

Wihlborgs stands strong

Rental income increased by 9 percent to SEK 1,856 million (1,704)

Operating surplus* increased by 10 percent to SEK 1,357 million (1,235)

Income from property management* increased by 12 percent to SEK 839 million (746)

Result for the year amounts to SEK 395 million (1,063), corresponding to earnings per share of SEK 5.14 (13.83)

The Board proposes a dividend of SEK 4.75 (4.25)

Group key figures, SEKm	2014	2013	2014	2013
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Rental income	468	453	1,856	1,704
Operating surplus*	332	316	1,357	1,235
Income property management*	200	185	839	746
Changes in value	79	33	-396	616
Result for the period	205	171	395	1,063
Earnings per share, SEK	2.67	2.22	5.14	13.83
Surplus ratio, %*	71	70	73	73
Equity/assets ratio, %	28.2	29.7	28.2	29.7
Occupancy rate, %**	91	91	91	91

* Excluding payments for early lease termination.

** Excluding Projects & Land.

In the autumn, Magasinet on Stockholmskajen in Malmö received environmental classification and was awarded Sweden Green Building Council Bronze status.



Wihlborgs Fastigheter AB (publ) is a property company that focuses on commercial properties in the Öresund region. Its property portfolio is located in Malmö, Lund, Helsingborg and Copenhagen. In Malmö, Lund and Helsingborg Wihlborgs is the leading property company.

The book value for the Company's properties totals SEK 24.3 billion. The annual rental value of the properties is SEK 2 billion.

Wihlborgs shares are quoted on the Mid Cap List of the OMX Nordic Exchange.

Business concept

Focusing on selected sub-markets in the Öresund region, Wihlborgs will own, manage in-house and develop commercial properties.

Objective

Wihlborgs will operate according to a business model for growth and will be one of the leading and most profitable property companies on the Stockholm Stock Exchange.

Financial targets

- A return on equity that exceeds the risk-free interest rate by no less than six percentage points
- An equity/assets ratio of no less than 30 percent
- An interest coverage ratio of no less than 2.0
- The loan-to-value ratio is not to exceed 60 percent

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Financial information 2015

Wihlborgs' interim reports are distributed electronically. The Annual Report is printed in Swedish and English and will be sent to any shareholders notifying the Company that they wish to receive it in printed form.

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Interim report Jan–Mar
Interim report Jan–Jun
Interim report Jan–Sep

29 April 2015
6 July 2015
21 October 2015

Production Wihlborgs.
Photographer Peter Westrup, Felix Gerlach, Wihlborgs

CEO's comments

We succeeded in ending 2014 with another strong quarter.

In the fourth quarter, rental income totalled SEK 468 million, corresponding to a year-on-year increase of about 3 percent. The operating surplus increased to SEK 332 million, up 5 percent, which corresponded to a surplus ratio of 71 percent for the quarter, up one percentage point from 2013.

Income from property management was SEK 200 million for the quarter, up 8 percent. For the full year, we posted income from property management excluding payments for early lease termination of SEK 839 million, which is in line with our forecast in the last quarterly report of at least SEK 830 million.

It was another active quarter in terms of leases. For the 28th consecutive quarter, we posted a positive net letting result. We signed contracts for annual rents of SEK 52 million, while contracts valued at SEK 48 million were terminated, up SEK 4 million net. We have deepened our relationship with SAAB, which is now also leasing premises in Helsingborg. In Malmö, we are helping our tenant Länsförsäkringar Skåne to solve its changed needs for premises as we reno-

vate Gängtappen 1, to which the company is moving. This is how we like to work with our customers.

We continue to invest in projects, and the investments amounted to SEK 291 million in the quarter. Essentially, we are finished with the Floretten 4 office building at Berga in Helsingborg, where little space remains to be let. The 8,000 m² office extension at Knutpunkten in Helsingborg will not be completed until 2016, but we are noting substantial interest in these unique premises. In the first quarter of 2015, Schneider Electric is moving into the totally refurbished premises at Lautrupvang 1 in Ballerup, Copenhagen. In Lund, we have completed Landstinget 2 for Sparbanken Skåne and we are constructing an additional 1,200 m² of office space at Armaturen 4, which is already fully let. Both properties are located adjacent to the central station in Lund. Looking forward, we have identified excellent possibilities for starting more projects in 2015 at locations in Malmö, Lund and Helsingborg.

We made no major acquisitions during the last six months of 2014. The acquisition of properties continues to be part



of our growth strategy, but in a market with rising prices it is important to maintain our strategic focus and make the right acquisitions.

The recognised property value was SEK 24,299 million at the end of 2014. In the fourth quarter, external valuation of our properties resulted in a value increase of SEK 469 million. It is important to note that the direct return (excluding projects and land) based on the lease portfolio at the end of the period remained at the same level as the preceding quarter, 6.2 percent. At year-end, the EPRA NAV was SEK 127 per share, a year-on-year increase of 17 percent, after adjustment for dividends.

We have also been active regarding financing. In December, we established a medium-term note (MTN) programme to enable the issuance of unsecured bonds and, in January, we were part of founding Nya Svensk FastighetsFinansiering, which aims to issue secured corporate bonds. In our assessment, there is continued demand in the capital market for bonds and we wish to broaden our possibilities of reaching diverse funding sources. In December, we also chose to make certain changes in our derivatives portfolio. The incredibly low market interest rates mean that the deficit value for our interest-rate derivatives has risen to over SEK 1 billion. In this position, we chose to extend two existing swaps in parallel with changing them from cancellable swaps to straightforward, standard, interest-rate swaps, thereby lowering the interest expense.

At the start of 2015, Wihlborgs stands strong. We are experiencing favourable growth and have opportunities for more projects moving forward. A loan-to-value ratio of 58.2 percent puts us on a stable financial footing, even if the deficit value of the interest-rate derivative portfolio reduces the equity/assets ratio to 28.2 percent.

Our dividend policy is unchanged and the Board of Directors proposes raising the dividend to SEK 4.75 per share, up 12 percent and corresponding to a dividend yield of 3.3 percent based on the year-end share price.

Despite economic concerns in Europe, the Swedish economy is moving forward and we have also noted indications of an improvement in Denmark. In these conditions, I look forward to continuing on the decided path.

I would like to extend my sincere appreciation to all members of staff for their efforts in 2014, and I would also like to thank all our tenants for a successful partnership. Together, we can continue to grow and foster job satisfaction.



Market comments

The developed economies are taking different courses. Key countries like the US and the UK are growing while the euro area finds itself in a state of stagnation. The German economy, which has previously acted as the engine for the euro area, has slowed down. Russia faces enormous challenges.

Sweden has weathered the crisis well and stands in a favourable position. The prevailing low interest rates together with rising demand in the economy lead to increasing economic activity in Sweden. The outlook for Swedish growth continues to brighten. In December, the Economic Tendency Indicator rose 2.0 points to 105.8, compared with 103.8 in November 2014. This indicates stronger than normal economic growth. The indicators for building and construction, the retail trade and private service sectors climbed, while the manufacturing sector indicator fell. The confidence indicators for all business sectors lie above their historical average. The largest increase was for the private service sector, where the indicator climbed a full 5.2 points to 106.3.

Sweden's central bank, the Riksbank, estimates GDP growth at 2.6 percent for 2015 and 3.3 percent for 2017. At the monetary policy meeting in December, the Riksbank determined that the repo rate should remain at zero until the second half of 2016. The underlying reason was continued low inflation and that long-term inflation expectations had declined further. The sharp decline in oil prices has contributed to low inflation while, concurrently, stimulating growth. In Denmark, increased activity can be noted and employment is rising in the private sector. The forecast for GDP growth in Denmark, from its central bank, is 1.7 percent for 2015 and 2.0 percent for 2016.

Due to low interest rates and favourable access to capital, transaction volumes posted record highs in Sweden in 2014. According to DTZ, transaction volumes amounted to SEK 156 billion. The largest net buyers were listed property companies. Investors in Sweden accounted for almost 85 percent of the capital, but interest from international investors is rising. Sales of residential property were largest, followed by sales of office property. Many indicators point to a continued strong property market in 2015.

Income, expenses and profits, Jan-Dec 2014

Comparative figures for income statement items relate to values for the corresponding period 2013 and balance sheet items as of 31-12-2013.

Rental income

Rental income was SEK 1,856 million (1,704). Other revenues from property management was SEK 49 million (3) relating to payments for early lease termination.

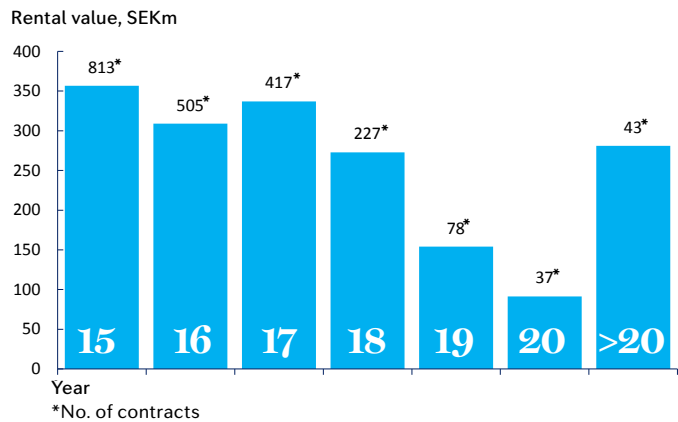
The increase in rental income is attributable to property acquisitions, renegotiations, new lettings and indexation in contracts.

The total growth in rental income was 9 percent compared with the corresponding period 2013.

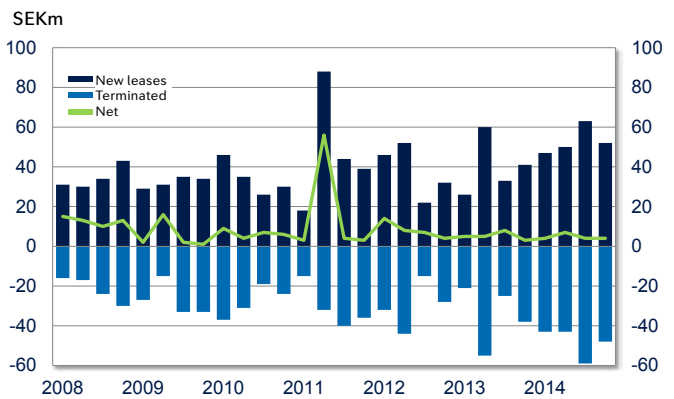
The occupancy rate for managed properties, remains unchanged compared with previous year-end, 91 percent (91).

During the year new leases were signed to a value of SEK 213 million (160) on an annualized basis. Lease terminations totalled SEK 194 million (139). This represents a net letting income of SEK 19 million (21).

Terms of Wihlborgs' rental contracts per 31 December 2014



Net letting



The first delivery of Wihlborgs' own honey was a highly appreciated gift to customers and business partners. The honey came from the 60,000 bees housed in collaboration with BeeUrban in a beehive on the roof of the Flundran 1 building at Gibraltargatan 2 in Malmö. Bees are becoming increasingly scarce and we hope to contribute to the biological diversity through this initiative.



The Dockan development in Malmö remains attractive. SAAB Kockums is leaving Gångtappen but staying in Dockan. The company is moving a few hundred metres to Skrovat 6. Following the renovation, tenants including Länsförsäkringar Skåne are moving into Gångtappen. Orkla Foods has also chosen Wihlborgs in Dockan for the move of its head office from Eslöv to Malmö.

Property costs

Total property costs amounted to SEK 499 (469) million. The increase is mainly attributable to property acquisitions and completed investments. The costs for comparable properties were lower than a year earlier, mainly as a result of favourable weather conditions.

The historical summary at the bottom of page 16 illustrates how costs vary over the different quarters of the year.

Operating surplus

The operating surplus including other income amounted to SEK 1,406 million (1,238). Excluding payments for early lease termination, the operating surplus totalled SEK 1,357 million (1,235), representing a surplus ratio of 73 percent (73).

Central administration

The costs for central administration were SEK 41 million (37).

Financial income and expense

Net interest totalled SEK -477 million (-452), of which interest income accounted for SEK 11 million (17).

Interest expenses for the year were SEK 488 million (469). Higher interest expenses resulted from a higher loan liability. The average interest rate was somewhat lower than at the end of 2013. At the end of the year, the average interest rate, including the cost of credit agreements, was 3.20 percent (3.50).

Income from property management

Income from property management including other income amounted to SEK 888 million (749). Excluding payments for early lease termination, the income from property management amounted to SEK 839 million (746).

Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 492 million (1,365). During the year value changes on derivatives amounted to SEK -1,038 million (449) which explains the decrease.

Profit after taxes

The profit after taxes was SEK 395 million (1,063).

Assets

Property portfolio as of 31 December 2014

The summaries below are based on Wihlborgs' property portfolio as of 31 December 2014. Rental income relates to contracted rental income on an annual basis as of 1 January 2015.

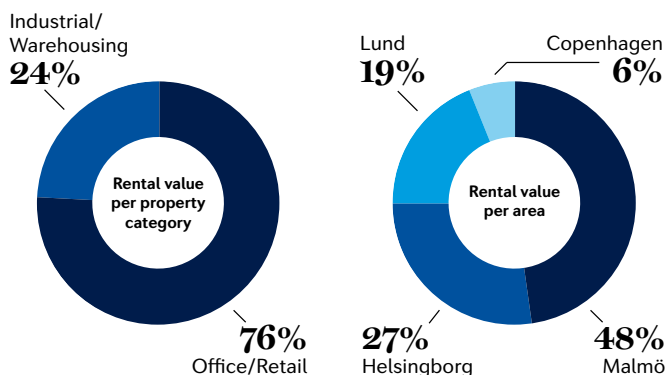
The surplus ratio is based on the properties' earning capacity on an annual basis based on rental income for January 2015, operating and maintenance costs, property administration on a rolling twelve-month basis, property tax and leasehold rent.

Wihlborgs' property portfolio consists of commercial properties in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. The property portfolio 31 December 2014 consisted of 269 properties (264) with a lettable area of 1,552,000 m² (1,523,000).

Twelve of the properties (12) are leasehold rights. The properties' carrying amount was SEK 24,299 million (22,584), which corresponds to the estimated market value. The total rental value was SEK 2,058 million (2,012) and the contracted rental income on annual basis SEK 1,863 million (1,826).

The economic occupancy rate for Office/Retail properties was 93 percent (92) and for Industrial/Warehousing properties 86 percent (87). The rental value for Office/Retail properties represented 76 percent and Industrial/Warehousing properties 24 percent of the total rental value.

The operating surplus from managed properties, excluding property administration and Projects & Land, is SEK 1,420 million (1,399) which with a carrying amount of SEK 22,804 million (22,110) corresponds to a direct return of 6.2 percent (6.3). Broken down by property category, this is 5.9 percent (6.0) for Office/Retail and 7.9 percent (7.8) for Industrial/Warehousing.



In October, Wihlborgs launched a new website with features including an improved search function for vacant premises. The new website is responsive, which means that it will automatically adapt to suit the device you are using, be it a computer, tablet or mobile phone.

Changes in values of properties

Malmöbryggan Fastighetsekonomi AB and Savills Sweden AB performed a valuation of all Wihlborgs' properties in Sweden. The values of the properties are determined individually as the market value of the property concerned. In Denmark, the properties were valued by DTZ.

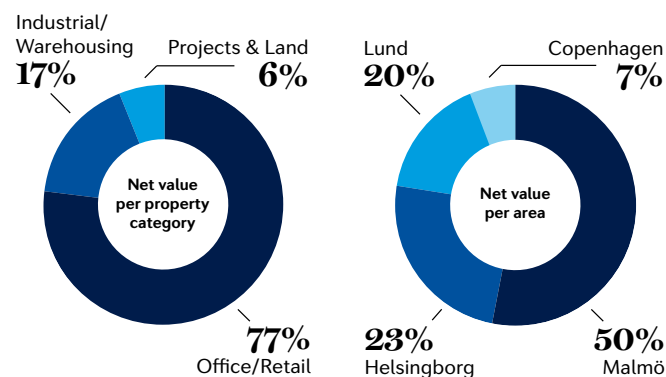
As a result of the valuation, the value of the properties rose SEK 642 million (167). The yield requirements dropped slightly during the year. As of 31 December 2014, the carrying amount for the properties was SEK 24,299 million.

CHANGES IN CARRYING AMOUNT OF PROPERTIES

Changes	Group total, SEKm
Carrying amount 1 January 2014	22,584
Reclassification ¹⁾	51
Acquisitions	489
Investments	802
Properties sold ²⁾	-376
Change in value	642
Currency translations	107
Carrying amount 31 December 2014	24,299

1) Includes properties and property values that have arisen due to reclassification of collaborative arrangements.

2) Includes preliminary insurance compensation for total damage property.



Investments and current projects

Investments in the property portfolio totalled SEK 802 million (548).

Approved investments in ongoing projects amount to SEK 928 million, of which SEK 660 million had been invested at year-end. The biggest current project is redevelopment of Knutpunkten, Helsingborg. The investment totals around SEK 315 million and comprises 8,000 m² of lettable area.

Liquid assets

The Groups liquid assets totalled SEK 185 million (168) including unutilised overdraft facilities.



Job satisfaction in focus for Wihlborgs.

INVESTMENTS IN PROGRESS >SEK 50 MILLION, 31 DECEMBER 2014

Property	Category of use	Municipality	Completion date	Lettable area, m ²	Occupancy rate, %	Estimated investment, SEKm	Expended 141231, SEKm
Floretten 4	Office/Retail	Helsingborg	Q2 2015	4,800	85	104	73
Terminalen 1	Office/Retail	Helsingborg	Q1 2016	8,000	20	315	138
Lautrupvang 1	Office/Retail	Copenhagen	Q1 2015	14,000	100	116	90
Total				26,800		535	301

512,000 m²

32

Office/Retail

57

Industrial/
Warehousing

14

Projects &
Land

205,000 m²

20

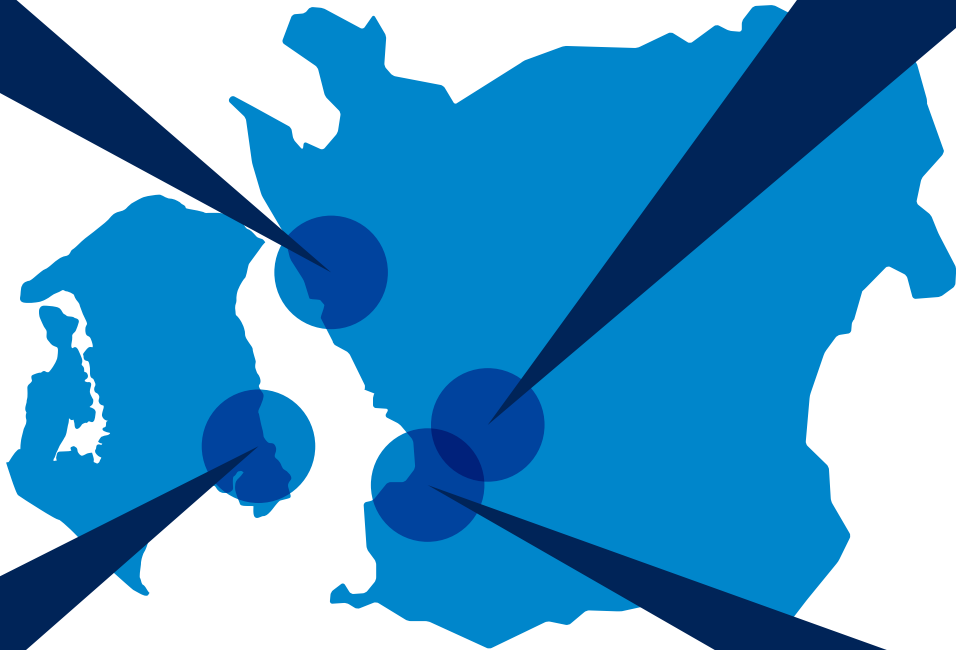
Office/Retail

4

Industrial/
Warehousing

3

Projects &
Land



168,000 m²

14

Office/Retail

3

Industrial/
Warehousing

2

Projects &
Land

666,000 m²

46

Office/Retail

49

Industrial/
Warehousing

25

Projects &
Land

ANALYSIS OF LETTABLE SPACE PER AREA AND CATEGORY OF USE

Area	Office, m ²	Retail, m ²	Ind./Warehousing, m ²	Education/Health care, m ²	Misc., m ²	Total, m ²	Share, %
Malmö	306,893	47,615	246,102	49,465	15,618 ¹	665,692	43
Helsingborg	149,804	56,217	274,430	19,126	12,910 ²	512,487	33
Lund	120,390	10,598	32,116	33,272	8,619 ³	204,995	13
Copenhagen	152,752	0	15,740	0	0	168,492	11
Total	729,839	114,430	568,388	101,863	37,147	1,551,666	100
Share, %	47	7	37	7	2	100	

1) Includes 10,275 m² hotel.

2) Includes 5,390 m² residential.

3) Includes 8,215 m² hotel.

ANALYSIS PER PROPERTY CATEGORY IN EACH MANAGEMENT AREA

Area/ property category	Number of properties thousand	Area, m ²	Carrying amount, SEKm	Rental value, SEKm	Rental value SEK/m ²	Economic occupancy rate, %	Rental income, SEKm	Operating surplus incl. property mgmt., SEKm	Surplus ratio, %	Operating surplus excl. property mgmt., SEKm	Direct return, excl. property admin., %
MALMÖ											
Office/Retail	46	397	9,608	753	1,898	93	702	534	76	554	5.8
Industrial/Warehousing	49	249	1,715	203	816	89	180	129	71	136	7.9
Projects & Land	25	20	773	27	1,329	-	15	9	-	10	-
Total Malmö	120	666	12,096	983	1,476	91	897	671	75	700	5.8
HELSINGBORG											
Office/Retail	32	171	3,128	283	1,653	95	270	193	71	202	6.5
Industrial/Warehousing	57	337	2,062	263	780	84	220	151	68	162	7.9
Projects & Land	14	4	327	0	98	-	0	0	-	0	-
Total Helsingborg	103	512	5,518	546	1,066	90	491	343	70	364	6.6
LUND											
Office/Retail	20	181	4,549	380	2,103	91	346	248	72	263	5.8
Industrial/Warehousing	4	20	119	14	714	96	14	11	78	11	9.4
Projects & Land	3	4	164	6	1,458	-	2	1	-	1	-
Total Lund	27	205	4,832	401	1,954	90	362	260	72	275	5.7
COPENHAGEN											
Office/Retail	14	134	1,502	120	892	87	104	78	75	84	5.6
Industrial/Warehousing	3	20	120	9	428	100	9	7	82	8	6.3
Projects & Land	2	14	230	-	-	-	-	0	-	0	-
Total Copenhagen	19	168	1,853	128	762	88	113	85	75	91	4.9
Total Wihlborgs	269	1,552	24,299	2,058	1,326	91	1,863	1,359	73	1,430	5.9
Total excluding Projects & Land	225	1,509	22,804	2,025	1,342	91	1,845	1,351	73	1,420	6.2



An extension comprising about 8,000 m² of modern office premises is currently being added to Knutpunkten in central Helsingborg. A total of 500 to 600 new office workplaces will be created on top of the existing property. Tyréns has signed an agreement for an entire floor and the first tenants are expected to take up occupancy in the first quarter of 2016.

Property transactions

Only three minor property transactions have been completed in the fourth quarter. A part of the property Innerstaden 1:1 in Lund was acquired and Nackstycket 8 and 9 in Helsingborg have been sold.

PROPERTY ACQUISITIONS AND SALES JANUARY–DECEMBER 2014

Quarter	Property	Municipality	Management area	Category	Area, m ²	Price, SEKm	Operating surplus 2014, SEKm ¹
1	Lautrupvang 1	Ballerup	Copenhagen	Projects & Land	14,000		
	Lautrupvang 3	Ballerup	Copenhagen	Office/Retail	12,260		
	Industriparken 29	Ballerup	Copenhagen	Office/Retail	3,118		
	Literbuen 16-18	Ballerup	Copenhagen	Office/Retail	8,333		
2	Armborstet 6	Helsingborg	Berga	Ind/Warehousing	4,268		
	Terminalen 3	Helsingborg	Centre	Office/Retail	3,985		
	Visiret 1, part of	Helsingborg	Berga	Projects & Land			
	Spettet 11	Lund	Lund	Office/Retail	1,527		
	Söderhavet 4	Malmö	Centre	Office/Retail	2,940		
4	Innerstaden 1:1, part of	Lund	Lund	Projects & Land			
Total acquisitions 2014					50,431	489	25
1	Terminalen 2	Helsingborg	Centre	Office/Retail	13,213		
2	Iris 6	Helsingborg	Centre	Ind/Warehousing	3,938		
3	Valsen 1	Helsingborg	South	Ind/Warehousing	4,302		
4	Nackstycket 8, 9	Helsingborg	Berga	Office/Retail	316		
Total sales 2014					21,769	347	2

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

Liabilities and equity

As of 31 December 2014, equity totalled SEK 6,967 million (6,894) and the equity/assets ratio 28.2 percent (29.7).

Interest-bearing liabilities

The group's interest-bearing liabilities as of 31 December amounted to SEK 14,148 million (13,740) with an average interest rate including costs for credit agreements of 3.20 percent (3.50).

With consideration to the company's net debt of SEK 14.1 billion, as a percentage of property values, the loan-to-value ratio is 58.2 percent (60.8).

The loans' average fixed interest period including effects of derivatives on 31 December 2014, amounted to 6.0 years (5.0). The average loan maturity, including committed credit facilities, amounted to 4.1 years (4.0).

STRUCTURE OF INTEREST AND LOAN MATURITIES AS OF 31 DECEMBER 2014

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEKm	Av. interest rate, %	Credit ag, SEKm	Utilised, SEKm
2015	4,238	1.48	1,350	1,350
2016	0	0	5,340	4,715
2017	0	0	6,390	5,551
2018	0	0	0	0
2019	1,000	3.24	906	906
>2019	8,910	3.92	1,626	1,626
Total	14,148	3.14	15,612	14,148

Wihlborgs use interest rate derivatives in order to reduce the risk level in the loan portfolio. A summary of the terms is shown below.

INTEREST RATE DERIVATIVES PORTFOLIO 31 DECEMBER 2014

Amount, SEKm	Interest, %	Can be closed	End date
Cancellable swaps*			
500	2.63	quarterly	2026
500	2.52	quarterly	2026
500	2.33	quarterly	2026
500	2.58	quarterly	2027
1,000	1.96	quarterly	2021
Interest-rate swaps			
2,000	2.70		2021
1,000	2.04		2022
1,000	2.01		2022
1,000	3.40		2024
500	3.32		2024
Threshold swap			
1,000	3.07	Threshold 4.75	2021

* Cancellable at the initiative of the counterpart.

As a result of lower market rates, the deficit in Wihlborgs' interest rate derivative portfolio rose to SEK 1,148 million, a negative change during the year totalling SEK 1,038 million. The change in value for the interest rate derivatives does not affect the cash flow. When the term of the derivative expires, the value is always zero.

Wihlborgs' interest derivatives are recognized at fair value in accordance with IAS 39. The cancellable swaps are classified at level 3 in accordance with IFRS 13. The change during year for these swaps amounts to SEK -269 million. The remaining swaps are classified at level 2 in accordance with IFRS 13.

Two cancellable swaps of SEK 1,500 million was converted in December to fixed swaps. The change meant that the maturity was extended for almost four years and the interest paid was reduced by approximately 0.5 percent.

In December a Medium Term Note program was established for the issuance of unsecured bonds. No issue is made under the program.



The autumn's advertising campaign went under the theme "Biggest" and communicated the advantages of leasing premises from the region's leading landlord.

Miscellaneous

Employees

At the year end Wihlborgs' number of full-time employees was 113 (111), 43 of whom are property caretakers.

There were 52 employees in Malmö, 26 in Helsingborg, 16 in Lund and 19 in Copenhagen. The average age was 45 and the proportion of women was 39 percent.

Parent company

The parent company owns no properties, but deals with questions relating to the stock market and joint Group functions for administration, management and borrowing. The parent company's turnover is mostly related to the billing of services to Group companies.

The parent company has invested SEK 445 (3,883) in shares in subsidiaries, including shareholders' contributions, during the period.

The parent company's income statement and balance sheet are found on page 19.

Participations in other companies

A description of all participations held by Wihlborgs in other companies will be found on pages 114-115 in the Company's 2013 annual report.

Largest shareholders 31 December 2014

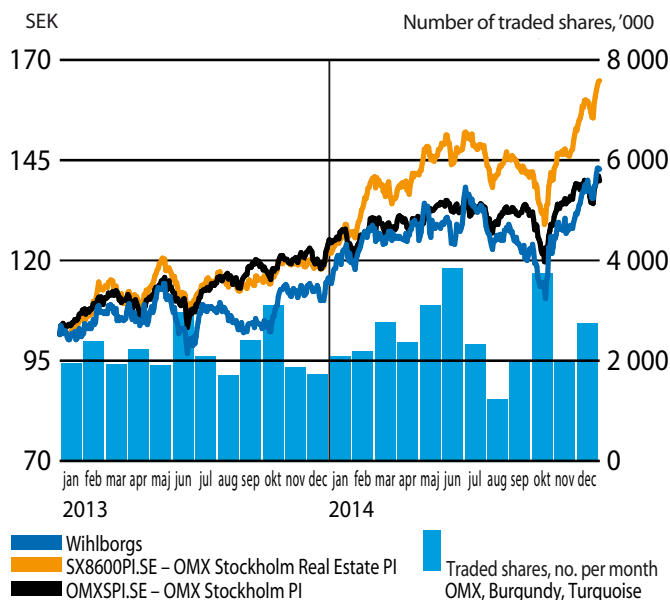
The largest shareholder in Wihlborgs is Erik Paulsson with family, with 10.1 per cent of the shares outstanding.

Shares held by owners registered abroad accounted for 35.5 percent of the total. The number of shareholders was 24,507.

LARGEST SHAREHOLDERS IN WIHLBORGS 31 DECEMBER 2014

	Number of shares,	Proportion of equity and votes, %
Erik Paulsson with family, privately and via company	7,769	10.1
SEB funds	3,362	4.4
Länsförsäkringar funds	3,072	4.0
Handelsbanken funds	2,969	3.9
Qviberg family	2,162	2.8
Robur funds	1,800	2.3
Skandia funds	1,333	1.7
Lannebo funds	1,209	1.6
Tibia Konsult AB	1,113	1.4
DnB Carlson funds	735	1.0
Other shareholders reg. in Sweden	24,075	31.3
Other shareholders reg. abroad	27,258	35.5
Total outstanding shares	76,857	100.0

DEVELOPMENT OF SHARE PRICE 01-01-2013 – 31-12-2014



Significant risks and uncertainty factors

Wihlborgs operations, financial status and profit are affected by a number of risk factors. Risks that have a decisive influence on the Group's profit trend are variations in rental income, interest rate changes, costs, property valuations and taxes. There are also risks relating to cash flow and borrowing.

There is a comprehensive description of the risks facing the Group on pages 82–85 and 106–107 in the Company's 2013 annual report.

Accounting policies

Wihlborgs complies with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), as well as interpretations issued by the IFRS and approved by the European Union. The interim report has been prepared in accordance with IAS 34.

Accounting policies and calculation methods are identical to those applied in Wihlborgs' latest annual report, other than the following amendments: The EU has approved a package of five standards to come into effect after 1 January 2014. IFRS 11 Joint Arrangements introduces a certain change in the way that what were formerly referred to as joint ventures are classified. These are now classified as either joint operations or joint ventures. Joint ventures are as before accounted for in accordance with the equity method. A party to a joint operation accounts for his assets, liabilities, income and expense and his share of the assets, liabilities, income and expense of the joint operation in the consolidated financial statements. For Wihlborgs' part, the amendment has the effect that the Company's participations in Dockan Exploatering AB and Nyckel 0328 AB are classified as joint operations as of 1 January 2014. This means that certain assets, liabilities, income

and expense have been accrued while assets in the form of equity participations, profit/loss items and shares in income have decreased. Figures from previous years have not been restated since no significant impact exist on either income or balance sheet.

The other four changes in the package, which affects IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Consolidated and Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures do not have any material effect on Wihlborgs' accounting.

Amendments to IAS 32 Financial Instruments – Presentation, valid as of 1 January 2014, do not have any material effect on Wihlborgs' accounting.

In accordance with IFRIC 21 Levies, which was adopted by the EU in May, the entire property tax liability for 2014 is accounted for in quarter 1. As the cost is accrued in the same way as previously, the result is not affected. However, the balance sheet total increases during the year.

Furthermore, the Group applies the Swedish Financial Accounting Standards Council's recommendation RFR 1, Supplementary Rules for Consolidated Financial Statements. The Parent Company applies RFR 2.

Proposal for dividend and repurchase

The Board of Directors proposes that the Annual General Meeting approve the following resolutions:

■ a dividend of SEK 4.75 (4.25) per share, making a total payment of SEK 365 million. The proposal represents an increase of 12 per cent over the figure for the preceding year. The proposal is also in line with Wihlborgs' dividend policy, which states that the dividend paid will represent 50 per cent of the income from day-to-day property management and 50 per cent of profit realized from property sales, after deduction of tax at a standard rate of 22 per cent.

■ authorization to the Board, in the period until the next AGM, to acquire and transfer Wihlborgs shares corresponding to no more than ten per cent of the shares outstanding,

■ authorization to the Board, in the period until the next AGM, to approve a new share issue corresponding to a maximum of ten per cent of the shares outstanding.

Events after the accounting period

In January Wihlborgs acquired leasehold of the property Kroksabeln 12 in Helsingborg for SEK 151 million. The property is located at Berga industrial park and includes a modern warehouse and office building of 15,000 m², while the plot of land covers approximately 30,000 m².

In January the finance company Nya Svensk Fastighets-Finansiering was created, where Wihlborgs owns 20 percent. The purpose is to issue secured corporate bonds.

Forthcoming reports

29 Apr 2015

Interim report Jan – Mar

29 apr 2015

Annual General Meeting

6 July 2015

Interim report Jan – Jun

21 Oct 2015

Interim report Jan – Sep

Malmö 12 February 2015

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CONSOLIDATED INCOME STATEMENT Summary

SEKm	2014 Oct–Dec 3 months	2013 Oct–Dec 3 months	2014 Jan–Dec 12 months	2013 Jan–Dec 12 months
Rental income	468	453	1,856	1,704
Other revenues	0	0	49	3
Total income	468	453	1,905	1,707
Operating costs	-68	-68	-240	-238
Repairs and maintenance	-21	-22	-77	-70
Property tax	-22	-21	-87	-82
Leasehold rent	-1	-2	-5	-6
Property administration	-24	-24	-90	-73
Total property costs	-136	-137	-499	-469
Operating surplus	332	316	1,406	1,238
Central administration	-11	-10	-41	-37
Net interest	-121	-121	-477	-452
Income from property management	200	185	888	749
Change in value of properties	469	43	642	167
Change in value of derivatives	-390	-10	-1,038	449
Pre-tax profit	279	218	492	1,365
Current tax	0	1	-5	-4
Deferred tax	-74	-48	-92	-298
Profit for the period¹	205	171	395	1,063
OTHER TOTAL PROFIT/LOSS ²				
Translation differences and hedging for international activities, including tax	3	0	5	0
Total comprehensive income for the period¹	208	171	400	1,063
Earning per share ³	2.67	2.22	5.14	13.83
No. of shares at end of the period, thousands	76,857	76,857	76,857	76,857
Average no. of shares, thousands	76,857	76,857	76,857	76,857

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

2) Refers to records that have been or can be transferred to the result for the period.

3) Key ratios per share have been calculated based on a weighted average number of shares during the period.

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

HISTORICAL SUMMARY OF LAST EIGHT QUARTERS

SEKm	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Rental income	468	458	468	462	453	451	404	396
Other revenues	0	0	0	49	0	1	1	1
Operating costs	-68	-40	-52	-80	-68	-44	-49	-77
Repairs and maintenance	-21	-18	-20	-18	-22	-19	-16	-13
Property tax	-22	-21	-22	-22	-21	-23	-20	-18
Leasehold rent	-1	-2	-1	-1	-2	-1	-2	-1
Property administration	-24	-23	-22	-21	-24	-20	-14	-15
Operating surplus	332	354	351	369	316	345	304	273
Income from property management	200	224	223	241	185	211	188	165
Surplus ratio, % *	70.9	77.3	75.0	69.3	69.8	76.3	75.0	68.7
Investment yield, % *	5.6	6.1	6.1	5.6	5.6	6.4	5.9	5.4
Equity/assets ratio, %	28.2	28.2	28.3	29.9	29.7	29.4	30.6	30.7
Return on equity, %	11.9	4.6	2.3	4.2	10.0	16.0	21.9	17.7
Earnings per share, SEK	2.67	1.01	0.51	0.95	2.22	3.42	4.58	3.60
Income property management per share, SEK	2.60	2.91	2.90	3.14	2.41	2.75	2.45	2.15
Cash flow per share, SEK	2.62	3.23	2.37	4.09	2.65	3.79	1.39	2.19
EPRA net asset value, SEK	126.76	118.12	114.34	114.49	111.92	109.02	105.48	106.47
Market value as % of Equity II	112.6	105.0	111.9	110.1	103.0	94.7	94.3	100.7

The above key ratios are based on the results for each quarter. The investment yield and the return on equity have been converted into annual figures without taking seasonal variations into account.

* Excluding payments for early lease termination.

CONSOLIDATED BALANCE SHEET summary

SEKm	2014-12-31	2013-12-31
ASSETS		
Managed properties	24,299	22,584
Other fixed assets	197	359
Derivatives	0	110
Current receivables	111	126
Liquid assets	71	11
Total assets	24,678	23,190
EQUITY AND LIABILITIES		
Equity	6,967	6,894
Deferred tax liability	1,627	1,598
Borrowings	14,148	13,740
Derivatives	1,148	220
Other long-term liabilities	53	67
Current liabilities	735	671
Total equity & liabilities	24,678	23,190

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Jan-Dec 2014	Jan-Dec 2013
Total equity at beginning of period	6,894	6,138
<i>Equity attributable to parent company's shareholders</i>		
Opening amount	6,894	6,138
Dividend paid	-327	-307
Profit for the year	395	1,063
Other comprehensive income	5	0
Closing amount	6,967	6,894
<i>Equity attributable to minority shares</i>	-	-
Total equity at end of year	6,967	6,894

CONSOLIDATED CASH FLOW STATEMENT summary

SEKm	Jan-Dec 2014	Jan-Dec 2013
Operating activities		
Operating surplus	1,406	1,238
Central administration	-41	-37
Depreciation	1	1
Net financial items paid	-481	-447
Income tax paid	-18	-6
Change in other working capital	78	21
Cashflow from operating activities	945	770
Investment activities		
Investments in and acquisitions of properties	-489	-2,010
Investments in existing properties	-802	-548
Sales of properties	376	65
Change in other non-current assets	52	17
Cash flow from investment activities	-863	-2,476
Financing activities		
Dividend paid	-327	-307
Expiry of derivatives	-	22
Change in borrowing	305	1,902
Change in other long-term liabilities	-	-2
Cash flow from financing activities	-22	1,615
Cash flow for the year	60	-91
Opening cash flow	11	102
Closing cash flow	71	11

CONSOLIDATED SEGMENT REPORTING JAN–DEC

Property management SEKm	Malmö		Helsingborg		Lund		Copenhagen		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues	895	864	496	498	403	262	111	83	1,905	1,707
Costs	-217	-220	-152	-148	-101	-76	-29	-25	-499	-469
Operating surplus	678	644	344	350	302	186	82	58	1,406	1,238

In the Group's internal reporting, activities are divided into the above segments, which are the same as described in the latest annual report. The total operating surplus shown above corresponds with the operating surplus recorded in the income statement.

The difference between the operating surplus of SEK 1,406 million (1,238) and the pre-tax profit of SEK 492 million (1,365) consists of central administration SEK -41 million (-37), net interest SEK -477 million (-452) and changes in value of properties and derivatives SEK -396 million (616).

Definitions

Financial

Return on equity

Profit for the period as a percentage of average shareholders' equity excluding minority shares. In interim reports the return is converted to its annualised value without taking account of seasonal variations.

Return on total capital

Profit before tax plus interest expenses and value changes of derivatives as a percentage of average balance sheet total. In interim reports the return is converted to its annualised value without taking account of seasonal variations.

Equity/assets ratio

Shareholders' equity as a percentage of balance sheet total.

Interest coverage ratio

Income from property management increased by interest expenses divided by interest expenses.

Leverage of properties

Borrowings as a percentage of the carrying amount for the properties.

Debt/equity ratio

Interest-bearing liabilities divided by shareholders' equity.

Share-related

Earnings per share

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

Earnings per share before tax

Profit before tax divided by the average number of outstanding shares.

Income from property management/share

Income from property management divided by the average number of outstanding shares.

Cash flow from operations per share

Cash flow from operations divided by the average number of outstanding shares.

Equity per share I

The parent company's shareholders' share of the equity at the end of year in relation to the number of shares at period end.

Equity per share II

Calculated as Equity per share I, but not charged with deferred tax. Equity is increased by the addition of the carrying amount for deferred tax.

EPRA NAV

Equity per share, including reversal of interest rate derivatives and deferred tax, as shown on the balance sheet.

Dividend yield from shares

Proposed dividend as a percentage of the stock exchange market value at the year end.

The share's total return

The share price growth and actual dividend in relation to the market value at the beginning of the year.

P/E-ratio I, times

The market value per share divided by the profit per share. The conversion has been carried out to full-year basis without taking account of seasonal variations.

P/E-ratio II, times

The market value divided by the income from property management charged with nominal

tax, per share. The conversion has been carried out to full-year basis without taking account of seasonal variations.

Property related

The key figures are based on property stocks at the end of each quarter.

No. of properties

Total number of properties owned by Wihlborgs at the end of the period.

Carrying amount of properties

Carrying amount of the Group's property portfolio at the end of the period.

Lease value

Lease income plus estimated market rent on unrented areas.

Investment yield

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

Lettable area

Total area that is available to let.

Rental income per m²

Annualized rental income divided by lettable area.

Net operating income per m²

Net operating income divided by lettable area.

Financial occupancy rate

Rental income as a percentage of rental value.

Surplus ratio

Net operating income as a percentage of rental income.

KEY FIGURES FOR THE GROUP

SEKm	Jan-Dec 2014	Jan-Dec 2013
FINANCIAL		
Return on equity, %	5.7	16.3
Return on total capital, %	8.4	6.4
Equity/assets ratio, %	28.2	29.7
Interest coverage ratio, multiple	2.8	2.6
Leverage properties, %	58.2	60.8
Debt/equity ratio, multiple	2.0	2.0
SHARE-RELATED		
Earnings per share, SEK	5.14	13.83
Earnings per share before tax, SEK	6.40	17.76
Income from property management per share, SEK	11.55	9.75
Cashflow from operations per share, SEK	12.30	10.02
Equity per share I, SEK	90.65	89.70
Equity per share II, SEK	111.82	110.49
EPRA net asset value per share, SEK	126.76	111.92
Market value per share, SEK	142.75	115.25
Dividend per share, SEK	4.75	4.25
Dividend yield, %	3.3	3.7
Total return from share, %	27.5	17.5
P/E-ratio I, multiple	27.8	8.3
P/E-ratio II, multiple	15.8	15.2
Number of shares at the end of period, thousands	76,857	76,857
Average number of shares, thousands	76,857	76,857
PROPERTY-RELATED		
Number of properties	269	264
Carrying amount of properties, SEKm	24,299	22,584
Investment yield, % – all properties	5.6	5.9
Direct return, % – excl project properties	5.9	6.0
Lettable area, m ²	1,551,666	1,523,125
Rental income, SEK per m ²	1,201	1,199
Operating surplus, SEK per m ²	876	876
Financial occupancy rate, % - all properties	91	91
Financial occupancy rate, % - excl project properties	91	91
Surplus ratio, %	73	73
EMPLOYEES		
Number of employees at period end	113	111

PARENT COMPANY'S INCOME STATEMENT summary

SEKm	Jan-Dec 2014	Jan-Dec 2013
Income	119	118
Expenses	-122	-117
Operating profits	-3	1
Financial income	1,095	1,260
Financial expenses	-1,626	-527
Pre-tax profit	-534	734
Appropriations	256	17
Tax	226	-83
Profit for the year	-52	668
Other comprehensive income	0	0
Comprehensive income for the year	-52	668

PARENT COMPANY'S BALANCE SHEET summary

SEKm	2014-12-31	2013-12-31
Participations in Group companies	8,029	7,626
Receivables from Group companies	9,028	8,998
Derivatives	0	110
Other assets	1,152	488
Cash and bank balances	33	4
Total assets	18,242	17,226
Equity	1,717	2,095
Liabilities to credit institutions	12,152	11,626
Derivatives	1,148	220
Liabilities to Group companies	3,060	3,132
Other liabilities	165	153
Total equity and liabilities	18,242	17,226

Where job satisfaction is key

Through our commitment and our properties
we create conditions for strong growth for business
in the Öresund region.



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