

Fastighets AB Balder Interim report January–March 2013

- Profit from property management before tax amounted to SEK 161m (131), corresponding to SEK 0.82 per ordinary share (0.69)
- Rental income amounted to SEK 448m (410)
- Profit after tax amounted to SEK 406m (379), corresponding to SEK 2.36 per ordinary share (2.25)
- Shareholders' equity amounted to SEK 44.47 per ordinary share (37.81) and the net asset value amounted to SEK 52.19 per ordinary share (43.42).

Fastighets AB Balder is a listed property company which shall meet the needs of different customer groups for premises and housing based on local support. Balder's real estate portfolio had a value of SEK 22.5 billion (20.0) as of 31 March 2013. The Balder share is listed on NASDAQ OMX Stockholm, Mid Cap segment.



The period in brief

Comparisons stated in parenthesis refer to the corresponding period of the previous year

Rental income

Rental income increased to SEK 448m (410).

Property costs

Property costs amounted to SEK 176m (158).

Net operating income

Net operating income increased by 8 per cent to SEK 272m (252).

Profit from property management

The profit from property management amounted to SEK 161m (131), which corresponds to SEK 0.82 per ordinary share (0.69).

Changes in value of investment properties

The carrying amount of the properties amounted to SEK 22,483m (19,953). The profit was impacted by positive unrealised changes in value of SEK 167m (153) and realised chan-

ges in value of SEK 3m (—). The average yield requirement amounted to 5.9 per cent (6.0).

Changes in value of derivatives

Unrealised changes in value in respect of interest rate derivatives have impacted the result by SEK 189m (233).

Profit after tax

Net profit after tax for the period amounted to SEK 406m (379), which corresponds to SEK 2.36 per ordinary share (2.25).

Shareholders' equity

Shareholders' equity amounted to SEK 44.47 per ordinary share (37.81).

Net asset value

The net asset value amounted to SEK 52.19 per ordinary share (43.42).

	Jan-Mar 2013	Jan-Mar 2012	Jan-Dec 2012	Jan-Dec 2011	Jan-Dec 2010	Jan-Dec 2009	Jan-Dec 2008	Jan-Dec 2007	Jan-Dec 2006
Rental income, SEKm	448	410	1,701	1,466	1,333	854	633	678	524
Profit from property management before tax, SEKm	161	131	691	516	417	315	174	179	160
Changes in value of properties, SEKm	170	153	812	990	1,047	4	-201	642	212
Changes in value of derivatives, SEKm	189	233	-71	-520	148	-23	-333	7	—
Changes in value of financial investments, SEKm	—	—	—	-7	90	—	—	—	—
Profit after tax, SEKm	406	379	1,162	812	1,338	248	-388	785	441
Carrying amount of properties, SEKm	22,483	19,953	22,278	17,556	14,389	12,669	7,086	6,758	6,997
Data per ordinary share									
Average number of shares, thousands	159,537	159,537	159,537	158,656	149,487	112,902	95,910	97,318	94,050
Profit after tax, SEK	2.36	2.25	6.69	4.87	8.95	2.20	-4.04	8.07	4.69
Profit from property management before tax, SEK	0.82	0.69	3.73	3.00	2.79	2.79	1.81	1.84	1.70
Outstanding number of shares, thousands	159,537	159,537	159,537	159,537	149,487	149,487	94,458	97,318	97,318
Carrying amount of properties, SEK	140.93	125.07	139.64	110.04	96.25	84.75	75.02	69.44	71.90
Shareholders' equity, SEK	44.47	37.81	42.15	35.57	31.13	22.19	19.63	23.49	15.42
Long-term net asset value (EPRA NAV), SEK	52.19	43.42	50.37	41.83	32.89	22.16	20.95	22.33	13.06
Share price on closing date, SEK	45.90	32.50	37.30	25.30	29.40	12.50	7.00	13.33	17.00

CEO's comments

Profit from property management

The positive trend in the development of our profit from property management continued during the first quarter of the year. The increase during the fourth quarter of 2012 amounted to 25 per cent and to 23 per cent during the first quarter of 2013, despite an exceptionally long and cold winter. Our surplus ratio amounted to 61 per cent, like the previous year.

Our profit from property management has developed strongly since the foundation of the company. The profit from property management in quarter 1 of 2013, which normally has the lowest profit from property management of the year, exceeded that of the full-year 2006. The acquisitions carried out last year developed according to our high expectations and combined with a favourable interest rate situation, we have made a good start to the year.

Real estate transactions

Our concentration of the profit portfolio is continuing at an orderly rate. Two smaller properties were divested during the quarter.

We do not notice any change in the market but excellent opportunities to do transactions still exist and we see good business possibilities in the longer term, both in Sweden and in Denmark.

The Balder share

The Stockholm Stock Exchange and the Balder share have performed strongly so far this year. It is especially gratifying for us to have increased the number of registered shareholders by approximately 1,000 to 13,500 shareholders. The number of participants at our Annual General Meeting, which we are holding today, has also increased.

I look forward to continue developing our company and I am grateful every day I open the door to the office.

Erik Selin
Chief Executive Officer

Current earning capacity

Balder presents its earning capacity on a twelve-month basis in the table below. It is important to note that the current earning capacity should not be placed on a par with a forecast for the coming 12 months. For instance, the earning capacity contains no estimate of rental, vacancy, currency or interest rate changes.

Balder's income statement is also impacted by the development in the value of the real estate portfolio as well as future property acquisitions and/or property divestments. Additional items affecting the operating result are changes in value of derivatives. None of the above has been considered in the current earning capacity.

The earning capacity is based on the real estate portfolio's contracted rental income, estimated property costs during a normal year as well as administrative costs.

The costs of the interest-bearing liabilities are based on the group's average interest rate level including the effect of derivative instruments. The tax is calculated using the effective tax rate during each period and is estimated to largely consist of deferred tax, which does not affect the cash flow.

Current earning capacity on a twelve-month basis

SEKm	31 Mar 2013	31 Dec 2012	30 Sep 2012	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010
Rental income	1,800	1,800	1,790	1,710	1,685	1,530	1,480	1,450	1,405	1,405
Property costs	-560	-560	-560	-530	-525	-465	-455	-445	-430	-430
Net operating income	1,240	1,240	1,230	1,180	1,160	1,065	1,025	1,005	975	975
Property and administrative expenses	-120	-120	-115	-115	-110	-105	-100	-100	-105	-105
Profit from property management from associated companies	130	120	110	95	95	90	85	85	30	20
Operating profit	1,250	1,240	1,225	1,160	1,145	1,050	1,010	990	900	890
Net financial items	-495	-495	-505	-500	-505	-445	-420	-410	-425	-440
Profit from property management	755	745	720	660	640	605	590	580	475	450
Taxes	-166	-164	-189	-174	-168	-159	-155	-153	-125	-118
Profit after tax	589	581	531	486	471	446	435	427	350	332
Profit after tax attributable to										
Ordinary shareholders	469	461	411	386	371	366	355	347	350	332
Preference shareholders	120	120	120	100	100	80	80	80	—	—
Profit from property management before tax according to current earnings capacity per ordinary share, SEK	3.98	3.92	3.76	3.51	3.38	3.29	3.20	3.13	2.98	3.01

Results, income and costs

Result

Property management during the period increased by 23 per cent and amounted to SEK 161m (131), which corresponds to SEK 0.82 per ordinary share (0.69). Profit from property management includes SEK 36m (22) in respect of associated companies.

Net profit after tax for the period amounted to SEK 406m (379), corresponding to SEK 2.36 per ordinary share (2.25). Profit before tax was affected by changes in value in respect of properties of SEK 170m (153), changes in value of interest rate derivatives of SEK 189m (233) and profit from participations in associated companies of SEK 30m (17).

Rental income

Net operating income increased by 9 per cent to SEK 448m (410). The increase was primarily due to a larger real estate portfolio. The leasing portfolio was estimated to have a rental value on 31 March of SEK 1,934m (1,798) on a full-year basis. The average rental level for the entire real estate portfolio amounted to SEK 1,256/sq.m. (1,185).

Rental income shows a considerable diversification of risks as regards tenants, sectors and locations. The economic occupancy rate amounted to 93 per cent (94) on 31 March. The total rental value of unlet areas on 31 March amounted to SEK 134m (114) on an annual basis.

Property costs

Property costs amounted to SEK 176m (158) during the year. The increase in property costs was due to changes in the real estate portfolio.

Net operating income increased by 8 per cent to SEK 272m (252), which implies a surplus ratio of 61 per cent (61). Operating costs normally vary with the seasons. The first and fourth quarters have higher costs than the other quarters, while the third quarter usually has the lowest cost level.

Changes in value of investment properties

Balder carried out an individual internal valuation on 31 March, based on a ten-year cash flow model, of the entire real estate portfolio. Unrealised changes in value during the period amounted to SEK 167m (153). Realised changes in value amounted to SEK 3m (—).

The average yield requirement as of 31 March amounted to 5.9 per cent (6.0), which is unchanged compared to year-end. The change in value during the period of SEK 167m is attributable to improved net operating income.

Property and administrative costs

Property and administrative costs amounted to SEK 31m (32) during the period.

Participations in the profit of associated companies

Balder owns property-managing associated companies and the project development companies Bovieran and Majornas Projektutveckling, which are all 50 per cent-owned. The participating interest in the finance and credit management company Collector amounts to 44 per cent. Profit from participations in associated companies during the period amounted to SEK 30m (17). Balder's participation in the associated companies' profit from property management amounted to SEK 36m (22). Profit before tax was impacted by unrealised changes in value in respect of properties and interest rate derivatives of SEK 2m (2).

Net financial items and unrealised changes in value of derivatives

Net financial items amounted to SEK –116m (–111) and unrealised changes in value of interest rate derivatives amounted to SEK 189m (233). The positive change in value during the period was due to an increase in the level of interest rates since year-end. The change in value has not affected the cash flow.

Net financial items are equivalent to borrowing at an average interest rate of 3.4 per cent (3.8) during the period, including the effect of accrued interest from interest rate derivatives.

Taxes

Balder reported no current tax during the period (—) but a deferred tax expense of SEK 109m (128).

Current tax only arises in exceptional cases due to the possibilities of making tax write-offs, tax deductions for certain investments in properties and use of existing loss carry-forwards. Current tax arises for subsidiaries where no group contributions for tax purposes exist mainly companies acquired during the year.

The group's deferred tax liability has been calculated as the value of the net of tax loss carry-forwards and the temporary differences between the carrying amounts and values for tax purposes of properties and interest rate derivatives. Deferred tax liabilities amounted to SEK 552m (331). At year-end, the Group's overall deficit amounted to SEK 2,169m.

Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 111m (101). Investing activities have burdened the cash flow by SEK 155m (2,130). During the period, acquisition of properties of SEK —m (2,186), investments in existing properties of SEK 105m (59) and investments in property, plant and equipment, financial investments, associated companies, non-controlling interests of SEK 72m (22) and dividends paid of SEK 30m (20) have been financed through cash flow from operating activities of SEK 77m (125), by sales of properties of SEK 20m (—) and financial investments of SEK 2m (138), a new issue of SEK —m (265) and net borrowings of SEK 85m (1,786). The cash flow for the period amounted to SEK —23m (25). The group's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 259m (277) on 31 March.

Employees and organisation

The number of employees on 31 March amounted to 221 persons (210), of whom 63 (73) were women. Balder is organised into five regions with 13 areas in total. The head office with group-wide functions is located in Gothenburg.

Parent Company

The Parent Company's operations mainly consist of performing group-wide services but an important part also relates to sales of services, principally to associated companies. Sales in the Parent Company amounted to SEK 25m (24) during the period.

Net profit after tax for the period amounted to SEK 157m (177). Changes in value in respect of interest rate derivatives amounted to SEK 160m (196).

Real estate holdings

On 31 March, Balder owned 430 properties (442) with a lettable area of approximately 1,540,000 sq.m.(1,517,000) to a value of SEK 22,483m (19,953). Balder's total rental value amounted to SEK 1,934m (1,798) on 31 March.

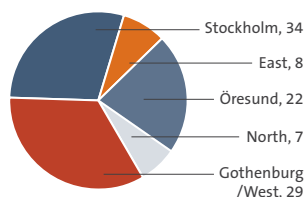
Balder's commercial properties are located in the centre and immediate suburbs of big cities and surrounding municipal areas. Balder's residential properties are located in places that are growing and developing positively. Balder's ambition is to continue growing in selected markets.

Balder's real estate holdings on 31 March 2013 ¹⁾

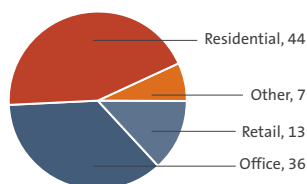
	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	55	396,714	631	1,590	579	92	7,558	34
Gothenburg/ West	189	530,052	609	1,149	573	94	6,625	29
Öresund	49	264,051	371	1,406	340	92	4,874	22
East	57	195,703	178	911	168	94	1,905	8
North	80	153,754	145	941	139	96	1,521	7
Total	430	1,540,274	1,934	1,256	1,800	93	22,483	100
Distributed by property category								
Residential	293	881,420	870	987	841	97	9,961	44
Office	68	422,757	709	1,676	644	91	8,137	36
Retail	33	130,597	229	1,750	212	93	2,896	13
Other	36	105,500	127	1,209	104	81	1,489	7
Total	430	1,540,274	1,934	1,256	1,800	93	22,483	100

¹⁾ The table above shows the properties owned by Balder at the end of the period. Sold properties have been excluded and acquired properties have been estimated at full-year values. Other properties include hotel, educational, care, industrial and mixed-use properties.

Distributed by region, %



Distributed by property category, %



Change in real estate portfolio

The value of Balder's real estate portfolio is based on internal valuations. All properties have been valued using the yield method, which means that each property is valued by discounting the estimated future cash flows. An estimate is also made of the future development of the immediate surroundings and the position of the property within its market segment. On 31 March, Balder's average yield requirement amounted to 5.9 per cent, which is unchanged compared to the start of the year.

In order to quality-assure its internal valuations, Balder regularly allows parts of the portfolio to be externally valued during the year and at every year-end. Historically, deviations between external and internal valuations have been insignificant.

Unrealised changes in value

The overall carrying amount of Balder's 430 properties (442) amounted to SEK 22,483m (19,953) on 31 March. The unrealised change in value during the period amounted to SEK 167m (153) and was attributable to improved net operating income.

Investments, acquisitions and sales

During the year, a total of SEK 105m (2,245) was invested, of which SEK —m (2,186) related to acquisitions and SEK 105m (59) related to investments in existing properties. Properties to a value of SEK 18m (—) were sold during the period.

The change in the real estate portfolio during the year may be seen in the table below.

Change in carrying amount of properties

	2013		2012	
	SEKm	Number	SEKm	Number
Real estate portfolio, 1 January	22,278	432	17,556	433
Investments in existing properties	105		59	
Acquisitions	—	—	2,186	9
Sales	—18	—2	—	—
Change in value of investment properties, unrealised	167		153	
Currency changes	—50		—2	
Real estate portfolio, 31 March	22,483	430	19,953	442

Property transactions 2013

Quarter	Number	Name of property	Municipality	Property category	Lettable area, sq. m.
Acquisitions					
No properties were bought during the first quarter of 2013.					

Divestments

One	1	Märsta 1:218	Sigtuna	Retail	2,372
One	1	Oden 19	Falköping	Residential	317
Total	2				2,689

Associated companies

Balder owns property-managing associated companies and associated companies which conduct project development, which are all 50 per cent-owned. In addition, Balder owns 44 percent of the finance and credit management company Collector. The property-managing associated companies include Centur, Akroterion and Tulia. Bovieran and Majornas Projektutveckling are focused on project development.

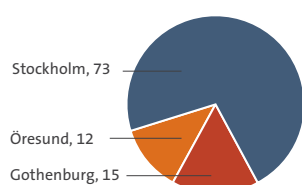
In order to illustrate Balder's holdings in associated companies, Balder's participations in the balance sheets and real estate holdings of property-managing associated companies are reported below and presented according to IFRS accounting policies.

These companies own 44 properties (41) in total. Balder's participation in the lettable area of the real estate holdings amounts to approximately 136,000 sq.m. (125,000) with a rental value of SEK 189m (157). The economic occupancy rate amounted to 94 per cent (97).

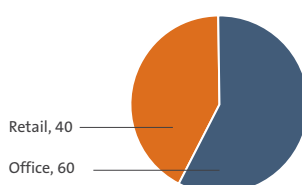
Balder's participation in the real estate portfolio of associated companies on 31 March 2013

	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	27	81,662	137	1,682	128	93	1,636	73
Gothenburg	10	30,076	29	953	28	99	346	15
Öresund	7	24,282	23	943	21	90	261	12
Total	44	136,019	189	1,389	177	94	2,243	100
Distributed by property category								
Office	17	54,888	111	2,027	103	92	1,336	60
Retail	27	81,132	78	957	74	96	907	40
Total	44	136,019	189	1,389	177	94	2,243	100

Distributed by region, %



Distributed by property category, %



Balder's participation in the balance sheets of property-owning associated companies

SEKm	31 Mar 2013	31 Mar 2012
Assets		
Properties	2,243	2,026
Other assets	20	15
Cash and cash equivalents	18	14
Total assets	2,282	2,055
Shareholders' equity and liabilities		
Equity/shareholder loan	769	650
Interest-bearing liabilities	1,392	1,292
Other liabilities	120	113
Total equity and liabilities	2,282	2,055

Customers

In order to limit the risk of lower rental income and consequently a weakened occupancy rate, Balder strives to develop long-term relationships with the company's existing customers. Balder has a good diversification as regards the distribution between commercial properties and residential properties and in terms of geographical distribution. The diversification strengthens the possibilities of maintaining a satisfactory occupancy rate.

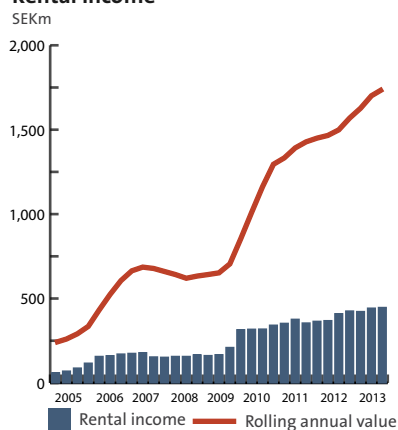
Balder's commercial leases have an average lease term of 4.3 years (4.6). Balder's 10 largest leases represent 8.6 per cent (8.2) of total rental income and the average lease term amounts to 10.3 years (12.4). No individual lease accounts for more than 1.6 per cent (1.7) of Balder's total rental income and no individual customer accounts for more than 2.6 per cent (3.0) of total rental income.

Lease maturity structure 31 March 2013

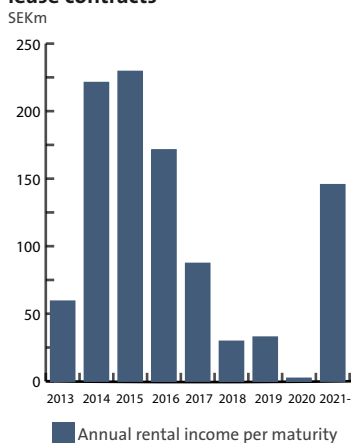
Maturity date	Number of leases	Proportion, %	Contracted rent, SEKm	Proportion, %
2013	432	20	56	3
2014	696	32	224	12
2015	472	22	229	13
2016	397	18	173	10
2017–	188	9	300	17
Total	2,185	100	982	55
Residential ¹⁾	11,039		772	43
Car park ¹⁾	3,372		11	1
Garage ¹⁾	3,108		35	2
Total	19,704		1,800	100

1) Normally runs subject to a period of notice of three months.

Rental income



Maturity structure of commercial lease contracts



Balder's ten largest customers

per 31-03-2012

- The Swedish National Courts Administration
- ICA Sverige
- Järfälla Municipality
- Magnora
- Nokas Värdehantering
- Rasta Group
- SHG Rosen R Hotel
- Sirius International Insurance
- Stureplansgruppen
- Västra Götalands country council

Financing

Shareholders' equity

Consolidated equity amounted to SEK 8,660m (7,297) on 31 March and the equity/assets ratio amounted to 35.7 per cent (34.3). Shareholders' equity increased during the period through comprehensive income for the period of SEK 401m (377) and decreased by SEK 30m (20) on account of dividend to the preference shareholders, which occurs quarterly.

Interest-bearing liabilities

The group's interest-bearing liabilities in respect of properties amounted to SEK 13,504m (12,501) on 31 March, corresponding to a loan-to-value ratio of 60.1 per cent (62.7). The interest-bearing liabilities consist of a bond of SEK 250m, which is quoted on NASDAQ OMX, a certificate programme with a framework amount of SEK 1,000m and bilateral bank loans with Nordic banks. Balder's certificate programme had an outstanding volume of SEK 925m on 31 March. On 31 March, Balder's average interest rate refixing period amounted to 4.8 years (3.2), which is unchanged compared to the start of the year. The fixed credit term amounted to 6.4 years (6.7) and the average interest rate amounted to 3.6 per cent (4.0), including the effect of accrued interest from interest rate derivative instruments which are recognised as fixed interest borrowing in the table.

Interest rate derivative instruments are deployed in order to obtain preferred interest rate refixing targets. Derivatives are continually recognised at fair value in the balance sheet with changes in value recognised in the income statement without using hedge accounting. Unrealised changes in value during the period amounted to SEK 189m (233). The deficit on derivatives, SEK 679m (564), will be released during the remaining term and recognised as income. This means that Balder has a reserve of SEK 679m which will be reversed in its entirety to equity, adjusted by deferred tax, concurrently with the expiry of interest rate derivatives. All derivatives are classified as Level 2 under IFRS 13.

Liquidity

The group's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 259m (277) at the end of the accounting period.

Financial targets

The proportion of equity is impacted by the chosen level of financial risk which in turn is impacted by lenders' equity requirements for offering market-based financing. Balder's financial goals are that the equity/assets ratio shall not be less than 30 per cent over time and that the interest coverage ratio should not be less than 1.5 times. As of 31 March, the equity/assets ratio was 35.7 per cent (34.3) and the interest coverage ratio was 2.4 times (2.1).

Financial targets

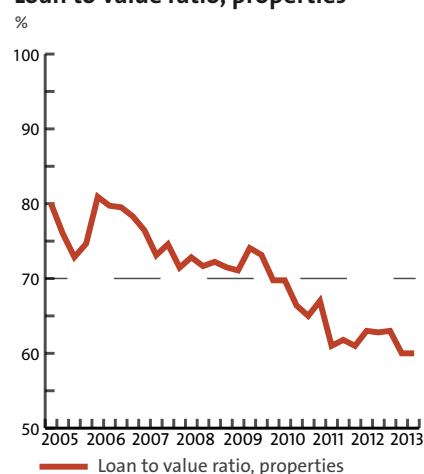
	Target	Outcome
Equity/assets ratio, %	30.0	35.7
Interest coverage ratio, times	1.5	2.4
Return on equity, % ¹⁾		11.3

1) The target for return on equity is that it should exceed the risk-free rate of interest by a good margin over time. The risk-free rate of interest, the yearly average of a five-year government bond, amounted to 1.14 per cent on 31 March 2013.

Interest maturity structure on 31 March 2013

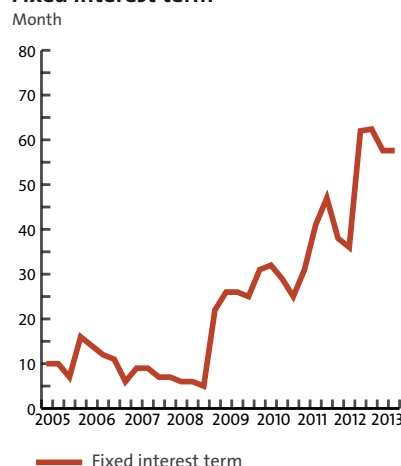
Year	Interest refixing period		
	SEKm	Interest, %	Proportion, %
Within one year	5,534	2.5	40.0
1–2 years	29	4.0	0.2
2–3 years	266	4.3	1.9
3–4 years	500	4.4	3.6
4–5 years	—	—	—
> 5 years	7,500	4.3	54.2
Total	13,829	3.6	100.0

Loan to value ratio, properties



— Loan to value ratio, properties

Fixed interest term



— Fixed interest term

Other disclosures

Events after the end of the period

No significant events have occurred since the end of the period.

Related company transactions

Balder receives fees from associated companies and Erik Selin Fastigheter AB for property and company management. These fees amounted to SEK 4m (4) during the period and are recognised in management and administrative costs.

Risks and uncertainties

Balder's operations, financial position and results may be affected by a number of risks and uncertainty factors. These are described in the Annual Report for 2012, on pages 42–45.

Accounting policies

Balder applies IFRS (International Financial Reporting Standards) as adopted by the European Union in its consolidated accounts and the interpretations of these (IFRIC). This interim report is prepared in accordance with IAS 34, Interim Financial Reporting. In addition, relevant provisions of the Swedish Annual Accounts Act and the Swedish Securities Markets Act have also been applied. The Parent Company has prepared its financial statements in accordance with the Annual Accounts Act, the Securities Markets Act and RFR 2, Accounting for Legal Entities.

Since year-end, Balder has adopted the new format for other comprehensive income according to IAS 1 and also provides disclosures regarding items that are measured at fair value in accordance with IFRS 13.

The accounting policies and calculation methods applied are unchanged compared with the Annual Report for 2012.

This interim report has not been subject to review by the company's auditors.

Gothenburg, 7 May 2013

Erik Selin
Chief Executive Officer

Consolidated statement of comprehensive income

SEKm	Jan–Mar 2013	Jan–Mar 2012	Apr–Mar 2012/2013	Jan–Dec 2012
Rental income	448	410	1,740	1,701
Property costs	–176	–158	–556	–537
Net operating income	272	252	1,184	1,164
Changes in value of properties, realised	3	—	5	3
Changes in value of properties, unrealised	167	153	824	809
Other income/costs	—	–5	–11	–16
Property and administrative costs	–31	–32	–115	–115
Participations in the profits of associated companies	30	17	118	105
Operating profit	441	385	2,006	1,950
Net financial items	–116	–111	–471	–466
Changes in value of derivatives, unrealised	189	233	–115	–71
Profit before tax	515	507	1,420	1,412
Current taxes	—	—	–10	–10
Deferred tax	–109	–128	–221	–240
Net profit for the period/year	406	379	1,189	1,162
Other comprehensive income				
Translation difference	–4	–1	–10	–7
Participation in other comprehensive income of associated companies	–1	—	–1	—
Total comprehensive income for the period/year	401	377	1,178	1,155
Profit from property management before tax, SEKm	161	131	721	691
Profit from property management before tax per ordinary share, SEK	0.82	0.69	3.86	3.73
Profit after tax per ordinary share, SEK	2.36	2.25	6.79	6.69

All of the comprehensive income for the period/year accrues to the parent company's shareholders.
There is no dilutive effect as no potential shares arise.

Consolidated statement of financial position

SEKm	31 Mar 2013	31 Mar 2012	31 Dec 2012
Assets			
Investment properties	22,483	19,953	22,278
Other property, plant and equipment	151	146	152
Participations in associated companies	857	686	760
Other receivables	648	454	537
Cash and cash equivalents and financial investments	101	55	116
Total assets	24,240	21,294	23,843
Shareholders' equity and liabilities			
Shareholders' equity	8,660	7,297	8,289
Deferred tax liability	552	331	443
Interest-bearing liabilities ¹⁾	13,829	12,585	13,789
Derivatives	679	564	868
Other liabilities	520	516	453
Total equity and liabilities	24,240	21,294	23,843
1) Of which interest-bearing liabilities in respect of properties	13,504	12,501	13,450

Consolidated statement of changes in equity

Attributable to the Parent Company's shareholders, SEKm	Jan-Mar 2013	Jan-Mar 2012	Jan-Dec 2012
Opening equity	8,289	6,675	6,675
New issue	—	265	554
Dividend paid for preference shares	—30	—20	—95
Comprehensive income for the period/year	401	377	1,155
Closing equity	8,660	7,297	8,289

Consolidated statement of cash flows

SEKm	Jan–Mar 2013	Jan–Mar 2012	Jan–Dec 2012
Net operating income	272	252	1 164
Other operating income/expenses	—	–5	–16
Management and administrative expenses	–31	–32	–115
Reversal of depreciation and amortisation	4	3	16
Adjustment item	–1	0	0
Net financial items paid	–133	–117	–495
Taxes paid	—	—	–10
Cash flow from operating activities before change in working capital	111	101	543
Change in operating receivables	–106	6	–59
Change in operating liabilities	72	18	–47
Cash flow from operating activities	77	125	438
Acquisition of properties	—	–2 186	–3 756
Acquisition of property, plant and equipment	–3	—	–19
Purchase of financial investments	–2	–3	–60
Investment in existing properties	–105	–59	–273
Sale of properties	20	—	72
Acquisition of non-controlling interests	—	–4	–4
Sale of financial investments	2	138	154
Acquisition of shares in associated companies	–67	–15	–19
Received dividend from associated companies	—	—	18
Cash flow from investing activities	–155	–2 130	–3 888
New issue	—	265	554
Dividend paid for preference shares	–30	–20	–95
Loans raised	126	1 902	4 307
Amortisation/redemption of loans sold properties/change in credit facilities	–41	–116	–1 276
Cash flow from financing activities	55	2 030	3 490
Cash flow for the period/year	–23	25	40
Cash and cash equivalents at the start of the period/year	47	8	8
Cash and cash equivalents at the end of the period/year	25	33	47
Unutilised credit facilities	157	222	354
Financial investments	77	22	69

Segment information

SEKm	Jan–Mar 2013	Jan–Mar 2012	Apr–Mar 2012/2013	Jan–Dec 2012
Rental income				
Stockholm	143	118	518	493
Gothenburg/West	144	141	571	568
Öresund	86	77	350	341
East	41	41	165	164
North	34	33	136	135
Total	448	410	1,740	1,701
Net operating income				
Stockholm	92	76	360	344
Gothenburg/West	89	85	395	391
Öresund	55	54	244	243
East	22	22	101	101
North	15	15	84	84
Total	272	252	1,184	1,164

The group's internal reporting of operations is divided into the above segments. Total net operating income corresponds with the net operating income reported in the income statement. The difference between net operating income of SEK 272m (252) and profit before tax of SEK 515m (507) consists of changes in value of properties of SEK 170m (153), management and administrative expenses of SEK –31m (–32), other income/expenses of SEK –m (–5), participations in profits of associated companies of SEK 30m (17), net financial items of SEK –116m (–111) and changes in value of derivatives of SEK 189m (233).

Key ratios

SEKm	Jan–Mar 2013	Jan–Mar 2012	Apr–Mar 2012/2013	Jan–Dec 2012
Share-related, ordinary shares ¹⁾				
<i>Average number of shares, thousands</i>	159,537	159,537	159,537	159,537
Profit after tax, SEK	2.36	2.25	6.79	6.69
Profit after tax excluding unrealised changes in value, SEK	0.60	0.45	3.29	3.04
Profit from property management before tax, SEK	0.82	0.69	3.86	3.73
Net operating income, SEK	1.71	1.58	7.42	7.30
<i>Outstanding number of shares, thousands</i>	159,537	159,537	159,537	159,537
Carrying amount of properties, SEK	140.93	125.07	140.93	139.64
Shareholders' equity, SEK	44.47	37.81	44.47	42.15
Long-term net asset value (EPRA NAV), SEK	52.19	43.42	52.19	50.37
Share price on the closing date, SEK	45.90	32.50	45.90	37.30
1) There is no dilutive effect as no potential shares arise.				
Property-related				
Rental value full-year, SEK/sq.m.	1,256	1,185	1,256	1,247
Rental income full-year, SEK/sq.m.	1,169	1,110	1,169	1,166
Economic occupancy rate, %	93	94	93	94
Surplus ratio, %	61	61	68	68
Carrying amount, SEK/sq.m.	14,586	13,156	14,586	14,439
Number of properties	430	442	430	432
Lettable area, sq.m. thousands	1,540	1,517	1,540	1,543
Profit from property management before tax, SEKm	161	131	721	691
Financial				
Return on equity, %	9.5	9.8	16.5	17.0
Return on total assets, %	6.0	6.5	6.2	8.8
Interest coverage ratio, times	2.4	2.1	2.5	2.4
Equity/assets ratio, %	35.7	34.3	35.7	34.8
Debt/equity ratio, times	1.6	1.7	1.6	1.7
Loan-to-value ratio, %	57.0	59.1	57.0	57.8
Loan-to-value ratio properties, %	60.1	62.7	60.1	60.4

Condensed parent company income statement

SEKm	Jan–Mar 2013	Jan–Mar 2012	Apr–Mar 2012/2013	Jan–Dec 2012
Net sales	25	24	97	96
Administrative expenses	–29	–30	–114	–115
Operating profit	–4	–6	–17	–19
Profit from financial items				
Net financial items	46	48	561	563
Changes in value of derivatives, unrealised	160	196	–133	–97
Profit before tax	202	238	411	447
Deferred tax	–45	–61	–44	–60
Net profit for the period/year	157	177	367	387

Condensed parent company balance sheet

SEKm	31 Mar 2013	31 Mar 2012	31 Dec 2012
Assets			
Property, plant and equipment	26	29	27
Financial non-current assets	3,038	2,859	2,912
Receivables from group companies ¹⁾	10,021	8,907	10,571
Current receivables	20	25	25
Cash and cash equivalents and financial investments	81	42	74
Total assets	13,186	11,862	13,608
Shareholders' equity and liabilities			
Shareholders' equity	4,865	4,312	4,738
Interest-bearing liabilities	5,374	4,600	5,200
Liabilities to group companies	2,356	2,381	2,927
Derivatives	538	405	698
Other liabilities	53	164	46
Total equity and liabilities	13,186	11,862	13,608

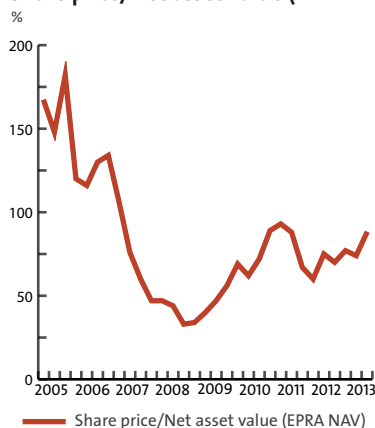
The share and owners

Balder's shares are listed on NASDAQ OMX Stockholm, Mid Cap segment. Balder has two listed classes of shares, an ordinary Class B share and a preference share which pays a dividend of SEK 5 per quarter. The company's market capitalisation as of 31 March amounted to SEK 9,204m (6,632). The principal owner in Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 38.9 per cent of the capital and 52.0 per cent of the votes.

Ordinary shares

At the end of the period, the ordinary share had approximately 8,345 shareholders (7,739). The number of shareholders has increased by just over 10 per cent since year-end. During the period, 14.6 million shares were traded (28.4), which corresponds to an average of 235,000 shares per trading day (437,000). The annual turnover rate amounted to 37 per cent (71) during the period. The price of the ordinary share was SEK 45.90 (32.50) on 31 March, corresponding to a rise of 23 per cent since year-end.

Share price/Net asset value (EPRA NAV)



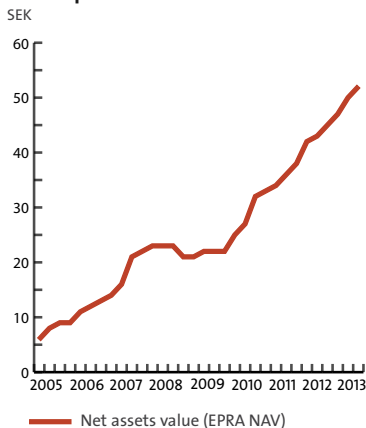
Preference shares

At the end of the period, the preference share had approximately 6,081 shareholders (4,869). During the period, about 0.7 million shares were traded (1.1), which corresponds to an average of 11,800 shares per trading day (16,500). The annual turnover rate amounted to 49 per cent (86). On 31 March, the market price of the preference share was SEK 313.50 (289.50).

Share capital

On 31 March, the share capital in Balder amounted to SEK 168,396,852 distributed among 168,396,852 shares. Each share has a quota value of SEK 1.00, whereof 11,229,432 shares are of Class A, 151,167,420 are of Class B and 6 000 000 are preference shares. Of the B shares, 2,859,600 were repurchased at the end of the period, which means that the total number of outstanding shares amounts to 165,537,252. Each Class A share carries one vote and each Class B share and preference share carries one tenth of one vote.

Development of net assets value



Ownership list as of 31 March 2013

Owner	A ordinary shares	B ordinary shares	Preference shares	Total number of shares	Capital, %	Votes, %
Selin, Erik via company	8,298,594	57,218,298	500	65,517,392	38.9	52.0
Arvid Svensson Invest AB	2,915,892	13,542,540	—	16,458,432	9.8	15.9
Länsförsäkringar fondförvaltning AB	—	13,117,735	—	13,117,735	7.8	4.9
Swedbank Robur fonder	—	7,541,331	21,250	7,562,581	4.5	2.8
Handelsbanken fonder	—	5,555,221	—	5,555,221	3.3	2.1
Andra AP-fonden	—	5,528,185	—	5,528,185	3.3	2.1
Lannebo fonder	—	4,254,388	—	4,254,388	2.5	1.6
SEB Investment Management	—	2,998,746	—	2,998,746	1.8	1.1
Rahi, Sharam via company	—	1,516,300	20,000	1,536,300	0.9	0.6
Folketrygdfondet	—	1,072,181	—	1,072,181	0.6	0.4
Other	14,946	35,962,895	5,958,250	41,936,091	24.9	15.4
Total outstanding shares	11,229,432	148,307,820	6,000,000	165,537,252	98.3	98.9
Repurchased own shares	—	2,859,600	—	2,859,600	1.7	1.1
Total registered shares	11,229,432	151,167,420	6,000,000	168,396,852	100.0	100.0

Preference share calendar

Final day of trading incl. right to payment of dividend	5 July 2013
Record day for payment of dividend	10 July 2013
Expected day of payment from Euroclear	15 July 2013
Final day of trading incl. right to payment of dividend	7 October 2013
Record day for payment of dividend	10 October 2013
Expected day of payment from Euroclear	15 October 2013
Final day of trading incl. right to payment of dividend	5 January 2014
Record day for payment of dividend	10 January 2014
Expected day of payment from Euroclear	15 January 2014

Definitions

FINANCIAL

Return on equity, %

Profit after tax reduced by preference share dividend for the period in relation to the average equity after deduction of the preference capital. The values were converted to a full-year basis in the interim accounts without taking account of seasonal variations that normally arise in the operations with the exception of changes in value.

Return on total assets, %

Profit before tax with addition of net financial items in relation to average balance sheet total. The values were converted to a full-year basis in the interim accounts without taking account of seasonal variations that normally arise in the operations with the exception of changes in value.

Loan-to-value ratio, %

Interest-bearing liabilities at the end of the period in relation to total assets at the end of the period.

Loan-to-value ratio properties, %

Interest-bearing liabilities with direct or indirect collateral in properties in relation to the fair value of the properties.

Profit from property management before tax, SEKm

Profit before tax with reversal of changes in value and other operating income/expenses. Reversal of changes in value and tax as regards participation in profits of associated companies also takes place.

Risk-free interest

Annual average of a five-year government bond.

Interest coverage ratio, times

Profit before tax with reversal of net financial items, changes in value and changes in value and tax as regards participation in profits of associated companies, in relation to net financial items.

Debt/equity ratio, times

Interest-bearing liabilities in relation to shareholders' equity.

Equity/assets ratio, %

Shareholders' equity including minority in relation to the balance sheet total at the end of the period.

SHARE RELATED

Equity per ordinary share, SEK

Shareholders' equity in relation to the number of outstanding ordinary shares at the end of the period after deduction of the preference capital.

Equity per preference share, SEK

Equity per preference share is equivalent to the average subscription price of the preference share of SEK 260.83 per share.

Profit from property management per ordinary share, SEK

Profit from property management reduced by preference share dividend for the period divided by the average number of outstanding ordinary shares.

Average number of shares

The number of outstanding shares at the start of the period, adjusted by the number of shares issued during the period weighted by the number of days that the shares have been outstanding in relation to the total number of days during the period.

Preference capital, SEK

Preference capital amounts to an average issue price of SEK 260.83 per preference share.

Net asset value per ordinary share (EPRA NAV), SEK

Equity per ordinary share with reversal of interest rate derivatives and deferred tax according to balance sheet.

Profit after tax per ordinary share, SEK

Profit attributable to the average number of ordinary shares after consideration of the preference share dividend for the period.

PROPERTY RELATED

Yield, %

Estimated net operating income on an annual basis in relation to the fair value of the properties at the end of the period.

Net operating income, SEKm

Rental income less property costs.

Economic occupancy rate, %

Contracted rent for leases which are running at the end of the period in relation to rental value.

Property category

Classified according to the principal use of the property. The break-down is made into office, retail, residential and other properties. Other properties include hotel, educational, care, industrial/warehouse and mixed-use properties. The property category is determined by what the largest part of the property is used for.

Property costs, SEKm

This item includes direct property costs, such as operating expenses, media expenses, maintenance, ground rent and property tax.

Rental value, SEKm

Contracted rent and estimated market rent for vacant premises.

Surplus ratio, SEKm %

Net operating income in relation to rental income.



The information in this report is such that Fastighets AB Balder (publ) is obliged to disclose according to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information has been published at 3.00 p.m. on 7 May 2013.

This report is a translation of the Swedish Interim report January–March 2013. In the event of any disparities between this report and the Swedish version, the latter will have priority.

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Financial information

Overall information may be found on Balder's home page, www.balder.se, about the company's operations, board of directors and management, financial reporting and also press releases.

Calendar

Interim report January–June 2013 26 August 2013
Interim report January–September 2013 7 November 2013

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