

## Wihlborgs Fastigheter AB



# Year-end report

January – December 2007

- The profit of the year amounted to SEK 1,114 million (850) this corresponds to a profit per share of SEK 29.08 (22.12)
- Lease income for 2007 amounted to SEK 1,035 million (909)
- The Board proposes a dividend of SEK 6.25 (5.50) per share
- The leasing level during the year increased by 1 per cent to 93 per cent (92)
- Equity/assets ratio amounted to 32.6 procent (32.7)

	2007 Jan-Dec 12 months	2006 Jan-Dec 12 months	Changes per cent
Rental income, SEKm	1,035	909	+ 14 %
Pre-tax profit, SEKm	1,502	1,064	+ 41 %
Profit, SEKm	1,114	850	+ 31 %



## Comments from the CEO

2007 was a good year for Wihlborgs. The last years' growth has meant that the labour market has increased significantly. In the coming years it is expected that employment will stabilise at a high level and we therefore expect there will continue to be a good demand for commercial premises. The office market has shown strong growth in Malmö, Lund and Helsingborg. This has meant that leasing has increased and vacancies have decreased. Wihlborgs' role as a major player in the property market in the expansive Öresund region continues. Malmö's office market is growing out towards the harbour and the Dockan area where Wihlborgs has a strong market position.

During the year we signed new contracts for an annual lease figure of SEK 111 million (80). Companies giving notice amounted to an annual lease level of SEK 56 million (60). The level of leasing has increased from 92 to 93 per cent. The degree of surplus, i.e. our operating surplus in relation to lease income remains at a high level.

During 2007, property acquisitions amounted to SEK 1.2 billion which means a continued high transaction volume on the acquisition side. Sales amounted to SEK 0.4 billion. The concentration on our chosen market areas continued during the year. In both Lund and Copenhagen, Wihlborgs has grown by SEK 0.4 billion.

The profit after tax amounted to SEK 1,114 million and solidity remained basically unchanged at 32.6 per cent despite a high business volume. The value of properties increased from SEK 10.9 billion to 13.4 billion, an increase of more than 23 per cent.

An evaluation of the properties showed that the value increased by SEK 1,043 million. This increase is not dependent on reduced yield demand but on assessments of the lease level, growth in properties leased and improved vacancy figures made on the value date.

Derivative agreements have been signed to eliminate the risks with our policy of tying the lease cost over the short term which, to a certain degree reduced the company's costs during rising short-term interest rates. Interest costs in 2007 decreased by SEK 19 million. The effect can also be read in the company's average interest rate in 2007 which amounted to 3.64 per cent. The average interest rate at the end of the year amounted to 4.25 per cent.

Wihlborgs tax burden is low and the current tax amounts to SEK 11 million. Wihlborgs has continued to redistribute the taxable depreciation base for property investments from buildings to building inventories. This has meant a postponement of the relevant tax. In 2007, Wihlborgs property sales took place in company form which has resulted in the tax burden becoming low.

At Dockan in Malmö we commenced the building of Mercedes' new Nordic head office in the spring of 2007. During 2007 planning has commenced on a new project of 7,000 m<sup>2</sup> at Skrovet 5, with Telia as its neighbour. These two projects account for an investment cost of just under SEK 400 million. As a consequence our property stock at Dockan amounts to 111,000 m<sup>2</sup>.

## Comments of the market

### The Öresund region

Where the Öresund region is concerned, we can say that the business cycle in Skåne currently remains strong. Sjöland on the other hand, which generally lies 12-24 months before Sweden in the business cycle, has begun to sense slowing-down trends. The Øresund Institute's forecast shows that even if Skåne is experiencing a reduced increase in growth, the gross regional product will lie at 2.7 per cent during 2008. This is higher than both Sweden as a whole (2.4%) and Denmark/Sjöland (1.6%).

The differences in business cycles between Sjöland and Skåne will also mean that a number of Danish companies will enjoy increased interest and an increased capacity to work the market in the south of Sweden. As a consequence, Skåne will probably experience a milder slowdown in its business cycle compared with Sweden as a whole. Other factors that indicate this are that Skåne has a broad business and commerce structure, an increasing population and an increase in employment.

Unemployment in Skåne in 2007 was 2.6 per cent compared with 4.6 per cent for Sweden as a whole. AMS forecasts that unemployment in 2008 will fall to 2.3 percent in Skåne and 4.3 percent in Sweden as a whole. Furthermore there is the expectation that a further 9,200 people in Skåne will gain employment during 2008.

Interest in Malmö is considerable. There is extensive construction activity in the city and the business and commerce office in Malmö states that current investment will amount to SEK 40 billion in the next few years.

On the whole, activities in the region will affect the demand for and interest in commercial premises in the region even though the peak of the business cycle has been reached. The leasing market in Malmö has shown a continued increase in demand for modern offices and efficient areas with regard to industrial and warehouse premises.

The leasing costs of modern office premises in Central Malmö lie between SEK 1,800 and 2,100 per m<sup>2</sup>. For offices outside A locations, the level is between SEK 800-1,200 per m<sup>2</sup>. Leasing costs of industrial and warehouse premises lie between SEK 400-900 m<sup>2</sup> depending on location and type of activity.

### Income, expenses and result

Comparison figures for income statement items relate to values for the same period 2007 and balance sheet items as at 31 December 2007.

#### Lease income

Lease income amounts to SEK 1,035m (909). The increase in lease costs is the consequence of index linking, renegotiation, new lease and lease income from net additions of properties acquired in 2006. By comparison with 2006 the growth in lease income amounted to 14 per cent. The level of leasing is 93 per cent, an improvement by 1 per cent.

During the period new lease agreements totaled SEK 111m. Terminations were SEK 56m.

#### Property costs

The total property costs were SEK 312m (282).

#### Net operating income

The net operating income amounts to SEK 723m (627), which is a surplus ratio of 70 per cent (69).

#### Central administration

Costs for central administration was SEK 30m (28).

#### Property sales and changes in value

Five properties were disposed of during the period for a total price of SEK 383m, this is SEK 144m above the total invested capital. The sale of the property Generalens Hage 49 did not take place during 2007. The sale is expected to take place this year.

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.

The evaluation has meant that the property value has increased by SEK 1,043 million (639). Direct yield requirements remain mostly unchanged for all properties during the period. Value growth has been created through planning development, renegotiation and new negotiation of lease contracts and anticipated lease increases in the years to come. For example, the lease value per m<sup>2</sup> for offices in Malmö has increased by 13 per cent from SEK 1,307 to SEK 1,478 per m<sup>2</sup>.

#### Net financial items

The period's net financial items amounted to SEK -249m (-170), of which lease income amounted to SEK 7m (17). Interest costs for the period, SEK -256m (-187), correspond to a borrowing rate of interest of SEK 3.64 per cent. The average interest rate at the end of the year amounted to 4.25 per cent including effects of utilised derivative instrument, excluded to 4.58 per cent.

#### Profit from ongoing property management

Pre tax profit from ongoing property management, i.e. pre-tax profit excluding changes in value amounted to SEK 444m (429). Charged with 28 per cent tax the result amounted to SEK 320m (309).

#### Profit before tax

Pre-tax profit amounted to SEK 1,502m (1,064).

#### Taxes

Wihlborgs makes a maximum annual depreciation for tax purposes of 2-5 per cent of the buildings' acquisition values depending on the type of building. This means that the group's actual tax cost is reduced by a tax credit received. Through a redistribution of the tax-related depreciation basis, property investments from buildings to building inventories for tax purposes, the current tax has been deferred. In addition to depreciation for tax purposes, the company has used the option to make direct deductions for certain



investments in properties. This together with use of loss carry-forward has meant that the actual tax cost has been reduced to SEK 11 million. Unused loss carried-forward total SEK 410m, of which SEK 335m is blocked to 2012.

As at 31 December 2007, the net value of properties amounted to SEK 13,397 million. The net value exceeds the value of properties in the group for tax purposes. There was a deferred tax liability for properties on 31 December 2007 amounting to SEK 1,093 million.

#### Profit after tax

Profit after taxes amounted to SEK 1,114m (850).

SEKm	2007 Jan-Dec 12 months	2006 Jan-Dec 12 months
Profit for the period before taxes, ongoing prop.man.	444	429
Profit for the period, ongoing property man.	320	309
Profit for the period before taxes	1,502	1,064
Profit for the period	1,114	850

#### Per share, SEK

Profit for the period before taxes, ongoing prop. man.	11.59	11.16
Profit for the period, ongoing property man.	8.35	8.04
Profit for the period before taxes	39.21	27.69
Profit for the period	29.08	22.12
Shareholders' equity	116.29	92.30



#### Property portfolio

Wihlborgs property portfolio consists of commercial properties' in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. As of 31 Dec. 2007 the property portfolio consisted of 245 properties with a lettable area of 1,241,000 sq.m. 15 of the properties have a site leasehold right.

The properties' book value was SEK 13,397m, equivalent to the properties' assessed market value. The total rental value was SEK 1,224m and the contracted rental income on an annual basis was 1,135m. The economic occupancy rate was 93 per cent.

The properties in Malmö and Helsingborg represented 82 per cent of the total rental value and 80 per cent of the properties' book value. The rental value for office and retail properties and industrial/warehouse properties totaled 71 and 28 per cent of the total rental value respectively.

#### Property acquisition

A total of 25 prop. at a value of SEK 1,221 million have been acquired. The acquisition intensity increased in the fourth quarter and the acquisition sum amounted to SEK 921 million. During the first quarter of 2008, Wihlborgs took possession of Värjan 9 in Helsingborg.

#### Changes in the properties' book value

Changed item	Group total, SEKm
Book value 1 January 2007	10,888
Acquisitions	1,221
Investments	577
Properties sold	-383
Value regulation	1,043
Foreign currency translations	51
Book value 31 December 2007	13,397

#### Investments and projects in progress

Investments in the stock of properties have amounted to SEK 577 million. Investments agreed on in projects in progress amount to SEK 383 million of which SEK 191 million was invested by the end of the year. The major projects in progress are Brygghuset for Mercedes at Dockan in Malmö and the rebuilding of the property Polisen 1 in Helsingborg.

Three projects were completed during the year – the construction of Dockplatsen and the rebuilding of Kunskapsskolan in Malmö plus the rebuilding of Runnistaren for Citygross in Helsingborg. The total investments in these projects amounted to SEK 317 million.

#### Financial positions

##### Shareholders equity

As of 31 December shareholders' equity amounted to SEK 4,473m (3,667) and the equity/assets ratio was 32.6 per cent (32.7). 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

The group's interest-bearing liabilities as at 31 December amounted to SEK 7,785 million (6,448) with an average interest rate, including credit promise commission, of 3.25 per cent. The loans' average fixed interest period including the effects of derivatives on 31 December 2007 amounted to 16 months (17). The average period during which the capital is tied up, including credit promise, amounted to 3.5 years (4.4).

Wihlborgs holds two derivative instruments. A 10-year threshold swap of SEK 1 billion that started in December 2007 and includes an interest threshold of 4.75 per cent where Wihlborgs pays 3.48 per cent against receiving 3 months' Stibor as long as the short-term interest, 3 months Stibor, does not exceed 4.75 per cent. In August Wihlborgs also signed a closable swap of SEK 1 billion where Wihlborgs has paid a coupon interest rate which, during 2007, amounted on average to 3.26 per cent and have received interest corresponding to 3 month Stibor. Two closable swaps were also closed by the bank during the year. The total effect of the swaps has meant that Wihlborgs' interest costs have been reduced by SEK 19 million.

### Liquid assets

The groups' liquid assets amounted to SEK 226m (179) incl. unutilised overdraft facilities.

#### Structure of interest and loan maturities as of 31 December 2007

SEKm	Interest maturity		Loan maturity	
	Loan amount, SEKm	Av. interest rate, %	Cred. agreements, SEKm	Utilised, SEKm
Matures, year				
2008	6,440	4.27	368	368
2009	25	4.04	1,121	1,121
2010	35	3.01	635	628
2011			4,525	4,525
2012	1,000	3.98	628	627
>2012	296	4.83	527	527
<b>Total</b>	<b>7,796</b>	<b>4.25</b>	<b>7,804</b>	<b>7,796</b>
Derivatives	-11			
<b>Total including derivatives</b>	<b>7,785</b>			

### Employees

At the end of the period the number of employees was 84 (77), of whom 29 was wage-earners. The distribution of employees by region was as follows: Malmö 53, Helsingborg 20, Lund 5 and Copenhagen 6. Average age 49 years, proportion of women 31 per cent.

### The parent company

The parent company has no properties, it handles questions about the stock market and group functions for administration, management and borrowing transactions. The parent company has invested SEK 1,390m (1,765) in mostly subsidiary shares. Income and balance statements for the parent company can be found on page 11 in this interim report.

### Significant risks and and uncertainty factors

Wihlborgs' activities, financial position and profit are affected by a number of risk factors. The risks that represent a decisive impact on the company's profit growth are variations in lease income, changes in rates of interest, growth in costs, property valuation and taxes.

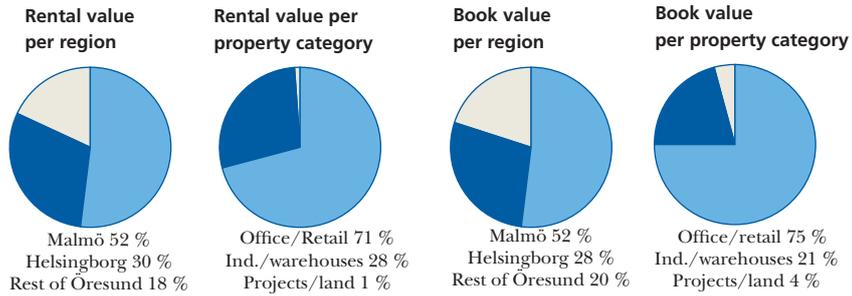
During the period, market interest rates rose since these are a function of high economic growth with increased inflation. The economic growth also affects the lease level and lease income. An elevated rate of interest, which can have a negative effect on property prices, can result in expectations of a growth in leases as a consequence of improved growth potential and rising inflation. Expectations of an increase in lease growth can therefore wholly or partly neutralise the effects of a rising interest rate.

### Property portfolio as of 31 December 2007

The summaries are based on Wihlborgs' property portfolio as of 31 Dec 2007.

Rental income pertains to contracted rental income on an annual basis as of 31 Dec 2007. The net operating income is based on the properties' earnings capacity on an annual basis as of 31 Dec 2007, based on contracted rental income and actual costs on a rolling 12-months basis.





**Distribution of lettable area and type of premises**

Region	Office	Retail	Ind./warehouses	Hotel	Residential	Other	Total	Proportion
	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	%
Malmö	288,650	37,278	231,117	2,947	6,023	4,874	570,889	46.0
Helsingborg	153,141	42,310	226,830	20,799	5,322	8,078	456,480	36.8
Rest of Öresund region	133,289	4,529	76,007			253	214,077	17.2
<b>Total</b>	<b>575,079</b>	<b>84,117</b>	<b>533,954</b>	<b>23,746</b>	<b>11,345</b>	<b>13,205</b>	<b>1,241 445</b>	<b>100.0</b>
Proportion, %	46.3	6.8	43.0	1.9	0.9	1.1		100.0

**Distribution by region and property category**

Region/property category	No. of properties	Lettable area	Book value/ market value		Rental value		Economic occupancy	Rental income	Net op. income	Yield	Surplus ratio
		sq.m.	SEKm	SEK/sq.m.	SEKm	SEK/sq.m.	%	SEKm	SEKm	%	%
<b>Malmö</b>											
Office/retail	44	325,927	5,543	17,006	482	1,478	94	452	327	5.9	72
Industrial/warehouses	50	219,627	1,125	5,124	143	651	90	128	84	7.4	65
Projects and land	28	25,335	321	12,687	9	363	52	5	0	0.1	4
<b>Total Malmö</b>	<b>122</b>	<b>570,889</b>	<b>6,990</b>	<b>12,243</b>	<b>634</b>	<b>1,110</b>	<b>92</b>	<b>585</b>	<b>411</b>	<b>5.9</b>	<b>70</b>
<b>Helsingborg</b>											
Office/retail <sup>2</sup>	36	164,361	2,176	13,240	195	1,185	96	187	134	6.1	71
Industrial/warehouses	47	282,015	1,445	5,123	178	630	94	167	117	8.1	70
Projects and land	4	10,104	66	6,542	1	119	100	1	0	0.0	-2
<b>Total Helsingb.</b>	<b>87</b>	<b>456,480</b>	<b>3,687</b>	<b>8,077</b>	<b>374</b>	<b>818</b>	<b>95</b>	<b>355</b>	<b>250</b>	<b>6.8</b>	<b>71</b>
<b>Rest of Öresund region</b>											
Office/retail	16	153,660	2,323	15,118	188	1,226	89	167	126	5.4	75
Industrial/warehouses	11	58,683	277	4,715	26	442	98	25	19	6.8	74
Projects and land	9	1,734	121	69,555	2	1,314	98	2	2	1.3	71
<b>Total rest of Öresund region<sup>1</sup></b>	<b>36</b>	<b>214,077</b>	<b>2,720</b>	<b>12,707</b>	<b>217</b>	<b>1,012</b>	<b>90</b>	<b>195</b>	<b>146</b>	<b>5.4</b>	<b>75</b>
<b>Total Wihlborgs</b>	<b>245</b>	<b>1,241,445</b>	<b>13,397</b>	<b>10,791</b>	<b>1,224</b>	<b>986</b>	<b>93</b>	<b>1,135</b>	<b>807</b>	<b>6.0</b>	<b>71</b>

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

2. Two hotel properties located in Helsingborg, with lettable area of 21,262 sq.m. are reported in office/retail.

**Lease expiration 31 December 2007**

Contracted rental income as per 31 Dec 2007

Expires in year	No. of leases	Lettable area, sq.m.	SEKm	Proportion, %
<b>Leases for renting premises</b>				
2008	493	179,759	150	14
2009	483	246,554	222	20
2010	404	231,542	244	22
2011	218	199,432	184	17
2012	68	72,657	78	7
2013	13	29,585	28	3
>2013	47	124,261	194	18
<b>Total commercial leases</b>	<b>1,726</b>	<b>1,083,790</b>	<b>1,100</b>	<b>100</b>
Residential areas	162	11,345	10	
Parking spaces etc.	420		25	
<b>Total</b>	<b>2,308</b>	<b>1,095,135</b>	<b>1,135</b>	

## Accounting principles

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

## Proposed dividend and buy-back of own shares

The board will submit proposals to the annual general meeting for decision on following:

- A dividend of SEK 6.25 (5.50) per share which corresponds to SEK 234 million. The proposal means an increase of 13.6 per cent by comparison with the previous year. The proposal also follows Wihlborgs' dividend policy that the dividend shall comprise 50 per cent from the continuous management and 50 per cent of the realised profit from property sales that are subject to 28 per cent standard tax.
- To give the board the authority up to the next annual general meeting to acquire and assign Wihlborgs' shares corresponding to a maximum of 10 per cent of the remaining shares.
- To give the board the authority up to the next annual general meeting to decide on a new issue corresponding to a maximum of 10 per cent of the remaining shares.

## Largest shareholders in Wihlborgs per 31 December 2007

The largest shareholders in Wihlborgs are Maths O Sundqvist with company and Brinova Fastigheter AB which owns 11.0 and 10.3 per cent of the shares respectively. As of 31 December 2007, the ten largest Swedish shareholders owned 41.8 per cent and the number of shareholders totalled 27,505, a decrease of 2,000 shareholders compared with last year-end. The percentage of shareholders based abroad has decreased by 5.0 per cent to 25.3 per cent.

Shareholders of 31 Dec 2007	Number of shares, thousands	Percentage of shares and capital
Maths O Sundqvist	4,110	10.7
Brinova Fastigheter AB	3,867	10.1
Investment AB Öresund	2,110	5.2
Länsförsäkringar Fund	1,327	4.2
Robur Funds	1,026	3.5
Handelsbanken Fund	1,017	2.7
SEB funds	698	1.6
Mats Qviberg including family	661	1.4
Förvaltnings AB Färgax	450	1.2
Skandia	395	1.1
Other shareholders reg. in Sweden	12,334	33.7
Shareholders reg. abroad	9,436	24.6
<b>Total outstanding shares</b>	<b>37,431</b>	<b>100.0</b>
Buy-back of own shares	997	
<b>Total reg. shares</b>	<b>38,428</b>	

## Events after the reporting period

Wihlborgs has signed an agreement with ÅF on a lease of 4,000 m<sup>2</sup> in a new project at Dockan in Malmö. This lease means that Wihlborgs is investing SEK 220 million in the property.

In January 2008, Wihlborgs sold its remaining property in Hamburg on Lippeltstrasse. In Lund, the property Måsen 16 has been sold to JM. The total selling price amounts to SEK 123 million.

## Forthcoming reports

- Annual report 2007 April 2008
- Interim report January-March 23 April 2008
- Annual General Meeting in Malmö 23 April 2008
- Interim report January-June 8 July 2008
- Interim report January-September 30 October 2008

Malmö, 8 February 2008

**Wihlborgs Fastigheter AB (publ)**

The Board of Directors

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

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## Income statements

SEKm	2007 Oct-Dec 3 months	2006 Oct-Dec 3 months	2007 Jan-Dec 12 months	2006 Jan-Dec 12 months
Rental income	270	242	1,035	909
Operating expenses	-42	-41	-163	-154
Repairs and maintenance costs	-15	-14	-47	-47
Property tax	-11	-8	-48	-33
Ground rent	-1	-2	-4	-5
Property administration	-15	-13	-50	-43
<b>Net operating income</b>	<b>186</b>	<b>164</b>	<b>723</b>	<b>627</b>
Central administration and marketing	-7	-7	-30	-28
Change in value of properties	713	434	1,043	639
<b>Operating profit</b>	<b>892</b>	<b>591</b>	<b>1,736</b>	<b>1,238</b>
Interest income	4	7	7	17
Interest costs	-75	-57	-256	-187
Change in value derivatives	0	-4	15	-4
<b>Profit after financial items</b>	<b>821</b>	<b>537</b>	<b>1,502</b>	<b>1,064</b>
Current tax	-1	7	-11	-3
Deferred tax	-210	-97	-377	-211
<b>Net profit for the period<sup>1</sup></b>	<b>610</b>	<b>447</b>	<b>1,114</b>	<b>850</b>
Profit on ongoing management	78	77	320	309
Earnings per share <sup>2,3</sup>	16,08	11,63	29,08	22,12
No. of shares at period end, thousands	37,431	38,428	37,431	38,428
Average no. of shares, thousands	<b>37,930</b>	<b>38,428</b>	<b>38,304</b>	<b>38,428</b>

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 outstandings 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 January-December

SEKm	Malmö		Helsingborg		Rest Öresund		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Rental income	570	511	324	265	141	133	1,035	909
Property expenses	-172	-160	-97	-85	-43	-37	-312	-282
Net operat. income	398	351	227	180	98	96	723	627
Central administr.							-30	-28
<b>Operating profit<sup>1</sup></b>							<b>693</b>	<b>599</b>
SEKm	07-12-31	06-12-31	07-12-31	06-12-31	07-12-31	06-12-31	07-12-31	06-12-31
Book value of pro- porties	6,990	6,197	3,687	2,978	2,720	1,713	13,397	10,888

1. Excluding value changes from properties.

## Certain income statements in 2006 per quarter

SEKm	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Rental income	190	224	253	242
Operating expenses	-41	-35	-37	-41
Repairs and maintenance costs	-9	-9	-15	-14
Property tax	-7	-9	-9	-8
Ground rent	-1	-1	-1	-2
Property administration	-8	-10	-12	-13
<b>Net operating income</b>	<b>124</b>	<b>160</b>	<b>179</b>	<b>164</b>

## Balance sheets

SEKm	31 Dec 2007	31 Dec 2006
<b>Assets</b>		
Properties	13,397	10,888
Other fixed assets	104	130
Current receivables	63	117
Liquid assets	147	86
<b>Total assets</b>	<b>13,711</b>	<b>11,221</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	4,473	3,667
Deferred tax liability	1,093	734
Other long-term liabilities	7,818	6,486
Current liabilities	327	334
<b>Total shareholders' equity and liabilities</b>	<b>13,711</b>	<b>11,221</b>

## Changes in shareholders' equity

SEKm	31 Dec 2007	31 Dec 2006
<b>Total shareholders' equity at the beginning of period</b>	<b>3,667</b>	<b>2,842</b>
<i>Shareholders' equity attributable to parent company's shareholders</i>		
Amount at the beginning of the period	3,547	2,842
Dividends paid	-211	-134
Buy-back of own shares	-110	-
Translation differences	13	-11
Net profit/loss	1,114	850
<b>Amount at the end of the period</b>	<b>4,353</b>	<b>3,547</b>
<i>Shareholders' equity attributable to minority shares</i>		
Amount at the beginning of the period	120	0
Minority share in the acquisition of subsidiary	-	120
<b>Amount at the end of the period</b>	<b>120</b>	<b>120</b>
<b>Total shareholders' equity, end of period</b>	<b>4,473</b>	<b>3,667</b>

## Cash flow statements

SEKm	2007 Jan-Dec 12 months	2006 Jan-Dec 12 months
<i>Current activities</i>		
Net operating income	1,736	1,238
Adjustments for items not included in cash flow	-1,041	-638
Paid net financial expense	-246	-188
Paid income tax	-15	1
Change in other working capital	44	-19
<b>Cash flow from operating activities</b>	<b>478</b>	<b>394</b>
<i>Investments activities</i>		
Acquisition of Group companies	-628	-2,642
Sale of Group companies	345	1,374
Investments in and acquisitions of properties	-957	-1,028
Sale of properties	48	164
Change in other fixed assets	-3	93
<b>Cash flow from investing activities</b>	<b>-1,195</b>	<b>-2,039</b>
<i>Financial activities</i>		
Dividends paid	-211	-134
Buy-back of own shares	-110	-
Change in long-term liabilities	1,099	1,776
<b>Cash flow from investing activities</b>	<b>778</b>	<b>1,642</b>
<b>Cash flow during the period</b>	<b>61</b>	<b>-3</b>
<b>Liquid assets, beginning of the period</b>	<b>86</b>	<b>89</b>
<b>Liquid assets, end of period</b>	<b>147</b>	<b>86</b>





## Key figures

SEKm	2007 Jan-Dec 12 months	2006 Jan-Dec 12 months
<b>Financial</b>		
Return on shareholders' equity, %	27.6	26.6
Return on total capital, %	14.0	12.5
Equity/assets ratio, %	32.6	32.7
Interest-coverage ratio, multiple	7.2	6.6
Interest-coverage ratio ongoing prop. management multiple	2.7	3.3
Loan-to-value ratio properties, %	58.1	59.2
Debt/equity ratio, multiple	1.7	1.8
<b>Share related<sup>1</sup></b>		
Net profit for the period per share, SEK	29,08	22,12
Pre-tax profit for the period per share, SEK	39,21	27,69
Profit for the period, ongoing prop. management per share, SEK	8,35	8,04
Pre-tax profit for the period, ongoing prop. management per share, SEK	11,59	11,16
Shareholders' equity per share, SEK	116,29	92,30
Cash flow from operating activities before change in working capital per share, SEK	11,36	10,93
Proposed dividend per share, SEK	6,25	5,50
No. of shares at period end, thousands	37,431	38,428
Average number of shares, thousands	38,304	38,428
<b>Property related</b>		
Number of properties	245	219
Book value of properties, SEKm	13,397	10,888
Yield on properties, %	6.0	6.4
Lettable area, sq.m.	1,241,445	1,159,852
Rental income per sq.m., SEK	914	851
Net operating income per sq.m., SEK	650	597
Economic occupancy rate, %	93	92
Surplus ratio, %	71	70
<b>Employees</b>		
Number of employees at period end	84	77
Average number of employees	81	78

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

## DEFINITIONS

### FINANCIAL

<i>Return on shareholders' equity</i>	Net profit for the period as a percentage of average shareholders' equity excluding minority shares.
<i>Return on total capital</i>	Profit after financial items plus interest expense as a percentage of average total assets.
<i>Equity/assets ratio</i>	Shareholders' equity as a percentage of total assets.
<i>Interest-coverage ratio</i>	Profit after financial items after reversing interest expense, divided by interest expense.
<i>Interest-coverage ratio, ongoing property management</i>	Profit after financial items after reversing interest expense and value changes properties and derivatives, divided by interest expense.
<i>Loan-to-value ratio, properties</i>	Interest-bearing liabilities as a percentage of the book value of the properties.
<i>Debt/equity ratio</i>	Interest-bearing liabilities divided by shareholders' equity.

### SHARE RELATED

<i>Net profit for the period, per share</i>	Profit for the period divided by the average number of outstanding shares.
<i>Pre-tax profit for the period, per share</i>	Profit after financial items for the period divided by the average number of outstanding shares.
<i>Profit for the period ongoing property management, per share</i>	Profit after financial items for the period, after reversing value changes properties and derivatives, charged with 28 percent tax, divided by average number of outstanding shares.
<i>Pre-tax profit for the period, ongoing property management, per share</i>	Profit after financial items for the period, after reversing value changes properties and derivatives, divided by the average number of outstanding shares.
<i>Cash flow from operating activities before change in working capital, per share</i>	Cash flow from operating activities after deduction for current tax before change in working capital in relation to the average number of outstanding shares.
<i>Shareholders' equity per share</i>	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

<i>Number of properties</i>	Total number of properties owned by Wihlborgs at year-end.
<i>Book value of properties</i>	Book value of the Groups property portfolio at year-end.
<i>Yield on properties</i>	Net operating income as a percentage of book value of the properties at year-end.
<i>Lettable area</i>	Total area available for letting.
<i>Rental income per sq.m.</i>	Rental income on an annual basis divided by lettable area.
<i>Net operating income per sq.m.</i>	Net operating income on an annual basis divided by lettable area.
<i>Economic occupancy rate</i>	Rental income as a percentage of gross rental income/rental value.
<i>Surplus ratio</i>	Net operating income as a percentage of rental income.

## List of property acquisitions and sales January–December 2007

Property	Municipality	Area	Category	Area, sq.m.	Price, SEKm	Oper. income Jan-Dec, SEKm <sup>1</sup>
<b>Property acquisitions Quarter 1</b>						
Flygvärdinnan 5	Malmö	Malmö	Ind./wareh.	3,300		
<b>Property acquisitions Jan-March</b>				<b>3,300</b>	<b>27</b>	<b>1,1</b>
<b>Property acquisitions Quarter 2</b>						
Ringspännat 3	Malmö	Malmö	Ind./wareh.	3,600		
Skevrodret 2	Malmö	Malmö	Ind./wareh.	1,800		
Stenyxan 20	Malmö	Malmö	Office/retail	1,600		
<b>Property acquisitions April-June</b>				<b>7,000</b>	<b>42</b>	<b>1,2</b>
<b>Property acquisitions Quarter 3</b>						
Flundran 1	Malmö	Malmö	Office/retail	2,500		
Hundlokan 10	Malmö	Malmö	Ind./wareh.	6,000		
Persien 1	Helsingb	Helsingb	Ind./wareh.	3,500		
Ellekær 9	Herlev	Rest Öres	Office/retail	7,100		
Diabasen 1	Lund	Rest Öres	Ind./wareh.	3,400		
Flintan 3	Lund	Rest Öres	Ind./wareh.	6,000		
<b>Property acquisitions July-Sep</b>				<b>28,500</b>	<b>231</b>	<b>1,4</b>
<b>Property acquisitions Quarter 4</b>						
Neptun 6	Malmö	Malmö	Office/retail	5,100		
Kolonnen 20	Malmö	Malmö	Ind./wareh.	1,600		
Polisen 2	Helsingb	Helsingb	Office/retail	1,200		
Hästhagen 7	Helsingb	Helsingb	Office/retail	11,200		
Brottaren 15	Helsingb	Helsingb	Ind./wareh.	4,300		
Hillebarden 1	Helsingb	Helsingb	Ind./wareh.	3,800		
Vasekaer 9	Herlev	Rest Öres	Ind./wareh.	3,700		
Marielundsvej 36	Herlev	Rest Öres	Ind./wareh.	3,400		
Macken 12-14	Hässle	Rest Öres	Ind./wareh.	5,600		
Mjölet 9	Kristianst	Rest Öres	Ind./wareh.	1,100		
Frederikskaj 4	Copenh	Rest Öres	Office/retail	9,900		
Studentkåren 5	Lund	Rest Öres	Office/retail	8,200		
Studentkåren 6	Lund	Rest Öres	Office/retail	6,600		
Ögonmättet 3	Tingsryd	Rest Öres	Ind./wareh.	1,100		
Bulten 1	Älmhult	Rest Öres	Ind./wareh.	2,300		
<b>Property acquisitions Oct-Dec</b>				<b>69,100</b>	<b>921</b>	<b>6,2</b>
<b>Property sales Quarter 1</b>						
Nils 21	Malmö	Malmö	Office/retail	24,300		
<b>Property sales Jan-March 2007</b>				<b>24,300</b>	<b>190</b>	<b>0,2</b>
<b>Property sales Quarter 2</b>						
Burlöv 3:2	Burlöv	Malmö	Ind./wareh.	700		
<b>Property sales April-June 2007</b>				<b>700</b>	<b>3</b>	<b>0,1</b>
<b>Property sales Quarter 4</b>						
Carnot 11	Helsingb	Helsingb	Office/retail	1,000		
Marielundsvej 36	Herlev	Rest Öres	Ind./wareh.	3,400		
Priorn 2	Malmö	Malmö	Office/retail	10,000		
<b>Property sales Oct.-Dec. 2007</b>				<b>14,400</b>	<b>190</b>	<b>7,2</b>

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

## Income and balance sheets Parent Company

Income statements SEK millions	2007 Jan-Dec 12 months	2006 Jan-Dec 12 months
Income	79	70
Costs	-95	-84
<b>Operating profit</b>	<b>-16</b>	<b>-14</b>
Financial income	849	702
Financial costs	-311	-183
<b>Income pre-tax</b>	<b>522</b>	<b>505</b>
Current tax	2	-5
<b>Net income</b>	<b>524</b>	<b>500</b>

Balance sheets SEK millions	31 Dec 2007	31 Dec 2006
Participations in group companies	2,998	1,690
Receivables from group companies	7,360	8,614
Other assets	349	1,386
Cash and bank balances	124	67
<b>Total assets</b>	<b>10,831</b>	<b>11,757</b>
Shareholders' equity	1,908	1,701
Liabilities to credit institutions	6,457	5,536
Liabilities to group companies	2,436	4,493
Other liabilities	30	27
<b>Total shareholders' equity and liabilities</b>	<b>10,831</b>	<b>11,757</b>



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