

Wihlborgs'
Interim report

2017
January – June

Buoyant lettings and growth for Wihlborgs

Rental income increased by
9 percent to SEK 1,087 million (997)

Operating surplus increased by
11 percent to SEK 810 million (733)

Income from property management
increased by 12 percent to
SEK 551 million (493)

Result for the period amounts to
SEK 892 million (1,383), corresponding
to earnings per share of SEK 11.61 (17.99)

Acquisition of 165.000 m² offices in
Denmark for a price of DKK 1.8 billion

Group key figures, SEK m	2017	2016	2017	2016
	Apr–Jun	Apr–Jun	Jan–Jun	Jan–Jun
Rental income	547	500	1,087	997
Operating surplus	422	378	810	733
Income property management	290	255	551	493
Changes in value of properties	496	1,027	552	1,330
Changes in value of derivatives	-12	-227	42	-527
Result for the period	603	1,181	892	1,383
Earnings per share, SEK	7.85	15.37	11.61	17.99
Surplus ratio, %	77	75	74	73
Equity/assets ratio, %	34.4	32.1	34.4	32.1
Occupancy rate, %*	93	91	93	91

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



In January, the communication agency FEW moved into the eighth floor of the totally renovated Gångtappen property.

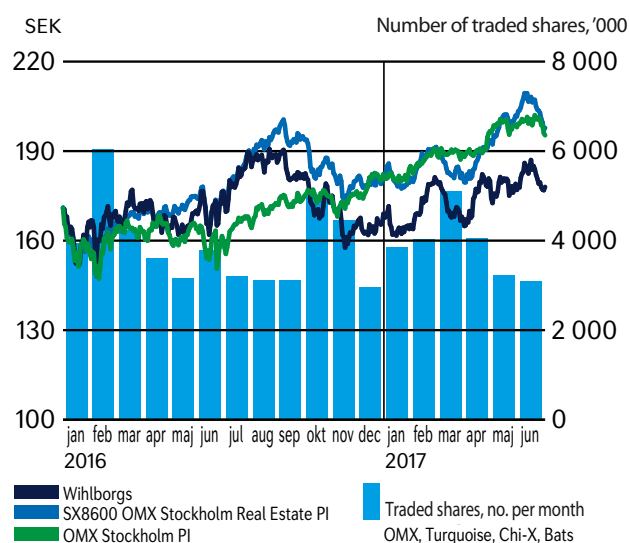
Financial targets

- 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

01-01-16 – 30-06-17



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

Quarter 2

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Forthcoming reports

Interim report Jan – Sep **23 Oct 2017**
 Year-end report Jan – Dec **13 Feb 2018**
 Interim report Jan – Mar **25 Apr 2018**

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.

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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 34.0 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

The Öresund region's property market remains buoyant and Wihlborgs has once again posted its best ever results.

The healthy demand is reflected in very strong net lettings. In the second quarter, we signed leases to a value of SEK 93 million and the net of new and terminated contracts was plus SEK 48 million.

The larger new contracts included the following tenants: the City of Malmö, Emmaus Björkå, Mediplast, the Swedish Defence Recruitment Agency, CDON, Tele2, Arjo Huntleigh, MAN Truck & Bus, Ferrero Scandinavia, BoneSupport and Hjulex. The wide variety of new tenants and properties that have generated the buoyant lettings is a sign of our strength. We are successful at attracting new tenants and also at expanding relationships with a number of existing customers — both public and private sector.

Strong net lettings will build the foundation for increased earnings moving forward. But we are already posting healthy growth. In the second quarter, our rental income grew 9 percent to SEK 547 million. The

operating surplus rose 12 percent to SEK 422 million, corresponding to a surplus ratio of 77 percent, in parallel with a 14 percent increase in income from property management to SEK 290 million. Once again, we have posted a record quarter in terms of income and operating earnings.

The value of our properties rose to just over SEK 34 billion. In the second quarter, changes in property value amounted to SEK 496 million, which was largely driven by the strong lettings.

Access to capital remains favourable, not least through the bond market. In the second quarter, we carried out another issue of unsecured bonds with a three-year maturity carrying a floating interest rate of 1.05 percent above STIBOR 3M.

Healthy earnings and increasing values mean that our balance sheet remains strong. The loan-to-value ratio is 53.1 percent and the equity/assets ratio is 34.4 percent. Our EPRA NAV was SEK 203 per share at the end of the first six months, up 18 percent year-on-year.

We continue to invest in new projects. The Sirius 3 property in Malmö is approaching completion and is essentially fully let. At the Posthornet 1 property in Lund, which will be completed at the start of next year, only around 2,000 m² of a total of 11,000 m² remains to be let. In Hyllie, we are building 9,000 m² at the Gimle 1 property, which is expected to be completed at the beginning of 2019, and only about 20 percent of the space remains available. Looking forward, investment levels will remain high even in the forthcoming years. Aside from the above projects, we are also working on the Origo (Bure 2) office project, which comprises almost 7,000 m² in Hyllie, and the development of the Oceanhamnen property in Helsingborg where we can construct a new office building of 13,000 m². Naturally, we are also continuing to drive development of the Nyhamnen area in Malmö.

Given the growing market, an exciting project portfolio, buoyant earnings and a stable balance sheet, I see every prospect of Wihlborgs continuing to help our tenants grow and for Wihlborgs to continue deli-

vering profitable growth to our shareholders.

After July 1, we have signed an agreement with the pension company Danica to acquire 15 modern office properties in Denmark comprising 165,000 m² for a purchase consideration of 1.8 billion DKK. Rental income is 130 MDKK per year with 9 percent vacancy which give an initial yield of 6 percent. Possession will be taken in the third quarter of 2017 with economic impact from 1 August. With this transaction, our business is growing in Denmark and we thereby strengthen our position in Herlev / Ballerup and in Høje-Taastrup where most of the properties are located. The acquisition is loan-financed and, momentarily, our loan-to-value ratio rises to about 56 percent. However, we expect that, due to our earnings, this will gradually decrease to current levels over the coming quarters.



Anders Jarl, CEO

Market comments

Swedish economic sentiment remains very positive.

The Swedish economy is strong, but the Riksbank (the Swedish Central Bank) now assesses that it will take longer before inflation stabilises at around 2 percent. Considerable uncertainty remains regarding political and economic developments in the macro environment. Therefore, the Riksbank left the repo rate unchanged at negative 0.5 percent at its meeting on 3 July and bond purchases will continue in 2017. The first rate increase is now not expected until mid-2018.

The June Economic Tendency Survey signalled continued optimism in the Swedish economy. The Economic Sentiment Indicator rose from 111.7 in May to 112.1. The retail confidence indicator climbed a full 6.9 points and now points toward much stronger conditions than normal due to better sales. The manufacturing sector was unusually satisfied with the size of its order books and the confidence indicator rose 1.7 points to a full 119.9. Consumers also have a

positive outlook on their own finances even if confidence declined in the Swedish economy.

In the first quarter of 2017, GDP growth in Sweden was 0.4 percent compared with the preceding quarter. GDP increased 2.2 percent compared with the same period in 2016. Growth has been even stronger in Denmark. In the first quarter of 2017, GDP growth was 0.6 percent compared with the preceding quarter and a full 2.6 percent compared with the same period in 2016.

According to Savills, transaction volumes in the Nordic region hit an all-time high in the first six months of 2017, up 14 percent year-on-year. International capital is attracted to the strong, stable Nordic property market and the number of foreign buyers is at a record level. At SEK 78 billion, the volume in Sweden was slightly lower year-on-year, since the Norrporten transaction boosted last year's figure with a property value of slightly more than SEK 22 billion. Since the presentation in March of a legislation proposal (called Paketeringsutredningen), which can substantially impact the sector, according to Savills, it is somewhat surprising that the volume is as high as it is even if borrowing remains cheap, rents are increasing and profitability remains healthy in the property sector.

Income, expenses and profits, Jan-Jun 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 1,087 million (997). Other revenues from property management was SEK 2 million (2) relating to payments for early lease termination.

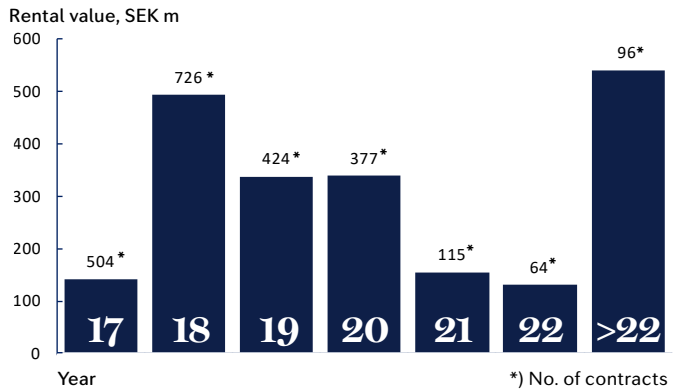
The increase in rental income is attributable to property acquisitions, renegotiations, new lettings and indexation in contracts.

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

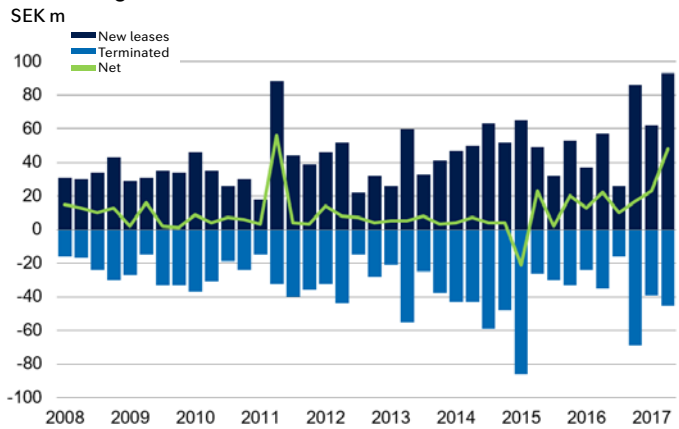
The occupancy rate for managed properties, is 93 percent which is an increase by one percentage point compared with previous previous year-end.

During the period new leases were signed to a value of SEK 155 million (94) on an annualized basis. Lease terminations totalled SEK 84 million (59). This represents a net letting of SEK 71 million (35).

Terms of Wihlborgs' rental contracts per 30 June 2017



Net letting



Head of Research Jenny Moberg and Project Manager Rickard Berlin discuss Wihlborgs' development with Ulrika Hallengren, Director of Projects & Developments.

Property costs

Total property costs amounted to SEK 279 (266) million. The increase is mainly explained by a larger property portfolio compared to the same period last year.

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 810 million (733). Excluding payments for early lease termination, the operating surplus totalled SEK 808 million (731), representing a surplus ratio of 74 percent (73).

Central administration

The costs for central administration were SEK 26 million (24).

Financial income and expense

Net interest totalled SEK -233 million (-216), of which interest income accounted for SEK 6 million (6).

Interest expenses, for the period were SEK 239 million (222). 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 2.75 percent, compared with 2.80 percent at year-end.

Income from property management

Income from property management including other income amounted to SEK 551 million (493). Excluding payments for early lease termination, the income from property management amounted to SEK 549 million (491).

Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 1,145 million (1,296). Changes in value of properties amounted to 552 Mkr (1,330) and value changes on derivatives amounted to SEK 42 million (-527).

Profit after taxes

The profit after taxes was SEK 892 million (1,383).



In May, we signed an agreement with Tele2 for 2,270 m² in the Sirius 3 property in Nyhamnen which is now essentially fully let. Occupancy is scheduled for the fourth quarter of 2017. Other tenants include LA Partners and JM.

Assets

Property portfolio as of 30 June 2017

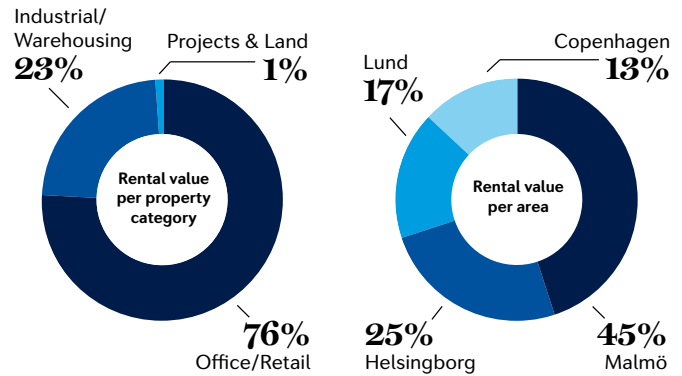
The summaries below are based on Wihlborgs' property portfolio as of 30 June 2017. Rental income relates to contracted rental income on an annual basis as of 1 July 2017.

The surplus ratio is based on the properties' earning capacity on an annual basis based on rental income for July 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 30 June 2017 consisted of 289 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 34,019 million (32,755), which corresponds to the estimated market value. The total rental value was SEK 2,381 million (2,349) and the contracted rental income on annual basis SEK 2,191 million (2,137). The economic occupancy rate for Office/Retail properties was 94 percent (93) and for Industrial/Warehou-

sing properties 90 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 1,759 million (1,697) which with a carrying amount of SEK 32,248 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 7.5 percent (7.3) for Industrial/Warehousing.



Wihlborgs has signed a lease with the confectionary company Ferrero Scandinavia for 900 m² in the Dungen (Gimle 1) office building, under construction in Hyllie. Swedish Customs (Tullverket) will lease 6,400 m² in the same building.

Changes in values of properties

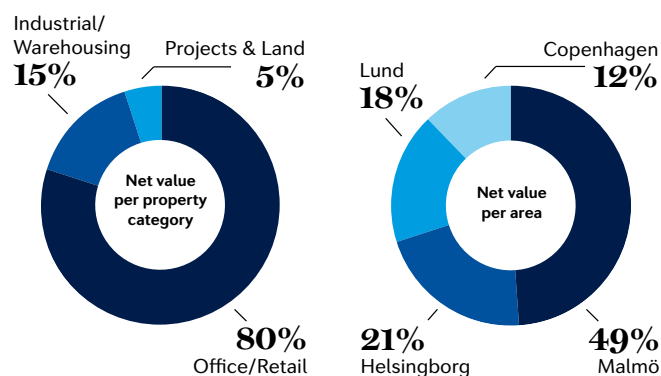
According to an internal valuation, with external support from Malmöbryggan Fastighetsekonomi, of the properties on 30 June 2017, their value had risen by SEK 552 million (1,330).

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 30 June 2017, the carrying amount for the properties was SEK 34,019 million.

CHANGES IN CARRYING AMOUNT OF PROPERTIES

Changes	Group total, SEK m
Carrying amount 1 January 2017	32,755
Acquisitions	178
Investments	471
Properties sold	-11
Change in value	552
Currency translations	74
Carrying amount 30 June 2017	34,019



Investments and current projects

Investments in the property portfolio totalled SEK 471 million (521).

Approved investments in ongoing projects amount to SEK 1,869 million, of which SEK 687 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 322 million (454) including unutilised overdraft facilities.



At the Karin 14 property, which is being vacated by the County Administrative Board in the autumn, the City of Malmö has signed a ten-year lease for 5,400 m².

INVESTMENTS IN PROGRESS >SEK 50 MILLION, 30 JUNE 2017

Property	Category of use	Municipality	Completion date	Lettable area, m ²	Occupancy rate, %	Estimated investment, SEK m	Expended 300617, SEK m
Hordaland 1	Office/Retail	Malmö	Q3 2017	15,000	-	121	63
Sirius 3	Office/Retail	Malmö	Q4 2017	7,000	95	250	172
Posthornet 1	Office/Retail	Lund	Q1 2018	11,000	80	347	138
Sunnanå 12:53	Industrial/Wareh.	Malmö	Q3 2018	2,300	100	66	0
Kranen 9	Office/Retail	Malmö	Q4 2018	2,200	70	114	5
Gimle 1	Office/Retail	Malmö	Q1 2019	9,000	80	392	29
Polisen 4	Office/Retail	Helsingborg	Q2 2019	4,000	100	182	68
Total				50,500		1,472	475

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	349,892	47,183	265,569	34,254	16,601	713,498	38
Helsingborg	155,243	59,937	293,509	18,721	10,719	538,129	29
Lund	122,836	11,092	29,616	31,924	8,626	204,094	11
Copenhagen	252,302	2,543	76,298	12,898	58,693	402,734	22
Total	880,273	120,755	664,992	97,797	94,639	1,858,455	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	47	422	13,224	825	1,955	94	773	588	76	612	4.6
Industrial/Warehousing	50	256	2,067	208	812	91	189	141	75	150	7.2
Projects & Land	29	35	1,306	21	612	-	4	-1	-	0	-
Total Malmö	126	713	16,597	1,055	1,478	92	967	729	75	762	4.6
HELSINGBORG											
Office/Retail	28	169	4,213	300	1,770	94	280	209	75	217	5.2
Industrial/Warehousing	61	369	2,733	301	815	88	264	190	72	203	7.4
Projects & Land	10	-	77		0	-	0	0	-	0	-
Total Helsingborg	99	538	7,023	600	1,115	91	544	398	73	421	6.0
LUND											
Office/Retail	21	184	5,748	398	2,158	92	367	273	74	302	5.2
Industrial/Warehousing	4	20	132	14	706	91	13	9	74	10	7.7
Projects & Land	2	-	358	0	-	-	0	0	-	0	-
Total Lund	27	204	6,237	412	2,018	92	380	282	74	312	5.0
COPENHAGEN											
Office/Retail	29	349	3,840	285	815	95	271	214	79	232	6.0
Industrial/Warehousing	6	42	291	29	702	99	29	26	89	27	9.4
Projects & Land	2	12	31	0	-	-	0	0	-	0	-
Total Copenhagen	37	403	4,162	314	780	96	300	240	80	259	6.2
Total Wihlborgs	289	1,858	34,019	2,381	1,281	92	2,191	1,650	75	1,753	5.2
Total excluding Projects & Land	246	1,812	32,248	2,359	1,302	93	2,186	1,650	75	1,753	5.4



The second phase of the redevelopment of the Knutpunkten property in Helsingborg includes plans for an entirely new facade. The project is expected to start in the first quarter of 2018.

Property transactions

No property transactions were completed in the second quarter of 2017.

PROPERTY ACQUISITIONS AND SALES JANUARY–JUNE 2017

Acquisitions

Quarter	Property	Municipality	Management area	Category	Area, m ²	Price, SEKm	Operating surplus 2017, SEKm ¹
1	Ackumulatorn 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	1

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 30 June 2017, equity totalled SEK 11,961 million (11,463) after dividend payment of SEK 442 million in the second quarter. The equity/assets ratio amounted to 34.4 percent (34.3).

Interest-bearing liabilities

The group's interest-bearing liabilities as of 30 June amounted to SEK 18,073 million (17,553) with an average interest rate including costs for credit agreements of 2.75 percent (2.80).

With consideration to the company's net debt of SEK 18.1 billion, as a percentage of property values, the loan-to-value ratio is 53.1 percent (53.6).

The loans' average fixed interest period including effects of derivatives on 30 June 2017, amounted to 4.2 years (4.8). The average loan maturity, including committed credit facilities, amounted to 5.1 years (5.9).

STRUCTURE OF INTEREST AND LOAN MATURITIES AS OF 30 JUNE 2017

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEKm	Av. interest rate, %	Credit ag, SEKm	Utilised, SEKm
2017	6,849	1.40	420	420
2018	726	0.68	4,428	3,928
2019	154	0.97	7,926	7,426
2020	0	0.00	3,426	2,820
2021	4,000	3.74	0	0
>2021	6,344	3.78	3,479	3,479
Total	18,073	2.72*	19,679	18,073

*) 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 30 JUNE 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 1,102 million, a positive change during the year totalling SEK 42 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 0 million. The remaining swaps are classified at level 2 in accordance with IFRS 13.

During the second quarter, Wihlborgs issued three-year unsecured bonds of SEK 200 million under Wihlborg's MTN program.



On 31 May, the first turf was cut for the MAN Truck & Bus service centre at Stora Bernstorp in the Municipality of Burlöv (Sunnanå 12:53). MAN has signed a 20-year lease with Wihlborgs. From left: Karsten Vestergaard, CEO, Vestergaard Nielsen A/S; Anders Jarl, CEO, Wihlborgs Fastigheter; Niels-Jørgen Toft Jensen, CEO Sweden/Norway, MAN Truck & Bus and Christer Petterson, Aftermarket Manager Sweden, MAN Truck & Bus.

Miscellaneous

Employees

At the period end Wihlborgs' number of full-time employees was 143 (132), 55 of whom are property caretakers.

There are 60 employees in Malmö, 26 in Helsingborg, 17 in Lund and 40 in Copenhagen. The average age is 44 and the proportion of women is 35 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 142 (19) 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 30 June 2017

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

Information about holdings at 30 June was not available when this report was being prepared.

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.

Events after the accounting period

In July, Wihlborgs has signed an agreement to acquire 165,000 m² of office properties for a purchase consideration of 1.8 billion DKK. The vendor is the pension company Danica. Possession will be taken in the third quarter of 2017 with economic effect from 1 August. The investment is mainly financed through the Danish mortgage credit system supplemented with existing available credit facilities.

Malmö, 10 July 2017

Wihlborgs Fastigheter AB (publ)

The Board

Erik Paulsson <i>Chairman</i>	Per-Ingemar Persson <i>Deputy Chairman</i>	Anders Jarl <i>CEO, Board member</i>
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Tina Andersson <i>Board member</i>	Sara Karlsson <i>Board member</i>	Helen Olausson <i>Board member</i>
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Johan Qviberg
Board member

This interim report has not been examined by the company's auditors. The Board of Directors and the CEO offer assurance that the interim report provides a fair summary of the parent company's and the Group's business activities, status and profits, and describes the significant risks and uncertainty factors faced by the parent company and the companies that are part of the Group.

CONSOLIDATED INCOME STATEMENT Summary

SEK m	2017 Apr–Jun 3 months	2016 Apr–Jun 3 months	2017 Jan–Jun 6 months	2016 Jan–Jun 6 months	2016/17 Jul–Jun 12 months	2016 Jan–Dec 12 months
Rental income	547	500	1,087	997	2,120	2,030
Other revenues	1	1	2	2	5	5
Total income	548	501	1,089	999	2,125	2,035
Operating costs	-59	-58	-147	-140	-265	-258
Repairs and maintenance	-19	-20	-37	-36	-77	-76
Property tax	-27	-24	-53	-49	-100	-96
Leasehold rent	-1	-1	-2	-2	-5	-5
Property administration	-20	-20	-40	-39	-83	-82
Total property costs	-126	-123	-279	-266	-530	-517
Operating surplus	422	378	810	733	1,595	1,518
Central administration	-13	-12	-26	-24	-51	-49
Interest income	3	2	6	6	12	12
Interest expense	-122	-113	-239	-222	-476	-459
Share in results of joint ventures	0	0	0	0	13	13
Income from property management	290	255	551	493	1,093	1,035
Change in value of properties	496	1,027	552	1,330	1,726	2,504
Change in value of derivatives	-12	-227	42	-527	304	-265
Pre-tax profit	774	1,055	1,145	1,296	3,123	3,274
Current tax	-3	-4	-5	-9	-3	-7
Deferred tax	-168	130	-248	96	-635	-291
Profit for the period¹	603	1,181	892	1,383	2,485	2,976
OTHER TOTAL PROFIT/LOSS ²						
Translation differences and hedging for international activities, including tax	3	4	3	7	10	14
Total comprehensive income for the period¹	606	1,185	895	1,390	2,495	2,990
Earning per share ³	7.85	15.37	11.61	17.99	32.33	38.72
No. of shares at end of the period, thousands	76.857	76.857	76.857	76.857	76.857	76.857
Average no. of shares, thousands	76.857	76.857	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.

⁴ There are no outstanding subscription options, convertibles or other potential ordinary shares to take into consideration.

HISTORICAL SUMMARY OF LAST EIGHT QUARTERS

SEK m	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Rental income	547	540	525	508	500	497	475	485
Other income	1	1	0	3	1	1	11	12
Operating costs	-59	-88	-72	-46	-58	-82	-71	-48
Repairs and maintenance	-19	-18	-26	-14	-20	-16	-20	-17
Property tax	-27	-26	-22	-25	-24	-25	-24	-23
Leasehold rent	-1	-1	-2	-1	-1	-1	-1	-1
Property administration	-20	-20	-24	-19	-20	-19	-22	-20
Operating surplus	422	388	379	406	378	355	348	388
Income from property management	290	261	263	279	255	238	232	271
Profit for the period	603	289	1,306	287	1,181	202	935	382
Surplus ratio, %	77.0	71.7	72.2	79.3	75.4	71.2	70.9	77.5
Investment yield, %	5.0	4.7	4.8	5.3	5.1	4.9	4.9	5.8
Equity/assets ratio, %	34.4	34.8	34.3	32.7	32.1	30.6	30.6	29.3
Return on equity, %	20.4	10.0	48.3	11.5	49.9	9.0	44.5	19.7
Earnings per share, SEK	7.85	3.76	16.99	3.73	15.37	2.63	12.17	4.97
Income property management per share, SEK	3.77	3.40	3.42	3.63	3.32	3.10	3.02	3.53
Cash flow per share, SEK	3.68	3.12	3.99	3.79	3.40	2.67	3.08	3.85
EPRA NAV per share, SEK	203.30	198.86	194.76	177.41	172.33	162.52	155.54	142.98
Share price as % EPRA NAV per share	87.6	85.4	87.0	102.9	99.9	106.1	109.9	104.9
Carrying amount of properties	34,019	33,217	32,755	30,522	30,161	29,196	28,623	26,694
Equity	11,916	11,752	11,463	10,155	9,863	9,081	8,876	7,945
Total assets	34,604	33,815	33,414	31,065	30,713	29,725	29,033	27,144

See pages 17–18 for Key figures & Definitions.

CONSOLIDATED BALANCE SHEET summary

SEK m	30-06-2017	30-06-2016	31-12-2016
ASSETS			
Managed properties	34,019	30,161	32,755
Other fixed assets	294	259	290
Current receivables	154	137	117
Liquid assets	137	156	252
Total assets	34,604	30,713	33,414
EQUITY AND LIABILITIES			
Equity	11,916	9,863	11,463
Deferred tax liability	2,607	1,976	2,362
Borrowings	18,073	16,625	17,553
Derivatives	1,102	1,406	1,144
Other long-term liabilities	53	51	53
Current liabilities	853	792	839
Total equity & liabilities	34,604	30,713	33,414

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Jan-Jun 2017	Jan-Jun 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	-442	-403	-403
Profit for the period	892	1,383	2,976
Other comprehensive income	3	7	14
Closing amount	11,916	9,863	11,463
Equity attributable to minority shares	-	-	-
Total equity at end of period	11,916	9,863	11,463

CONSOLIDATED CASH FLOW STATEMENT summary

SEK m	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Operating activities			
Operating surplus	810	733	1,518
Central administration	-26	-24	-49
Depreciation	1	1	2
Net financial items paid	-231	-218	-442
Income tax paid	0	-2	-5
Change in other working capital	-31	-24	40
Cashflow from operating activities	523	466	1,064
Investment activities			
Investments in and acquisitions of properties	-178	-109	-1,074
Investments in existing properties	-471	-521	-989
Sales of properties	11	520	581
Change in other non-current assets	-5	-12	-31
Cash flow from investment activities	-643	-122	-1,513
Financing activities			
Dividend paid	-442	-403	-403
Change in borrowing	447	266	1,154
Change in other long-term liabilities	-	-126	-125
Cash flow from financing activities	5	-263	626
Cash flow for the year	-115	81	177
Opening cash flow	252	75	75
Closing cash flow	137	156	252

CONSOLIDATED SEGMENT REPORTING JAN–JUN

Property management SEK m	Malmö		Helsingborg		Lund		Copenhagen		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues	480	452	272	259	191	186	144	100	1 087	997
Other revenues	1	1	1	0	0	1	0	0	2	2
Costs	-126	-120	-77	-80	-49	-46	-27	-20	-279	-266
Operating surplus	355	333	196	179	142	141	117	80	810	733

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 810 million (733) and the pre-tax profit of SEK 1,145 million (1,296) consists of central administration SEK -26 million (-24), net interest SEK -233 million (-216) share in results of joint ventures 0 (0) and changes in value of properties and derivatives SEK 594 million (803).

PARENT COMPANY'S INCOME STATEMENT summary

SEK m	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Income	69	64	131
Expenses	-70	-64	-138
Operating profits	-1	0	-7
Financial income	1,310	1,300	1,527
Financial expenses	-279	-802	-800
Pre-tax profit	1,030	498	720
Appropriations	0	0	56
Tax	13	138	89
Profit for the year	1,043	636	865
Other comprehensive income	0	0	0
Comprehensive income for the year	1,043	636	865

PARENT COMPANY'S BALANCE SHEET summary

SEK m	30-06-2017	30-06-2016	31-12-2016
Participations in Group companies	8,519	8,314	8,472
Receivables from Group companies	11,161	10,734	10,432
Other assets	605	637	587
Cash and bank balances	7	54	152
Total assets	20,292	19,739	19,643
Equity	3,888	3,059	3,287
Liabilities to credit institutions	12,953	12,964	13,091
Derivatives	1,102	1,406	1,144
Liabilities to Group companies	2,194	2,167	1,988
Other liabilities	155	143	133
Total equity and liabilities	20,292	19,739	19,643

KEY FIGURES FOR THE GROUP

SEK m	Jan–Jun 2017	Jan–Jun 2016	Jul/Jun 2016/17	Jan–Dec 2016
FINANCIAL				
Return on equity, %	15.3	29.5	22.8	29.3
Return on total capital, %	7.9	13.7	10.1	12.8
Equity/assets ratio, %	34.4	32.1	34.4	34.3
Interest coverage ratio, multiple	3.3	3.2	3.3	3.3
Leverage properties, %	53.1	55.1	53.1	53.6
Debt/equity ratio, multiple	1.5	1.7	1.5	1.5
SHARE-RELATED				
Earnings per share, SEK	11.61	17.99	32.33	38.72
Earnings per share before tax, SEK	14.90	16.86	40.63	42.60
Income from property management per share, SEK	7.17	6.41	14.22	13.47
Cashflow from operations per share, SEK	6.80	6.06	14.59	13.84
Equity per share I, SEK	155.04	128.33	155.04	149.15
Equity per share II, SEK	188.96	154.04	188.96	179.88
EPRA NAV net asset value per share, SEK	203.30	172.33	203.30	194.76
Market value per share, SEK	178.00	172.20	178.00	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	7.7	4.8	5.5	4.4
P/E-ratio II, multiple	15.9	17.2	16.0	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	289	268	289	282
Carrying amount of properties, SEKm	34,019	30,161	34,019	32,755
Estimated investment yield, % – all properties	4.8	4.9	4.8	4.9
Estimated direct return, % – excl project properties	5.1	5.2	5.1	5.1
Lettable area, m ²	1,858,455	1,741,299	1,858,455	1,848,738
Rental income, SEK per m ²	1,179	1,148	1,179	1,156
Operating surplus, SEK per m ²	888	850	888	868
Financial occupancy rate, % – all properties	92	89	92	91
Financial occupancy rate, % – excl project properties	93	91	93	92
Estimated surplus ratio, %	75	74	75	75
EMPLOYEES				
Number of employees at period end	143	122	143	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 5.9 percent for Q2 2017, 5.9 percent for Q2 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	30-06-2017	30-06-2016	31-12-2016
Return on equity			
Profit for the period	892	1,383	2,976
Equity, opening balance	11,463	8,876	8,876
Equity, closing balance	11,916	9,863	11,463
Average equity	11,690	9,370	10,170
Conversion to full-year basis	2	2	1
Return on equity, %	15.3	29.5	29.3
Leverage properties			
Borrowings	18,073	16,625	17,553
Carrying amount investment properties	34,019	30,161	32,755
Leverage properties, %	53.1	55.1	53.6
Equity/assets ratio			
Equity	11,916	9,863	11,463
Total assets	34,604	30,713	33,414
Equity/assets ratio, %	34.4	32.1	34.3
Interest coverage ratio			
Income from property management	551	493	1,035
Interest expense	239	222	459
	790	715	1,494
Interest expense	239	222	459
Interest coverage ratio, multiple	3.3	3.2	3.3
EPRA NAV			
Equity	11,916	9,863	11,463
Deferred tax liability	2,607	1,976	2,362
Derivatives	1,102	1,406	1,144
	15,625	13,245	14,969
Number of shares, thousand	76,857	76,857	76,857
EPRA NAV per share, SEK	203.30	172.33	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.

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Where job satisfaction matters

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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