

Wihlborgs even stronger

Rental income increased by 6 percent to SEK 2,030 million (1,910)

Operating surplus* increased by 8 percent to SEK 1,513 million (1,402)

Income from property management* increased by 11 percent to SEK 1,030 million (932)

Result for the year amounts to SEK 2,976 million (2,278), corresponding to earnings per share of SEK 38.72 (29.64)

The Board proposes a dividend of SEK 5.75 (5.25) per share

Group key figures, SEKm	2016	2015	2016	2015
	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Rental income	525	475	2,030	1,910
Operating surplus*	379	337	1,513	1,402
Income property management*	263	221	1,030	932
Changes in value	1,348	930	2,239	1,884
Result for the period	1,306	935	2,976	2,278
Earnings per share, SEK	16.99	12.17	38.72	29.64
Surplus ratio, %*	72	71	75	73
Equity/assets ratio, %	34.3	30.6	34.3	30.6
Occupancy rate, %**	92	91	92	91

* Excluding payments for early lease termination.

** Excluding Projects & Land.

See page 18–19 for Key figures & Definitions



The Engholm Parkvej 8 property in Allerød, Denmark, is one of the 13 properties acquired by Wihlborgs from the Danish pension company, Unipension.

Wihlborgs Fastigheter AB (publ) is a property company that focuses on commercial properties in the Öresund region. Its property portfolio is located in Malmö, Lund, Helsingborg and Copenhagen. In Malmö, Lund and Helsingborg Wihlborgs is the leading property company.

The book value for the Company's properties totals SEK 32.8 billion. The annual rental value of the properties is SEK 2.3 billion.

Wihlborgs shares are quoted on the Large Cap List of NASDAQ Stockholm.

Business concept

Focusing on selected sub-markets in the Öresund region, Wihlborgs will own, manage in-house and develop commercial properties.

Objective

Wihlborgs will operate according to a business model for growth and will be one of the leading and most profitable property companies on the Stockholm Stock Exchange.

Financial targets*

- A return on equity that exceeds the risk-free interest rate by no less than six percentage points
- An equity/assets ratio of no less than 30 percent
- An interest coverage ratio of no less than 2.0
- The loan-to-value ratio is not to exceed 60 percent

*See page 18–19 for definitions and outcome.

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Income, expenses
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Assets

Financial information 2016

Wihlborgs' interim reports are distributed electronically. The Annual Report is printed in Swedish and English and will be sent to any shareholders notifying the Company that they wish to receive it in printed form.

Interim report Jan–Mar
Interim report Jan–Jun
Interim report Jan–Sep

26 April 2017
10 July 2017
23 October 2017

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Key figures

Production Wihlborgs.
Photographer Peter Westrup, Felix Gerlach, Wihlborgs.

CEO's comments

Following a strong final quarter, Wihlborgs was able to report very positive results for 2016 and, once again, we noted a record year in terms of both rental income and earnings.

Rental income during the fourth quarter amounted to SEK 525 million, corresponding to a year-on-year increase of 11 percent. Costs remain low and we are able to report a surplus ratio in excess of 72 percent for the quarter, which is exceptionally high for a fourth quarter. This generated an operating surplus of SEK 379 million, up 12 percent year-on-year excluding payments for early lease termination. Income from property management was SEK 263 million for the quarter, although, it should be noted that this figure includes a SEK 13 million positive impact from our profit share in our joint venture Hälsostaden Ängelholm. Even after excluding this item, income from property management rose 13 percent.

The property transaction market in Sweden remains strong, which is notable in the property valuation. Our entire portfolio was

valued by external valuers at the end of the year and, just for the fourth quarter, we could report an increase in property value of SEK 1,062 million. Accordingly, our total property value amounted to SEK 32.8 billion. Over the full year, our properties increased in value by SEK 2,504 million. The majority of this increase, SEK 1,975 million, stemmed from higher rents and lower yield requirements on our investment properties. However, SEK 529 million of the increase was the result of our project activities. Our long-term net asset value (EPRA NAV) was SEK 195 per share at year end, corresponding to a year-on-year increase of 29 percent after adjustment for dividends.

Given this strong performance, our balance sheet has also been strengthened. The equity/assets ratio now exceeds 34 percent and the loan-to-value ratio is 53.6 percent. In a market that is recording healthy value growth, it is natural to use a slightly lower loan-to-value ratio, but this also provides us with a stable platform for continuing to grow and develop the company.



And we are growing, by means including acquisitions, whereby we primarily acquired properties in Copenhagen during the last year. We acquired a total of more than 100,000 m² in the Danish market over the last year and we strengthened our position in the Herlev, Brøndby and Høje Taastrup sub-markets, and also gained footholds in new sub-markets. Copenhagen is a major market where we note improved demand and see opportunities for further growth.

We have also grown through our projects. During the year, we completed major projects at the following properties: Terminalen 1 (Knutpunkten) in Helsingborg, and Gångtappen 1, Nora 11, Kranen 8 and Uven 9 in Malmö. And we continue to build. Ongoing projects include Sirius 3 in central Malmö; Gimle 1 (Dungen), our first project in Hyllie where the Swedish Customs will take occupancy; Posthornet 1 in central Lund, and Polisen 4 in Helsingborg, which is an extension for the National Courts Administration. We maintained a high level of investment in 2016 and will continue to do so in 2017.

Another method of measuring our growth is through our net lettings. In the fourth quarter, we recorded a positive number of SEK 17 million and net lettings were up SEK 62 million for the full year. Activity is high and, in our sub-markets in the Öresund region, we have noted healthy growth driven by existing companies and organisations as well as by an influx of operations.

Access to capital remains favourable. An increase in long interest rates at the end of 2016 had only a marginal impact on us as we generally base our loan agreements on floating interest and have a substantial portion of our loans hedged through interest-rate swaps. The capital markets currently provide an attractive alternative to bank financing and we raised a further SEK 500 million in January via Svensk FastighetsFinansiering, which issued a two-year bond with a fixed-interest rate of 0.50 percent.

Our dividend policy remains unchanged and the Board has decided to propose a dividend of SEK 5.75 per share for resolution at the Annual General Meeting. This is an increase of about ten percent compared with last year's dividend.

When I now sum up 2016, I would like to seize this opportunity to thank our tenants for choosing our premises. We aim to offer attractive, fit-for-purpose premises, where our tenants can develop their operations in an optimal manner. This enables us to play our part in the positive development of our entire region. Naturally, I would also like to thank all our employees, whose solid commitment means that Wihlborgs continues to develop and that we together spread work satisfaction at Wihlborgs and with our tenants.

Market comments

The Swedish economy remains one of the fastest growing economies in Europe even if growth slowed slightly in 2016. Arbetsförmedlingen's (Sweden's public employment agency) forecast survey completed in autumn 2016 indicates a continued positive outlook. As previously, Skåne is among those counties recording the highest job growth in Sweden.

Arbetsförmedlingen indicates a continued positive employment trend, even if growth is expected to slow in 2017. The autumn forecast survey showed that the private service sector is one of the fastest growing sectors in 2016 and 2017. Employment levels on the Danish side of Öresund have risen significantly. Between the second quarters of 2015 and 2016, employment rose a full 2.4 percent in the capital region, which is on a par with the Stockholm region.

In January 2017, the Swedish National Institute of Economic Research's Economic Sentiment Indicator reported a continued positive outlook among companies and households. With the exception of the retail sector, all business sectors were above or well above normal levels. Looking ahead, plans for new recruitments remain positive and signal a strong employment trend in the private sector moving forward.

The property market

Another Swedish property market record was noted in 2016. According to Newsec, the transaction volume amounted to SEK 201 billion, up a full 37 percent year-on-year. Even if the largest transaction in 2016, Castellum's acquisition of Norrporten, were to be excluded, the previous record was exceeded by far. Together with listed property companies, institutions, such as pension funds and insurance companies, have been the heaviest investors.

Continued low interest rates and stable foundations for the property market also mean positive prospects for high transaction intensity in 2017. Newsec's assessment is that transaction volumes will exceed the historic average, even if volumes will not be anywhere near the top notation of 2016. Employment levels are healthy and vacancy rates in the rental market are low, at the same time, there is a limited amount of speculative construction. Possible legislative changes could have an inhibitory effect, but otherwise the majority of the risk are global.

Income, expenses and profits, Jan-Dec 2016

Comparative figures for income statement items relate to values for the corresponding period 2015 and balance sheet items as of 31-12-2015.

Rental income

Rental income was SEK 2,030 million (1,910). Other revenues from property management was SEK 5 million (43) relating to payments for early lease termination.

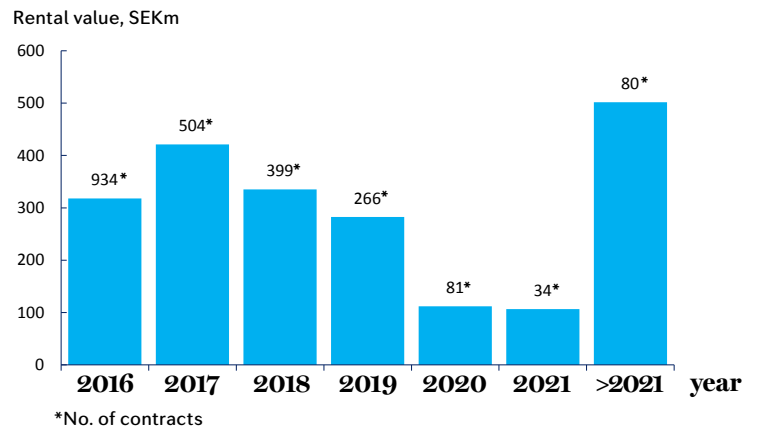
The increase in rental income is attributable to property acquisitions, renegotiations, new lettings and indexation in contracts.

The total growth in rental income was 6 percent compared with the corresponding period 2015.

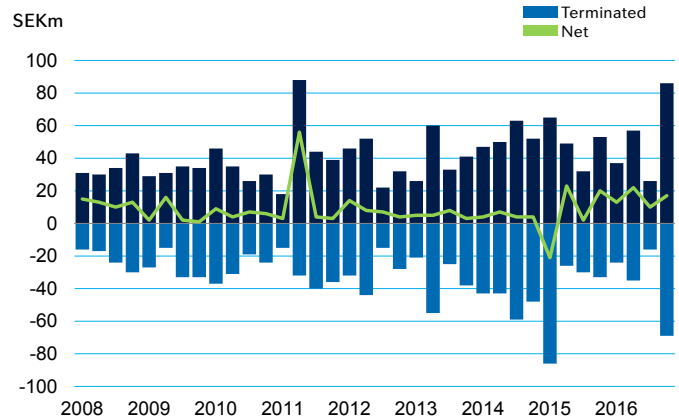
The occupancy rate for managed properties, is 92 percent which is an increase by one percentage point compared with previous year-end.

During the year new leases were signed to a value of SEK 206 million (199) on an annualized basis. Lease terminations totalled SEK 144 million (175). This represents a net letting income of SEK 62 million (24).

Terms of Wihlborgs' rental contracts per 31 December 2016



Net letting



The opening of Wihlborgs' Helsingborg office. The office moved from Berga to the Knutpunkten property in central Helsingborg.



Wihlborgs has signed a lease with Folktandvården Skåne, Region Skåne's public dental care service, for premises of 4,800 m² in the Posthornet 1 property, which is currently under construction adjacent to Lund Central Station.

Property costs

Total property costs amounted to SEK 517 (508) million. The increase is mainly attributable to property acquisitions and completed investments.

The historical summary at the bottom of page 16 illustrates how costs vary over the different quarters of the year.

Operating surplus

The operating surplus including other income amounted to SEK 1,518 million (1,445). Excluding payments for early lease termination, the operating surplus totalled SEK 1,513 million (1,402), representing a surplus ratio of 75 percent (73).

Central administration

The costs for central administration were SEK 49 million (43).

Financial income and expense

Net interest totalled SEK -447 million (-427), of which interest income accounted for SEK 12 million (10).

Interest expenses, including effects of derivatives, for the year were SEK 459 million (437). The rise in interest expense was partly attributable to increased borrowings and partly to the effect of declining floating interest rates being limited by loan agreements

with banks. At the end of the year, the average interest rate, including the cost of credit agreements, was 2.80 percent (2.76).

Income from property management

Income from property management including other income amounted to SEK 1,035 million (975). Excluding payments for early lease termination, the income from property management amounted to SEK 1,030 million (932). Share of profit in joint ventures impacted income from property management positively by SEK 13 million (0).

Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 3,274 million (2,859). Changes in value of properties amounted to 2,504 Mkr (1,615) and value changes on derivatives amounted to SEK -265 million (269) which together explains the increase.

Profit after taxes

The profit after taxes was SEK 2,976 million (2,278).

During the period, deferred tax was impacted positively by property sales via companies and the full consolidation of a previously jointly owned company.

Assets

Property portfolio as of 31 December 2016

The summaries below are based on Wihlborgs' property portfolio as of 31 December 2016. Rental income relates to contracted rental income on an annual basis as of 1 January 2017.

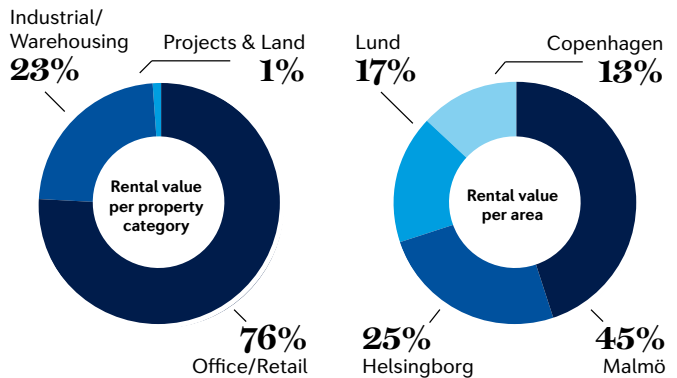
The surplus ratio is based on the properties' earning capacity on an annual basis based on rental income for January 2017, operating and maintenance costs, property administration on a rolling twelve-month basis, property tax and leasehold rent.

Wihlborgs' property portfolio consists of commercial properties in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. The property portfolio 31 December 2016 consisted of 282 properties (276) with a lettable area of 1,849,000 m² (1,746,000).

Ten of the properties (11) are leasehold rights. The properties' carrying amount was SEK 32,755 million (28,623), which corresponds to the estimated market value. The total rental value was SEK 2,349 million (2,259) and the contracted rental income on annual basis SEK 2,137 million (1,983).

The economic occupancy rate for Office/Retail properties was 93 percent (92) and for Industrial/Warehousing properties 88 percent (87). The rental value for Office/Retail properties represented 76 percent and Industrial/Warehousing properties 23 percent of the total rental value. The remaining 1 percent relate to Projects and Land.

The operating surplus from managed properties, excluding property administration and Projects & Land, is SEK 1,697 million (1,533) which with a carrying amount of SEK 31,449 million (26,263) corresponds to a direct return of 5.4 percent (5.8). Broken down by property category, this is 5.0 percent (5.5) for Office/Retail and 7.3 percent (7.5) for Industrial/Warehousing.



In Hyllie, Wihlborgs is building the Dungen office building on the Gimle 1 site. Swedish Customs has signed a lease for 6,300 m² with occupancy planned for the first quarter of 2019.

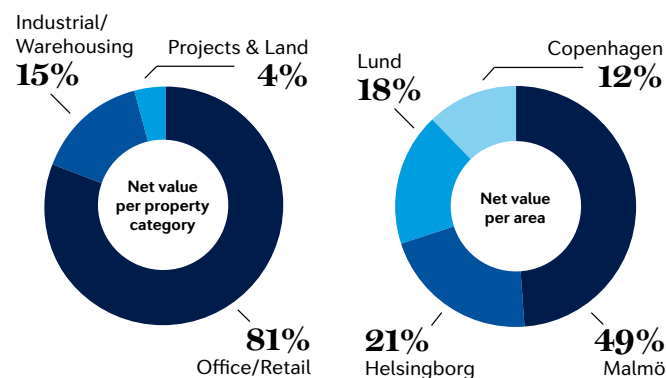
Changes in values of properties

Malmöbryggan Fastighetsekonomi AB performed a valuation of all Wihlborgs' properties in Sweden. The values of the properties are determined individually as the market value of the property concerned. In Denmark, the properties were valued by Newsec Egeskov & Lindquist A/S.

As a result of the valuation, the value of the properties rose SEK 2,504 million (1,615). The majority of this increase, SEK 1,975 million, stemmed from higher rents and lower yield requirements on our investment properties. However, SEK 529 million of the increase was the result of our project activities. As of 31 December 2016, the carrying amount for the properties was SEK 32,755 million (28,623).

CHANGES IN CARRYING AMOUNT OF PROPERTIES

Changes	Group total, SEKm
Carrying amount 1 January 2016	28,623
Acquisitions	1,074
Investments	989
Properties sold	-581
Change in value	2,504
Currency translations	146
Carrying amount 31 December 2016	32,755



Investments and current projects

Investments in the property portfolio totalled SEK 989 million (1,047).

Approved investments in ongoing projects amount to SEK 1,487 million, of which SEK 386 million had been invested at year-end.

Liquid assets

The Groups liquid assets totalled SEK 454 million (201) including unutilised overdraft facilities.



At the Polisen 4 property, we are expanding Helsingborg District Court's premises with a 4,000 m² extension.

INVESTMENTS IN PROGRESS >SEK 50 MILLION, 31 DECEMBER 2016

Property	Category of use	Municipality	Completion date	Lettable area, m ²	Occupancy rate, %	Estimated investment, SEKm	Expended 311216, SEKm
Hordaland 1	Office/Retail	Malmö	Q3 2017	15,000	-	121	39
Sirius 3	Office/Retail	Malmö	Q4 2017	7,000	0	250	112
Posthornet 1	Office/Retail	Lund	Q1 2018	11,000	45	347	76
Gimle 1	Office/Retail	Malmö	Q1 2019	9,000	70	392	0
Polisen 4	Office/Retail	Helsingborg	Q2 2019	4,000	100	182	24
Total				46,000		1,292	251

534,000m²

28 | **60** | **10**
Office/Retail | Industrial/
Warehousing | Projects &
Land

204,000m²

21 | **4** | **2**
Office/Retail | Industrial/
Warehousing | Projects &
Land



403,000m²

29 | **5** | **3**
Office/Retail | Industrial/
Warehousing | Projects &
Land

708,000m²

46 | **49** | **25**
Office/Retail | Industrial/
Warehousing | Projects &
Land

ANALYSIS OF LETTABLE SPACE PER AREA AND CATEGORY OF USE

Area	Office, m ²	Retail, m ²	Ind./Ware- housing, m ²	Education/ Health care, m ²	Misc., m ²	Total, m ²	Share, %
Malmö	352,194	47,183	259,352	34,254	14,601 ¹	707,583	38
Helsingborg	155,595	59,937	289,319	18,721	10,674 ²	534,246	29
Lund	122,985	11,092	29,625	31,924	8,623 ³	204,249	11
Copenhagen	252,263	2,543	76,198	12,898	58,758 ⁴	402,660	22
Total	883,037	120,755	654,494	97,797	92,656	1,848,738	100
Share, %	48	7	35	5	5	100	

1) Includes 10,275 m² hotel.

2) Includes 1,819 m² residential.

3) Includes 8,215 m² hotel.

4) Includes 38,848 m² data center.

ANALYSIS PER PROPERTY CATEGORY IN EACH MANAGEMENT AREA

Area/ property category	Number of properties	Area, m ² thousand	Carrying amount, SEKm	Rental value, SEKm	Rental value SEK/m ²	Economic occupancy rate, %	Rental income, SEKm	Operating surplus incl. property admin., SEKm	Surplus ratio, %	Operating surplus excl. property admin., SEKm	Direct return, excl. property admin., %
MALMÖ											
Office/Retail	46	422	12,950	822	1,947	92	758	575	76	599	4.6
Industrial/Warehousing	49	250	1,968	204	815	89	181	132	73	140	7.1
Projects & Land	25	35	921	22	637	-	5	1	-	2	-
Total Malmö	120	708	15,839	1,048	1,482	90	944	708	75	741	4.7
HELSINGBORG											
Office/Retail	28	169	4,162	298	1,760	92	275	202	74	211	5.1
Industrial/Warehousing	60	365	2,668	295	807	87	256	181	71	195	7.3
Projects & Land	10	-	59	0	-	-	0	0	-	0	-
Total Helsingborg	98	534	6,890	593	1,109	89	530	383	72	406	5.9
LUND											
Office/Retail	21	184	5,580	397	2,152	92	367	273	75	301	5.4
Industrial/Warehousing	4	20	132	14	705	96	13	11	80	11	8.5
Projects & Land	2	-	267	0	-	-	0	0	-	0	-
Total Lund	27	204	5,979	411	2,012	93	380	284	75	313	5.2
COPENHAGEN											
Office/Retail	29	349	3,767	275	788	95	261	211	81	221	5.9
Industrial/Warehousing	5	32	222	22	675	96	21	18	85	19	8.6
Projects & Land	3	21	58	-	-	-	-	0	-	0	-
Total Copenhagen	37	403	4,047	297	738	95	282	229	81	239	5.9
Total Wihlborgs	282	1,849	32,755	2,349	1,271	91	2,137	1,605	75	1,699	5.2
Total excluding Projects & Land	242	1,793	31,449	2,327	1,298	92	2,132	1,604	75	1,697	5.4

Property transactions

15 properties were acquired in the fourth quarter of 2016. In Helsingborg, the industrial/warehouse Cyldern 2 property was acquired comprising about 2,200 m². In Copenhagen, 13 properties comprising a total space of around 100,000 m² were acquired from Uni-pension. In addition, the industrial/warehouse Park Allé 363 property was acquired in Brøndby. The Fernissan 1 project property in Malmö was sold.

PROPERTY ACQUISITIONS AND SALES JANUARY–DECEMBER 2016

Quarter	Property	Municipality	Management area	Category	Area, m ²	Price, SEKm	Operating surplus 2016, SEKm ¹
1	Stenåldern 7, part of Hordaland 1	Malmö	Fosie	Ind/Warehousing	9,713		
2	Plåtförädlingen 17	Helsingborg	West Harbour	Projects & Land	-		
4	Abildager 16	Brøndby	Copenhagen	Projects & Land	9,336		
4	Cyldern 2	Helsingborg	Berga	Ind/Warehousing	2,173		
	Engholm Parkvej 8	Allerød	Copenhagen	Office/Retail	11,027		
	Engvej 139	Copenhagen	Copenhagen	Office/Retail	2,660		
	Glentevej 61-65	Copenhagen	Copenhagen	Office/Retail	9,935		
	Glentevej 67-69	Copenhagen	Copenhagen	Office/Retail	8,490		
	H.J. Holst vej 3-5	Brøndby	Copenhagen	Office/Retail	8,107		
	Helgeshøj Alle 9-15 & 49-55	Høje Taastrup	Copenhagen	Office/Retail	13,347		
	Høje Taastrup Boulevard 33-39	Høje Taastrup	Copenhagen	Office/Retail	6,542		
	Høje Taastrup Boulevard 52-58	Høje Taastrup	Copenhagen	Office/Retail	4,282		
	Lersø Park Alle 103-105	Copenhagen	Copenhagen	Office/Retail	9,859		
	Lyngbyvej 20	Copenhagen	Copenhagen	Office/Retail	3,280		
	Midtager 35	Brøndby	Copenhagen	Ind/Warehousing	7,963		
	Mileparken 22	Ballerup	Copenhagen	Projects & Land	11,646		
	Sandtoften 9	Gentofte	Copenhagen	Office/Retail	4,970		
	Park Allé 363	Brøndby	Copenhagen	Ind/Warehousing	3,900		
Total acquisitions 2016					128,706	1,074	16
1	Arlöv 19:58	Burlöv	Arlöv	Projects & Land	2,372		
	Bensinpumpen 1	Malmö	Limhamn	Projects & Land	-		
	Vinkeln 8	Malmö	Arlöv	Ind/Warehousing	8,026		
2	Påfågeln 9	Helsingborg	Söder	Projects & Land	979		
	Belgien Norra 19	Helsingborg	Centre	Office/Retail	9,063		
	Vikingen 10	Helsingborg	Centre	Office/Retail	1,882		
	Malmen 12	Malmö	Centre	Office/Retail	7,511		
	Linoljan 1	Malmö	Limhamn	Projects & Land	-		
4	Fernissan 1	Malmö	Limhamn	Projects & Land	-		
Total sales 2016					29,833	581	6

1) Operating surplus from properties acquired and sold that are included in the results for the period.

Liabilities and equity

As of 31 December 2016, equity totalled SEK 11,463 million (8,876) and the equity/assets ratio 34,3 percent (30.6).

Interest-bearing liabilities

The group's interest-bearing liabilities as of 31 December amounted to SEK 17,553 million (16,265) with an average interest rate including costs for credit agreements of 2.80 percent (2.76).

With consideration to the company's net debt of SEK 17.6 billion, as a percentage of property values, the loan-to-value ratio is 53.6 percent (56.8).

The loans' average fixed interest period including effects of derivatives on 31 December 2016, amounted to 4.8 years (4.8). The average loan maturity, including committed credit facilities, amounted to 5.9 years (4.1).

STRUCTURE OF INTEREST AND LOAN MATURITIES AS OF 31 DECEMBER 2016

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEKm	Av. interest rate, %	Credit ag, SEKm	Utilised, SEKm
2017	7,059	1.36	2,220	2,220
2018	0	0.00	4,310	3,960
2019	154	0.97	8,716	7,719
2020	0	0.00	226	226
2021	4,000	3.74	0	0
>2021	6,340	3.76	3,428	3,428
Total	17,553	2.76*	18,900	17,553

*) Excluding costs for credit agreements.

Wihlborgs use interest rate derivatives in order to reduce the risk level in the loan portfolio. A summary of the terms is shown below.

INTEREST RATE DERIVATIVES PORTFOLIO 31 DECEMBER 2016

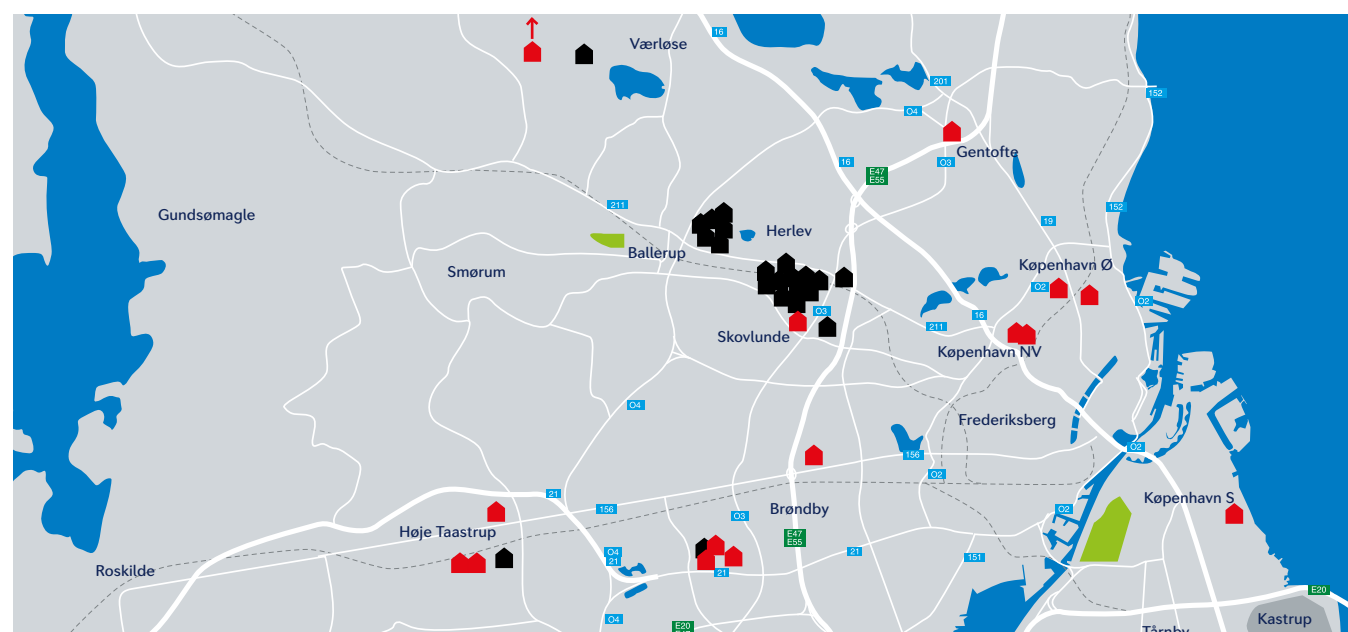
Amount, SEKm	Interest, %	Can be closed	End date
Cancellable swaps*			
500	2.63	quarterly	2026
500	2.72	quarterly	2026
500	2.34	quarterly	2026
500	2.58	quarterly	2027
1,000	1.96	quarterly	2021
Interest-rate swaps			
2,000	2.70		2021
1,000	2.04		2022
1,000	2.01		2022
1,000	3.40		2024
500	3.32		2024
Threshold swap			
1,000	3.07	Threshold 4.75	2021

* Cancellable at the initiative of the counterpart.

As a result of higher market rates, the deficit in Wihlborgs' interest rate derivative portfolio increased to SEK 1,144 million (879) a negative change during the year totalling SEK 265 million (+269).

The change in value for the interest rate derivatives does not affect the cash flow. When the term of the derivative expires, the value is always zero.

Wihlborgs' interest derivatives are recognized at fair value in accordance with IAS 39. The cancellable swaps are classified at level 3 in accordance with IFRS 13. The change during year for these swaps amounts to SEK -110 million (92). The remaining swaps are classified at level 2 in accordance with IFRS 13.



Wihlborgs expands its Copenhagen portfolio with the addition of 15 new properties.

Miscellaneous

Employees

At the year end Wihlborgs' number of full-time employees was 132 (122), 52 of whom are property caretakers.

There were 59 employees in Malmö, 26 in Helsingborg, 17 in Lund and 30 in Copenhagen. The average age was 44 and the proportion of women was 36 percent.

Parent company

The parent company owns no properties, but deals with questions relating to the stock market and joint Group functions for administration, management and borrowing. The parent company's turnover is mostly related to the billing of services to Group companies.

The parent company has invested SEK 227 (959) in shares in subsidiaries, including shareholders' contributions, during the period.

The parent company's income statement and balance sheet are found on page 17.

Participations in other companies

A description of all participations held by Wihlborgs in other companies will be found on pages 114-115 in the Company's 2015 annual report. In June 2016, the remaining shares in Nyckel 0328 AB were acquired. Thereafter the company was fully consolidated into the Group.

Largest shareholders 31 December 2016

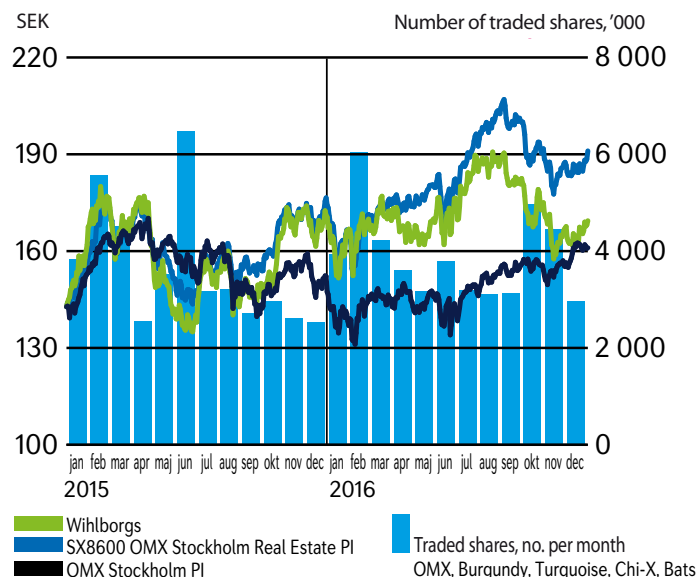
The largest shareholder in Wihlborgs is Erik Paulsson with family, with 10.3 percent of the shares outstanding.

Shares held by owners registered abroad accounted for 37 percent of the total. The number of shareholders was 24,112.

LARGEST SHAREHOLDERS IN WIHLBORGS 31 DECEMBER 2016

	Number of shares, thousand	Proportion of equity and votes, %
Erik Paulsson with family, privately and via company	7,884	10.3
Länsförsäkringar funds	3,752	4.9
SEB funds	3,466	4.5
Bank of Norway	2,177	2.8
Qviberg family	2,161	2.8
SHB funds	1,901	2.5
Fourth Swedish National Pension Fund	886	1.1
DnB Carlsson funds	868	1.1
Tibia Konsult AB	813	1.1
Odin Ejendom	756	1.0
Other shareholders reg. in Sweden	26,940	35.0
Other shareholders reg. abroad	25,252	32.9
Total outstanding shares	76,856	100.0

DEVELOPMENT OF SHARE PRICE 01-01-2015 – 31-12-2016



Significant risks and uncertainty factors

Wihlborgs operations, financial status and profit are affected by a number of risk factors. Risks that have a decisive influence on the Group's profit trend are variations in rental income, interest rate changes, costs, property valuations and taxes. There are also risks relating to cash flow and borrowing.

There is a comprehensive description of the risks facing the Group on pages 88–92 in the Company's 2015 annual report.

Accounting policies

Wihlborgs complies with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), as well as interpretations issued by the IFRS and approved by the European Union. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Information in accordance with IAS 34 Interim Financial Reporting are submitted both in notes and elsewhere in the interim report.

Accounting policies and calculation methods are identical to those applied in Wihlborgs' latest Annual Report.

Furthermore, the Group applies the Swedish Financial Accounting Standards Council's recommendation RFR 1, Supplementary Rules for Consolidated Financial Statements. The Parent Company applies RFR 2.

The Financial Statements can be found on page 16-19.

Proposal for dividend, new share issue and repurchase

The Board of Directors proposes that the Annual General Meeting approve the following resolutions:

- a dividend of SEK 5.75 (5.25) per share, making a total payment of SEK 442 million. The proposal represents an increase of 10 percent over the figure for the preceding year. The proposal is also in line with Wihlborgs' dividend policy, which states that the dividend paid will represent 50 percent of the income from day-to-day property management and 50 percent of profit realized from property sales, after deduction of tax at a standard rate of 22 percent.

- authorization to the Board, in the period until the next AGM, to acquire and transfer Wihlborgs shares corresponding to no more than ten percent of the shares outstanding,

- authorization to the Board, in the period until the next AGM, to approve a new share issue corresponding to a maximum of ten percent of the shares outstanding.

Events after the accounting period

Wihlborgs has signed an agreement to acquire the properties Ackumulatörn 15 and Ackumulatörn 17 in Helsingborg and will take possession on March 1 2017.

In January 2017 Wihlborgs has borrowed SEK 500 million via Svensk FastighetsFinansiering which has issued a two year bond with a fixed interest of 0.50 percent.

On January 31 the property Gimle 1 i Malmö was acquired.

Forthcoming reports

26 apr 2017

Interim report Jan – Mar

26 apr 2017

Annual General Meeting

10 jul 2017

Interim report Jan – Jun

23 okt 2017

Interim report Jan – Sep

Malmö 10 February 2017

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This Year End Report has not been reviewed by the company's auditors.



Wihlborgs has signed a nine-year lease with the City of Malmö for a further 1,700 m² in the Nora 11 property on Drottninggatan in Malmö. The property's office space is now fully let.

CONSOLIDATED INCOME STATEMENT Summary

SEKm	2016 Oct-Dec 3 months	2015 Oct-Dec 3 months	2016 Jan-Dec 12 months	2015 Jan-Dec 12 months
Rental income	525	475	2,030	1,910
Other revenues	0	11	5	43
Total income	525	486	2,035	1,953
Operating costs	-69	-68	-246	-241
Repairs and maintenance	-26	-20	-76	-72
Property tax	-22	-24	-96	-94
Leasehold rent	-2	-1	-5	-5
Property administration	-27	-25	-94	-96
Total property costs	-146	-138	-517	-508
Operating surplus	379	348	1,518	1,445
Central administration	-13	-11	-49	-43
Interest income	3	3	12	10
Interest expense	-119	-108	-459	-437
Share in results of joint ventures	13	0	13	0
Income from property management	263	232	1,035	975
Change in value of properties	1,062	731	2,504	1,615
Change in value of derivatives	286	199	-265	269
Pre-tax profit	1,611	1,162	3,274	2,859
Current tax	5	3	-7	-4
Deferred tax	-310	-230	-291	-577
Profit for the period¹	1,306	935	2,976	2,278
OTHER TOTAL PROFIT/LOSS ²				
Translation differences and hedging for international activities, including tax	2	-4	14	-4
Total comprehensive income for the period¹	1,308	931	2,990	2,274
Earning per share ³	16.99	12.17	38.72	29.64
No. of shares at end of the period, thousands	76,857	76,857	76,857	76,857
Average no. of shares, thousands	76,857	76,857	76,857	76,857

1) The entire profit/income is attributable to the parent company's shareholders.

2) Refers to records that have been or can be transferred to the result for the period.

3) Key ratios per share have been calculated based on a weighted average number of shares during the period. There are no outstanding subscription options, convertibles or other potential ordinary shares to take into consideration.

HISTORICAL SUMMARY OF LAST EIGHT QUARTERS

SEKm	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Rental income	525	508	500	497	475	485	480	470
Other income	0	3	1	1	11	12	7	13
Operating costs	-69	-43	-55	-79	-68	-45	-54	-74
Repairs and maintenance	-26	-14	-20	-16	-20	-17	-19	-16
Property tax	-22	-25	-24	-25	-24	-23	-25	-22
Leasehold rent	-2	-1	-1	-1	-1	-1	-2	-1
Property administration	-27	-22	-23	-22	-25	-23	-23	-25
Operating surplus	379	406	378	355	348	388	364	345
Income from property management	263	279	255	238	232	271	247	225
Profit for the period	1,306	287	1,181	202	935	382	646	315
Surplus ratio, %	72.2	79.3	75.4	71.2	70.9	77.5	74.4	70.6
Investment yield, %	4.8	5.3	5.1	4.9	4.9	5.8	5.7	5.4
Equity/assets ratio, %	34.3	32.7	32.1	30.6	30.6	29.3	29.3	28.5
Return on equity, %	48.3	11.5	49.9	9.0	44.5	19.7	34.8	17.7
Earnings per share, SEK	16.99	3.73	15.37	2.63	12.17	4.97	8.41	4.10
Income property management per share, SEK	3.42	3.63	3.32	3.10	3.02	3.53	3.21	2.93
Cash flow per share, SEK	3.99	3.79	3.40	2.67	3.08	3.85	2.94	3.45
EPRA net asset value per share, SEK	194.76	177.41	172.33	162.52	155.54	142.98	134.47	134.59
Share price as % of Equity II	87.0	102.9	99.9	106.1	109.9	104.9	100.4	123.7
Carrying amount of properties	32,755	30,522	30,161	29,196	28,623	26,694	25,142	24,998
Equity	11,463	10,155	9,863	9,081	8,876	7,945	7,561	7,281
Total assets	33,414	31,065	30,713	29,725	29,033	27,144	25,840	25,590

See page 18–19 for Key figures & Definitions.

CONSOLIDATED BALANCE SHEET summary

SEKm	31-12-2016	31-12-2015
ASSETS		
Managed properties	32,755	28,623
Other fixed assets	290	247
Current receivables	117	88
Liquid assets	252	75
Total assets	33,414	29,033
EQUITY AND LIABILITIES		
Equity	11,463	8,876
Deferred tax liability	2,362	2,199
Borrowings	17,553	16,265
Derivatives	1,144	879
Other long-term liabilities	53	54
Current liabilities	839	760
Total equity & liabilities	33,414	29,033

CONSOLIDATED CASH FLOW STATEMENT summary

SEKm	Jan-Dec 2016	Jan-Dec 2015
Operating activities		
Operating surplus	1,518	1,445
Central administration	-49	-43
Depreciation	2	1
Net financial items paid	-442	-421
Income tax paid	-5	-5
Change in other working capital	40	47
Cashflow from operating activities	1,064	1,024
Investment activities		
Investments in and acquisitions of properties	-1,074	-2,155
Investments in existing properties	-989	-1,047
Sales of properties	581	411
Increase in other non-current assets	-31	52
Cash flow from investment activities	-1,513	-2,843
Financing activities		
Dividend paid	-403	-365
Increase in borrowing	1,154	2,189
Decrease in other long-term liabilities	-125	-1
Cash flow from financing activities	626	1,823
Cash flow for the year	177	4
Opening cash flow	75	71
Closing cash flow	252	75

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Jan-Dec 2016	Jan-Dec 2015
Total equity at beginning of period	8,876	6,967
<i>Equity attributable to parent company's shareholders</i>		
Opening amount	8,876	6,967
Dividend paid	-403	-365
Profit for the year	2,976	2,278
Other comprehensive income	14	-4
Closing amount	11,463	8,876
<i>Equity attributable to minority shares</i>		
	-	-
Total equity at end of year	11,463	8,876

PARENT COMPANY'S INCOME STATEMENT summary

SEKm	Jan-Dec 2016	Jan-Dec 2015
Income	131	147
Expenses	-138	-127
Operating profits	-7	20
Financial income	1,527	1,894
Financial expenses	-800	-504
Pre-tax profit	720	1,410
Appropriations	56	119
Tax	89	-55
Profit for the year	865	1,474
Other comprehensive income	0	0
Comprehensive income for the year	865	1,474

PARENT COMPANY'S BALANCE SHEET summary

SEKm	31-12-2016	31-12-2015
Participations in Group companies	8,472	8,624
Receivables from Group companies	10,432	10,954
Other assets	587	506
Cash and bank balances	152	0
Total assets	19,643	20,084
Equity	3,287	2,825
Liabilities to credit institutions	13,091	13,059
Derivatives	1,144	879
Liabilities to Group companies	1,988	3,196
Other liabilities	133	125
Total equity and liabilities	19,643	20,084

KEY FIGURES FOR THE GROUP

SEKm	2016	2015
FINANCIAL		
Return on equity, %	29.3	28.8
Return on total capital, %	12.8	11.3
Equity/assets ratio, %	34.3	30.6
Interest coverage ratio, multiple	3.3	3.2
Leverage properties, %	53.6	56.8
Debt/equity ratio, multiple	1.5	1.8
SHARE-RELATED		
Earnings per share, SEK	38.72	29.64
Earnings per share before tax, SEK	42.60	37.20
Income from property management per share, SEK	13.47	12.69
Cashflow from operations per share, SEK	13.84	13.32
Equity per share I, SEK	149.15	115.49
Equity per share II, SEK	179.88	144.10
EPRA net asset value per share, SEK	194.76	155.54
Market value per share, SEK	169.40	171.00
Dividend per share, SEK	5.75	5.25
Dividend yield, %	3.4	3.1
Total return from share, %	2.1	23.1
P/E-ratio I, multiple	4.4	5.8
P/E-ratio II, multiple	16.1	17.3
Number of shares at the end of period, thousands	76,857	76,857
Average number of shares, thousands	76,857	76,857
PROPERTY-RELATED		
Number of properties	282	276
Carrying amount of properties, SEKm	32,755	28,623
Estimated investment yield, % - all properties	4.9	5.1
Estimated direct return, % - excl project properties	5.1	5.5
Lettable area, m ²	1,848,738	1,745,992
Rental income, SEK per m ²	1,156	1,136
Operating surplus, SEK per m ²	868	832
Financial occupancy rate, % - all properties	91	88
Financial occupancy rate, % - excl project properties	91	91
Estimated surplus ratio, %	75	73
EMPLOYEES		
Number of employees at period end	132	122

KEY FIGURES & DEFINITIONS

Some of the financial metrics that Wihlborgs presents in the interim report are not defined in accordance with IFRS. Wihlborgs is of the opinion that these metrics provide valuable complementary information to investors and the company's management, since they enable evaluation of the company's performance. As all companies do not apply the same approach to calculating these financial metrics, they are not always comparable to metrics used by other companies. Accordingly, these metrics should not be viewed as replacements for metrics defined under IFRS. On the next page, definitions of metrics are presented that, with a few exceptions, are not defined in accordance with IFRS.

Basis for key ratios

The basis for the key financial ratios in ongoing use by Wihlborgs and for which established financial targets apply are shown below. The following financial targets have been established by the Board:

- A return on equity that exceeds the risk-free interest rate by not less than six percentage points, which means 5.8 percent for 2016 and 6.2 percent for 2015.
- The loan-to-value ratio is not to exceed 60 percent.
- An equity/assets ratio of no less than 30 percent.
- An interest coverage ratio of no less than 2.0.

BASIS FOR KEY RATIOS

Mkr	2016	2015
Return on equity		
Profit for the period	2,976	2,278
Equity, opening balance	8,876	6,967
Equity, closing balance	11,463	8,876
Average equity	10,170	7,922
Return on equity, %	29.3	28.8
Leverage properties		
Borrowings	17,553	16,265
Carrying amount, investment properties	32,755	28,623
Leverage properties, %	53.6	56.8
Equity/assets ratio		
Equity	11,463	8,876
Total assets	33,414	29,033
Equity/assets ratio, %	34.3	30.6
Interest coverage ratio		
Income from property management	1,035	975
Interest expense	459	437
	1,494	1,412
Interest expense	459	437
Interest coverage ratio, multiple	3.3	3.2
EPRA net asset value		
Equity	11,463	8,876
Deferred tax liability	2,362	2,199
Derivatives	1,144	879
	14,969	11,954
Number of shares, thousand	76,857	76,857
EPRA net asset value per share	194.76	155.54

*) Risk-free interest rate is defined as the rate on a 5-year Swedish government bond.

CONSOLIDATED SEGMENT REPORTING JAN–DEC

Property management SEKm	Malmö		Helsingborg		Lund		Copenhagen		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Rental income	914	903	522	508	373	370	221	129	2,030	1,910
Other income	1	36	3	6	1	1	0	0	5	43
Costs	-226	-226	-145	-145	-92	-100	-54	-37	-517	-508
Operating surplus	689	713	380	369	282	271	167	92	1,518	1,445

In the Group's internal reporting, activities are divided into the above segments, which are the same as described in the latest annual report. The total operating surplus shown above corresponds with the operating surplus recorded in the income statement.

The difference between the operating surplus of SEK 1,518 million (1,445) and the pre-tax profit of SEK 3,274 million (2,859) consists of central administration SEK -49 million (-43), net interest SEK -447 million (-427) share in results of joint ventures 13 (0) and changes in value of properties and derivatives SEK 2,239 million (-1,884).

Definitions

Key financial ratios

The key ratios are based on the statements of income, financial position, changes in equity and cash flow. Some of the historic data is compiled from the historical summary on page 16.

Return on equity

Profit for the period as a percentage of average equity, excluding non-controlling interests. Average equity refers to the average of the opening and closing values for the respective period. In interim reports, the return is converted to its annualised value without taking account of seasonal variations. The ratio comprises a measure of the profitability in relation to shareholders' equity.

Return on total assets

Earnings before interest, value changes in derivatives and taxes (EBIT) as a percentage of average total assets. Average total assets refers to the average of the opening and closing values for the respective period. In interim reports, the return is converted to its annualised value without taking account of seasonal variations. The ratio comprises a measure of the profitability in relation to the total assets employed.

Equity/assets ratio

Equity as a percentage of total assets at the end of the period. The ratio provides a measure of the financial strength of the company.

Interest coverage ratio

Income from property management, plus interest expense, divided by interest expense. The ratio measures the degree to which earnings can decline without jeopardising interest payments or, alternatively, how much interest expense can increase before income from property management becomes negative.

Loan-to-value ratio, properties

Borrowings as a percentage of the properties' carrying amounts. The ratio shows the degree of borrowing on the property portfolio.

Debt/equity ratio

Interest-bearing liabilities relative to equity. Interest-bearing liabilities correspond to borrowings in the balance sheet. The ratio illustrates the relationship between borrowings and equity and, thereby, the gearing and financial strength.

Surplus ratio

The operating surplus, excluding payments for early lease termination, shown as a percentage of rental income. In the income statement, the item "other income" is used for payments for early lease termination. The ratio illustrates the proportion of rental income that remains after deducting property management costs.

Investment yield

The operating surplus, excluding payments for early lease termination, shown as a percentage of the properties' average carrying amount. The average carrying amount refers to the average of the opening and closing values for the respective period. In the income statement, the item "other income" is used for payments for early lease termination. In interim reports, the yield is converted to its annualised value without taking account of seasonal variations. The ratio illustrates the yield on the property portfolio without taking account of its financing costs.

Share-related key ratios

Earnings per share for the period

Earnings for the period divided by the average number of shares outstanding. Definition according to IFRS.

Earnings per share before tax

Earnings per share before tax divided by the average number of shares outstanding.

Income from property management per share

Income from property management divided by the average number of shares outstanding.

Cash flows from operating activities per share

Cash flows from operating activities divided by the average number of shares outstanding.

Equity per share I

The relationship between the closing balances for equity and the number of shares at the end of the period.

Equity per share II

Calculated as Equity per share I, but not charged with deferred tax. Equity is increased by the addition of the carrying amount for deferred tax liabilities.

Long-term net asset value (EPRA NAV) per share

Equity per share following the reversal of interest-

rate derivatives and deferred tax according to the balance sheet.

Dividend yield per share

Proposed dividend as a percentage of the year-end share price.

Total yield per share

Share price performance plus actual dividend relative to the share price at the start of the year.

P/E ratio I, multiple

Market price per share divided by earnings per share. The multiple is converted to its annualised value without taking account of seasonal variations.

P/E ratio II, multiple

Market price per share divided by income from property management, charged with nominal tax at 22 %, per share. The multiple is converted to its annualised value without taking account of seasonal variations.

Property-related key figures*

These key figures are based on the property table on page 11. The table shows the estimated rental value, rental income and property expenses on an annualised basis with an unchanged property portfolio, rental income and lettings portfolio compared with the end of the last quarter.

Rental value

Rental income plus estimated market-level rents for unlet space.

Estimated investment yield

Operating surplus as a percentage of the carrying amount for the properties at the end of the period.

Rental income per m²

Rental income on an annualised basis divided by lettable area.

Operating surplus per m²

Operating surplus divided by lettable area.

Economic occupancy rate

Rental income as a percentage of rental value.

Estimated surplus ratio

Operating surplus as a percentage of rental income.

*These key ratios are operational and are not regarded as alternative key ratios according to ESMA's guidelines.

Where job satisfaction is key

Through our commitment and our properties
we create conditions for strong growth for business
in the Öresund region.



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