

Interim report

July to December 2008



Akelius Fastigheter AB (publ)

Corporate Identity Number 556156-0383

Interim report July to December 2008

- Rental income increased to SEK 1,384 million (1,101)
- Profits from property sales were SEK 110 million (307)
- Income for the period amounted to SEK 168 million (372)

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 December, 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 2,943,510 m² (2,871,696 m²) with a book value of SEK 27,422 million (25,656). The housing stock consists of 37,724 apartments (35,676), of which 7,773 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 December increased by SEK 283 million to SEK 1,384 million compared to the corresponding period last year. The letting market remains strong and the occupancy rate at the end of December was 98.3 percent (98.3). Vacancies are primarily attributable to commercial premises. Housing vacancies were 1.2 percent (0.9). Housing vacancies in Sweden were 0.7 percent (0.8), which primarily relates to moving vacancies.

Property costs were SEK 764 million (577), which is the equivalent of an increase of SEK 187 million. The operating surplus for the period increased by SEK 96 million to SEK 620 million (524). The surplus degree was 44.8 percent (47.6).

Depreciation according to plan on tangible fixed assets was SEK 95 million (65) and costs for central administration were SEK 11 million (8).

Property sales

During the period, properties were sold to a value of

SEK 520 million (1,112). All in all, sales provided a total profit of SEK 110 million (307) for the period. The total sales price exceeds the market value as of 30 June 2008 by SEK 20 million.

Net financial income

Interest revenues for the period including interest subsidies were SEK 57 million (8) and the financial costs for the period were SEK 569 (410).

Profit for the period

Profit after tax amounted to SEK 168 million (372). This deterioration in results is due to reduced profits from property sales.

The property portfolio

During the period July to December, properties were purchased for a total of SEK 979 million (2,208), the purchase were residential properties in Germany. The period's investments in existing properties amounted to SEK 480 million (264), of which SEK 103 million (156) was for new production of properties.

Through purchases, a total of 1,781 apartments (2,534) were added to the property portfolio as a result of these purchases, with a rentable area of 117,272 m² (171 900). Sales for the period amounted to 411 apartments (968) and a rentable area of 37,289 m² (99,600). The period's net property transactions have increased the property portfolio by 1,370 (1,566) apartments equal to 79,983 m² (72,300).

Financial position

The group's interest-bearing liabilities at the end of December were SEK 22,476 million (20,625), of which SEK 19,772 million (18,014) related to real estate credits, bank loans with collateral in properties, and SEK 2,704 million (2,611) related to loans without collateral. Of the real estate credits, SEK 2,900 million (5,991) had a fixed interest rate term of less than 12 months and SEK 15,064 million (13,014) or 77 percent (63) had a fixed interest rate term greater than five years. The average interest rate was 4.68 percent (4.94) which is the equivalent of an decrease of 0.26 percentage points compared to the previous year. Capital tie-up amounted to an average of 6.1 years (6.8).

Available funds in terms of cash and secured but unutilised credit agreements at the end of the period amounted to SEK 565 million (1,037). In total, the unutilised credit agreements amounted to SEK 946 million (1,323).

At the end of December, equity amounted to SEK 4,282 million (4,139), which corresponds to a visible equity/assets ratio of 14.9 percent (15.5).

Stockholm 6 March 2009



Jan-Erik Höjvall
Managing Director

Income Statements

Group, amounts in MSEK	6 mths July-Dec 2008/09	6 mths July-Dec 2007/08
Rental income	1,384	1,101
Operating costs	-495	-390
Maintenance	-236	-155
Property tax and site leasehold fees	-33	-32
Property costs	-764	-577
Operating surplus	620	524
Depreciation/write-downs, reversals	-95	-65
Gross profit	525	459
Other revenues	1	1
Central administration expenses	-11	-8
Income from sales	110	307
Operating profit/loss	625	759
Financial income	57	8
Financial costs	-569	-410
Earnings before tax	113	357
Tax	55	15
Profit for the period	168	372

Balance Sheets

Group, amounts in MSEK	31-12-2008	31-12-2007	30-06-2008
Properties	27,422	20,512	25,656
Other assets	1,351	1,043	978
Liquid funds	23	22	55
Total assets	28,796	21,577	26,689
Restricted equity	663	445	924
Profit brought forward	3,451	2,831	2,347
Profit for the period	168	372	868
Total equity	4,282	3,648	4,139
Allocations	1,380	1,268	1,429
Interest bearing liabilities without collateral	2,704	2,898	2,611
Interest-bearing liabilities against collateral in properties	19,772	12,975	18,014
Other liabilities	658	788	496
Total equity and liabilities	28,796	21,577	26,689

Cash Flow Statement amounts in MSEK	6 mths July-Dec 2008	6 mths July-Dec 2007
Cash flow from operating activities	145	-135
Cash flow from investing activities	-2,041	-1 002
Cash flow from financing activities	1,864	1 130
Cash flow for the period	-32	-7
Cash and cash equivalents at the end of the period	23	22

Fixed-interest term real estate credits

Duration	Amount MSEK	Share	Av. int. rate
0-1 years	2,900	15%	1.20%
1-2	165	1%	5.20%
2-3	81	0%	4.21%
3-4	235	1%	5.20%
4-5	1,327	6%	4.96%
5-6	1,819	9%	5.27%
6-7	2,265	11%	5.23%
7-8	2,684	14%	4.95%
8-9	3,122	16%	5.23%
9-10	2,500	13%	5.62%
10 -	2,674	14%	5.61%
Total	19,772	100%	4.68%



Söderby 2:23, Brandbergen



Söderby 2:394, Brandbergen

Property portfolio, 31-12-2008

Region	Number of apartments	Lettable area, square meters				Share
		Residential properties	Public	Commercial	Total	
Southern Sweden	7,742	485,287	51,077	92,358	628,722	21%
Western Sweden	5,921	373,928	9,702	74,208	457,838	16%
Eastern Sweden	13,017	888,901	115,480	99,133	1,103,514	37%
Northern Sweden	3,271	202,761	36,899	23,770	263,430	9%
Sweden	29,951	1,950,877	213,158	289,469	2,453,504	83%
Germany	7,773	471,420	0	18,586	490,006	17%
Total	37,724	2,422,297	213,158	308,055	2,943,510	100%

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