rate continues to be high. Total vacancies at the end of the period decreased by 0.6 percentage units to 2.3 percent. The vacancy level in residential properties amounted to 1.2 percent, which is an improvement of 0.3 percentage units since the turn of the year, and is primarily due to relocation vacancies.

### Sale of properties

A total of 69 (58) properties were sold during the period for a total value of MSEK 1,873 (1,714). These sales generated profits of MSEK 452 (266).

### Net financial income

Income from interest for the period January to September, including received interest subsidies, was MSEK 16 (4). Financial expenses amounted to MSEK 585 (541). The increase in financial costs was due to the cost of early refinancing long-term loans.

### Income for the period

Profits before taxes for the period were MSEK 566 (382). A tax expense of 20 MSEK has been recorded for the period. The low tax expense is due to the fact that a large number of the properties were sold via companies. Profit after tax amounted to MSEK 546 (382). This improvement in results compared to last year is due to increased profits from the sale of properties. Excluding profits from sale of properties and tax, the result is on par with the previous year's MSEK 114 (116) result.

### The property portfolio

During the period from January to September Akelius Properties purchased 51 properties for a total value of MSEK 2,795; of these, MSEK 518 was for properties in Germany. A total of 3,247 apartments has been added to the property portfolio as a result of these purchases, with a rentable area of 240,000 m<sup>2</sup>. At the end of the period, property ownership in Germany consisted of 794 apartments with a rentable area of 44,000 m<sup>2</sup>. The period's investments in existing properties amounted to MSEK 347, of which MSEK 249 was invested in ongoing new production of residential properties.

A total of 69 properties comprising 884 apartments and a rentable area of 314,000 m<sup>2</sup> was sold for MSEK 1,873. The period's property transactions and new production have thus increased the property portfolio by 2,485 apartments, equal to 151,000 m<sup>2</sup>. A large portion of sales are attributable to commercial properties. This has resulted in a decrease in the rentable area of 66,000 m<sup>2</sup>. At the end of the period, the Group's property portfolio comprised 28,000 apartments and a rentable area of 2,203,000 m<sup>2</sup>.

### Financial position

At the end of September, equity amounted to MSEK 2,364 (2,217), which corresponds to an equity/assets ratio of 13.3 percent (13.7). Equity and the equity/assets ratio during the period have increased as

a result of the period's profits, MSEK 546 and foreign currency translation differences, MSEK 1, and reduced as a result of dividends of MSEK 400.

The Group's interest-bearing liabilities increased by MSEK 1,369 to MSEK 13,580 (12,211), of which MSEK 11,238 (9,699) was attributable to property loans, i.e. bank loans raised against collateral in property. Interest bearing liabilities without collateral amounted to MSEK 2,342 (2,512) at the end of September.

Average interest for property credits has decreased by 0.46 percentage units to 4.46 percent (4.92), and the average fixed-rate period has decreased to 3.3 (4.5) years. Capital tie-up amounted to 5.4 (6.0) years.

Available funds in terms of liquid funds, unutilised bank overdraft facilities, and secured but unutilized credit agreements amounted to MSEK 362 (1,097).

Stockholm, 15 December, 2006



Jan-Erik Höjvall  
Managing Director

## INCOME STATEMENT

<b>Group, amounts in MSEK</b>	<b>9 months Jan-Sept 2006</b>	<b>9 months Jan-Sept 2005</b>	<b>12 months Jan-Dec 2005</b>
<b>Rental income</b>	<b>1,509</b>	<b>1,452</b>	<b>1,944</b>
Operating costs	-517	-491	-678
Maintenance	-156	-163	-233
Property tax and site leasehold fee	-52	-47	-64
<b>Total property costs</b>	<b>-724</b>	<b>-701</b>	<b>-975</b>
<b>Operating surplus</b>	<b>785</b>	<b>751</b>	<b>969</b>
Depreciation and reversals	-92	-87	-89
<b>Gross profit</b>	<b>693</b>	<b>664</b>	<b>880</b>
Central administration expenses	-11	-11	-16
Income from sales	452	266	336
<b>Operating profit</b>	<b>1,134</b>	<b>919</b>	<b>1,200</b>
Financial income	16	4	9
Financial costs	-585	-541	-717
<b>Income</b>	<b>566</b>	<b>382</b>	<b>492</b>
Tax	- 20	-	1
<b>Income for the period</b>	<b>546</b>	<b>382</b>	<b>493</b>

## BALANCE SHEET

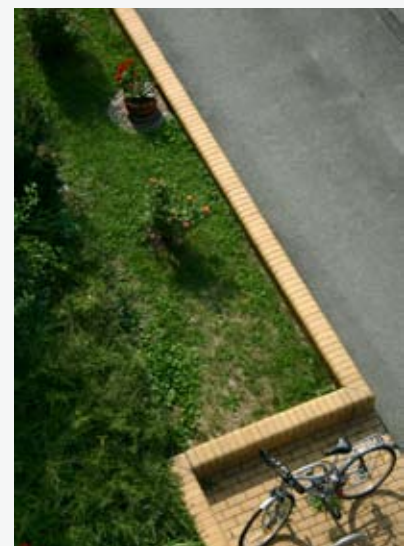
Group, amounts in MSEK	30 Sept 2006	30 Sept 2005	31 Dec 2005
Properties	17,218	15,074	15,903
Other assets	432	432	166
Liquid funds	82	65	132
<b>Total assets</b>	<b>17,732</b>	<b>15,571</b>	<b>16,201</b>
Equity	1,818	1,727	1,724
Income for the period	546	382	493
<b>Total equity</b>	<b>2,364</b>	<b>2,109</b>	<b>2,217</b>
Provisions	1,319	1,171	1,288
Interest bearing liabilities without collateral	2,342	2,232	2,512
Interest-bearing liabilities against collateral in properties	11,238	9,532	9,699
Other liabilities	469	527	485
<b>Total equity and liabilities</b>	<b>17,732</b>	<b>15,571</b>	<b>16,201</b>

*Batteriet 13, Halmstad*

<b>Cash flow analyses, amounts in MSEK</b>	<b>9 months Jan-Sept 2006</b>	<b>9 months Jan-Sept 2005</b>	<b>12 months Jan-Dec 2005</b>
Cash flow from operating activities	-150	-76	217
Cash flow from investment activities	-1,269	-285	-958
Cash flow from financing activities	1,369	329	776
<b>Cash flow for the period</b>	<b>-50</b>	<b>-32</b>	<b>35</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>82</b>	<b>65</b>	<b>132</b>

#### Fixed-interest term real estate credits

<b>Duration</b>	<b>Loans MSEK</b>	<b>Average interest %</b>	<b>Participations %</b>
0 - 1 years	4,768	3.04	42
1 - 2	99	5.42	1
2 - 3	428	7.04	4
3 - 4	1,982	5.34	18
4 - 5	1,022	6.32	9
5 - 6	447	6.91	4
6 - 7	217	6.05	2
7 - 8	-	-	-
8 - 9	675	4.78	6
9 -	1,600	4.61	14
<b>Total</b>	<b>11,238</b>	<b>4.46</b>	<b>100</b>





### Property portfolio, 30 Sept 2006

Region	Quantity Rentable area, square meters			Total	Participations
	Apartments	Residential properties	Commercial		
Southern Sweden	7,577	527,754	117,141	644,895	28
Western Sweden	7,018	456,249	105,116	561,365	24
Eastern Sweden	10,771	787,324	120,381	907,705	40
Northern Sweden	1,840	111,454	34,168	145,622	6
Germany	794	43,873	-	43,873	2
<b>Total</b>	<b>28,000</b>	<b>1,926,654</b>	<b>376,806</b>	<b>2,303,460</b>	<b>100</b>

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