

# Interim report

July 2008 to September 2009



# Akelius Fastigheter AB (publ)

Corporate Identity Number 556156-0383

Interim report July 2008 to September 2009

- Rental income increased to SEK 3,554 million (3,000)
- Profits from property sales were SEK 650 million (933)
- Income for the period amounted to SEK 922 million (954)

## 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 (pro forma) except for comparisons relating to assets and liabilities where the comparisons relate to 30 June 2008.

At the end of September, the group owned diversified property holdings in Sweden and in Germany which were concentrated in growth areas. The share of residential properties exceeded 85 percent as a share of the properties' market value. The property holdings' rentable area was 2,563,950 m<sup>2</sup> (2,871,696) with a book value of SEK 24,260 million (25,656). The housing stock consists of 33,461 apartments (36,417), of which 7,920 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 September 2009 increased by SEK 554 million to SEK 3,554 million compared to the corresponding period last year. 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 0.9 percent (0.9), this relates primarily to moving vacancies.

Property costs were SEK 1,776 million (1,545), which is the equivalent of an increase of SEK 231 million. The operating surplus for the period increased by SEK 323 million to SEK 1,778 million (1,455). The surplus degree was 50.0 percent (48.5).

Depreciation according to plan on tangible fixed assets was SEK 254 million (185). 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 48 million (26).

### Property sales

During the third quarter, properties in western Sweden have been sold to the recently formed property company Apartment Bostad Väst AB. The properties were sold for SEK 3,430 million, which is the equivalent of a reduction of 10 percent compared to the market value at the end of March 2009. Other sales during the period July 2008 to September 2009 for SEK 1,032 million have taken place at levels in excess of the market value. In total, properties have been sold for SEK 4,462 SEK (2,779), which is at the

level with the market value as of 30 June 2008. Profit from the sales was SEK 650 million (993).

### Net financial income

Interest revenues for the period including interest subsidies were SEK 111 million (37). The increase in interest revenues is partly due to an increase in reacquired 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 1,443 (1,212). 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 922 million (954).

### The property portfolio

During the period July 2008 to September 2009, properties were purchased for a total of SEK 1,420 million (4,999), of which SEK 1,120 million (2,952) were residential properties in Germany. The period's investments in existing properties amounted to SEK 741 million (684), of which SEK 153 million (293) was for new production of properties.

Through purchases, a total of 1,816 apartments (6,259) were added to the property portfolio as a result of these purchases, with a rentable area of 125,995 m<sup>2</sup> (412,660). Net for the period, property transactions have reduced the property portfolio by 2,956 apartments and 307,746 m<sup>2</sup> of rentable area. Throughout the same period last year, the property portfolio increased by 4,680 apartments and the rentable area by 256,342 m<sup>2</sup>.

### Financial position

The group's interest-bearing liabilities at the end of September were SEK 20,382 million (20,625), of which SEK 16,834 million (18,014) related to real estate credits, bank loans with collateral in properties, and SEK 3,548 million (2,611) related to loans without collateral. Of the real estate credits, SEK 2,338 million (5,991) had a fixed interest rate term of

less than 12 months and SEK 11,888 million (13,019) or 71 percent (63) had a fixed interest rate term greater than five years. The average interest rate was 4.82 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 period amounted to SEK 1,703 million (1,037). In total, the unutilised credit agreements amounted to SEK 2,073 million (1,323).

### Other assets

Other assets of SEK 1,878 million (978) relate primarily to the reacquired Akero debentures, SEK 594 million (126), and promissory notes which were provided in conjunction with the sale of properties, SEK 414 million (640).

### Equity

At the end of September, equity amounted to SEK 4,057 million (4,139), which correspond to a visible equity/assets ratio of 15.5 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, one property was sold for SEK 400 million. The sales produced a profit of SEK 150 million.

Stockholm 30 November 2009



Jan-Erik Höjvall  
Managing Director

## Income Statements

<b>Group, amounts in MSEK</b>	<b>15 mths July-Sept 2008/09</b>	<b>Pro forma 15 mths July-Sept 2007/08</b>	<b>12 mths July-June 2007/08</b>
<b>Rental income</b>	<b>3,554</b>	<b>3,000</b>	<b>2,318</b>
Operating costs	-1,254	-1,075	-870
Maintenance	-436	-392	-298
Property tax and site leasehold fees	-86	-78	-62
<b>Property Costs</b>	<b>-1,776</b>	<b>-1,545</b>	<b>-1,230</b>
<b>Operating surplus</b>	<b>1,778</b>	<b>1,455</b>	<b>1,088</b>
Depreciations and write-downs	-270	-361	-317
<b>Gross Profit</b>	<b>1,508</b>	<b>1,094</b>	<b>771</b>
Other revenues	5	4	3
Central administration expenses	-48	-26	-22
Income from sales	650	933	901
<b>Operating profit/loss</b>	<b>2,115</b>	<b>2,005</b>	<b>1,653</b>
Financial income	111	37	26
Financial costs	-1,443	-1,212	-927
<b>Earnings before tax</b>	<b>783</b>	<b>830</b>	<b>752</b>
Tax	139	124	116
<b>Profit for the period</b>	<b>922</b>	<b>954</b>	<b>868</b>

## Balance Sheets

<b>Group, amounts in MSEK</b>	<b>30-09-2009</b>	<b>30-09-2008</b>	<b>30-06-2008</b>
Properties	24,260	26,413	25,656
Other assets	1,878	1,291	978
Liquid funds	189	14	55
<b>Total assets</b>	<b>26,327</b>	<b>27,718</b>	<b>26,689</b>
Restricted equity	1,077	924	924
Profit brought forward	2,058	3,228	2,347
Profit for the period	922	86	868
<b>Total equity</b>	<b>4,057</b>	<b>4,238</b>	<b>4,139</b>
Allocations	1,197	1,431	1,429
Interest bearing liabilities without collateral	3,548	2,652	2,611
Interest-bearing liabilities against collateral in properties	16,834	18,949	18,014
Other liabilities	691	448	496
<b>Total equity and liabilities</b>	<b>26,327</b>	<b>27,718</b>	<b>26,689</b>

<b>Cash Flow Statement amounts in MSEK</b>	<b>15 mths July-Sept 2008/09</b>	<b>15 mths July-Sept 2007/08</b>	<b>12 mths July-June 2007/08</b>
Cash flow from operating activities	1,072	220	123
Cash flow from investing activities	1,362	-7,286	-6,154
Cash flow from financing activities	-2,310	7,052	6,057
<b>Cash flow for the period</b>	<b>134</b>	<b>-14</b>	<b>26</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>189</b>	<b>14</b>	<b>55</b>

#### Fixed-interest term real estate credits, 30-09-2009

<b>Duration Years</b>	<b>Amount MSEK</b>	<b>Share %</b>	<b>Average int. rate %</b>
0-1	2,338	14	1.69
1-2	193	1	4.43
2-3	316	2	4.33
3-4	1,183	7	4.85
4-5	917	5	5.91
5-6	1,869	11	5.22
6-7	2,876	17	5.13
7-8	2,695	16	5.21
8-9	2,150	13	5.83
9-10	1,862	11	5.68
10 -	436	3	5.02
<b>Total</b>	<b>16,835</b>	<b>100</b>	<b>4.82</b>



*Fregatten 1, Täby*



*Storskogen 5, Salem*

### Property holdings, 30-09-2009

Region	Number of apartments	Lettable area, square meters				Share
		Residential properties	Public	Commercial	Total	
Southern Sweden	11,811	750,042	91,150	134,743	<b>975,935</b>	38
Northern Sweden	13,730	951,859	63,760	73,742	<b>1,089,361</b>	43
<b>Sweden</b>	<b>25,541</b>	<b>1,701,901</b>	<b>154,910</b>	<b>208,485</b>	<b>2,065,296</b>	<b>81</b>
Germany	7,920	479,488	0	19,166	<b>498,654</b>	19
<b>Total</b>	<b>33,461</b>	<b>2,181,389</b>	<b>154,910</b>	<b>227,651</b>	<b>2 563,950</b>	<b>100</b>

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