

Interim report

July to September 2008



Akelius Fastigheter AB (publ)

Corporate Identity Number 556156-0383

Interim report July to September 2008

- Rental income increased to SEK 682 million (544)
- Profits from property sales were SEK 32 million (135)
- Income for the period amounted to SEK 86 million (224)

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 except for comparisons relating to assets and liabilities where the comparisons relate to the change of fiscal year, 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. In accordance with the company's strategy, the share of residential properties was high and exceeded 80 percent at the end of the period, measured as a share of the properties' market value. The property holdings' rentable area was 2,940,318 m² (2,871,696) with a book value of SEK 26,413 million (25,656). The housing stock consists of 36,895 apartments (35,676), of which 7,462 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 to September increased by SEK 138 million to SEK 682 million compared to the corresponding period last year. The letting market remains strong and the occupancy rate at the end of September was 97.6 percent (98.4). Vacancies are primarily attributable to commercial premises. Housing vacancies were 1.3 percent (0.6). Housing vacancies in Sweden were 0.8 percent (0.6), which primarily relates to moving vacancies.

Property costs were SEK 315 million (226), which is the equivalent of an increase of SEK 89 million. The operating surplus for the period increased by SEK 49 million to SEK 367 million (318). The surplus degree was 53.8 percent (58.5).

Depreciation according to plan on tangible fixed assets was SEK 44 million (32) and costs for central administration were SEK 4 million (3).

Property sales

During the period, properties were sold to a value

of SEK 237 million (373). All in all, sales provided a total profit of SEK 32 million (135) for the period. The total sales price exceeds the market value as of 30 June 2008 by SEK 9 million.

Net financial income

Interest revenues for the period including interest subsidies were SEK 11 million (4) and the financial costs for the period were SEK 285 (188).

Profit for the period

Profit after tax amounted to SEK 86 million (224). This improvement in results is due to increased profits from property sales.

The property portfolio

During the period July to September, properties were purchased for a total of SEK 561 million (840), of which SEK 561 million (549) were residential properties in Germany. The period's investments in existing properties amounted to SEK 288 million (146), of which SEK 80 million (90) was for new production of properties.

A total of 1,341 (1,092) apartments were added to the property portfolio as a result of purchases and sales with a rentable area of 83,942 m² (75,500). Sales for the period amounted to 147 apartments (325) and a rentable area of 15,621 m² (39,000). The period's property transactions have thus increased the property portfolio by 1,219 apartments (767) equal to 68,622 m² (35,800).

Financial position

The group's interest-bearing liabilities at the end of September were SEK 21,601 million (20,625), of which SEK 18,949 million (18,014) related to real estate credits, bank loans with collateral in properties, and SEK 2,652 million (2,611) related to loans without collateral. Of the real estate credits, SEK 2,742 million (5,947) had a fixed interest rate term of less than 12 months and SEK 14,718 million (10,826) or 78 percent (60) had a fixed interest rate term greater than five years. The average interest rate was 5.1 percent (4.9) which is the equivalent of an increase of 0.2 percentage points compared to the previous year. Capital tie-up amounted to an average of 6.3 years (4.7).

Available funds in terms of cash and secured but unutilised credit agreements at the end of the period amounted to SEK 620 million (1,037). In total, the unutilised credit agreements amounted to SEK 947 million (1,323).

At the end of September, equity amounted to SEK 4,238 million (4,139), which corresponds to a visible equity/assets ratio of 15.3 percent (15.5).

Stockholm 15 December 2008



Jan-Erik Höjvall
Managing Director

INCOME STATEMENTS

Group, amounts in MSEK	3 mths July-Sept 2008	3 mths July-Sept 2007
Rental income	682	544
Operating costs	-205	-158
Maintenance	-94	-54
Property tax and site leasehold fees	-16	-14
Property costs	-315	-226
Operating surplus	367	318
Depreciation/write-downs, reversals	-44	-32
Gross profit	323	286
Other revenues	1	
Central administration expenses	-4	-3
Income from sales	32	135
Operating profit/loss	352	418
Financial income	11	4
Financial costs	-285	-188
Earnings before tax	78	234
Tax	8	-10
Profit for the period	86	224

BALANCE SHEETS

Group, amounts in MSEK	30-09-2008	30-09-2007
Properties	26,413	19,577
Other assets	1,291	605
Liquid funds	14	42
Total assets	27,718	20,224
Restricted equity	924	486
Profit brought forward	3,228	2,790
Profit	86	224
Total equity	4,238	3,500
Allocations	1,431	1,261
Interest bearing liabilities without collateral	2,652	2,814
Interest-bearing liabilities against collateral in properties	18,949	12,188
Other liabilities	448	461
Total equity and liabilities	27,718	20,224

Batteriet 13, Halmstad

Cash Flow Statement amounts in MSEK	3 mths July-Sept 2008	3 mths July-Sept 2007
Cash flow from operating activities	96	149
Cash flow from investing activities	-1,132	-613
Cash flow from financing activities	995	477
Cash flow for the period	-41	13
Cash and cash equivalents at the end of the period	14	42

Fixed-interest term real estate credits

Duration	Fixed interest term MSEK	Share %	Av. int. rate
0-1 years	2,742	14%	5.23%
1-2	56	0%	17.06%
2-3	65	0%	4.03%
3-4	219	1%	5.22%
4-5	1,148	7%	4.92%
5-6	1,256	7%	5.01%
6-7	2,153	11%	4.93%
7-8	3,174	17%	4.85%
8-9	2,774	15%	5.03%
9-10	2,695	14%	5.29%
10-	2,667	14%	5.21%
Grand Total	18,949	100%	5.11%



Stadspredikanten, Östersund



Totten, Åre

Property portfolio, 30-09-2008

Region	Number of apartments	Lettable area, square meters			Share
		Residential properties	Commercial	Total	
Southern Sweden	7,280	496,749	148,266	645,015	22%
Western Sweden	5,894	374,152	83,550	457,702	16%
Eastern Sweden	12,958	927,605	172,998	1,100,603	37%
Northern Sweden	3,301	204,082	64,290	268,372	9%
Sweden	29,433	2,002,588	469,104	2,471,692	84%
Germany	7,462	451,333	17,293	468,626	16%
Grand Total	36,895	2,453,921	486,397	2,940,318	100%

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