

Wihlborgs'
Interim report

2017

January – March

Strong first quarter for Wihlborgs

Rental income increased by 9 percent to SEK 540 million (497)

Operating surplus increased by 9 percent to SEK 388 million (355)

Income from property management increased by 10 percent to SEK 261 million (238)

Result for the period amounts to SEK 289 million (202), corresponding to earnings per share of SEK 3.76 (2.63)

Group key figures, SEK m	2017	2016
	Jan-Mar	Jan-Mar
Rental income	540	497
Operating surplus	388	355
Income property management	261	238
Changes in value of properties	56	303
Changes in value of derivatives	54	-300
Result for the period	289	202
Earnings per share, SEK	3.76	2.63
Surplus ratio, %	72	71
Equity/assets ratio, %	34.8	30.6
Occupancy rate, %*	92	91

*) Excluding Projects & Land.
See pages 17–18 for definitions of key figures.



In the Ubåtshallen at Dockan, Wihlborgs has created modern office premises for the Swedish Social Insurance Agency.

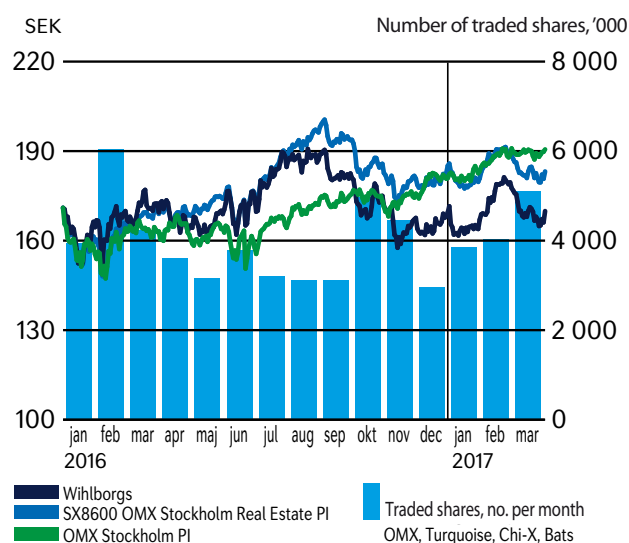
Financial targets

- 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 pages 17–18 for definitions and outcome.

Development of share price

01-01-17 – 31-03-17



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

Quarter 1

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Forthcoming reports

Interim report Jan – Jun **10 Jul 2017**

Interim report Jan – Sep **23 Oct 2017**

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.

For further information, please contact:

Anders Jarl, CEO.

Telephone +46 (0)40-690 57 10, +46 (0)733-71 17 10

Arvid Liepe, CFO.

Telephone +46 (0)40-690 57 31, +46 (0)733-71 17 31

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 33.2 billion. The annual rental value of the properties is SEK 2.4 billion. Wihlborgs shares are quoted on the Large Cap List of NASDAQ Stockholm.



CEO's comments

2016 was the strongest year in the history of Wihlborgs. 2017 has started even stronger and Wihlborgs can again report positive results and a stronger balance sheet for the first quarter.

Rental income grew to SEK 540 million and income from property management to SEK 261 million, up nine and ten percent respectively.

The rental market remains very strong. Net lettings were up SEK 23 million for the quarter. We have leased about 60 percent of the new-build project Sirius 3 in the Nyhamnen area in Malmö. 70 percent of the Posthornet 1 project, which we are building in Lund, is leased and we have noted strong demand in both of these projects, which will be complete and fully let at the end of 2017 and in early 2018 respectively. The project portfolio was expanded during the quarter by the acquisition of the Bure 2 property in

Hyllie, Malmö, where we plan to build approximately 6,800 m² of office space. We will also extend the Dockan property in Malmö, where Tyréns has its office. Add to this the 9,000 m² we are building at the Gimle 1 property in Hyllie, where tenants will include the Swedish Customs, and the 4,000 m² we are adding to Helsingborg's district court at Polisen 4 in Helsingborg, then we have the foundation for continued healthy growth.

The average interest expense is largely unchanged compared with the previous year end. In January, we raised SEK 500 million via Svensk FastighetsFinansiering with a fixed-interest rate of 0.50 percent for two years and in March we issued our own two-year bonds for SEK 400 million with a variable interest rate at 1.10 percent over Stibor. We feel that access to financing remains good, both via the banking system and via the capital market.

By virtue of our lettings, our investments and acquisitions, the value of our properties increased to SEK 33.2 billion. Our improved results are also evident in an even stronger balance sheet. At the end of the quarter, our equity/assets ratio amounted to 34.8 percent and the loan-to-value ratio to 53.0 percent. A strong balance sheet offers us both stability and an opportunity to leverage future business opportunities. Our EPRA NAV per share is now SEK 199.

I am also pleased to see that our sustainability work is yielding results. Despite growth, our CO₂ emissions are decreasing in absolute terms, and per square metre these fell by 35 percent in 2016 compared with the preceding year.

With the continuing positive economic development in the Öresund region, an attractive project portfolio and a stable financial base, we also see excellent opportunities to generate profitable growth moving forward.



Anders Jarl, CEO



Market comments

Globally, there are signs of a stronger economic upturn in developing economies. Global growth is expected to reach 3.4 percent for 2017 and 3.6 percent for 2018 according to the Swedbank Economic Outlook from 6 April 2017. Risks are primarily political and geopolitical. Growth in emerging markets is supported by commodities and reforms, and though inflationary pressure is on the increase, it will remain low in many regions. Sweden's growth is expected to slow slightly and reach 2.8 percent for 2017 and 2.4 percent for 2018. The labour market is strong with a high level of employment growth. Sweden has strong government finances but its structural policy is inadequate and in considerable need of long-term structural reform. In Denmark, growth is expected to reach 1.6 percent for 2017 and 1.3 percent for 2018.

Lower central wage agreements will limit the rise in inflation and mean the Riksbank remains in a difficult situation. A tentative increase in interest rates has begun as foreign central banks slowly retreat. This will

support the Riksbank in initiating its cautious turnabout. Swedbank expects the first raise in interest rates to take place in spring 2018 and that a zero rate will not be reached until the end of 2018.

According to Datscha, transaction volume in the property market for the first quarter exceeded volume during the same period in 2016 by as much as 18 percent. Metropolitan areas account for almost two-thirds of transaction volume. There are plenty of active buyers and volume is limited by market supply, with a shortage of objects to acquire. There is no sign of a slackening in the flow of capital as the Riksbank's signals indicate continued low interest-rate levels. The inflow of foreign capital increased to 31 percent from 25 percent compared with the year-earlier period. Uncertainty in European markets, not least in the euro area and the UK, strengthens the perception among foreign investors that Swedish properties are a safe haven.

Income, expenses and profits, Jan-Mar 2017

Comparative figures for income statement items relate to values for the corresponding period 2016 and balance sheet items as of 31-12-2016.

Rental income

Rental income was SEK 540 million (497). Other revenues from property management was SEK 1 million (1) relating to payments for early lease termination.

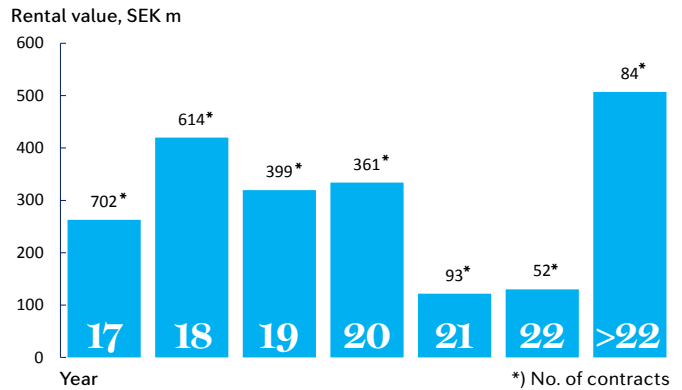
The increase in rental income is attributable to property acquisitions, renegotiations, new lettings and indexation in contracts.

The total growth in rental income was 9 percent compared with the corresponding period 2016.

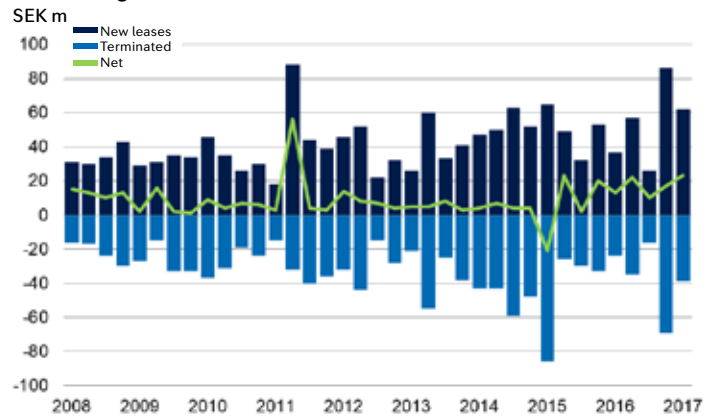
The occupancy rate for managed properties, is 92 percent which remains unchanged compared with previous year-end.

During the period new leases were signed to a value of SEK 62 million (37) on an annualized basis. Lease terminations totalled SEK 39 million (24). This represents a net letting of SEK 23 million (13).

Terms of Wihlborgs' rental contracts per 31 March 2017



Net letting



SAAB Kockums chose to keep Wihlborgs as landlord and moved its office to new premises in our portfolio at Dockan, Malmö.

Property costs

Total property costs amounted to SEK 153 (143) million. The year's first quarter is the most expensive. This is because the cost of snow clearance, electricity and heating is at its highest during the winter.

The historical summary at the bottom of page 14 illustrates how costs vary over the different quarters of the year.

Operating surplus

The operating surplus including other income amounted to SEK 388 million (355). Excluding payments for early lease termination, the operating surplus totalled SEK 387 million (354), representing a surplus ratio of 72 percent (71).

Central administration

The costs for central administration were SEK 13 million (12).

Financial income and expense

Net interest totalled SEK -114 million (-105), of which interest income accounted for SEK 3 million (4).

Interest expenses, for the period were SEK 117 million (109). The increase in interest expense is mainly due to increased borrowings.

At the end of the period, the average interest rate, including the cost for credit agreements, was 2.83 percent, compared with 2.80 percent at year-end.

Income from property management

Income from property management including other income amounted to SEK 261 million (238). Excluding payments for early lease termination, the income from property management amounted to SEK 260 million (237).

Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 371 million (241). Changes in value of properties amounted to 56 Mkr (303) and value changes on derivatives amounted to SEK 54 million (-300).

Profit after taxes

The profit after taxes was SEK 289 million (202).



Property Manager Erik Elmeskär, who was recruited as a trainee in 2016, attended the Bokkorridoren recruitment fair where he talked about our trainee programme.

Assets

Property portfolio as of 31 March 2017

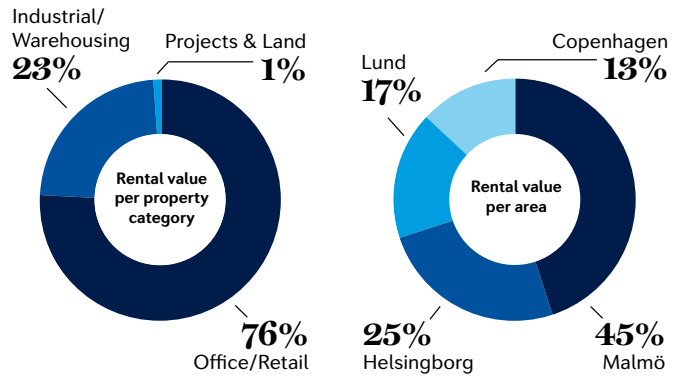
The summaries below are based on Wihlborgs' property portfolio as of 31 March 2017. Rental income relates to contracted rental income on an annual basis as of 1 April 2017.

The surplus ratio is based on the properties' earning capacity on an annual basis based on rental income for April 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 March 2017 consisted of 286 properties (282) with a lettable area of 1,858,000 m² (1,849,000). Ten of the properties (10) are leasehold rights. The properties' carrying amount was SEK 33,217 million (32,755), which corresponds to the estimated market value. The total rental value was SEK 2,358 million (2,349) and the contracted rental income on annual basis SEK 2,155 million (2,137). The economic occupancy rate for Office/Retail properties was 93 percent (93) and for Industrial/Warehou-

sing properties 89 percent (88). The rental value for Office/Retail properties represented 76 percent and Industrial/Warehousing properties 23 percent of the total rental value.

The operating surplus from managed properties, excluding property administration and Projects & Land, is SEK 1,712 million (1,697) which with a carrying amount of SEK 31,628 million (31,449) corresponds to a direct return of 5.4 percent (5.4). Broken down by property category, this is 5.0 percent (5.0) for Office/Retail and 7.4 percent (7.3) for Industrial/Warehousing.



Laurtrupvang 8 in Ballerup, Copenhagen.

Changes in values of properties

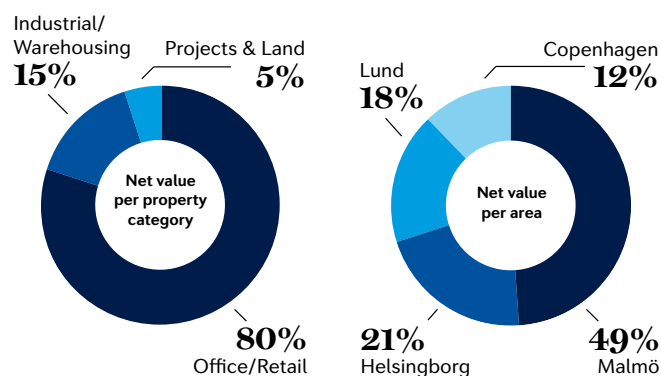
According to an internal valuation, with external support from Malmöbryggan Fastighetsekonomi, of the properties on 31 March 2017, their value had risen by SEK 56 million (303).

Fair value is determined by a yield-based method. The value is considered to correspond to the yield value that is calculated from normally five-year cash flow analyses. The value of newbuild projects in progress is determined as the value as if the project were complete, less deduction of the remaining cost. Undeveloped land is valued according to the comparable sales method.

As of 31 March 2017, the carrying amount for the properties was SEK 33,217 million.

CHANGES IN CARRYING AMOUNT OF PROPERTIES

Changes	Group total, SEK m
Carrying amount 1 January 2017	32,755
Acquisitions	178
Investments	249
Properties sold	-11
Change in value	56
Currency translations	-10
Carrying amount 31 March 2017	33,217



Investments and current projects

Investments in the property portfolio totalled SEK 249 million (268).

Approved investments in ongoing projects amount to SEK 1,755 million, of which SEK 611 million had been invested at end of the period.

During the first quarter, a decision was taken on the new construction of 6,800 m² office on the Bure 2 property in Malmö.

Liquid assets

The Groups liquid assets totalled SEK 349 million (454) including unutilised overdraft facilities.



Wihlborgs' office at Knutpunkten in Helsingborg has a view over the Öresund strait.

INVESTMENTS IN PROGRESS >SEK 50 MILLION, 31 MARCH 2017

Property	Category of use	Municipality	Completion date	Lettable area, m ²	Occupancy rate, %	Estimated investment, SEK m	Expended 310317, SEK m
Hordaland 1	Office/Retail	Malmö	Q3 2017	15,000	-	121	54
Sirius 3	Office/Retail	Malmö	Q4 2017	7,000	60	250	156
Posthornet 1	Office/Retail	Lund	Q1 2018	11,000	70	347	109
Kranen 9	Office/Retail	Malmö	Q4 2018	2,200	70	114	0
Gimle 1	Office/Retail	Malmö	Q1 2019	9,000	70	392	15
Polisen 4	Office/Retail	Helsingborg	Q2 2019	4,000	100	182	49
Total				48,200		1,406	383

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	352,107	47,183	265,539	34,254	14,601 ¹	713,683	38
Helsingborg	155,139	59,937	293,529	18,721	10,682 ²	538,008	29
Lund	122,821	11,092	29,625	31,924	8,626 ³	204,088	11
Copenhagen	252,263	2,543	76,198	12,898	58,758 ⁴	402,660	22
Total	882,330	120,755	664,891	97,797	92,667	1,858,439	100
Share, %	47	7	36	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	12,987	823	1,950	93	763	578	76	601	4.6
Industrial/Warehousing	50	256	2,022	207	806	90	186	137	74	145	7.2
Projects & Land	27	35	1,149	21	612	-	4	0	-	1	-
Total Malmö	123	714	16,158	1,051	1,473	91	953	715	75	748	4.6
HELSINGBORG											
Office/Retail	28	169	4,201	299	1,765	92	275	202	73	210	5.0
Industrial/Warehousing	61	369	2,716	299	812	87	261	186	71	200	7.4
Projects & Land	10	-	59	0	-	-	0	0	-	0	-
Total Helsingborg	99	538	6,977	598	1,112	90	536	388	72	410	5.9
LUND											
Office/Retail	21	184	5,590	398	2,158	93	370	276	75	304	5.4
Industrial/Warehousing	4	20	132	14	705	96	13	10	77	11	8.3
Projects & Land	2	-	316	0	-	-	0	0	-	0	-
Total Lund	27	204	6,038	412	2,018	93	384	286	75	315	5.2
COPENHAGEN											
Office/Retail	29	349	3,758	275	786	95	261	212	81	222	5.9
Industrial/Warehousing	5	32	222	22	673	96	21	18	84	19	8.5
Projects & Land	3	21	65	-	-	-	-	0	-	0	-
Total Copenhagen	37	403	4,045	296	736	95	282	229	81	241	6.0
Total Wihlborgs	286	1,858	33,217	2,358	1,269	91	2,155	1,618	75	1,713	5.1
Total excluding Projects & Land	244	1,802	31,628	2,336	1,296	92	2,151	1,618	75	1,712	5.4



The Origo (Bure 2) project in Hyllie was acquired in the quarter and construction is scheduled to start in the third quarter of 2017.

Property transactions

Four properties were acquired in the first quarter. On 1 March 2017, possession was taken of the Ackumulatorn 17 property in Helsingborg, which was agreed in 2016. The office and warehouse property Benkammen 16 was acquired and possession taken on 10 March 2017. The property comprises a site of 26,000 m² and a building of 6,260 m². The project properties Bure 2 and Gimle 1 were acquired in the quarter as part of the new-build projects Origo and Dungen.

PROPERTY ACQUISITIONS AND SALES JANUARY–MARCH 2017

Acquisitions

Quarter	Property	Municipality	Management area	Category	Area, m ²	Price, SEKm	Operating surplus 2017, SEKm ¹
1	Akkumulatorn 17	Helsingborg	Berga	Ind/Warehousing	4,214	-	-
	Benkammen 16	Malmö	Fosie	Ind/Warehousing	6,260	-	-
	Bure 2	Malmö	Centre	Projects & Land	-	-	-
	Gimle 1	Malmö	Centre	Projects & Land	-	-	-
Total acquisitions 2017					10,474	178	0

Sales

1	Gängtappen 1, part of	Malmö	Västra Hamnen	Projects & Land	-	-	-
Total sales 2017					0	11	0

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

Liabilities and equity

As of 31 March 2017, equity totalled SEK 11,752 million (11,463) and the equity/assets ratio 34.8 percent (34.3).

Interest-bearing liabilities

The group's interest-bearing liabilities as of 31 March amounted to SEK 17,603 million (17,553) with an average interest rate including costs for credit agreements of 2.83 percent (2.80).

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 53.0 percent (53.6).

The loans' average fixed interest period including effects of derivatives on 31 March 2017, amounted to 4.4 years (4.8). The average loan maturity, including committed credit facilities, amounted to 5.2 years (5.9).

STRUCTURE OF INTEREST AND LOAN MATURITIES AS OF 31 MARCH 2017

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEKm	Av. interest rate, %	Credit ag, SEKm	Utilised, SEKm
2017	6,617	1.43	420	420
2018	500	0.53	4,277	3,927
2019	152	0.97	7,915	7,415
2020	0	0.00	3,724	2,415
2021	4,000	3.76	0	0
>2021	6,334	3.78	3,428	3,426
Total	17,603	2.77*	19,764	17,603

*) 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 MARCH 2017

Amount, SEK m	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 decreased to SEK 1,090 million. 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 the year for these swaps amounts to SEK 11 million. The remaining swaps are classified at level 2 in accordance with IFRS 13.

During the first quarter, Wihlborgs borrowed SEK 500 million via Svensk FastighetsFinansiering by issuing bonds with final maturity in February 2019. In addition, two-year bonds of SEK 400 million have been issued under Wihlborgs' MTN program.



On 10 March, the first earth was turned at the Polisen 4 property, where Wihlborgs is extending Helsingborg's district court by 4,000 m² and redeveloping 5,000 m².

Miscellaneous

Employees

At the period end Wihlborgs' number of full-time employees was 138 (132), 54 of whom are property caretakers.

There are 62 employees in Malmö, 26 in Helsingborg, 17 in Lund and 33 in Copenhagen. The average age is 44 and the proportion of women is 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 124 (48) in shares in subsidiaries, including shareholders' contributions, during the period.

The parent company's income statement and balance sheet are found on page 16.

Participations in other companies

A description of all participations held by Wihlborgs in other companies will be found on pages 104-105 in the Company's 2016 annual report.

Largest shareholders 31 March 2017

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 24,339.

LARGEST SHAREHOLDERS IN WIHLBORGS 31 MARCH 2017

	Number of shares, thousand	Proportion of equity and votes, %
Erik Paulsson with family, privately and via company	7,884	10.3
SEB funds	3,601	4.7
Länsförsäkringar funds	3,390	4.4
SHB funds	2,230	2.9
Qviberg family	2,162	2.8
Bank of Norway	2,147	2.8
Nordea funds	991	1.3
DnB Carlson funds	848	1.1
Tibia Konsult AB	812	1.0
Odin Ejendom	745	1.0
Other shareholders reg. in Sweden	26,271	34.2
Other shareholders reg. abroad	25,776	33.5
Total outstanding shares	76,857	100.0

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 75–79 and 96–99 in the Company's 2016 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 pages 14–18.

Malmö 26 April 2017

Wihlborgs Fastigheter AB (publ)

Anders Jarl, CEO

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

CONSOLIDATED INCOME STATEMENT Summary

SEK m	2017 Jan–Mar 3 months	2016 Jan–Mar 3 months	2016/17 Apr–Mar 12 months	2016 Jan–Dec 12 months
Rental income	540	497	2,073	2,030
Other revenues	1	1	5	5
Total income	541	498	2,078	2,035
Operating costs	-88	-82	-264	-258
Repairs and maintenance	-18	-16	-78	-76
Property tax	-26	-25	-97	-96
Leasehold rent	-1	-1	-5	-5
Property administration	-20	-19	-83	-82
Total property costs	-153	-143	-527	-517
Operating surplus	388	355	1,551	1,518
Central administration	-13	-12	-50	-49
Interest income	3	4	11	12
Interest expense	-117	-109	-467	-459
Share in results of joint ventures	0	0	13	13
Income from property management	261	238	1,058	1,035
Change in value of properties	56	303	2,257	2,504
Change in value of derivatives	54	-300	89	-265
Pre-tax profit	371	241	3,404	3,274
Current tax	-2	-5	-4	-7
Deferred tax	-80	-34	-337	-291
Profit for the period¹	289	202	3,063	2,976
OTHER TOTAL PROFIT/LOSS ²				
Translation differences and hedging for international activities, including tax	0	3	11	14
Total comprehensive income for the period¹	289	205	3,074	2,990
Earning per share ³	3.76	2.63	39.85	38.72
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

SEK m	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Rental income	540	525	508	500	497	475	485	480
Other income	1	0	3	1	1	11	12	7
Operating costs	-88	-72	-46	-58	-82	-71	-48	-58
Repairs and maintenance	-18	-26	-14	-20	-16	-20	-17	-19
Property tax	-26	-22	-25	-24	-25	-24	-23	-25
Leasehold rent	-1	-2	-1	-1	-1	-1	-1	-2
Property administration	-20	-24	-19	-20	-19	-22	-20	-19
Operating surplus	388	379	406	378	355	348	388	364
Income from property management	261	263	279	255	238	232	271	247
Profit for the period	289	1,306	287	1,181	202	935	382	646
Surplus ratio, %	71.7	72.2	79.3	75.4	71.2	70.9	77.5	74.4
Investment yield, %	4.7	4.8	5.3	5.1	4.9	4.9	5.8	5.7
Equity/assets ratio, %	34.8	34.3	32.7	32.1	30.6	30.6	29.3	29.3
Return on equity, %	10.0	48.3	11.5	49.9	9.0	44.5	19.7	34.8
Earnings per share, SEK	3.76	16.99	3.73	15.37	2.63	12.17	4.97	8.41
Income property management per share, SEK	3.40	3.42	3.63	3.32	3.10	3.02	3.53	3.21
Cash flow per share, SEK	3.12	3.99	3.79	3.40	2.67	3.08	3.85	2.94
EPRA NAV per share, SEK	198.86	194.76	177.41	172.33	162.52	155.54	142.98	134.47
Share price as % EPRA NAV per share	85.4	87.0	102.9	99.9	106.1	109.9	104.9	100.4
Carrying amount of properties	33,217	32,755	30,522	30,161	29,196	28,623	26,694	25,142
Equity	11,752	11,463	10,155	9,863	9,081	8,876	7,945	7,561
Total assets	33,815	33,414	31,065	30,713	29,725	29,033	27,144	25,840

See pages 17–18 for Key figures & Definitions.

CONSOLIDATED BALANCE SHEET summary

SEK m	31-03-2017	31-03-2016	31-12-2016
ASSETS			
Managed properties	33,217	29,196	32,755
Other fixed assets	294	249	290
Current receivables	173	160	117
Liquid assets	131	120	252
Total assets	33,815	29,725	33,414
EQUITY AND LIABILITIES			
Equity	11,752	9,081	11,463
Deferred tax liability	2,442	2,231	2,362
Borrowings	17,603	16,376	17,553
Derivatives	1,090	1,179	1,144
Other long-term liabilities	53	52	53
Current liabilities	875	806	839
Total equity & liabilities	33,815	29,725	33,414

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Jan–Mar 2017	Jan–Mar 2016	Jan–Dec 2016
Total equity at beginning of period	11,463	8,876	8,876
Equity attributable to parent company's shareholders			
Opening amount	11,463	8,876	8,876
Dividend paid	-	-	-403
Profit for the period	289	202	2,976
Other comprehensive income	0	3	14
Closing amount	11,752	9,081	11,463
Equity attributable to minority shares	-	-	-
Total equity at end of period	11,752	9,081	11,463

CONSOLIDATED CASH FLOW STATEMENT summary

SEK m	Jan–Mar 2017	Jan–Mar 2016	Jan–Dec 2016
Operating activities			
Operating surplus	388	355	1,518
Central administration	-13	-12	-49
Depreciation	1	0	2
Net financial items paid	-117	-107	-442
Income tax paid	0	-2	-5
Change in other working capital	-19	-29	40
Cashflow from operating activities	240	205	1,064
Investment activities			
Investments in and acquisitions of properties	-178	-78	-1,074
Investments in existing properties	-249	-268	-989
Sales of properties	11	110	581
Change in other non-current assets	-5	0	-31
Cash flow from investment activities	-421	-236	-1,513
Financing activities			
Dividend paid	-	-	-403
Change in borrowing	60	79	1,154
Change in other long-term liabilities	-	-3	-125
Cash flow from financing activities	60	76	626
Cash flow for the year	-121	45	177
Opening cash flow	252	75	75
Closing cash flow	131	120	252

CONSOLIDATED SEGMENT REPORTING JAN–MAR

Property management SEK m	Malmö		Helsingborg		Lund		Copenhagen		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues	238	224	134	131	97	93	71	49	540	497
Other revenues	1	1	0	0	0	0	0	0	1	1
Costs	-69	-64	-44	-45	-26	-24	-14	-10	-153	-143
Operating surplus	170	161	90	86	71	69	57	39	388	355

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. Revenues includes both rental income and payments for early lease termination.

The difference between the operating surplus of SEK 388 million (355) and the pre-tax profit of SEK 371 million (241) consists of central administration SEK -13 million (-12), net interest SEK -114 million (-105) and changes in value of properties and derivatives SEK 110 million (3).

PARENT COMPANY'S INCOME STATEMENT summary

SEK m	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Income	35	32	131
Expenses	-35	-32	-138
Operating profits	0	0	-7
Financial income	134	164	1 527
Financial expenses	-117	-434	-800
Pre-tax profit	17	-270	720
Appropriations	0	0	56
Tax	-4	76	89
Profit for the year	13	-194	865
Other comprehensive income	0	0	0
Comprehensive income for the year	13	-194	865

PARENT COMPANY'S BALANCE SHEET summary

SEK m	31-03-2017	31-03-2016	31-12-2016
Participations in Group companies	8,596	8,670	8,472
Receivables from Group companies	10,358	10,018	10,432
Other assets	588	586	587
Cash and bank balances	8	28	152
Total assets	19,550	19,302	19,643
Equity	3,300	2,632	3,287
Liabilities to credit institutions	12,671	12,753	13,091
Derivatives	1,090	1,179	1,144
Liabilities to Group companies	2,297	2,573	1,988
Other liabilities	192	165	133
Total equity and liabilities	19,550	19,302	19,643

KEY FIGURES FOR THE GROUP

SEK m	Jan–Mar 2017	Jan–Mar 2016	Apr/Mar 2016/17	Jan–Dec 2016
FINANCIAL				
Return on equity, %	10.0	9.0	29.4	29.3
Return on total capital, %	5.2	8.8	11.9	12.8
Equity/assets ratio, %	34.8	30.6	34.8	34.3
Interest coverage ratio, multiple	3.2	3.2	3.3	3.3
Leverage properties, %	53.0	56.1	53.0	53.6
Debt/equity ratio, multiple	1.5	1.8	1.5	1.5
SHARE-RELATED				
Earnings per share, SEK	3.76	2.63	39.85	38.72
Earnings per share before tax, SEK	4.83	3.14	44.29	42.60
Income from property management per share, SEK	3.40	3.10	13.77	13.47
Cashflow from operations per share, SEK	3.12	2.67	14.30	13.84
Equity per share I, SEK	152.91	118.15	152.91	149.15
Equity per share II, SEK	184.68	147.18	184.68	179.88
EPRA NAV net asset value per share, SEK	198.86	162.52	198.86	194.76
Market value per share, SEK	169.90	172.40	169.90	169.40
Dividend per share, SEK	-	-	-	5.75
Dividend yield, % ¹	-	-	-	3.4
Total return from share, % ¹	-	-	-	2.1
P/E-ratio I, multiple	11.3	16.4	4.3	4.4
P/E-ratio II, multiple	16.0	17.8	15.8	16.1
Number of shares at the end of period, thousands	76,857	76,857	76,857	76,857
Average number of shares, thousands	76,857	76,857	76,857	76,857
PROPERTY-RELATED				
Number of properties	286	272	286	282
Carrying amount of properties, SEKm	33,217	29,196	33,217	32,755
Estimated investment yield, % – all properties	4.9	5.0	4.9	4.9
Estimated direct return, % – excl project properties	5.1	5.4	5.1	5.1
Lettable area, m ²	1,858,439	1,752,532	1,858,439	1,848,738
Rental income, SEK per m ²	1,160	1,136	1,160	1,156
Operating surplus, SEK per m ²	870	835	870	868
Financial occupancy rate, % – all properties	91	88	91	91
Financial occupancy rate, % – excl project properties	92	91	92	92
Estimated surplus ratio, %	75	74	75	75
EMPLOYEES				
Number of employees at period end	138	120	138	132

1) Calculated for calendar year only.

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 6.0 percent for Q1 2017, 6.0 percent for Q1 2016 and 5.8 percent for the full year 2016.
- 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.

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

BASIS FOR KEY RATIOS

SEK m	31-03-2017	31-03-2016	31-12-2016
Return on equity			
Profit for the period	289	202	2,976
Equity, opening balance	11,463	8,876	8,876
Equity, closing balance	11,752	9,081	11,463
Average equity	11,608	8,979	10,170
Conversion to full-year basis	4	4	1
Return on equity, %	10.0	9.0	29.3
Leverage properties			
Borrowings	17,603	16,376	17,553
Carrying amount investment properties	33,217	29,196	32,755
Leverage properties, %	53.0	56.1	53.6
Equity/assets ratio			
Equity	11,752	9,081	11,463
Total assets	33,815	29,725	33,414
Equity/assets ratio, %	34.8	30.6	34.3
Interest coverage ratio			
Income from property management	261	238	1,035
Interest expense	117	109	459
	378	347	1,494
Interest expense	117	109	459
Interest coverage ratio, multiple	3.2	3.2	3.3
EPRA NAV			
Equity	11,752	9,081	11,463
Deferred tax liability	2,442	2,231	2,362
Derivatives	1,090	1,179	1,144
	15,284	12,491	14,969
Number of shares, thousand	76,857	76,857	76,857
EPRA NAV per share, SEK	198.86	162.52	194.76

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.

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 14.

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.

EPRA NAV (long-term net asset value) 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 10. 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.

Malmö - Headquarters

Wihlborgs Fastigheter AB
Box 97, SE-201 20 Malmö
Visitors: Dockplatsen 16
Tel: +46 (0)40-690 57 00

Helsingborg

Wihlborgs Fastigheter AB
Terminalgatan 1
SE-252 78 Helsingborg
Tel: +46 (0)42-490 46 00

Lund

Wihlborgs Fastigheter AB
Ideon Science Park
Scheelevägen 17
SE-223 70 Lund
Tel: +46 (0)46-590 62 00

Danmark

Wihlborgs A/S
Hørkær 26. 1.sal
DK-2730 Herlev. Danmark
Tel: +45 396 161 57

www.wihlborgs.se

info@wihlborgs.se

Registered office: Malmö

Corporate registration no.:

556367-0230

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With the commitment of our employees and the quality of our properties, we will create conditions for strong growth for business in the Öresund region.



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