

## Wihlborgs stronger than ever

Rental income increased by 3 percent to SEK 1,910 million (1,856)

Operating surplus\* increased by 3 percent to SEK 1,402 million (1,357)

Income from property management\* increased by 11 percent to SEK 932 million (839)

Result for the year amounts to SEK 2,278 million (395), corresponding to earnings per share of SEK 29.64 (5.14)

The Board proposes a dividend of SEK 5.25 (4.75) per share

Group key figures, SEKm	2015	2014	2015	2014
	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
Rental income	475	468	1,910	1,856
Operating surplus*	337	332	1,402	1,357
Income property management*	221	200	932	839
Changes in value	930	79	1,884	-396
Result for the period	935	205	2,278	395
Earnings per share, SEK	12.17	2.67	29.64	5.14
Surplus ratio, %*	71	71	73	73
Equity/assets ratio, %	30.6	28.2	30.6	28.2
Occupancy rate, %**	91	91	91	91

\* Excluding payments for early lease termination.

\*\* Excluding Projects & Land.



December 2015, Gångtappen 1's new facade starts to take form. In summer 2016, the new tenant Länsförsäkringar will move in to the top six floors.

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 28.6 billion. The annual rental value of the properties is SEK 2.3 billion.

Wihlborgs shares are quoted on the Large Cap List of NASDAQ Stockholm.

## 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

**04**

CEO's-/market-  
comments

**06**

Income, expenses  
and profit

**08**

Assets

## 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.

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

**28 April 2016**  
**11 July 2016**  
**20 October 2016**

**13**

Liabilities and  
Equity

**16**

Financial  
reports

**19**

Key figures

Production Wihlborgs.

Photographer Peter Westrup, Felix Gerlach, Jenny Karlsson, Robert Persson.

# CEO's comments

Wihlborgs posts the best results in its history in terms of rental income, operating surplus and income from property management, once again for 2015.

In the fourth quarter, our rental income amounted to SEK 475 million, to which can be added the SEK 11 million we received in payments for early lease termination, making a total of SEK 486 million. Operating costs are relatively low and we posted a surplus ratio, excluding payments for early lease termination, of 71 percent, which is a high figure for a fourth quarter.

Income from property management, excluding payments for early lease termination, grew more than 10 percent, both for the fourth quarter and for the full-year 2015.

Activity in the region's rental market remained high. Net lettings in the fourth quarter were up SEK 20 million and all of the cities represented in our portfolio contributed positively.

Activity was also high in the property transaction market. There

is substantial demand for properties and, in combination with the lettings and investments we have carried out, this resulted in values appreciating significantly when our properties were valued at the end of the year. For the fourth quarter, we posted positive property value changes of SEK 731 million, giving a total market value of SEK 28.6 billion. With borrowings of SEK 16.3 billion, our loan-to-value ratio is 56.8 percent, which comprises a stable platform for future expansion.

Given our strong underlying performance and the appreciation in property value at the end of the year, our long-term net asset value (EPRA NAV) was SEK 156 per share, a year-on-year increase of 26 percent or SEK 34 per share, after adjustment for dividends. Growth can be broken down to SEK 13 from property management and SEK 3 from project activities. To this should be added other value adjustments of SEK 18 per share, primarily due to the market's increased demand for investment objects.



During the quarter, we completed one major acquisition in Copenhagen comprising the purchase of two properties, one in Glosstrup and the other in Høje-Taastrup. Together, the properties have a lettable area of about 110,000 m<sup>2</sup>, meaning that we increased the size of our Copenhagen portfolio by almost two-thirds. The acquisition means we have attained critical mass in two new sub-markets in Copenhagen, which both possess excellent communication links. In addition to the immediate growth this creates for us in Copenhagen, it also comprises an excellent base for continued future expansion.

We have a number of major ongoing projects, primarily in Malmö, but also in Helsingborg. I am referring to Gångtappen 1, Nora 11 and Kranen 8 (Ubåtshallen), as well as Terminalen 1 (Knutpunkten). Letting activities are in full swing and we are confident that these premises will be fully let on completion of the projects. However, we know that we will have a number of relocations from within the portfolio in 2016, which will limit growth to some extent before new tenants are in place. At the same time, we are noting buoyant demand in central locations and we will now start the

Sirius project by Malmö Central Station and the Postterminalen project by the central station in Lund. Our projects lay the foundation for our long-term growth.

Our dividend policy remains unchanged and the Board has decided to propose a dividend of SEK 5.25 per share for resolution at the Annual General Meeting. This is a rise of about 11 percent compared with last year's dividend.

Finally, I would like to thank our tenants and various business partners, and last but not least all our employees for all their efforts, which has made 2015 another successful year for Wihlborgs. Together, we can, and we will, continue to grow and develop the company to create ever greater job satisfaction at Wihlborgs and for our tenants.

## Market comments

Growth in Sweden is driven by a strong labour market, high private and public consumption, and by an upswing in industrial production. An expansive fiscal policy in combination with an ultralight monetary policy amplify the effect of each other. According to Swedbank's latest economic outlook, the Swedish economy is expected to grow robustly, by slightly more than 3 percent per year, in 2016 and 2017. However, the imbalances in Sweden's economy will deteriorate over the coming years.

Inflation was lower than expected in November and December, and Swedbank's primary scenario is that, at its February meeting, the Riksbanken will further lower the repo rate, down to negative 0.5 percent. Swedbank also forecasts that the repo rate will be raised to zero percent by the end of 2017.

### Rental market

The rental market in Malmö posted a positive trend with increased demand. Vacancies have not been appreciably impacted despite sizable new construction projects and Malmö continues to attract companies in the region.

In Helsingborg, the rental market remained relatively stable. The Knutpunkten property was completed in 2016 and new top office rents set with rent excluding heating exceeding SEK 2,500 per m<sup>2</sup>. The completion of the new office at Knutpunkten will generate movement in the market and open opportunities for slightly higher rent levels in the remaining Helsingborg portfolio.

The rental market in central Lund remains strong and has, essentially, no vacancies. When we re-let premises, we are able to increase rent levels. Ideon remains interesting and we noted several new establishments in 2015.

The Copenhagen rental market has long been influenced by a long-standing economic downturn, with increased vacancies and downward pressure on rent levels. However, the market has bottomed out and specks of light can be seen on the horizon.

### The property market

According to Savills, the property transaction market was strong in Sweden and well above the historic average in 2015. The total transaction volume was SEK 151 billion, which is comparable to the extremely strong years prior to the 2008 financial crisis. All sub-segments posted strong sales. The assessment of Savills is that interest from international investors in acquiring property in Sweden will be strong in 2016. Yield requirements declined in essentially all sub-segments and geographic markets in 2015.

The Copenhagen property transaction market was extremely strong and rose 39 percent compared with 2014 according to CBRE. In 2015, transaction volumes in Copenhagen almost matched the volume for the entire property transaction market for Denmark in 2014. Foreign investors accounted for about 40 percent of transaction volumes.

# Income, expenses and profits, Jan-Dec 2015

Comparative figures for income statement items relate to values for the corresponding period 2014 and balance sheet items as of 31-12-2014.

## Rental income

Rental income was SEK 1,910 million (1,856). Other revenues from property management was SEK 43 million (49) relating to payments for early lease termination.

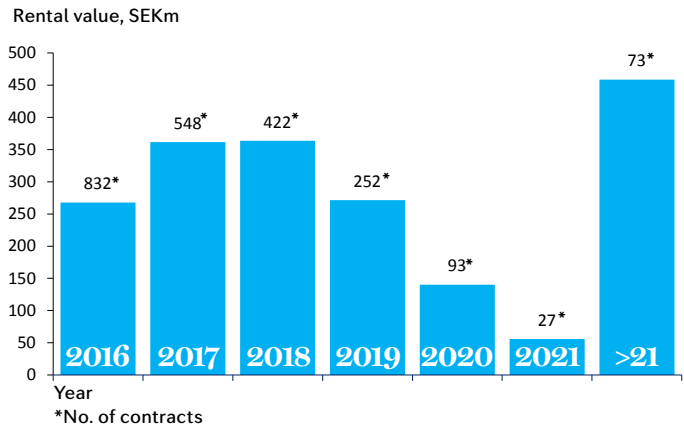
The increase in rental income is attributable to property acquisitions, renegotiations, new lettings and indexation in contracts.

The total growth in rental income was 3 percent compared with the corresponding period 2014.

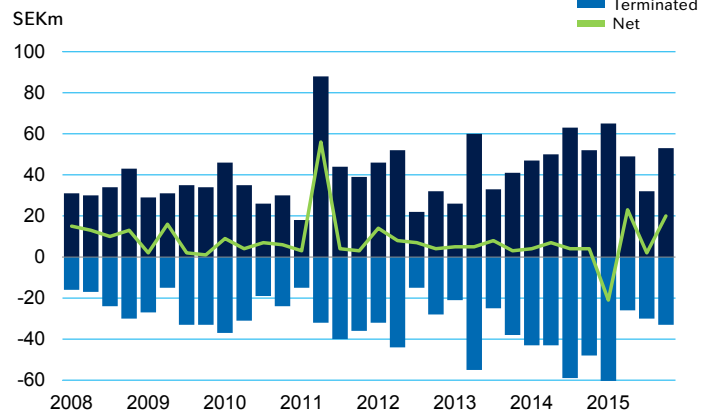
The occupancy rate for managed properties, remains unchanged compared with previous year-end, 91 percent.

During the year new leases were signed to a value of SEK 199 million (213) on an annualized basis. Lease terminations totalled SEK 175 million (194). This represents a net letting income of SEK 24 million (19).

Terms of Wihlborgs' rental contracts per 31 December 2015



Net letting



Our new Postterminalen project is centrally located in Lund, adjacent to Lund's central station and neighbouring the municipal office building Kristallen. The 11,000 m<sup>2</sup> office building will be ready to accept tenants in spring 2018.



Wihlborgs has totally refurbished the Landstinget 2 property for Sparbanken Skåne. We have also installed state-of-the-art cooling equipment for optimal results for both tenants and the environment.

## Property costs

Total property costs amounted to SEK 508 (499) million. The increase is mainly attributable to property acquisitions and completed investments. The costs for comparable properties were lower than a year earlier, while property tax and property administration have increased.

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 1,445 million (1,406). Excluding payments for early lease termination, the operating surplus totalled SEK 1,402 million (1,357), representing a surplus ratio of 73 percent (73).

## Central administration

The costs for central administration were SEK 43 million (41).

## Financial income and expense

Net interest totalled SEK -427 million (-477), of which interest income accounted for SEK 10 million (11).

Interest expenses, including effects of derivatives, for the year

were SEK 437 million (488). The lower interest costs were affected by lower market interest rates. At the end of the year, the average interest rate, including the cost of credit agreements, was 2.76 percent (3.20).

## Income from property management

Income from property management including other income amounted to SEK 975 million (888). Excluding payments for early lease termination, the income from property management amounted to SEK 932 million (839).

## Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 2,859 million (492). Changes in value of properties amounted to 1,615 Mkr (642) and value changes on derivatives amounted to SEK 269 million (-1,038) which explains the increase.

## Profit after taxes

The profit after taxes was SEK 2,278 million (395).

# Assets

## Property portfolio as of 31 December 2015

The summaries below are based on Wihlborgs' property portfolio as of 31 December 2015. Rental income relates to contracted rental income on an annual basis as of 1 January 2016.

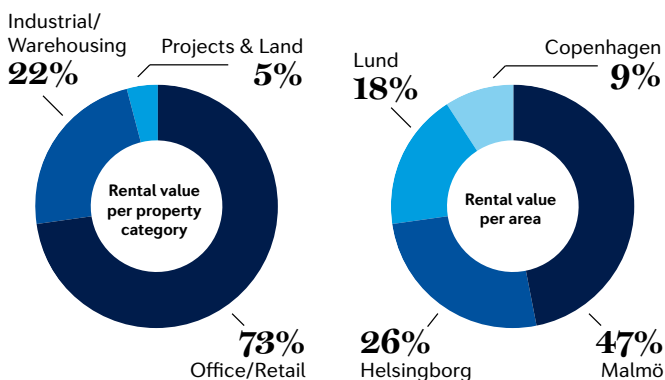
The surplus ratio is based on the properties' earning capacity on an annual basis based on rental income for January 2016, operating and maintenance costs, property administration on a rolling twelve-month basis, property tax and leasehold rent.

Wihlborgs' property portfolio consists of commercial properties in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. The property portfolio 31 December 2015 consisted of 276 properties (269) with a lettable area of 1,746,000 m<sup>2</sup> (1,552,000).

Eleven of the properties (12) are leasehold rights. The properties' carrying amount was SEK 28,623 million (24,299), which corresponds to the estimated market value. The total rental value was SEK 2,259 million (2,058) and the contracted rental income on annual basis SEK 1,983 million (1,863).

The economic occupancy rate for Office/Retail properties was 92 percent (93) and for Industrial/Warehousing properties 87 percent (86). The rental value for Office/Retail properties represented 73 percent and Industrial/Warehousing properties 22 percent of the total rental value.

The operating surplus from managed properties, excluding property administration and Projects & Land, is SEK 1,533 million (1,420) which with a carrying amount of SEK 26,263 million (22,804) corresponds to a direct return of 5.8 percent (6.2). Broken down by property category, this is 5.5 percent (5.9) for Office/Retail and 7.5 percent (7.9) for Industrial/Warehousing.



In October, Wihlborgs hosted an event at Gängtappen 1. The theme was, What was, What is and What will be, and presented everything from the history of the Dockan area in Malmö - to tomorrow's workplace and the property's possibilities.



## 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 1,615 million (642). The yield requirements dropped slightly during the year. As of 31 December 2015, the carrying amount for the properties was SEK 28,623 million (24,299).

## Investments and current projects

Investments in the property portfolio totalled SEK 1,047 million (802).

Approved investments in ongoing projects amount to SEK 1,288 million, of which SEK 789 million had been invested at year-end.

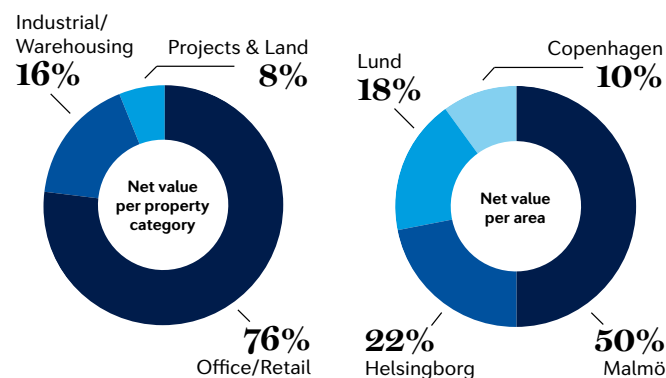
## Liquid assets

The Groups liquid assets totalled SEK 201 million (185) including unutilised overdraft facilities.

### CHANGES IN CARRYING AMOUNT OF PROPERTIES

Changes	Group total, SEKm
Carrying amount 1 January 2015	24,299
Acquisitions	2,155
Investments	1,047
Properties sold <sup>1</sup>	-411
Change in value	1,615
Currency translations	-82
Carrying amount 31 December 2015	28,623

1) Including insurance claims totally damaged buildings and payments for external projects.



When the cold weather comes, we are glad that our Lund office is centrally located in Beta 5 at Ideon.

### INVESTMENTS IN PROGRESS >SEK 50 MILLION, 31 DECEMBER 2015

Property	Category of use	Municipality	Completion date	Lettable area, m <sup>2</sup>	Occupancy rate, %	Estimated investment, SEKm	Expended 151231, SEKm
Terminalen 1	Office/Retail	Helsingborg	Q2 2016	9,000	60	436	377
Gångtappen 1	Office/Retail	Malmö	Q2 2016	14,000	40	242	113
Nora 11	Office/Retail	Malmö	Q3 2016	12,000	75	142	68
Kranen 8	Office/Retail	Malmö	Q2 2016	12,300	100	127	48
<b>Total</b>				<b>47,300</b>		<b>947</b>	<b>606</b>

**537,000 m<sup>2</sup>**

<b>31</b>	<b>59</b>	<b>12</b>
Office/Retail	Industrial/ Warehousing	Projects & Land

**205,000 m<sup>2</sup>**

<b>21</b>	<b>4</b>	<b>2</b>
Office/Retail	Industrial/ Warehousing	Projects & Land



**287,000 m<sup>2</sup>**

<b>18</b>	<b>3</b>	<b>1</b>
Office/Retail	Industrial/ Warehousing	Projects & Land

**716,000 m<sup>2</sup>**

<b>44</b>	<b>49</b>	<b>32</b>
Office/Retail	Industrial/ Warehousing	Projects & Land

#### ANALYSIS OF LETTABLE SPACE PER AREA AND CATEGORY OF USE

Area	Office, m <sup>2</sup>	Retail, m <sup>2</sup>	Ind./Ware- housing, m <sup>2</sup>	Education/ Health care, m <sup>2</sup>	Misc., m <sup>2</sup>	Total, m <sup>2</sup>	Share, %
Malmö	357,053	47,647	259,557	36,437	15,559 <sup>1</sup>	716,252	41
Helsingborg	152,834	63,379	283,165	22,541	15,134 <sup>2</sup>	537,053	31
Lund	124,035	11,161	29,632	31,924	8,619 <sup>3</sup>	205,371	12
Copenhagen	183,540	914	44,743	2,781	55,338	287,316	16
<b>Total</b>	<b>817,462</b>	<b>123,101</b>	<b>617,097</b>	<b>93,683</b>	<b>94,650</b>	<b>1,745,992</b>	<b>100</b>
<b>Share, %</b>	<b>47</b>	<b>7</b>	<b>35</b>	<b>5</b>	<b>6</b>	<b>100</b>	

1) Includes 10,275 m<sup>2</sup> hotel.

2) Includes 5,260 m<sup>2</sup> residential.

3) Includes 8,215 m<sup>2</sup> hotel.

#### ANALYSIS PER PROPERTY CATEGORY IN EACH MANAGEMENT AREA

Area/ property category	Number of properties thousand	Area, m <sup>2</sup>	Carrying amount, SEKm	Rental value, SEKm	Rental value SEK/m <sup>2</sup>	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., %
<b>MALMÖ</b>											
Office/Retail	44	390	10,494	750	1,925	92	693	524	76	546	5.2
Industrial/Warehousing	49	249	1,809	202	813	88	177	126	71	134	7.4
Projects & Land	32	78	1,836	105	1,345	-	20	1	-	4	-
<b>Total Malmö</b>	<b>125</b>	<b>716</b>	<b>14,139</b>	<b>1,057</b>	<b>1,476</b>	<b>84</b>	<b>890</b>	<b>651</b>	<b>73</b>	<b>684</b>	<b>4.8</b>
<b>HELSINGBORG</b>											
Office/Retail	31	173	3,505	290	1,681	95	276	200	72	209	6.0
Industrial/Warehousing	59	362	2,427	285	787	85	242	169	70	183	7.5
Projects & Land	12	2	444	4	1,964	-	4	3	-	3	-
<b>Total Helsingborg</b>	<b>102</b>	<b>537</b>	<b>6,377</b>	<b>580</b>	<b>1,080</b>	<b>90</b>	<b>523</b>	<b>372</b>	<b>71</b>	<b>395</b>	<b>6.2</b>
<b>LUND</b>											
Office/Retail	21	186	5,046	401	2,158	91	363	265	73	286	5.7
Industrial/Warehousing	4	20	126	14	697	95	13	10	77	11	8.4
Projects & Land	2	-	70	-	-	-	-	-1	-	0	-
<b>Total Lund</b>	<b>27</b>	<b>205</b>	<b>5,242</b>	<b>414</b>	<b>2,017</b>	<b>91</b>	<b>376</b>	<b>275</b>	<b>73</b>	<b>296</b>	<b>5.6</b>
<b>COPENHAGEN</b>											
Office/Retail	18	267	2,706	199	747	93	185	148	80	158	5.8
Industrial/Warehousing	3	20	121	9	426	94	8	6	74	7	5.8
Projects & Land	1	-	36	-	-	-	-	-	-	-	-
<b>Total Copenhagen</b>	<b>22</b>	<b>287</b>	<b>2,864</b>	<b>208</b>	<b>724</b>	<b>93</b>	<b>194</b>	<b>154</b>	<b>80</b>	<b>165</b>	<b>5.8</b>
<b>Total Wihlborgs</b>	<b>276</b>	<b>1,746</b>	<b>28,623</b>	<b>2,259</b>	<b>1,294</b>	<b>88</b>	<b>1,983</b>	<b>1,452</b>	<b>73</b>	<b>1,540</b>	<b>5.4</b>
<b>Total excluding Projects &amp; Land</b>	<b>229</b>	<b>1,666</b>	<b>26,236</b>	<b>2,150</b>	<b>1,291</b>	<b>91</b>	<b>1,959</b>	<b>1,448</b>	<b>74</b>	<b>1,533</b>	<b>5.8</b>



In December, we acquired 50,000 m<sup>2</sup> in Glostrup, Copenhagen. The tenant is Danske Bank.

## Property transactions

Four properties were acquired in the fourth quarter of 2015. Two properties were acquired in Copenhagen: Girostrøget 1 in Høje-Taastrup and Industrivej 41 in Glostrup, which together have a lettable area of about 110,000 m<sup>2</sup>. The Musköten 17 property was acquired in Helsingborg and has a lettable area of about 5,000 m<sup>2</sup>. In Malmö, agreements were signed for the acquisition of the Stenåldern 1 property comprising 9,700 m<sup>2</sup>, with possession in the first quarter of 2016, and the sale of the Bensinpumpen 1 property comprising a plot of 9,400 m<sup>2</sup> with planning permission for a 15,000 m<sup>2</sup> development.

### PROPERTY ACQUISITIONS AND SALES JANUARY–DECEMBER 2015

Quarter	Property	Municipality	Management area	Category	Area, m <sup>2</sup>	Price, SEKm	Operating surplus 2015, SEKm <sup>1</sup>
1	Kroksabeln 12	Helsingborg	Berga	Ind/Warehousing	15,058		
	Stationsalléen 40-46	Herlev	Copenhagen	Office/Retail	5,379		
2	Polstjärnan 1	Malmö	Centre	Projects & Land	-		
	Polstjärnan 2	Malmö	Centre	Projects & Land	11,055		
3	Karin 11	Malmö	Centre	Office/Retail	16,101		
	Nora 11	Malmö	Centre	Office/Retail	28,568		
	Stattena 7	Helsingborg	Centre	Office/Retail	6,199		
4	Ejby Industrivej 41	Glostrup	Copenhagen	Office/Retail	49,175		
	Girostrøget 1 mfl	Høje Taastrup	Copenhagen	Office/Retail	61,449		
	Musköten 17	Helsingborg	Berga	Ind/Warehousing	5,187		
	Kranen 5, part of	Malmö	West Harbour	Projects & Land	-		
<b>Total acquisitions 2015</b>					<b>198,171</b>	<b>2,155</b>	<b>43</b>
1	Bunkagården Mellersta 1	Helsingborg	South	Ind/Warehousing	2,463		
	Gjuteriet 18, part of	Malmö	Limhamn	Projects & Land	-		
2	Högvakten 6	Malmö	Centre	Office/Retail	3,623		
	Brottaren 17	Helsingborg	South	Office/Retail	6,247		
	Limhamn 156:90	Malmö	Limhamn	Projects & Land	-		
3	Kärnan Södra 8	Helsingborg	Centre	Office/Retail	1,690		
	Minerva 19	Helsingborg	Centre	Office/Retail	1,181		
4	Kranen 5, part of	Malmö	West Harbour	Projects & Land	-		
<b>Total sales 2015</b>					<b>15,204</b>	<b>359</b>	<b>4</b>

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

# Liabilities and equity

As of 31 December 2015, equity totalled SEK 8,876 million (6,967) and the equity/assets ratio 30.6 percent (28.2).

## Interest-bearing liabilities

The group's interest-bearing liabilities as of 31 December amounted to SEK 16,265 million (14,148) with an average interest rate including costs for credit agreements of 2.76 percent (3.20).

With consideration to the company's net debt of SEK 16.3 billion, as a percentage of property values, the loan-to-value ratio is 56.8 percent (58.2).

The loans' average fixed interest period including effects of derivatives on 31 December 2015, amounted to 4.8 years (6.0). The average loan maturity, including committed credit facilities, amounted to 4.1 years (4.1).

### STRUCTURE OF INTEREST AND LOAN MATURITIES AS OF 31 DECEMBER 2015

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEKm	Av. interest rate, %	Credit ag, SEKm	Utilised, SEKm
2016	5,842	1.14	2,106	1,680
2017	300	0.80	4,875	4,727
2018	0	0	6,768	6,418
2019	0	0	1,290	1,290
2020	1,000	3.00	0	0
>2020	9,123	3.79	2,150	2,150
<b>Total</b>	<b>16,265</b>	<b>2.73</b>	<b>17,189</b>	<b>16,265</b>

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 2015

Amount, SEKm	Interest, %	Can be closed	End date
<b>Cancellable swaps*</b>			
500	2.63	quarterly	2026
500	2.72	quarterly	2026
500	2.34	quarterly	2026
500	2.58	quarterly	2027
1,000	1.96	quarterly	2021
<b>Interest-rate swaps</b>			
2,000	2.70		2021
1,000	2.04		2022
1,000	2.01		2022
1,000	3.40		2024
500	3.32		2024
<b>Threshold swap</b>			
1,000	3.07	Threshold 4.75	2021

\* Cancellable at the initiative of the counterpart.

As a result of higher market rates, the deficit in Wihlborgs' interest rate derivative portfolio decreased to SEK 879 million (1,148) a positive change during the year totalling SEK 269 million (-1,038). 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 92 million (-269). The remaining swaps are classified at level 2 in accordance with IFRS 13.

In December 2014 a Medium Term Note program was established for the issuance of unsecured bonds. During the year bond with a nominal value of SEK 500 million have been issued.



From 1 January 2016, Wihlborgs Fastigheter is listed on the Large Cap segment of NASDAQ Stockholm.

# Miscellaneous

## Employees

At the year end Wihlborgs' number of full-time employees was 122 (113), 45 of whom are property caretakers.

There were 58 employees in Malmö, 23 in Helsingborg, 17 in Lund and 24 in Copenhagen. The average age was 45 and the proportion of women was 39 percent.

In the fourth quarter Margareta Lantz has been employed as Head of Communications and she is in that role part of the group management.

## 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 959 (445) 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 2014 annual report. The companies are: Dockan Exploatering AB, Hälsostaden Ängelholm Holding AB, Medeon AB, Ideon AB, Nyckel 0328 AB, Nya Svensk FastighetsFinansiering AB and Fastighets AB ML4.

## Largest shareholders 31 December 2015

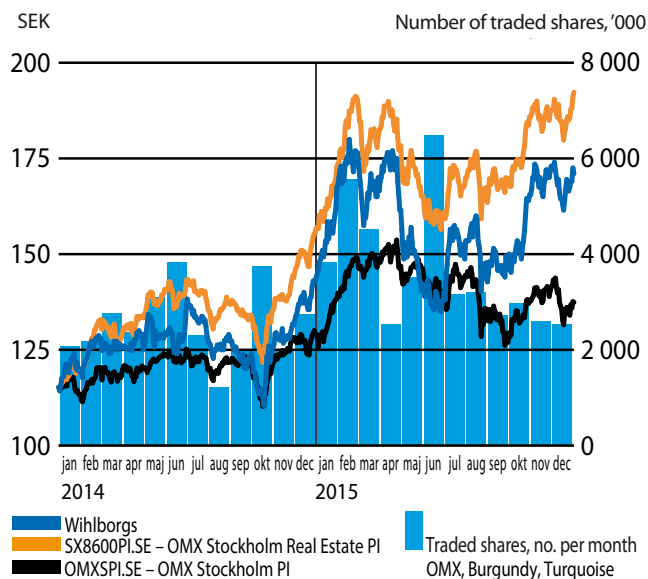
The largest shareholder in Wihlborgs is Erik Paulsson with family, with 10.1 percent of the shares outstanding.

Shares held by owners registered abroad accounted for 39 percent of the total. The number of shareholders was 23,458.

### LARGEST SHAREHOLDERS IN WIHLBORGS 31 DECEMBER 2015

	Number of shares, thousand	Proportion of equity and votes, %
Erik Paulsson with family, privately and via company	7,790	10.1
Länsförsäkringar funds	3,645	4.7
SEB funds	3,365	4.4
SHB funds	2,216	2.9
Qviberg family	2,162	2.8
Norges Bank	1,555	2.0
DnB Carlson funds	840	1.1
Tibia Konsult AB	813	1.1
Skandia funds	619	0.8
Avanza Pension	601	0.8
Other shareholders reg. in Sweden	24,546	32.0
Other shareholders reg. abroad	28,705	37.3
<b>Total outstanding shares</b>	<b>76,857</b>	<b>100.0</b>

### DEVELOPMENT OF SHARE PRICE 01-01-2014 – 31-12-2015



## 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 2014 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.

In accordance with IFRIC 21 Levies, which was adopted by the EU in May 2014, the entire property tax liability 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, new share issue and repurchase

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

- a dividend of SEK 5.25 (4.75) per share, making a total payment of SEK 403 million. The proposal represents an increase of 11 percent 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 percent of the income from day-to-day property management and 50 percent of profit realized from property sales, after deduction of tax at a standard rate of 22 percent.
- authorization to the Board, in the period until the next AGM, to acquire and transfer Wihlborgs shares corresponding to no more than ten percent 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 percent of the shares outstanding.

## Events after the accounting period

In January, Wihlborgs sold the Bensinpumpen 1 lease hold in Malmö, which comprises a plot of 9,400 m<sup>2</sup> with planning permission for a 15,000 m<sup>2</sup> development of a preschool and housing. During the same period, Wihlborgs sold the 2,400 m<sup>2</sup> Arlöv 19:58 property in Burlöv. In February Wihlborgs sold the leasehold site Vinkeln 8, which comprises 8,000 m<sup>2</sup> of office/warehouse space and a 33,000 m<sup>2</sup> plot.

## Forthcoming reports

**28 apr 2016**

Interim report Jan – Mar

**28 apr 2016**

Annual General Meeting

**11 jul 2016**

Interim report Jan – Jun

**20 okt 2016**

Interim report Jan – Sep

*Malmö 9 February 2016*

**Wihlborgs Fastigheter AB (publ)**

Anders Jarl, CEO

For further information, please contact:

Anders Jarl, CEO.

Telephone +46 (0)40-690 57 10, +46 (0)733-71 17 10

Arvid Liepe, CFO.

Telephone +46 (0)40-690 57 31, +46 (0)733-71 17 31

This Year End Report has not been reviewed by the company's auditors.



The extension of the Knutpunkten property in Helsingborg emerges. The 8,000 m<sup>2</sup> property will be ready for occupancy in spring 2016. Our Helsingborg office will also be moving to this address.

## CONSOLIDATED INCOME STATEMENT Summary

SEKm	2015 Oct–Dec 3 months	2014 Oct–Dec 3 months	2015 Jan–Dec 12 months	2014 Jan–Dec 12 months
Rental income	475	468	1,910	1,856
Other revenues	11	0	43	49
<b>Total income</b>	<b>486</b>	<b>468</b>	<b>1,953</b>	<b>1,905</b>
Operating costs	-66	-68	-235	-240
Repairs and maintenance	-22	-21	-78	-77
Property tax	-24	-22	-94	-87
Leasehold rent	-1	-1	-5	-5
Property administration	-25	-24	-96	-90
<b>Total property costs</b>	<b>-138</b>	<b>-136</b>	<b>-508</b>	<b>-499</b>
<b>Operating surplus</b>	<b>348</b>	<b>332</b>	<b>1,445</b>	<b>1,406</b>
Central administration	-11	-11	-43	-41
Net interest	-105	-121	-427	-477
<b>Income from property management</b>	<b>232</b>	<b>200</b>	<b>975</b>	<b>888</b>
Change in value of properties	731	469	1,615	642
Change in value of derivatives	199	-390	269	-1,038
<b>Pre-tax profit</b>	<b>1,162</b>	<b>279</b>	<b>2,859</b>	<b>492</b>
Current tax	3	0	-4	-5
Deferred tax	-230	-74	-577	-92
<b>Profit for the period<sup>1</sup></b>	<b>935</b>	<b>205</b>	<b>2,278</b>	<b>395</b>
OTHER TOTAL PROFIT/LOSS <sup>2</sup>				
Translation differences and hedging for international activities, including tax	-4	3	-4	5
<b>Total comprehensive income for the period<sup>1</sup></b>	<b>931</b>	<b>208</b>	<b>2,274</b>	<b>400</b>
Earning per share <sup>3</sup>	12.17	2.67	29.64	5.14
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 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Rental income	475	485	480	470	468	458	468	462
Other revenues	11	12	7	13	0	0	0	49
Operating costs	-66	-43	-53	-73	-68	-40	-52	-80
Repairs and maintenance	-22	-19	-20	-17	-21	-18	-20	-18
Property tax	-24	-23	-25	-22	-22	-21	-22	-22
Leasehold rent	-1	-1	-2	-1	-1	-2	-1	-1
Property administration	-25	-23	-23	-25	-24	-23	-22	-21
<b>Operating surplus</b>	<b>348</b>	<b>388</b>	<b>364</b>	<b>345</b>	<b>332</b>	<b>354</b>	<b>351</b>	<b>369</b>
Income from property management	232	271	247	225	200	224	223	241
Surplus ratio, % *	70.9	77.5	74.4	70.6	70.9	77.3	75.0	69.3
Investment yield, % *	4.9	5.8	5.7	5.4	5.6	6.1	6.1	5.6
Equity/assets ratio, %	30.6	29.3	29.3	28.5	28.2	28.2	28.3	29.9
Return on equity, %	44.5	19.7	34.8	17.7	11.9	4.6	2.3	4.2
Earnings per share, SEK	12.17	4.97	8.41	4.10	2.67	1.01	0.51	0.95
Income property management per share, SEK	3.02	3.53	3.21	2.93	2.60	2.91	2.90	3.14
Cash flow per share, SEK	3.08	3.85	2.94	3.45	2.62	3.23	2.37	4.09
EPRA net asset value, SEK	155.54	142.98	134.47	134.59	126.76	118.12	114.34	114.49
Market value as % of Equity II	109.9	104.9	100.4	123.7	112.6	105.0	111.9	110.1

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	2015-12-31	2014-12-31
<b>ASSETS</b>		
Managed properties	28,623	24,299
Other fixed assets	247	197
Current receivables	88	111
Liquid assets	75	71
<b>Total assets</b>	<b>29,033</b>	<b>24,678</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	8,876	6,967
Deferred tax liability	2,199	1,627
Borrowings	16,265	14,148
Derivatives	879	1,148
Other long-term liabilities	54	53
Current liabilities	760	735
<b>Total equity &amp; liabilities</b>	<b>29,033</b>	<b>24,678</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Jan-Dec 2015	Jan-Dec 2014
<b>Total equity at beginning of period</b>	<b>6,967</b>	<b>6,894</b>
<i>Equity attributable to parent company's shareholders</i>		
Opening amount	6,967	6,894
Dividend paid	-365	-327
Profit for the year	2,278	395
Other comprehensive income	-4	5
<b>Closing amount</b>	<b>8,876</b>	<b>6,967</b>
<i>Equity attributable to minority shares</i>	-	-
<b>Total equity at end of year</b>	<b>8,876</b>	<b>6,967</b>

### CONSOLIDATED CASH FLOW STATEMENT summary

SEKm	Jan-Dec 2015	Jan-Dec 2014
<b>Operating activities</b>		
Operating surplus	1,445	1,406
Central administration	-43	-41
Depreciation	1	1
Net financial items paid	-421	-481
Income tax paid	-5	-18
Change in other working capital	47	78
<b>Cashflow from operating activities</b>	<b>1,024</b>	<b>945</b>
<b>Investment activities</b>		
Investments in and acquisitions of properties	-2,155	-489
Investments in existing properties	-1,047	-802
Sales of properties	411	376
Change in other non-current assets	-52	52
<b>Cash flow from investment activities</b>	<b>-2,843</b>	<b>-863</b>
<b>Financing activities</b>		
Dividend paid	-365	-327
Change in borrowing	2,188	305
<b>Cash flow from financing activities</b>	<b>1,823</b>	<b>-22</b>
<b>Cash flow for the year</b>	<b>4</b>	<b>60</b>
<b>Opening cash flow</b>	<b>71</b>	<b>11</b>
<b>Closing cash flow</b>	<b>75</b>	<b>71</b>

## CONSOLIDATED SEGMENT REPORTING JAN–DEC

Property management SEKm	Malmö		Helsingborg		Lund		Copenhagen		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues	903	895	508	494	370	356	129	111	1,910	1,856
Other revenues	36	0	6	2	1	47	0	0	43	49
Costs	-226	-217	-145	-152	-100	-101	-37	-29	-508	-499
Operating surplus	713	678	369	344	271	302	92	82	1,445	1,406

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 1,445 million (1,406) and the pre-tax profit of SEK 2,859 million (492) consists of central administration SEK -43 million (-41), net interest SEK -427 million (-477) and changes in value of properties and derivatives SEK 1,884 million (-396).

## 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 m<sup>2</sup>

Annualized rental income divided by lettable area.

#### Net operating income per m<sup>2</sup>

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 2015	Jan-Dec 2014
------	-----------------	-----------------

**FINANCIAL**

Return on equity, %	28.8	5.7
Return on total capital, %	11.3	8.4
Equity/assets ratio, %	30.6	28.2
Interest coverage ratio, multiple	3.2	2.8
Leverage properties, %	56.8	58.2
Debt/equity ratio, multiple	1.8	2.0

**SHARE-RELATED**

Earnings per share, SEK	29.64	5.14
Earnings per share before tax, SEK	37.20	6.40
Income from property management per share, SEK	12.69	11.55
Cashflow from operations per share, SEK	13.32	12.30
Equity per share I, SEK	115.49	90.65
Equity per share II, SEK	144.10	111.82
EPRA net asset value per share, SEK	155.54	126.76
Market value per share, SEK	171.00	142.75
Dividend per share, SEK	5.25	4.75
Dividend yield, %	3.1	3.3
Total return from share, %	23.1	27.5
P/E-ratio I, multiple	5.8	27.8
P/E-ratio II, multiple	17.3	15.8
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	276	269
Carrying amount of properties, SEKm	28,623	24,299
Investment yield, %		
– all properties	5.1	5.6
Direct return, %		
– excl project properties	5.5	5.9
Lettable area, m <sup>2</sup>	1,745,992	1,551,666
Rental income, SEK per m <sup>2</sup>	1,36	1,201
Operating surplus, SEK per m <sup>2</sup>	832	876
Financial occupancy rate, %		
- all properties	88	91
Financial occupancy rate, %		
- excl project properties	91	91
Surplus ratio, %	73	73

**EMPLOYEES**

Number of employees at period end	122	113
-----------------------------------	-----	-----

**PARENT COMPANY'S INCOME STATEMENT summary**

SEKm	Jan-Dec 2015	Jan-Dec 2014
------	-----------------	-----------------

Income	147	119
Expenses	-127	-122

<b>Operating profits</b>	<b>20</b>	<b>-3</b>
Financial income	1,894	1,095
Financial expenses	-504	-1,626

<b>Pre-tax profit</b>	<b>1,410</b>	<b>-534</b>
Appropriations	119	256
Tax	-55	226

<b>Profit for the year</b>	<b>1,474</b>	<b>-52</b>
Other comprehensive income	0	0

<b>Comprehensive income for the year</b>	<b>1,474</b>	<b>-52</b>
--	--------------	------------

**PARENT COMPANY'S BALANCE SHEET summary**

SEKm	2015-12-31	2014-12-31
------	------------	------------

Participations in Group companies	8,624	8,029
Receivables from Group companies	10,954	9,028
Other assets	506	1,152
Cash and bank balances	0	33

<b>Total assets</b>	<b>20,084</b>	<b>18,242</b>
Equity	2,826	1,717
Liabilities to credit institutions	13,059	12,152
Derivatives	879	1,148
Liabilities to Group companies	3,196	3,060
Other liabilities	124	165

<b>Total equity and liabilities</b>	<b>20,084</b>	<b>18,242</b>
-------------------------------------	---------------	---------------

# Where job satisfaction is key

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



[wihlborgs.com](http://wihlborgs.com)

#### **Malmö - Headquarters**

Wihlborgs Fastigheter AB  
Box 97, SE-201 20 Malmö  
Visitors: Dockplatsen 16  
Tel: +46 (0)40-690 57 00

#### **Helsingborg**

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

#### **Lund**

Wihlborgs Fastigheter AB  
Ideon Science Park  
Scheelevägen 17  
SE-223 70 Lund  
Tel: +46 (0)40-690 57 00

#### **Danmark**

Wihlborgs A/S  
Hørkær 26, 1.sal  
DK-2730 Herlev, Danmark  
Tel: +45 396 161 57

[www.wihlborgs.se](http://www.wihlborgs.se)

[info@wihlborgs.se](mailto:info@wihlborgs.se)

Registered office: Malmö

Corporate registration no.:

556367-0230