

**Wihlborgs Fastigheter AB**

# Year-end report

January – December 2008

- Rental income increased by 13 per cent to SEK 1,168 million (1,035)
- Net operating income increased by 15 per cent to SEK 832 million (723)
- Profit from ongoing property management before tax increased to SEK 450 million (444)
- Changes in value of properties and derivatives amounted to SEK -637 million (1,058)
- The result of the year was SEK -49 million (1,114) and earnings per share were SEK -1.32 (29.08)
- New lease agreements amounts to SEK 138 million (111), of which SEK 43 million (14) were signed during the fourth quarter
- The Board proposes a dividend of SEK 6.50 (6.25) per share

	2008 Jan-Dec 12 months	2007 Jan-Dec 12 months	Changes in per cent
Rental income, SEKm	1,168	1,035	+ 13 %
Net operating income, SEKm	832	723	+15 %
Profit before tax from ongoing property management, SEKm	450	444	+ 1 %



## The CEO's letter

2008 was again a good year for Wihlborgs.

Lease activities were very strong throughout 2008 and we have yet to notice any weakening in the demand for offices. A certain decrease in demand can be noted for warehouses and industrial premises. During the year we signed new contracts for an annual lease figure of SEK 138 million (111). During the fourth quarter alone, the level reached SEK 43 million (14). Cancellations amounted to SEK 87 million (56) for the year as a whole of which the figure for the fourth quarter was SEK 30 million (22). The economic occupancy remained at 93 per cent. The degree of surplus, i.e. our operating surplus in relation to lease income, continues to remain at a very high level.

Through continued low vacancy levels, indexing, renegotiation and project development we have been successful in increasing our lease income by 13 per cent to SEK 1,168 million and increasing our operating surplus by 15 per cent to SEK 832 million. On the whole, we have achieved a result for current management of SEK 450 million by comparison with SEK 444 million for 2007.

Our result after tax shows a deficit of SEK 49 million (1,114) as a consequence of value changes in our stock of properties and derivatives portfolio.

In order to secure our cash flow 2009 we enlarged our loan facilities with SEK 500 million during the first quarter.

Our entire stock of properties has been valued externally by Savills in Sweden and DTZ in Denmark. The market's yield demands have been increased during the year. The yield on our management properties has increased from 6.2 per cent to 6.9 per cent. This corresponds to a value adjustment of 10 per cent or SEK 1.4 billion. But with the help of project development and lease increases, the net effect in the profit and loss statement becomes SEK -423 million. At the year end, the underestimation of the derivative portfolio amounted to SEK -214 million.

50,000 m<sup>2</sup> of offices will be completed during 2009 and 2010 in Malmö. Only 5,000 m<sup>2</sup> of this volume has not yet been contracted. A large proportion of these areas will house personnel who are currently not located in Malmö. I am also convinced that nobody will start speculative construction in the current financial climate.

The concentration on our chosen market areas continued during the year. Property acquisitions in 2008 amounted to SEK 0.5 billion, sales amounted to SEK 0.7 billion.

As a consequence of the valuation of properties and derivatives, our solidity decreased to 29.4 per cent (32.6). Our level of interest coverage shows a figure of 2.2 (2.7). Our key figures agree therefore with our financial objectives.

Wihlborgs' tax liability is low and the current tax amounts to SEK 7 million, depending on tax depreciation for the property stock, deductions for certain reconstructions and property sales in company form. Wihlborgs show a deferred tax revenue amounting to SEK 145 million this year. This as a consequence of value changes in our stock of properties and derivatives portfolio together with recounting of deferred tax owing to decreased corporation tax.

In 2008 we started building a new office for ÅF at Dockan in Malmö. During the fourth quarter of 2008 we also started a new project for Region Skåne amounting to 11,000 m<sup>2</sup>. These two projects account for an investment cost of just under SEK 485 million.

*Anders Jarl*



## Comments on the Öresund region market

It was obvious that the absolute peak of the business cycle had passed a year ago in the Öresund region. A clear decline was noted as early as last autumn on the Danish side with a decline in demand at a high level within industry, the construction sector and vehicle sales. There were, however, few signs of a decline within important industries in Skåne at this time. During 2008, the decline in the business cycle became more apparent throughout the Öresund region. Unemployment in Skåne in 2008 was 3.3 per cent. The forecast for 2009 is 3.8 per cent. The corresponding figures for Sweden as a whole are 6.2 per cent for 2008 and 7.6 for 2009 according to the Swedish Public Employment Service.

The number of companies who have chosen to become established in Malmö has increased in recent years. More than 40 new companies were established in 2008 of which four were head offices. The companies who chose Malmö in 2008 as a location for their Swedish or Northern European head offices were Mercedes, Vestas, DSB First Group and Hexagon Polymers.

90 per cent of the office projects that will be completed in Malmö during 2009 and 2010 are already leased and projects that lie more in the future have not yet been commenced nor will speculative building be commenced. Consequently there will probably be a balance between supply and demand in the years to come as well.

The leasing costs of modern office premises in central Malmö are around SEK 2,000 per m<sup>2</sup>. At Västra hamnen they continue to be SEK 1,950 - 2,100 per m<sup>2</sup>. Lease income for other office premises in central Malmö is in the range of SEK 1,400 - 1,850 per m<sup>2</sup>.

## Income, expenses and result

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

### Lease income

Lease income amounts to SEK 1,168m (1,035). The increase in lease costs is the consequence of index linking, renegotiation, new lease and lease income from net additions of properties acquired during 2007. The total growth in lease income amounted to 13 per cent compared with 2007.

The lease level is 93 per cent which remains unchanged from 2007.

During the period new lease agreements totalled SEK 138m. Terminations were SEK 87m.

### Property costs

The total property costs were SEK 336m (312).

### Net operating income

The net operating income amounts to SEK 832m (723), which is a surplus ratio of 72 per cent (71).

### Central administration

Costs for central administration was SEK 31m (30).

### Property sales and changes in value

Eight properties were disposed of during the year for a total purchase price of SEK 678 million. This is SEK 163 million above the total invested capital. Malmöbryggan Fastighetsekonomi AB and Savills Sweden AB have valued all of Wihlborgs' properties in Sweden. The values of the properties are individually considered to correspond to the market value of the respective property. The properties in Denmark have been valued by DTZ.

The valuation has meant that the property value has decreased by SEK 423 million (during 2007 increased by 1,043). Yield requirements have increased for all properties during the period.

As at 31 December 2008, the net value of properties amounted to SEK 13,620 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 2008 amounting to SEK 1,066 million.

## Changes in the properties' book value

Changed item	Group total, SEKm
Book value 1 January 2008	13,397
Acquisitions	509
Investments	622
Properties sold	-678
Value regulation	-423
Foreign currency translations	193
Book value 31 December 2008	13,620

### Net financial items

Net financial items amounted to SEK -351m (-249), of which lease income amounted to SEK 14m (7). Interest costs for the year, SEK -365m (-256), correspond to a borrowing rate of interest of SEK 4.63 per cent. The average interest rate at the end of the year amounted to 5.02 per cent.

### Profit from ongoing property management

Pre tax profit from ongoing property management, i.e. pre-tax profit excluding changes in value and derivatives amounted to SEK 450m (444). Charged with tax the result amounted to SEK 332m (320).

SEKm	2008 Jan-Dec 12 months	2007 Jan-Dec 12 months
Profit for the year before taxes, ongoing property man.	450	444
Profit for the year, ongoing property man.	332	320
Result for the year before taxes	-187	1,502
Result for the year	-49	1,114

### Per share, SEK

Profit for the year before taxes, ongoing property man.	12.09	11.59
Profit for the year, ongoing property man.	8.91	8.35
Result for the year before taxes	-5.03	39.21
Result for the year	-1.32	29.08
Shareholders' equity I (26.3 per cent deferred tax)	110.84	116.29
Shareholders' equity II (10 per cent deferred tax)	126.91	135.07

### Result before tax

Pre-tax result amounted to SEK -187m (1,502).

### Taxes

Actual tax cost is estimated from a nominal tax rate of 28 per cent. The taxation bases is reduced with the taxable depreciation for the property stock together with direct deductions for certain investments in properties. Together with property sales in company form this has meant that the actual tax cost has been reduced to SEK 7m.

Unused deficit deductions amount to SEK 517m (411), of which SEK 326m (335) are blocked until 2012.

The deferred tax has been estimated from the tax rate 26.3 per cent which is valid from 2009.

A deferred tax income for SEK 145m arises as a consequence of depreciation on properties and derivatives together with revaluation of deferred tax liability, dependent on reduced nominal tax.

### Result after tax

Result after taxes amounted to SEK -49m (1,114).

### Property acquisition

A total of 12 properties at a value of SEK 509 million have been acquired. The acquisition of Regionhuset in Lund from Region Skåne will be accounted for on the date of possession in the summer of 2010.



### Investments and projects in progress

Investments in the stock of properties have amounted to SEK 622m. Investments agreed on in projects in progress amount to SEK 702m of which SEK 305 million was invested by the end of the year. The major projects in progress are the newbuilding for ÅF and Region Skåne at Dockan in Malmö and the newbuilding for Honda at Svägertorp. The project for Mercedes and the rebuilding of the property Polisen 3 in Helsingborg were completed during the year.

### Financial positions

#### Shareholders equity

As of 31 December shareholders' equity amounted to SEK 4,134m (4,473) and the equity/assets ratio was 29.4 per cent (32.6). 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 8,271m (7,796) with an average interest rate of 5.02 per cent.

The loans' average fixed interest period including the effects of derivatives on 31 December 2008 amounted to 44 months (16). The average period during which the capital is tied up, incl. credit promises, amounted to 2.8 years (3.5).

Wihlborgs holds eleven derivative instruments. Four closable threshold swaps of SEK 2.5 billion. A threshold swap of SEK 1 billion and three yield curve swaps of 0.5 billion.

When short-term interest began to increase at September/October, Wihlborgs secured SEK 4.8 billion of the loans. This was made through three so called Stina swaps, which means that Wihlborgs pays a fixed rate of interest of 4.69 per cent until 8 April 2009.

As a consequence of the reduced market interest rate during the fourth quarter, an underestimate in the derivative portfolio of SEK -214 million arose.

The total effects of the swaps resulted in Wihlborgs' interest costs being reduced by SEK 11 million.

#### Structure of interest and loan maturities as of 31 December 2008

SEKm	Interest maturity		Loan maturity	
Matures, year	Loan amount, SEKm	Av. interest rate, %	Cred. agreements, SEKm	Utilised, SEKm
2009	4,448	5.68	1,505	1,405
2010	35	3.01	880	873
2011	1,000	4.28	1,800	1,793
2012	55	4.93	3,353	3,334
2013				
>2013	2,733	4.23	866	866
<b>Total</b>	<b>8,271</b>	<b>5.03</b>	<b>8,404</b>	<b>8,271</b>

*The average interest rate was 3.32 per cent excluding the effects of the Stina swaps.*

#### Liquid assets

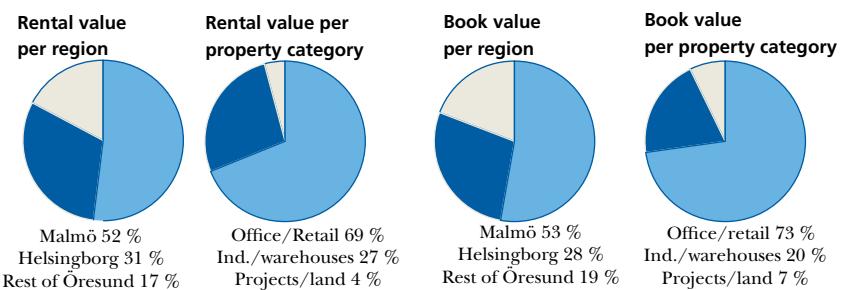
The groups' liquid assets amounted to SEK 232m (226) including unutilised overdraft facilities.

#### Stock of properties as at 31 December 2008

The summaries are based on Wihlborgs' property stock as at 31 December 2008. Lease income relates to contracted lease income on an annual basis as at 31 December 2008.

The operating surplus is based on the properties' earning capacity on an annual basis as at 31 December 2008 calculated on the contracted lease incomes and actual costs on a rolling 12 month period, which also includes property administration costs.

Wihlborgs' property stock comprises commercial properties in the Öresund region located in Malmö, Helsingborg, Lund and Copenhagen. As at 31 December 2008, the stock comprised 247 properties with a lease area of approximately 1,257,000 m<sup>2</sup>.



### Distribution of lettable area and type of premises

Region	Office	Retail	Ind./ware-houses	Hotel	Residen-tial	Other	Total	Proportion
	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	%
Malmö	289,543	32,574	244,162	2,947	6,023	4,879	580,127	46.1
Helsingborg	153,551	39,649	233,809	20,799	5,322	7,767	460,897	36.7
Rest of Öresund region	128,903	4,593	82,638		253		216,386	17.2
<b>Total</b>	<b>571,996</b>	<b>76,815</b>	<b>560,609</b>	<b>23,746</b>	<b>11,345</b>	<b>12,899</b>	<b>1,257,410</b>	<b>100.0</b>
Proportion, %	45.5	6.1	44.6	1.9	0.9	1.0		

### 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	40	320,988	5,757	17,934	518	1,613	95	490	362	6.3	74
Industrial/wareh.	44	190,131	962	5,062	130	681	92	119	80	8.3	67
Projects and land	37	69,008	549	7,958	38	551	38	15	1	0.1	4
<b>Total Malmö</b>	<b>121</b>	<b>580,127</b>	<b>7,268</b>	<b>12,529</b>	<b>685</b>	<b>1,182</b>	<b>91</b>	<b>624</b>	<b>442</b>	<b>6.1</b>	<b>71</b>
<b>Helsingborg</b>											
Office/retail <sup>1</sup>	35	157,152	2,025	12,883	198	1,263	97	193	139	6.9	72
Industrial/wareh.	50	289,884	1,453	5,014	195	671	94	182	128	8.8	70
Projects and land	4	13,861	261	18,845	13	929	100	13	8	3.1	64
<b>Total Helsingb.</b>	<b>89</b>	<b>460,897</b>	<b>3,739</b>	<b>8,113</b>	<b>406</b>	<b>881</b>	<b>96</b>	<b>388</b>	<b>275</b>	<b>7.3</b>	<b>71</b>
<b>Rest of Öresund region</b>											
Office/retail	17	154,741	2,207	14,264	190	1,229	92	175	138	6.3	79
Industrial/wareh.	12	59,911	260	4,336	30	494	95	28	22	8.5	78
Projects and land	8	1,734	145	83,685	2	1,382	98	2	2	1.1	65
<b>Total rest of Öresund region</b>	<b>37</b>	<b>216,386</b>	<b>2,612</b>	<b>12,072</b>	<b>222</b>	<b>1,027</b>	<b>93</b>	<b>206</b>	<b>162</b>	<b>6.2</b>	<b>79</b>
<b>Total Wihlborgs</b>	<b>247</b>	<b>1,257,410</b>	<b>13,620</b>	<b>10,831</b>	<b>1,314</b>	<b>1,045</b>	<b>93</b>	<b>1,217</b>	<b>879</b>	<b>6.5</b>	<b>72</b>
<b>Total excl. projects and land</b>	<b>198</b>	<b>1,172,807</b>	<b>12,664</b>	<b>10,798</b>	<b>1,260</b>	<b>1,074</b>	<b>94</b>	<b>1,188</b>	<b>868</b>	<b>6.9</b>	<b>73</b>

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

### Lease expiration 31 December 2008

Expires in year	No. of leases	Lettalbe area, sq.m.	SEKm	Proportion, %
<b>Leases for renting premises</b>				
2009	618	273,198	238	20
2010	462	236,615	262	22
2011	388	252,645	258	22
2012	230	138,963	155	13
2013	54	49,617	54	5
2014	30	74,859	117	10
>2014	42	62,461	97	8
<b>Total commercial leases</b>	<b>1,824</b>	<b>1,088,358</b>	<b>1,181</b>	<b>100</b>
Residential areas	161	11,345	11	
Parking spaces etc.	463		25	
<b>Total</b>	<b>2,448</b>	<b>1,099,703</b>	<b>1,217</b>	

### **Stock of properties as at 31 December 2008 (contd.)**

Fifteen of the properties have a site leasehold. The book value of the properties amounted to SEK 13,620m. This corresponds to the estimated market value. The total lease value amounted to SEK 1,314m and the contracted lease income on an annual basis amounted to SEK 1,217m. The economic lease level amounted to 93 per cent.

The properties in Malmö and Helsingborg corresponded to 83 per cent of the total lease value and 81 per cent of the properties' net value. The lease value of office and shop properties as well as industrial and warehouse properties amounted in total to 69 and 27 percent respectively of the total lease value.

### **Employees**

At the end of the year, the number of employees at Wihlborgs was 81 (84) of which 29 were caretakers. The distribution of employees by region was as follows: Malmö 52, Helsingborg 18, Lund 5 and Copenhagen 6. The average age was 49 years, and the proportion of women was 32 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 162m (1,390) in mostly subsidiary shares. Income and balance statements for the parent company can be found on page 11 in this report.

### **Significant risks and uncertainty factors**

Wihlborgs' activities, financial position and result 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. To this is added the liquidity and borrowing risk.

Refer to pages 48-49 and 63-64 of Wihlborgs 2007 annual report for a detailed description of the company's risks. The described risks can be affected ahead by finance turbulence and business recession.

As at 31 December 2008, Wihlborgs had a loan facility of SEK 133 million which it had not used. A credit agreement of SEK 1,500 million will be renegotiated in December 2009.

### **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.

### **Proposal for dividend and repurchase**

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

- a dividend of SEK 6.50 (6.25) per share which corresponds to SEK 235m. The proposal means an increase of 4.0 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 26.3 per cent standard tax,
- to give the board the authority up to the next AGM 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 AGM 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 2008**

During the fourth quarter, Maths O Sundqvist and companies left Wihlborgs as its largest owner. The largest owners as at 31 December 2008 are Brinova Fastigheter AB and Robur Fonder who own 10.7 and 7.0 per cent respectively of the outstanding shares.



The ten largest Swedish owners owned 33.3 per cent at the end of the year.

The number of shareholders amounted to 26,470. This is a reduction of approximately 1,000 shareholders since the last year end. The proportion of international registered shareholders since 2007 has increased by 10.2 per cent to 35.5 per cent.

Wihlborgs repurchased 2,214 million shares during 2007 and 2008 at an average price of SEK 98.

<b>Shareholders of 31 Dec 2008</b>	<b>No. of shares, thousands</b>	<b>% of shares and capital</b>
Brinova Fastigheter AB	3,867	10.7
Robur Funds	2,538	7.0
Handelsbanken Funds	1,177	3.2
Länsförsäkringar Funds	964	2.7
Investment AB Öresund	945	2.6
SEB Funds	748	2.1
Mats Qviberg and family	691	1.9
Tibia Konsult	451	1.2
Skandia Liv	381	1.1
Skandia Funds	281	0.8
Other shareholders reg. in Sweden	11,314	31.2
Shareholders reg. abroad	12,857	35.5
Total outstanding shares	36,214	100.0
Repurchased own shares	2,214	
<b>Total registered shares</b>	<b>38,428</b>	

### Events after the reporting period

Wihlborgs has increased the loan facilities with SEK 500 million during the first quarter 2009.

As a consequence of ownership changes at Wihlborgs Fastigheter AB (publ), Jan Andersson has been appointed the representative of Swedbank Robur Fonder on Wihlborgs' election committee. Consequently, the following are the members of the election committee:

Anders Silverbåge (Brinova Fastigheter AB), Jan Andersson (Swedbank Robur Fonder), Peter Lavesson (Investment AV Öresund) and Leif Franzon (Aktiespararna).

### Forthcoming reports

■ Annual report 2008	April 2009
■ Interim report January-March	23 April 2009
■ Annual General Meeting in Malmö	23 April 2009
■ Interim report January-June	8 July 2009
■ Interim report January-September	29 October 2009

**Malmö 10 February 2009**

**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	2008 Oct-Dec 3 months	2007 Oct-Dec 3 months	2008 Jan-Dec 12 months	2007 Jan-Dec 12 months
Rental income	299	270	1,168	1,035
Operating expenses	-48	-42	-178	-163
Repairs and maintenance costs	-15	-15	-51	-47
Property tax	-13	-11	-52	-48
Ground rent	0	-1	-3	-4
Property administration	-14	-15	-52	-50
<b>Net operating income</b>	<b>209</b>	<b>186</b>	<b>832</b>	<b>723</b>
Central administration and marketing	-8	-7	-31	-30
Change in value of properties	-485	713	-423	1,043
<b>Operating result</b>	<b>-284</b>	<b>892</b>	<b>378</b>	<b>1,736</b>
Interest income	6	4	14	7
Interest costs	-99	-75	-365	-256
Change in value derivatives	-204	0	-214	15
<b>Result after financial items</b>	<b>-581</b>	<b>821</b>	<b>-187</b>	<b>1,502</b>
Current tax	-2	-1	-7	-11
Deferred tax	227	-210	145	-377
<b>Net result for the period<sup>1</sup></b>	<b>-356</b>	<b>610</b>	<b>-49</b>	<b>1,114</b>
Profit on ongoing management	80	78	332	320
Earnings per share <sup>2</sup>	-9.72	16.08	-1.32	29.08
No. of shares at period end, thousands	36,214	37,431	36,214	37,431
Average no. of shares, thousands	36,616	37,930	37,208	38,304

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 and so there is no dilution effect to take into consideration.

## Operating profit by region January-December

SEKm	Malmö		Helsingborg		Rest Öresund		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Rental income	612	570	366	324	190	141	1,168	1,035
Property expenses	-178	-172	-106	-97	-52	-43	-336	-312
Net operat. income	434	398	260	227	138	98	832	723
Central administr.							-31	-30
<b>Operating profit<sup>1</sup></b>							<b>801</b>	<b>693</b>
SEKm	08-12-31	07-12-31	08-12-31	07-12-31	08-12-31	07-12-31	08-12-31	07-12-31
Book value of properties	7,268	6,990	3,739	3,687	2,612	2,720	13,620	13,397

1. Excluding value changes from properties.

## Certain income statements in 2008 per quarter

SEKm	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Rental income	287	292	290	299
Operating expenses	-51	-43	-36	-48
Repairs and maintenance costs	-12	-11	-13	-15
Property tax	-14	-12	-13	-13
Ground rent	-1	-1	-1	0
Property administration	-12	-13	-13	-14
<b>Net operating income</b>	<b>197</b>	<b>212</b>	<b>214</b>	<b>209</b>



## Balance sheets

SEKm	31 Dec 2008	31 Dec 2007
<b>Assets</b>		
Properties	13,620	13,397
Other fixed assets	181	115
Current receivables	99	63
Liquid assets	140	147
<b>Total assets</b>	<b>14,040</b>	<b>13,722</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	4 134	4,473
Deferred tax liability	939	1,093
Other long-term liabilities	8 511	7,829
Current liabilities	456	327
<b>Total shareholders' equity and liabilities</b>	<b>14,040</b>	<b>13,722</b>

## Changes in shareholders' equity

SEKm	31 Dec 2008	31 Dec 2007
<b>Total shareholders' equity at the beginning of period</b>	<b>4,473</b>	<b>3,667</b>
<i>Shareholders' equity attributable to parent company's shareholders</i>		
Amount at the beginning of the period	4,353	3,547
Dividends paid	-234	-211
Buy-back own shares	-107	-110
Translation differences	51	13
Net profit/loss	-49	1,114
<b>Amount at the end of the period</b>	<b>4,014</b>	<b>4,353</b>
<i>Shareholders' equity attributable to minority shares</i>		
Amount at the beginning of the period	120	120
<b>Amount at the end of the period</b>	<b>120</b>	<b>120</b>
<b>Total shareholders' equity, period end</b>	<b>4,134</b>	<b>4,473</b>

## Cash flow statements

SEKm	2008 Jan-Dec 12 months	2007 Jan-Dec 12 months
<i>Current activities</i>		
Net operating income	378	1,736
Adjustments for items not included in cash flow	428	-1,041
Paid net financial expense	-319	-246
Paid income tax	-10	-15
Change in other working capital	55	44
<b>Cash flow from operating activities</b>	<b>532</b>	<b>478</b>
<i>Investments activities</i>		
Acquisition of Group companies	-278	-628
Sale of Group companies	267	345
Investments in and acquisitions of properties	-846	-957
Sale of properties	409	48
Change in other fixed assets	-69	-3
<b>Cash flow from investing activities</b>	<b>-517</b>	<b>-1,195</b>
<i>Financial activities</i>		
Dividends paid	-234	-211
Buy-back own shares	-107	-110
Change in long-term liabilities	319	1,099
<b>Cash flow from financial acitivities</b>	<b>-22</b>	<b>778</b>
<b>Cash flow during the period</b>	<b>-7</b>	<b>61</b>
<b>Liquid assets, beginning of the period</b>	<b>147</b>	<b>86</b>
<b>Liquid assets, end of period</b>	<b>140</b>	<b>147</b>



## List of property acquisitions and sales January–December 2008

Property	Municipality	Area	Category	Area, sq.m.	Price, SEKm	Oper. income 2008, SEKm <sup>1</sup>
<b>Property acquisitions Q1</b>						
Värjan 9	Helsingborg	Helsingborg	Ind./wareh.	2,647		
Lejrevej 1	Furesö	Rest of Öresund	Ind./wareh.	1,228		
<b>Acquisitions Jan–March 2008</b>				<b>3,875</b>	<b>28</b>	<b>1,5</b>
<b>Property acquisitions Q2</b>						
Hörkaer 14 and 26	Herlev	Rest of Öresund	Office/retail	5,379		
Marielundsvej 28–30	Herlev	Rest of Öresund	Office/retail	10,474		
Smedeholm 10	Herlev	Rest of Öresund	Office/retail	3,206		
<b>Acquisitions Apr–Jun 2008</b>				<b>19,059</b>	<b>153</b>	<b>12,5</b>
<b>Property acquisitions Q3</b>						
Väktaren 3	Malmö	Malmö	Office/retail	8,000		
Visiret 5	Helsingborg	Helsingborg	Ind./wareh.	1,800		
<b>Acquisitions Jul–Sep 2008</b>				<b>9,800</b>	<b>261</b>	<b>3,5</b>
<b>Property acquisitions Q4</b>						
Grusbacken 1	Helsingb.	Helsingborg	Projects/land			
Kniven 3	Helsingb.	Helsingborg	Ind./wareh.	2 516		
Stocken 2	Malmö	Malmö	Ind./wareh.	7 342		
Urnes 3	Malmö	Malmö	Projects/land			
Del av Arlöv 22:191	Malmö	Malmö	Projects/land			
<b>Acquisitions Oct–Dec 2008</b>				<b>9 858</b>	<b>67</b>	<b>0,3</b>
<b>Total acquisitions 2008</b>				<b>42 592</b>	<b>509</b>	<b>17,8</b>
<b>Property sales Q1</b>						
S:t Georg Süd	Hamburg	Rest of Öresund	Office/retail	8,107		
Måsen 16	Lund	Rest of Öresund	Projects/land	-		
Lugudde 7	Malmö	Malmö	Office/retail	2,087		
<b>Sales Jan–March 2008</b>				<b>10,194</b>	<b>147</b>	<b>0,8</b>
<b>Property sales Q2</b>						
Generalens Hage 53	Malmö	Malmö	Projects/land	2 768		
Segeholm 12	Malmö	Malmö	Office/retail	8 007		
Frederikskaej 4	Copenhagen	Rest of Öresund	Office/retail	9 890		
<b>Sales Apr–Jun 2008</b>				<b>20 665</b>	<b>411</b>	<b>4,5</b>
<b>Property sales Q3</b>						
Runristaren 1	Helsingborg	Helsingborg	Ind./wareh.	7,315		
Kolonnen 20	Malmö	Malmö	Ind./wareh.	1,635		
<b>Sales Jul–Sep 2008</b>				<b>8,950</b>	<b>120</b>	<b>3,6</b>
<b>Total sales 2008</b>				<b>39,809</b>	<b>678</b>	<b>8,9</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	2008 Jan-Dec 12 months	2007 Jan-Dec 12 months	Balance sheets SEK millions	31 Dec 2008	31 Dec 2007
Income	77	79	Participations in group companies	3,076	2,998
Costs	-95	-95	Receivables from group companies	8,216	7,360
<b>Operating profit</b>	<b>-18</b>	<b>-16</b>	Other assets	337	360
Financial income	850	849	Cash and bank balances	137	124
Financial costs	-668	-311	<b>Total assets</b>	<b>11,766</b>	<b>10,842</b>
<b>Income pre-tax</b>	<b>164</b>	<b>522</b>	Equity	1,823	1,908
Current tax	76	2	Liabilities to credit institutions	6,843	6,468
<b>Net income</b>	<b>240</b>	<b>524</b>	Liabilities to group companies	2,832	2,436
			Other liabilities	268	30
			<b>Total equity and liabilities</b>	<b>11,766</b>	<b>10,842</b>

## Key figures

SEKm	2008 Jan-Dec 12 months	2007 Jan-Dec 12 months
<b>Financial</b>		
Return on equity, %	-1.2	27.9
Return on total capital, %	2.8	14.0
Equity/assets ratio, %	29.4	32.6
Interest coverage ratio, times	2.2	2.7
Leverage properties, %	60.7	58.2
Debt/equity ratio, times	2.0	1.7
<b>Share related</b>		
Earnings per share, SEK	-1.32	29.08
Earnings per share before tax, SEK	-5.03	39.21
Operating earnings per share, SEK	8.91	8.35
Operating earnings per share before tax, SEK	12.09	11.59
Equity per share I, SEK	110.84	116.29
Equity per share II, SEK	126.91	135.07
Market value per share, SEK	100.00	115.75
P/E ratio, times	neg.	4.0
P/E ratio current management, times	11.2	13.9
Cash flow from operations before change in working capital per share, SEK	11.99	11.36
Proposed dividend per share, SEK	6.50	6.25
No. of shares at period end, thousands	36,214	37,431
Average number of shares, thousands	37,208	38,304
<b>Property related</b>		
Number of properties	247	245
Carrying amount of properties, SEKm	13,620	13,397
Yield, % - all properties	6.5	6.0
Yield, % - excl. project properties	6.9	6.2
Lettable area, sq.m.	1,257,410	1,241,445
Rental income per sq.m., SEK	968	914
Net operating income per sq.m., SEK	699	650
Financial occupancy rate, %	93	93
Surplus ratio, %	72	71
<b>Employees</b>		
Number of employees at period end	81	84
Average number of employees	82	82

## Definitions

Refer to page 80 of Wihlborgs 2007 annual accounts for definitions.



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