

# Year-end report 2006

- Profit for the year amounted to SEK 850 million (470), which is the equivalent of a result per share of SEK 22,12 (12,33).
- Rental income for the year was SEK 909 million (736).
- Profit for the year from ongoing property management was SEK 309 million (229).
- The Board of Directors are proposing a dividend of SEK 5,50 (3,50) per share, an increase of 57 per cent since last year.
- Properties for SEK 3,529 million have been acquired.
- Equity/assets ratio amounted to 32.7 (34.8).



“Wihlborgs continues to strengthen its role as a leading player in the property sector in the expansive Öresund region.”

	2006 Jan-Dec 12 months	2005 Jan-Dec 12 months
<b>SEK million</b>		
Profit for the year before taxes, ongoing property management	429	318
Profit for the year, ongoing prop. management	309	229
Profit for the year before taxes	1,064	649
Profit for the year	850	470
<b>Per share, SEK</b>		
Profit for the year before taxes, ongoing property management	11,16	8,34
Profit for the year, ongoing prop. management	8,04	6,01
Profit for the year before taxes	27,69	17,03
Profit for the year	22,12	12,33
Shareholders' equity	92,30	73,96

*The comparison figures for income and expense items relate to values for the period Jan-Dec 2005, and for balance sheet items as at 31 December 2005.*

## COMMENTS FROM THE CEO

Wihlborgs continues to strengthen its role as a leading player in the property sector in the expansive Öresund region. According to the Øresund Institute, the region has experienced a 'ketchup effect' in its development, which will permanently change the relationships between Copenhagen and Malmö, Zealand and Skåne, and Denmark and Sweden. The housing and labour markets are now becoming more rapidly integrated. The Swedish economy is in a growth phase. Disposable income is forecast to grow sharply due to pay rises and a changed tax base. The Malmö office market is expanding towards the port and the Dockan area, where Wihlborgs has a strong market position.

During the year, new full-year tenancy agreements amounted to SEK 80m with notices of termination amounting to SEK 60m. SEK 11m of the total net rent of SEK 20m can be attributed to the fourth quarter, which exhibited strong performance.

2006 entailed high transaction volumes both in terms of acquisitions and sales. Wihlborgs' property portfolio has grown substantially through property acquisitions totalling SEK 3.6 billion. Sales amounted to SEK 1.6 billion. The company continued to focus on selected sub-markets. The acquisition of Ideon AB has given us a new bridgehead in Lund and has given us a stronger position here. The sale of Caroli City, including housing, hotel and shopping centre, resulted in a substantial profit.

Profit after tax amounted to SEK 850m and the equity/assets ratio decreased from 34.8 to 32.7 per cent as a result of a higher balance sheet total. The value of the property portfolio rose from SEK 7.9 billion to SEK 10.9 billion, an increase of just over 38 per cent. The property evaluation showed that the value of our property portfolio rose by SEK 629m.

In order to reduce interest expenses in 2007, fixed income derivative instruments were purchased, which will reduce the company's interest expenses to some extent during rising short-term interest rates.

A deferral of current tax requested by Wihlborgs was also granted for 2006 by way of a reallocation from buildings to permanent equipment of the basis for depreciation on real estate investments. Wihlborgs' property sales took mainly place in corporate form, which meant that the tax burden was low.

During the summer of 2007, we will complete the Dockporten project, which is being run in the Dockan area of Malmö. This area is the most expansive area in all of southern Sweden. Teleca's headquarters will be moved here. The strong rental market means that we are ready to launch new projects in Dockan. We sold a completed project property in Copenhagen in 2006 and acquired two new project properties.

## COMMENTS ABOUT THE MARKET

### The Öresund region

The Öresund bridge was opened nearly six years ago and the region is demonstrating very strong growth. The labour and housing markets are experiencing a great de-

mand. Companies have also begun setting up operations in the region as if it were a common market. The Öresund region is a bridgehead for Swedish companies wanting to enter the Danish market, and vice versa. 60 per cent of Swedish subsidiaries in Denmark are located in Greater Copenhagen. 24 per cent of Danish subsidiaries in Sweden are located in Skåne. These figures were released by the Øresund Institute, which also states that the Öresund region is entering a new golden age.

The rental market in Malmö has demonstrated a continued rising demand for modern office space in addition to efficient areas for industrial and warehouse premises.

According to DTZ, rental levels for modern office space in central Malmö is between SEK 1,800 and 2,100 per m<sup>2</sup>. For offices without an 'A' location, the level is between SEK 800 and 1,200 per m<sup>2</sup>. Rental levels for industrial and warehouse premises are between SEK 400 and 900 per m<sup>2</sup> depending on the location and type of operation.

## INCOME, EXPENSES AND EARNINGS

Comparison figures for income statement items relate to values for 2005 and balance sheet items as at 31 Dec 2005.

### Rental income

The rental income for the year was SEK 909m (736). The increase in rental incomes can be attributed to indexation, renegotiations, new leases and also rental income from Tornet's Malmö holdings from May 15, 2006. The Ideon acquisition has also had an impact on rental income. By comparison with 2005 the growth in rental income amounted to 24 per cent. The economic occupancy rate is 92 per cent, i.e. a lowering of the vacancy rate by 2 per cent since 2005.

During the year, new rental agreements totalled SEK 80m on an annualised basis. Terminations were SEK 60m.

### Property costs

The total property costs were SEK 282m (239).

### Net operating income

The net operating income for the year amounted to SEK 627m (497). The surplus ratio was 69 per cent (68).

### Central administration

Costs for central administration was SEK 28m (26).

### Property sales and changes in value

Seventeen properties were sold during the year at a total purchase price of SEK 1,560m, which is SEK 10m above the carrying amount and SEK 184m above the total invested capital. An agreement was concluded in December concerning the sale of Nils 21, with 1 February 2007 as the completion date. The sales total has been taken into account in the 'unrealised value changes' item for 2006.

Malmöbryggan Fastighetsekonomi AB and Savills Sweden AB carried out an evaluation of all of Wihlborgs' property holdings in Sweden. The value of each property is assessed individually to correspond to its market value. Properties in Denmark were evaluated by DTZ.



Interior from Comfort Hotel, Carlsgatan 10, close to Slagthuset. The hotel was added in 2006 with 18 rooms together with a renovation of the facing

The evaluation showed that the value of the properties rose by SEK 629m (SEK 318m). The value of the properties has risen by 5.2 per cent compared to the previous quarter. An explanation for this is the yield requirements for office properties which have been reduced in the interval 0-0.5 per cent. As a continual internal evaluation takes place, most of the growth in value in the properties has been accounted for under 'Changes in value, properties'. Properties sold, Caroli in particular, have had an impact on the value, but the growth in value was also achieved through project development, through new tenancy agreements being negotiated and through the renegotiation of existing agreements.

#### CHANGES IN THE PROPERTIES' BOOK VALUE

Changed item	Group total, SEK M
Book value 1 January 2006	7,890
Properties sold	-1,550
Investments	427
Acquisitions *)	3,529
Value regulation	629
Foreign-currency translations	-37
<b>Book value 31 December 2006</b>	<b>10,888</b>

\*) Reclassification on the Tornet acquisition, SEK -54m.

#### Net financial items

The period's net financial income/expense totalled SEK -170m (-153), of which interest income including one item for profit participation in associated companies totalled SEK 17m (15). Interest costs for the year amounted to SEK -187m (-168), The average interest rate as per 31 December was 3.66 per cent. A negative change in value for the company's derivative instrument portfolio was noted, which totalled SEK 4m.

#### Profit from ongoing property management

Pre tax profit from ongoing property management, excluding the result of realised and unrealised changes in value, amounted to SEK 429m (318). Charged with 28 per cent tax the result amounted to SEK 309m (229).

#### Profit before tax

Pre-tax profit amounted to SEK 1,064m (649).

#### Taxes

A deferral of current tax was approved by way of a re-allocation from buildings to permanent equipment of the basis for depreciation on real estate investments. In addition to tax depreciation, the company has utilised the possibility of making an immediate deduction for certain property investments. Altogether this has meant a total tax reduction of SEK 3m.

In 2006, Wihlborgs acquired a company with a tax loss carried forward. This gave rise to a tax claim of approximately SEK 32m. Unutilised tax losses carried forward in Swedish companies are estimated at SEK 419m (141) of which SEK 349m is blocked for group contribution.

#### Profit for the year

Profit after taxes amounted to SEK 850m (470).

#### PROPERTY PORTFOLIO

Wihlborgs' property portfolio consists of commercial properties in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. As at 31 December 2006, the property portfolio comprised 219 properties with a total lettable area of some 1 160,000 m<sup>2</sup>. Fifteen of these properties have a site leasehold right. The book value of the properties was SEK 10,888m, which corresponds to the properties' assessed market value.

The total rental value was SEK 1,079m and the contracted rental income was SEK 987m on an annual basis. The economic occupancy rate was 92 per cent. The properties in Malmö and Helsingborg accounted for 86 per cent of the total rental value and 84 per cent of the properties' book value.

The rental value of office and retail properties, in addition to industrial and warehouse properties, totalled 70 and 28 per cent of the total rental value respectively.

#### Acquisition

A total of 45 properties at a value of SEK 3,529m have been acquired. The acquisition total includes Tornet's Malmö holdings of fourteen properties and the Ideon property in Lund. For information regarding the report on the Tornet acquisition please see the Interim Report for January-June.

During the month of June, Wihlborgs took possession of 40 per cent of the shares in Ideon AB. The remaining 60 per cent may be taken possession of only after approval by the government. This is expected to be done during 2007. Since Wihlborgs, through an agreement, has a controlling influence, the company has been consolidated in Wihlborgs' group accounts. The property's income and costs for six months are included in the income statements.

### Investments and projects in progress

Investments in existing properties amounts to SEK 427m.

The sum for investments includes SEK 25m that, after an agreement with the city of Hamburg, has been paid for the freehold purchase of land for Wihlborgs' remaining property in Hamburg, Lippelstr. 1.

Wihlborgs has made an agreement with the city of Malmö to purchase nine site leasehold rights in Fosie for SEK 44m. This is included in the sum for investments.

Investments in projects in progress that have been decided on total SEK 413m, of which SEK 165m was invested as of 31 December 2006.

Major ongoing projects include Teleca's office premises at Dockan (Dockporten) in Malmö and the rebuilding project for Kunskapsskolan in Båghallarna.

## FINANCIAL POSITION

### Shareholders' equity

As of 31 Dec. Shareholders' equity amounted to SEK 3,667m (2,842), the equity/assets ratio was 32.7 per cent (34.8). The long-term objective is that the equity/assets ratio will not be less than 25 and not more than 35 per cent.

### Interest-bearing liabilities

As of 31 December the Group's interest-bearing liabilities were SEK 6,448m (4,388) with an average rate of interest, including credit facility fees, of 3.69 per cent.

As of 31 December the loans' average period of fixed interest was 17 months (15). The average maturity of loans, incl. committed lines of credit, was 4.4 years (4.8).

Wihlborgs has agreed to a 10-year substitution swap totalling SEK 1 billion, commencing in December 2007 with a threshold interest rate of 4.75 per cent. Wihlborgs will pay 3.48 per cent as long as the short-term Stibor 3-month rate does not exceed 4.75 per cent. Wihlborgs has also agreed to a terminable swap for SEK 1 billion where Wihlborgs will pay interest of 2.60 per cent during the first year and will receive an interest rate corresponding to the 3-month Stibor rate. Between Years 2 and 10, Wihlborgs will pay a fixed interest rate of 3.57 per cent and will receive an interest rate corresponding to the 3-month Stibor rate as long as the bank does not close the swap. The bank may not close the swap until Year 1 has passed

### Liquid assets

The Groups' liquid assets amounted to SEK 161m (164) including unutilised overdraft facilities.

## EMPLOYEES

The average number of employees was 77 (68), of whom 26 were wage-earners.

## STRUCTURE OF INTEREST AND LOAN MATURITIES AS PER 31 DEC 2006

Matures, year	Interest maturity		Loan maturity	
	Loan amount	Average interest rate, %	Credit agreements SEK M	Utilised SEK M
	SEK M			
2007	5,137	3.55	221	221
2008	48	4.98	106	106
2009	25	4.04	1,242	1,242
2010	1,035	3.95	635	628
2011	-	-	4,601	3,944
>2011	203	4.8	307	307
<b>Total incl. derivatives</b>	<b>6,448</b>	<b>3.66</b>	<b>7,112</b>	<b>6,448</b>

The distribution of employees by region was: Malmö 50, Helsingborg 18, Lund 5 and Copenhagen 4. Average ages was 49 years, the proportion of women was 31 per cent.

## PARENT COMPANY

The Parent Company's profit after taxes amounted to SEK 490m (77). The Parent Company pertains mainly to intra-Group services. Sales amounted to SEK 70 m (61). The Parent Company has invested SEK 1,765m (128) in subsidiary shares

## ACCOUNTING PRINCIPLES

Wihlborgs applies the IFRS and the interpretation of these (IFRIC), adopted by the European Union.

The interim report was prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting principles and methods of calculations are the same as were applied in the last annual report.

## PROPERTY PORTFOLIO AS OF 31 DEC 2006

The summaries are based on Wihlborgs' property portfolio as of 31 December 2006. Rental income pertains to contracted rental income on an annual basis as per 31 December 2006. The net operating income is based on the properties' earnings capacity on an annual basis as of 31 December 2006, based on contracted rental income and actual costs on a rolling 12-month basis.

## LARGEST SHAREHOLDERS IN WIHLBORGS

The largest shareholders in Wihlborgs are Maths O Sundqvist and company and Brinova Fastigheter AB, which owns 10.7 and 10.1 per cent of the shares respectively. As of December 31, 2006, the ten largest swedish shareholders owned 38.3 per cent and the number of shareholders totalled 29,437. The percentage of shares based abroad has increased by 1.2 per cent to 30.3 per cent.

Shareholders of 31 December 2006	Number of shares thousands	Perc. of share capital and voting rights
Maths O Sundqvist with companies	4,110	10,7
Brinova Fastigheter AB	3,867	10,1
Investment AB Öresund	2,000	5,2
Länsförsäkringar Fund	915	2,4
SEB Funds	885	2,3
Robur Funds	866	2,2
HQ Funds	750	2,0
Mats Qviberg including family	569	1,5
Förvaltnings AB Färgax	450	1,2
Fjärde AP-fonden	316	0,8
Other shareholders reg. in Sweden	12,048	31,3
Shareholders reg. abroad	11,652	30,3
<b>Total outstanding shares</b>	<b>38,428</b>	<b>100,0</b>



## DISTRIBUTION BY REGION AND PROPERTY CATEGORY

Region/property category	Number of properties	Lettable area sq.m.	Book value		Rental value		Economic occupancy %	Rental income SEK M	Net op. income SEK M	Yield %	Surplus ratio %
			SEK M	SEK/sq.m.	SEK M	SEK/sq.m.					
<b>Malmö</b>											
Offices/retail	43	347,500	4,903	14,109	454	1 307	93	423	308	6.3	73
Industrial/warehouses	46	207,745	932	4,488	132	637	91	120	76	8.1	63
Projects & land <sup>3)</sup>	22	16,003	362	22,628	6	362	90	5	1	0.3	20
<b>Total Malmö</b>	<b>111</b>	<b>571,248</b>	<b>6,197</b>	<b>10,849</b>	<b>592</b>	<b>1,037</b>	<b>93</b>	<b>548</b>	<b>384</b>	<b>6.2</b>	<b>70</b>
<b>Helsingborg</b>											
Offices/retail <sup>2)</sup>	34	148,518	1,758	11,835	167	1,123	93	155	111	6.3	71
Industrial/warehouses	44	269,131	1,162	4,317	161	599	89	143	99	8.5	69
Projects & land	5	10,104	58	5,760	3	271	68	2	0	-0.4	-13
<b>Total Helsingborg</b>	<b>83</b>	<b>427,753</b>	<b>2,978</b>	<b>6,961</b>	<b>331</b>	<b>773</b>	<b>91</b>	<b>301</b>	<b>210</b>	<b>7.0</b>	<b>70</b>
<b>Rest of Öresund <sup>1)</sup></b>											
Offices/retail	11	115,435	1,467	12,705	137	1,186	90	123	90	6.1	73
Industrial/warehouses	4	35,372	117	3,314	12	328	100	12	10	8.2	83
Projects & land	10	10,044	129	12,879	7	714	58	4	0	0.1	3
<b>Total, rest of Öresund region <sup>1)</sup></b>	<b>25</b>	<b>160,851</b>	<b>1,713</b>	<b>10,651</b>	<b>156</b>	<b>968</b>	<b>89</b>	<b>138</b>	<b>99</b>	<b>5.8</b>	<b>72</b>
<b>Total Wihlborgs</b>	<b>219</b>	<b>1 159,852</b>	<b>10,888</b>	<b>9,388</b>	<b>1,079</b>	<b>930</b>	<b>92</b>	<b>987</b>	<b>693</b>	<b>6.4</b>	<b>70</b>

<sup>1)</sup> One property located in Hamburg, Germany, with lettable area of 8,107 sq.m., is reported in the rest of Öresund region.

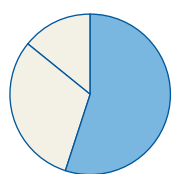
<sup>2)</sup> Two hotel properties located in Helsingborg, with lettable area of 21,262 sq.m. are reported in offices/retail.

<sup>3)</sup> According to the IFRS def. of project properties, Wihlborgs owns a project property - the site of the Dockan area in Malmö - with a book value of SEK 181m.

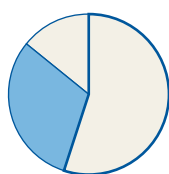
## LEASE EXPIRATION 31 DECEMBER 2006

Expires in year	Number of leases	Lettable area, sq.m.	Contracted rental income as per 31 Dec 2006	
			SEK M	proportion, %
<b>Leases for renting premises</b>				
2007	434	178,637	143	15
2008	457	223,852	185	19
2009	420	186,794	175	18
2010	220	155,425	168	18
2011	52	106,436	94	10
2012	28	23,726	24	3
>2012	42	116,276	162	17
<b>Total commercial leases</b>	<b>1,653</b>	<b>991,146</b>	<b>951</b>	<b>100</b>
Residential leases	233	17,403	16	
Parking spaces etc.	684	0	20	
<b>Total</b>	<b>2,570</b>	<b>1 008,549</b>	<b>987</b>	

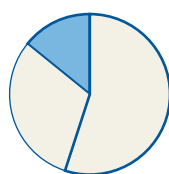
## RENTAL VALUE PER REGION



Malmö 55 %

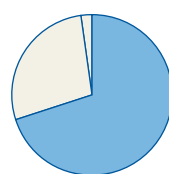


Helsingborg 31 %

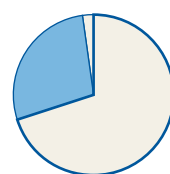


Rest of Öresund region 14 %

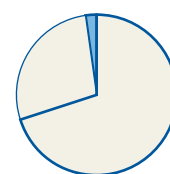
## RENTAL VALUE BY PROPERTY CATEGORY



Office/retail, 70%



Industrial/warehouses, 28%



Projects &amp; land, 2%

## DISTRIBUTION OF LETTABLE AREA BY REGION AND TYPE OF PREMISES

Region	Lettable area by type of premises							Total, sq.m.	Proportion, %
	Offices, sq.m.	Retail, sq.m.	Ind/wareh. sq.m.	Hotel sq.m.	Residential sq.m.	Other, sq.m.	Garage, sq.m.		
Malmö	284,367	36,545	222,817	2,947	11,981	10,768	1,821	571,246	49.3
Helsingborg	141,951	37,623	215,690	20,799	5,367	6,133	190	427,753	36.9
Rest of Öresund region	110,303	4,680	45,661	-	-	208	-	160,852	13.9
<b>Total</b>	<b>536,621</b>	<b>78,848</b>	<b>484,168</b>	<b>23,746</b>	<b>17,348</b>	<b>17,109</b>	<b>2,011</b>	<b>1 159,851</b>	<b>100.0</b>
Proportions, %	46.3	6.8	41.7	2.0	1.5	1.5	0.2	100.0	

## PROPOSED DIVIDEND

The board of directors will propose the following at the annual general meeting:

- a dividend of SEK 5.50 (3.50) per share, corresponding to SEK 211m and entailing an increase of 57 per cent compared with the previous year. This proposal complies with Wihlborgs' dividend policy, which states that dividends shall consist of 50 per cent profit from ongoing management and 50 per cent profit from properties sold, subject to the 28 per cent standard tax rate,

- to authorise the Board to acquire and transfer Wihlborgs shares representing no more than ten per cent of outstanding shares by the next Annual General Meeting,

- to authorise the Board to decide upon a new share issue representing no more than ten per cent of outstanding shares by the next Annual General Meeting.

## EVENTS AFTER THE END OF THE PERIOD

Wihlborgs has entered into an agreement with the school Kunskapsskolan concerning the rental of 2,800m<sup>2</sup> in Båg-

hallarna, which is located in the Dockan area of Malmö. As a result of this agreement, Wihlborgs will invest SEK 57m in the property.

Wihlborgs acquired Flygvärdinnan 5 (3,300m<sup>2</sup>) at the Bulltofta industrial estate in Malmö. The completion date is during the first quarter of 2007.

## FORTHCOMING REPORTS

- Annual report 2006 April 2007
- Annual General Meeting 26 April 2007
- Interim report Jan-March 26 April 2007
- Interim report Jan-June 16 August 2007
- Interim report Jan-September 1 November 2007

Malmö, 9 February 2007  
The Board of Directors

This year-end financial statement has not been examined by the company's auditors.

## LIST OF PROPERTY ACQUISITIONS AND SALES JANUARY-DECEMBER 2006

Property	Municipality	Area	Category	Area, sq.m.	Price, SEK M	Operating income Jan-Dec, SEK M 1)
<b>Property acquisitions Quarter 1</b>						
Bronsdolken 10	Malmö	Malmö	Industry	1,368		
Bronsdolken 11	Malmö	Malmö	Industry	962		
Flygledaren 9	Malmö	Malmö	Industry	5,821		
Uven 9	Malmö	Malmö	Offices/retail	7,101		
Armborstet 4	Helsingborg	Helsingborg	Industry	3,000		
Olympiaden 7	Helsingborg	Helsingborg	Industry	3,537		
Värjan 12	Helsingborg	Helsingborg	Offices/retail	1,145		
<b>Total property acquisitions Jan-March 2006</b>				<b>22,934</b>	<b>198</b>	<b>9,1</b>
<b>Property acquisitions Quarter 2</b>						
Carolus 32	Malmö	Malmö	Offices/retail	65,098		
Elefanten 40	Malmö	Malmö	Offices/retail	14,004		
Erik Menved 37	Malmö	Malmö	Offices/retail	29,159		
Grytan 3	Malmö	Malmö	Industry	2,398		
Gäddan 6	Malmö	Malmö	Offices/retail	2,570		
Kirseberg 31:53	Malmö	Malmö	Industry	22,869		
Luggude 7	Malmö	Malmö	Offices/retail	2,087		
Löplinan 7	Malmö	Malmö	Industry	2,489		
Mandelblomman 5	Malmö	Malmö	Industry	3,227		
Nils 21	Malmö	Malmö	Offices/retail	29,674		
Nils 24	Malmö	Malmö	Industry	560		
Rosengård 130:403	Malmö	Malmö	Offices/retail	8,647		
Sparven 15	Malmö	Malmö	Offices/retail	21,846		
Spillepengsmarken 6	Malmö	Malmö	Projects & land	-		
Sufflören 3	Malmö	Malmö	Industry	2,315		
Syret 12	Malmö	Malmö	Offices/retail	1,955		
Vipan 7	Malmö	Malmö	Industry	1,002		
Vätet 1	Lund	Rest of Öresund	Offices/retail	24,228		
<b>Total property acquisitions April-June 2006</b>				<b>234,128</b>	<b>2,698</b>	<b>85,9</b>

## LIST OF PROPERTY ACQUISITIONS AND SALES JANUARY-DECEMBER 2006

Property	Municipality	Area	Category	Area, sq.m.	Price, SEK M	Operating income Jan-Dec, SEK M <sup>1)</sup>
<b>Property acquisitions Quarter 3</b>						
Balken 10	Malmö	Malmö	Industry	3,725		
Tågarp 16:19	Burlöv	Malmö	Industry	4,316		
Belgien Norra 19	Helsingborg	Helsingborg	Offices/retail	9,033		
Huggjärnet 13	Helsingborg	Helsingborg	Industry	4,027		
Persien 14	Helsingborg	Helsingborg	Industry	3,930		
Persien 15	Helsingborg	Helsingborg	Industry	3,930		
Polisen 1	Helsingborg	Helsingborg	Offices/retail	5,021		
Polisen 3	Helsingborg	Helsingborg	Projects & land	10,104		
Terminalen 4	Helsingborg	Helsingborg	Offices/retail	3,507		
Ellekaer 6	Herlev	Rest of Öresund	Projects & land	5,800		
<b>Total property acquisitions July-Sep 2006</b>				<b>53,393</b>	<b>482</b>	<b>6,4</b>
<b>Property acquisitions Quarter 4</b>						
Bronsdolken 3	Malmö	Malmö	Industry	9,668		
Bronsdolken 18	Malmö	Malmö	Industry	1,311		
Stångbettet 15	Malmö	Malmö	Industry	3,957		
Grusgropen 3	Helsingborg	Helsingborg	Industry	4,875		
Grusplanen 2	Helsingborg	Helsingborg	Industry	2,305		
Kniven 2	Helsingborg	Helsingborg	Industry	5,085		
Mörsaren Västra 13	Helsingborg	Helsingborg	Industry	3,999		
Orkanen 5	Helsingborg	Helsingborg	Industry	3,150		
Sadelplatsen 10	Helsingborg	Helsingborg	Industry	3,260		
Abildager 8-14	Bröndby	Rest of Öresund	Industry	14,512		
<b>Total property acquisitions Oct-Dec 2006</b>				<b>52,122</b>	<b>205</b>	<b>1,6</b>
<b>Property sales Quarter 1</b>						
Dimman 11	Malmö	Malmö	Offices/retail	11,008		
Eskilstorp 14:99	Vellinge	Rest of Öresund	Industry	7,611		
Kvartsen 7	Lund	Rest of Öresund	Offices/retail	7,020		
Spelmanshejdan 5	Trelleborg	Rest of Öresund	Industry	6,743		
<b>Total property sales Jan-March 2006</b>				<b>32,382</b>	<b>190</b>	<b>0,4</b>
<b>Property sales Quarter 3</b>						
Carolus 32	Malmö	Malmö	Offices/retail	46,129		
Carolus 33	Malmö	Malmö	Offices/retail	18,969		
Rödkallen 11	Malmö	Malmö	Industry	5,252		
S:t Peter 3	Malmö	Malmö	Offices/retail	2,850		
Stillman 47	Malmö	Malmö	Industry	13,676		
Sagan 1	Helsingborg	Helsingborg	Offices/retail	1,190		
Svedala 122:71	Svedala	Rest of Öresund	Offices/retail	1,150		
Ndr Fasanvej 117	Fredriksberg	Rest of Öresund	Offices/retail	3,226		
<b>Total property sales July-Sep 2006</b>				<b>92,442</b>	<b>1,221</b>	<b>22,2</b>
<b>Property sales Quarter 4</b>						
Hammaran 8	Malmö	Malmö	Offices/retail	3,030		
Hästhagen 4	Helsingborg	Helsingborg	Industry	41,598		
Sköldenborg 18	Helsingborg	Helsingborg	Offices/retail	861		
Thalia 15	Helsingborg	Helsingborg	Offices/retail	810		
Thalia 17	Helsingborg	Helsingborg	Offices/retail	932		
<b>Total property sales Oct-Dec 2006</b>				<b>47,231</b>	<b>149</b>	<b>5,1</b>

1) Operating income from the properties acquired and sold are included in the net profit for the period.

## INCOME STATEMENTS

SEK M	2006 Oct-Dec 3 months	2005 Oct-Dec 3 months	2006 Jan-Dec 12 months	2005 Jan-Dec 12 months
Rental income	242	190	909	736
Operating expenses	-41	-31	-154	-126
Repairs and maintenance costs	-14	-13	-47	-48
Property tax	-8	-5	-33	-25
Ground rent	-2	-1	-5	-4
Property administration	-13	-11	-43	-36
<b>Net operating income</b>	<b>164</b>	<b>129</b>	<b>627</b>	<b>497</b>
Central administration and marketing	-7	-6	-28	-26
Gain/loss from sale of properties	0	2	10	9
Change in value of properties	434	118	629	318
<b>Operating profit</b>	<b>591</b>	<b>243</b>	<b>1,238</b>	<b>798</b>
Interest income	7	2	17	15
Interest costs	-57	-40	-187	-168
Change in value derivatives	-4	9	-4	4
<b>Profit after financial items</b>	<b>537</b>	<b>214</b>	<b>1,064</b>	<b>649</b>
Current tax	7	20	-3	-5
Deferred tax	-97	-78	-211	-174
Net profit for the period <sup>1)</sup>	<b>447</b>	<b>156</b>	<b>850</b>	<b>470</b>
<i>Profit on ongoing management</i>	<i>77</i>	<i>61</i>	<i>309</i>	<i>229</i>
Earnings per share <sup>2)3)</sup>	11,63	4,06	22,12	12,33
Utdelning (föreslagen utdelning 2006)	-	-	5,50	3,50
Number of shares at period end, thousands	38,428	38,428	38,428	38,428
Average number of shares, thousands	38,428	38,428	38,428	38,125

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

2) 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.

3) Translation have been made for the share split 2:1, which was carried out in May 2006.

## OPERATING PROFIT BY REGION

SEK M	Malmö Jan-Dec		Helsingborg Jan-Dec		Rest of Öresund Jan-Dec		Group total Jan-Dec	
	2006	2005	2006	2005	2006	2005	2006	2005
Rental income	511	390	265	248	133	98	909	736
Operating expenses	-160	-124	-85	-84	-37	-31	-282	-239
<b>Net operating income</b>	<b>351</b>	<b>266</b>	<b>180</b>	<b>164</b>	<b>96</b>	<b>67</b>	<b>627</b>	<b>497</b>
Central administration							-28	-26
<b>Operating profit <sup>1)</sup></b>							<b>599</b>	<b>471</b>
SEK M	2006-12-31	2005-12-31	2006-12-31	2005-12-31	2006-12-31	2005-12-31	2006-12-31	2005-12-31
Book Value of properties	6,197	4,207	2,978	2,323	1,713	1,360	10,888	7,890

1) Excluding value changes and profit/loss from property sales.

## CERTAIN INCOME STATEMENTS IN 2005, PER QUARTER

SEK M	Jan-March	April-June	July-Sep	Oct-Dec
Rental income	178	183	185	190
Operating expenses	-38	-33	-24	-31
Repairs and maintenance costs	-13	-11	-11	-13
Property tax	-7	-6	-7	-5
Ground rent	-1	-1	-1	-1
Property administration	-7	-9	-9	-11
<b>Net operating income</b>	<b>112</b>	<b>123</b>	<b>133</b>	<b>129</b>



## BALANCE SHEETS

SEK M Assets	31 Dec 2006	31 Dec 2005
Properties	10,888	7,890
Other fixed assets	130	148
Current receivables	117	46
Liquid assets	86	89
<b>Total assets</b>	<b>11,221</b>	<b>8,173</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	3,667	2,842
Deferred tax liability	734	633
Other long-term liabilities	6,486	4,428
Current liabilities	334	270
<b>Total shareholders' equity and liabilities</b>	<b>11,221</b>	<b>8,173</b>

## CHANGES IN SHAREHOLDERS' EQUITY

SEK M	31 Dec 2006	31 Dec 2005
Total shareholders' equity at the beginning of the period	2,842	2,320
<i>Shareholders' equity attributable to parent company's shareholders</i>		
Amount at the beginning of the period	2,842	2,320
Change in accounting principles	-	-13
New share issues and shareholders' contributions	-	60
Dividends paid	-134	-
Translation differences	-11	5
Net profit/loss	850	470
<b>Amount at the end of the period</b>	<b>3,547</b>	<b>2,842</b>
<i>Shareholders' equity attributable to minority shares</i>		
Amount at the beginning of the period	0	0
Minority share in the acquisition of subsidiaries	120	-
<b>Amount at the end of the period</b>	<b>120</b>	<b>0</b>
<b>Total shareholders' equity at the end of the period</b>	<b>3,667</b>	<b>2,842</b>

## CASH FLOW STATEMENTS

SEK M	2006 Jan-Dec 12 months	2005 Jan-Dec 12 months
Net operating income	628	497
Central administration	-28	-25
Paid net financial expense	-188	-145
Paid income tax	1	-2
Change in other working capital	-19	89
<b>Cash flow from operating activities</b>	<b>394</b>	<b>414</b>
Acquisition of Group companies	-2,642	-122
Sale of Group companies	1,374	158
Investments in and acquisitions of properties	-1,028	-414
Sale of properties	164	149
Change in other fixed assets	93	335
<b>Cash flow from investing activities</b>	<b>-2,039</b>	<b>106</b>
New issue and shareholders contributions	-	60
Dividends paid	-134	-
Change in long-term liabilities	1,776	-527
<b>Cash flow from financing activities</b>	<b>1,642</b>	<b>-467</b>
<b>Cash flow during the period</b>	<b>-3</b>	<b>53</b>
<b>Liquid assets, beginning of period</b>	<b>89</b>	<b>36</b>
<b>Liquid assets, end of period</b>	<b>86</b>	<b>89</b>

## KEY FIGURES

SEK M	2006 Jan-Dec 12 months	2005 Jan-Dec 12 months
<b>Financial</b>		
Return on shareholders' equity, %	26.6	18.2
Return on total capital, %	12.5	10.1
Equity/assets ratio, %	32.7	34.8
Interest-coverage ratio, multiple	6,6	5,0
Interest-coverage ratio, ongoing property management, multiple	3,3	2,9
Loan-to-value ratio, properties, %	59.2	55.6
Debt/equity ratio, multiple	1,8	1,5
<b>Share related <sup>1)</sup></b>		
Net profit for the year per share, SEK	22,12	12,33
Pre-tax profit for the year per share, SEK	27,69	17,03
Profit for the year, ongoing property management per share, SEK	8,04	6,01
Pre-tax profit for the year, ongoing prop. management per share, SEK	11,16	8,34
Shareholders' equity per share, SEK	92,30	73,96
Cash flow from operating activities before change in working capital per share, SEK	10,96	8,24
Dividend per share, SEK <sup>2)</sup>	5,50	3,50
Number of shares at year end, thousands	38,428	38,428
Average number of shares, thousands	38,428	38,125
<b>Property related</b>		
Number of properties	219	197
Book value of properties, SEK M	10,888	7,890
Yield on properties, %	6.4	6.6
Lettable area, sq.m.	1 159,852	994,693
Rental income per sq.m., SEK	851	761
Net operating income per sq.m., SEK	597	526
Economic occupancy rate, %	92	90
Surplus ratio, %	70	69
<b>Employees</b>		
Number of employees at year end	77	68
Average number of employees	78	71

1) Translation have been made for the share split 2:1, which was carried out in May 2006.

2) This refers to the board of directors proposal of dividend for 2006.



*Wihlborgs is the largest property company in Helsingborg with 83 properties containing 428,000 sq.m.*



## DEFINITIONS

### FINANCIAL

#### Return on shareholders' equity

Net profit for the period as a percentage of average shareholders' equity excluding minority share.

#### Return on total capital

Profit after financial items plus interest expense as a percentage of average total assets.

#### Equity/assets ratio

Shareholders' equity as a percentage of total assets.

#### Interest-coverage ratio

Profit after financial items after reversing interest expense, divided by interest expense.

#### Interest-coverage ratio, ongoing property management

Profit after financial items after reversing interest expense, profit property sales and value changes, divided by interest expense.

#### Loan-to-value ratio, properties

Interest-bearing liabilities as a percentage of the book value of the properties.

#### Debt/equity ratio

Interest-bearing liabilities divided by shareholders' equity.

### SHARE RELATED

#### Net profit for the period per share

Profit for the period divided by the average number of outstanding shares.

#### Pre-tax profit for the period per share

Profit after financial items for the period divided by the average number of outstanding shares.

#### Profit for the period, ongoing property management, per share

Profit after financial items for the period, after reversing profit property sales and value changes, charged with 28 percent tax, divided by the average number of outstanding shares.

#### Pre-tax profit for the period, ongoing property management, per share

Profit after financial items for the period, after reversing profit property sales and value changes, divided by the average number of outstanding shares.

#### Cash flow from operating activities before change in working capital, per share

Cash flow from operating activities after deduction for current tax before change in working capital in relation to the average number of outstanding shares.

#### Shareholders' equity per share

Parent company shareholders' proportion of equity at the end of the year in relation to the number of shares at the end of the year.

### PROPERTY RELATED

#### Number of properties

Total number of properties owned by Wihlborgs at year-end.

#### Book value of properties

Book value of the Groups property portfolio at year-end.

#### Yield on properties

Net operating income as a percentage of book value of the properties at year-end.

#### Lettable area

Total area available for letting.

#### Rental income per sq.m.

Rental income on an annual basis divided by lettable area.

#### Net operating income per sq.m.

Net operating income on an annual basis divided by lettable area.

#### Economic occupancy rate

Rental income as a percentage of gross rental income/rental value.

#### Surplus ratio

Net operating income as a percentage of rental income.

*Wihlborgs is building a new office for Teleca opposite the Marina at Dockan in Malmö. The building will comprise 8,000 m<sup>2</sup> and Teleca will be moving in during the summer 2007.*





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**Helsingborg**  
**Wihlborgs Fastigheter AB**  
Garnisonsgatan 25 A  
SE-254 66 Helsingborg  
Sweden  
Telephone: +46 (0)42-490 46 00

**Köpenhamn**  
**Wihlborgs A/S**  
Hørkær 20  
DK-2730 Herlev  
Denmark  
Telephone: +45 39 61 61 57

**Head Office**  
**Wihlborgs Fastigheter AB (publ)**  
Corp. reg. no.: 556367-0230  
P.O. Box 97, SE-201 20 Malmö  
Visitors: S:t Johannesgatan 2  
Telephone: +46 (0)40-690 57 00  
Fax: +46 (0)40-690 57 01  
E-mail: [info@wihlborgs.se](mailto:info@wihlborgs.se)  
[www.wihlborgs.se](http://www.wihlborgs.se)