

## Fastighets AB Balder Interim report January–March 2015

- Profit from property management before tax amounted to SEK 323m (234), corresponding to SEK 1.68 per ordinary share (1.15)
- Rental income amounted to SEK 685m (566)
- Profit after tax amounted to SEK 435m (282), corresponding to SEK 2.37 per ordinary share (1.45)
- Shareholders' equity amounted to SEK 72.72 per ordinary share (54.02) and the net asset value amounted to SEK 90.70 per ordinary share (63.41)

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 38.1 billion (29.1) as of 31 March 2015. The Balder share is listed on NASDAQ OMX Stockholm, Large Cap segment.

Snöflingan 3, Stockholm



# Net profit for the year in brief

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

## January-March 2015

- Rental income amounted to SEK 685m (566).
- Net operating income increased by 29 per cent to SEK 451m (350).
- Profit from property management increased by 38 per cent to SEK 323m (234), which corresponds to an increase of 46 per cent to SEK 1.68 per ordinary share (1.15).
- Changes in value in respect of investment properties amounted to SEK 402m (247). The average yield requirement amounted to 5.5 per cent (5.9).
- Changes in value of interest rate derivatives have impacted the result by SEK –179m (–124).
- Net profit after tax amounted to SEK 435m (282), which corresponds to SEK 2.37 per ordinary share (1.45).
- 3 properties (6) and one project property has been acquired at a property value of SEK 740m and a lettable area of 22,875 sqm.
- 3 properties (3) has been sold at a property value of SEK 504m and a lettable area of 20,544 sqm.
- Acquisitions of the Marriot hotel businesses in Stockholm and Malmö.

	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec	2013 Jan-Dec	2012 Jan-Dec	2011 Jan-Dec	2010 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec	2007 Jan-Dec
Rental income, SEKm	685	566	2,525	1,884	1,701	1,466	1,333	854	633	678
Profit from property management before tax, SEKm	323	234	1,275	854	691	516	417	315	174	179
Changes in value of properties, SEKm	402	247	3,050	854	812	990	1,047	4	–201	642
Changes in value of derivatives, SEKm	–179	–124	–624	433	–71	–520	148	–23	–333	7
Profit after tax, SEKm	435	282	3,128	1,738	1,162	812	1,338	248	–388	785
Carrying amount of properties, SEKm	38,076	29,105	37,382	27,532	22,278	17,556	14,389	12,669	7,086	6,758

## Data per ordinary share

Average number of shares, thousands	162,397	159,919	161,786	159,537	159,537	158,656	149,487	112,902	95,910	97,318
Profit after tax, SEK	2.37	1.45	18.10	10.11	6.69	4.87	8.95	2.20	–4.04	8.07
Profit from property management before tax, SEK	1.68	1.15	6.64	4.57	3.73	3.00	2.79	2.79	1.81	1.84
Outstanding number of shares, thousands	162,397	162,397	162,397	159,537	159,537	159,537	149,487	149,487	94,458	97,318
Carrying amount of properties, SEK	234.46	179.22	230.19	172.58	139.64	110.04	96.25	84.75	75.02	69.44
Shareholders' equity, SEK	72.72	54.02	70.10	52.14	42.15	35.57	31.13	22.19	19.63	23.49
Long-term net asset value (EPRA NAV), SEK	90.70	63.41	86.33	60.50	50.37	41.83	32.89	22.16	20.95	22.33
Share price on closing date, SEK	146.00	78.50	110.25	66.00	37.30	25.30	29.40	12.50	7.00	13.33

# Comments by the CEO

**Dear shareholders,**

## **Profit from property management**

The first quarter of the year delivered a very good increase in profit from property management – plus 46 per cent per ordinary share. As you know, the profit from property management is Balder's most important performance measurement. However, the increase was not due to any specific events during the quarter, but rather it was due to last year's investments, continued extremely low interest rates and excellent results from our associated companies.

## **Property transactions**

Property acquisitions during the quarter mainly related to the Snöflingan property on Kungsholmen, which accommodates the Courtyard by Marriott hotel. During the quarter, we also acquired the hotel business there as well as the Marriott Renaissance in Malmö.

After the end of the quarter, we carried out a major investment for Balder by acquiring 22.8 per cent of the shares in the Finnish property company Sato. Sato owns and develops housing in Helsinki – 80 per cent of the portfolio, and in other growth localities. The property portfolio consists of 25,000 apartments with a value of EUR 2.6 billion. Sato is a long-term investment and will be reported as an associated company in Q2.

## **Opportunities looking ahead**

The very low level of interest rates is contributing to an ever stronger property market. Despite this, I am still optimistic about the opportunities to find reasonably good long-term investments in the future. This is made possible by the fact that we are investing in several different markets and property categories.

## **By way of conclusion – the tenth Annual General Meeting**

Today Balder will hold its tenth Annual General Meeting. The agenda includes the re-election of the Board of Directors. On my own behalf and on behalf of the other shareholders, I would like to convey a hearty thank you to all of our Board members. Balder could not have had a better Board!

Erik Selin  
Chief Executive Officer

P.S. I regularly get asked about the company's name and the god Balder. Because I have not been industrious enough so far to come up with a description of this, I got help from my considerate father, who has also heard the same question. Read more on the next page.





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Kahneman also explained that listings of companies with “fluent” names initially have a better price trend than if the name is complicated. Of course a company cannot survive solely based on its name for a longer period of time.

## Balder is almost 10 years old

How was Fastighets AB Balder established? Why Balder and who was he?

Before Balder presented its tenth annual report this year, I, Kjell Selin asked my son Erik, if it would not be nice to include a short account of how the company came about and why it was called Balder. Erik said that several people had requested this and said that I may as well tell the story. So this is the story with contributions from Erik and his friend Sten R Johansson, well-acquainted with mythology about the Aesir gods.

### **Balder – a name with cognitive fluency**

Daniel Kahneman, recipient of the Nobel prize for Economics in 2002 and famous for his book “Thinking, fast and slow” (2011) talks a lot in the book about words with cognitive fluency. These words are often well-known and give rise to many associations. Easy to pronounce is an advantage. Upon a google search, Balder gets 2,700,000 hits. Those of us who went to junior secondary school in the 1950s had to study Tegnér’s Fritiof’s saga, where Balder often appeared. He also featured in Olrog’s songs where he sang about rumba in Balder’s playpen. There is a Balder street in many towns. The Balder roller-coaster, which goes up and down rapidly like the stock market, is found in Gothenburg. Balder is most definitely a name with a cognitive fluency but Erik probably did not think about this when it was time to choose a name for the company – but perhaps Erik went on “gut feeling” or it was a coincidence – this is often the case with him as we know.

According to Old Norse mythology, Balder was perhaps the leading of the Aesir gods and the name is often interpreted as the brilliant one. Thus it may be appropriate to explain something about him and here is Sten R Johansson’s summary:


### **Why Balder should avoid mistletoe and giant women**

*An Scandinavian mythology, Balder appears as fair, blond and wise, peacemaking and gentle in his speech. He is tormented by unpleasant dreams. After deliberation, his mother Frigga took an oath from all forces in the world, from fire and water to iron and stone, snakes and all the animals that they would do no harm to Balder. Secure in this knowledge, the gods amused themselves by shooting at Balder, who was now invulnerable.*

*The trickster god Loki learned from Frigga that she had taken an oath from all living things except a small plant, which seemed too small and safe to pose a danger. It was mistletoe. Loki collected a mistletoe branch and made a spear of it.*

I Odin’s son Hodr, who was blind, stood farthest out in the circle of gods around Balder. Loki asked Hodr why he did not also show Balder the same respect as the others and participate in the game. Hodr said that he could not





see where Balder stood and that he did not have any weapon. Loki gave Hodr the mistletoe spear and helped him aim. The spear impaled Balder, who fell to the ground and died. A greater misfortune had never struck the gods or people. *After great sorrow and a lot of deliberation Odin's son Hermod, Balder's brother, rode Odin's own horse Sleipner down to Hel's kingdom of the dead to try to bring Balder back. Hel retorted that if Balder is as loved as it is said then he will be able to return to the Aesir gods, if everything in the world, living and dead, weeps for him. The Aesir gods sent messengers all over the world, and everyone yielded to their request.*

When the messengers were on the way home they met a giantess called Tokk, and they also asked her to cry for Balder's return from Hel. She replied:

"Tokk shall weep dry tears over Balder's pyre. The old man's son did me no good in life or in death. Let Hel hold what she has!"

The Aesir gods realised that the giantess was Loki in disguise and his punishment was to be chained to three blocks until the end of the world, with a poisonous serpent dripping venom over his face. Loki's wife Sigyn stood at his side and held a bowl under the serpent's mouth. Each time she emptied the bowl Loki had such severe convulsions that it caused earthquakes. Hodr was also punished. When the boy Vale, son of Odin and the woman Rind, was one night old, he killed Hodr.

After Ragnarök, when the new earth resurfaces from the sea, Balder and Hodr will return from the kingdom of the dead.

#### **Enlight AB**

Erik Selin for a number of years had developed Erik Selin Fastigheter AB and thought about listing a company on the stock market. One way was to proceed via an existing listed company. Enlight AB was a shell company after having transferred its operations to a subsidiary. After a new issue and general meeting in Enlight, commercial properties from ES Properties (54 per cent) and Arvid Svensson Invest AB (26 per cent) could be issued in kind in Enlight against receiving newly issued shares in Enlight. The remaining part of the new issue was subscribed for by 14 persons. The market value of the properties issued in kind was approximately SEK 2 billion.

#### **Fastighets AB Balder is revived**

We stated above that Balder is a name with a good cognitive fluency, which you can scarcely say about Enlight as a name for a property company. There are many rules when a company will be named. First and foremost, the name must not already be taken of course – but in actual fact Balder was. There was already a Fastighets AB Balder and after a number of changes it had ended up in Erik Paulsson's sphere and it was a shell company. But the two Eriks knew each other and in the end Erik S was allowed to take over the name completely free of charge. This is how it can go when friendship, luck and gut feelings are aligned. A type of fluency even if it is not purely cognitive. According to information from the Swedish Tax Agency, Enlight AB's name was later changed to Fastighets AB Balder on 7 September 2005. Regarding Balder's subsequent development, please refer to Balder's website. At the time of writing – April 2015 – we can state that the market value of Balder's properties has gone from SEK 2 billion to SEK 37 billion.

I wish the company that is about to be 10 years old every success henceforth.

Kjell Selin

” Sten R. Johansson  
– with a lot of Gothenburg  
humour – issued a warning to be careful if anyone with the name Tokk seeks a position at Balder.

## 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	2015 31 Mar	2014 31 Dec	2014 30 Sep	2014 30 Jun	2014 31 Mar	2013 31 Dec	2013 30 Sep	2013 30 Jun	2013 31 Mar	2012 31 Dec	2012 30 Sep
Rental income	2,745	2,730	2,650	2,600	2,310	2,260	1,885	1,865	1,800	1,800	1,790
Property costs	-800	-800	-795	-785	-735	-735	-580	-575	-560	-560	-560
<b>Net operating income</b>	<b>1,945</b>	<b>1,930</b>	<b>1,855</b>	<b>1,815</b>	<b>1,575</b>	<b>1,525</b>	<b>1,305</b>	<b>1,290</b>	<b>1,240</b>	<b>1,240</b>	<b>1,230</b>
Property and administrative expenses	-170	-165	-165	-165	-165	-165	-125	-120	-120	-120	-115
Profit from property management from associated companies	410	220	200	180	180	170	150	130	130	120	110
<b>Operating profit</b>	<b>2,185</b>	<b>1,985</b>	<b>1,890</b>	<b>1,830</b>	<b>1,590</b>	<b>1,530</b>	<b>1,330</b>	<b>1,300</b>	<b>1,250</b>	<b>1,240</b>	<b>1,225</b>
Net financial items	-575	-585	-580	-580	-535	-535	-515	-510	-495	-495	-505
<b>Profit from property management</b>	<b>1,610</b>	<b>1,400</b>	<b>1,310</b>	<b>1,250</b>	<b>1,055</b>	<b>995</b>	<b>815</b>	<b>790</b>	<b>755</b>	<b>745</b>	<b>720</b>
Taxes	-354	-308	-288	-275	-232	-219	-179	-174	-166	-164	-189
<b>Profit after tax</b>	<b>1,256</b>	<b>1,092</b>	<b>1,021</b>	<b>975</b>	<b>823</b>	<b>776</b>	<b>636</b>	<b>616</b>	<b>589</b>	<b>581</b>	<b>531</b>
<b>Profit after tax attributable to</b>											
Ordinary shareholders	1,056	892	821	775	623	576	506	486	469	461	411
Preference shareholders	200	200	200	200	200	200	130	130	120	120	120
<b>Profit from property management before tax per ordinary share, SEK</b>	<b>8.68</b>	<b>7.39</b>	<b>6.83</b>	<b>6.47</b>	<b>5.26</b>	<b>4.99</b>	<b>4.29</b>	<b>4.14</b>	<b>3.98</b>	<b>3.92</b>	<b>3.76</b>

Current earnings as of 31 March include the acquisition of Sato Oyj.

# Results, income and costs

## Results

Profit from property management increased by 38 per cent during the period and amounted to SEK 323m (234), which corresponds to an increase of 46 per cent to SEK 1.68 per ordinary share (1.15). Profit from property management includes SEK 55m (39) in respect of associated companies.

Net profit after tax for the period amounted to SEK 435m (282), corresponding to SEK 2.37 per ordinary share (1.45). Profit before tax was affected by changes in value in respect of properties of SEK 402m (247), changes in value of interest rate derivatives of SEK –179m (–124) and profit from participations in associated companies of SEK 51m (33).

## Rental income

Rental income increased by 21 per cent to SEK 685m (566). 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 2,890m (2,463) on a full-year basis. The average rental level for the entire real estate portfolio amounted to SEK 1,326/sq.m. (1,233).

Rental income shows a considerable diversification of risks as regards tenants, sectors and locations. The economic occupancy rate amounted to 95 per cent (95) on 31 March. The total rental value of unlet areas for the period amounted to SEK 145m (128) on an annual basis.

## Property costs

Property costs amounted to SEK 234m (217) during the year. The increase in property costs was mainly due to the change in the property portfolio.

Net operating income increased by 29 per cent to SEK 451m (350), which implies a surplus ratio of 66 per cent (62). 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 402m (238). Realised changes in value amounted to SEK 0m (9).

The average yield requirement as of 31 March amounted to 5.5 per cent (5.9), which is unchanged since year-end. The change in value during the period was attributable to improved net operating income.

## Management and administrative costs

Management and administrative costs amounted to SEK 44m (40) during the period.

## Participations in the profit of associated companies

Balder owns both property-managing associated companies and project development companies. The participating interest in the finance and credit management company Collector amounts to 48 per cent.

Profit from participations in associated companies amounted to SEK 51m (33) during the period and Balder's participation in the associated companies' profit from property management amounted to SEK 55m (39). Profit before tax was impacted by unrealised changes in value in respect of properties and interest rate derivatives of SEK 8m (2).

## Net financial items and changes in value of derivatives

Net financial items amounted to SEK –138m (–115) and changes on value of interest rate derivatives amounted to SEK –179m (–124). The negative change in value during the period was due to a decrease in the level of interest rates since year-end. Unrealised changes in value do not affect the cash flow.

Net financial items are equivalent to borrowing at an average interest rate of 2.4 per cent (2.7) during the period, including the effect of accrued interest from interest rate derivatives.

## Taxes

Balder reported no current tax expense (–) for the period and one deferred tax expense of SEK 107m (69).

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 period.

The group's deferred tax liability has been calculated as the value of the net of fiscal deficits 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 1,656m (930). At year-end, the group's overall tax deficit amounted to about SEK 1,700m (2,000).

**Cash flow**

Cash flow from operating activities before changes in working capital amounted to SEK 230m (187). Investing activities have burdened the cash flow by SEK 242m (1,204). During the period, acquisition of properties of SEK 740m (1,164), investments in existing properties of SEK 142m (210) and investments in property, plant and equipment, financial investments, associated companies of SEK 20m (86) and dividends paid of SEK 50m (50) sum up to SEK 952m (1,510). These have been financed through cash flow from operating activities of SEK 28m (196), by property divestments of SEK 504m (47), financial investments of SEK 155m (210) and net borrowing and disposal of own shares of SEK 929m (1,158).

Total cash flow for the period amounted to SEK 666m (100). The group's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 1,343m (1,432) on 31 March.

**Employees and organisation**

The number of employees on 31 March, including hotel business, amounted to 427 persons (288), of whom 175 (95) were women. Balder is organised into five regions with 16 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 33m (29) during the period.

Net profit amounted to SEK –56m (–39). Changes in value of unrealised interest rate derivatives amounted to SEK –177m (–111).



# Real estate holdings

On 31 March, Balder owned 493 properties (501) with a lettable area of approximately 2,179,000 sq.m. (1,997,000) and a value of SEK 38,076m (29,105). Balder's total rental value amounted to SEK 2,890m (2,463).

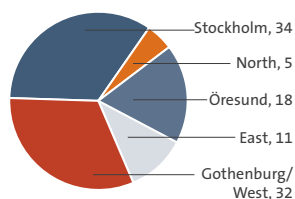
Balder's commercial properties are located in the centre and immediate suburbs of big cities and surrounding municipal areas. Balder's residential properties are located in places that are growing and developing positively. Balder's ambition is to continue growing in selected markets.

## Balder's real estate holdings on 2015-03-31 <sup>1)</sup>

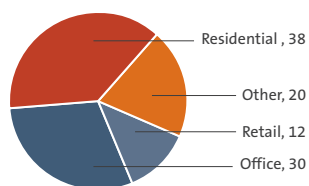
	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
<b>Distributed by region</b>								
Stockholm	62	508,741	923	1,815	869	94	12,850	34
Gothenburg/ West	219	809,659	971	1,199	929	96	12,261	32
Öresund	51	298,212	440	1,474	412	94	6,946	18
East	79	395,367	389	983	372	96	4,008	11
North	82	167,026	167	1,002	163	98	2,012	5
<b>Total</b>	<b>493</b>	<b>2,179,005</b>	<b>2,890</b>	<b>1,326</b>	<b>2,745</b>	<b>95</b>	<b>38,076</b>	<b>100</b>
<b>Distributed by property category</b>								
Residential	317	1,143,592	1,141	998	1,116	98	14,477	38
Office	74	452,819	846	1,869	768	91	11,449	30
Retail	48	234,330	363	1,549	343	94	4,458	12
Other	54	348,264	539	1,549	518	96	7,693	20
<b>Total</b>	<b>493</b>	<b>2,179,005</b>	<b>2,890</b>	<b>1,326</b>	<b>2,745</b>	<b>95</b>	<b>38,076</b>	<b>100</b>

1) The above table refers to the properties owned by Balder at the end of the period. Sold properties have been excluded and acquired properties have been estimated using full-year values. Other properties include hotel, educational, nursing, industrial and mixed-use properties. Real estate projects are included in the carrying amount during the construction phase but not in other columns.

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 5.5 per cent (5.9), excluding project and development properties, which is unchanged compared to the start of the period.

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

## Project real estate

Balder had two projects under construction as of 31 March. The overall investment will amount to about SEK 1,075m on completion, of which about SEK 500m remains to be invested. Both projects relate to construction of residentials in Copenhagen. The first project relates to approximately 200 residentials located in Ørestad Syd where Balder

previously owns residentials. The second project relates to construction of about 185 residentials on Havneholmen in central Copenhagen. Both projects are estimated to be completed during the first half year of 2016.

## Unrealised changes in value

The overall carrying amount of Balder's 493 properties (501) amounted to SEK 38,076m (29,105) on 31 March. The unrealised change in value during the period amounted to SEK 402m (238) and was attributable to improved net operating income.

## Investments, acquisitions and divestments

During the year, a total of SEK 882m (1,374) was invested, of which SEK 740m (1,164) related to acquisitions and SEK 142m (210) related to investments in existing properties and projects. Properties with a sales value of SEK 504m (47) were sold during the period.

50 per cent of the property Murmästaren 3 was sold via a company transfer. The property is now reported as an associated company. The property will be a project property. Earnings from property divestments amounted to SEK 0 million (9). The change in the real estate portfolio during the period may be seen in the table below.

## Change in carrying amount of properties

	2015		2014	
	SEKm	Number	SEKm	Number
<b>Real estate portfolio, 1 January</b>	<b>37,382</b>	<b>494</b>	<b>27,532</b>	<b>498</b>
Investments in existing properties	142		210	
Acquisitions	740	2	1,164	6
Sales	-504	-3	-38	-3
Change in value of investment properties, unrealised	402		238	
Currency changes	-86		-1	
<b>Real estate portfolio, 31 March</b>	<b>38,076</b>	<b>493</b>	<b>29,105</b>	<b>501</b>

## Property transactions 2015

Quarter	Number	Name of property	Municipality	Property category	Lettable area, sq.m.
<b>Acquisitions</b>					
One	1	Snöflingan 3	Stockholm	Hotel	22,000
One	1	Vallgraven 54:10	Gothenburg	Office	875
One	0	Sundby Overdrev	Copenhagen	Ground for residential development	0
<b>Total</b>	<b>2</b>				<b>22,875</b>
<b>Divestments</b>					
One	1	Murmästaren 3	Stockholm	Office	16,086
One	1	Skultorp 1:58	Skövde	Residential	3,229
One	1	Skultorp 36:1	Skövde	Residential	1,229
<b>Total</b>	<b>3</b>				<b>20,544</b>

# Associated companies

Balder owns both property-managing associated companies and associated companies which conduct project development. The ownership share in the finance and credit management company Collector amounts to 48 per cent. The largest property-managing associated companies are Centur and Tulia. Bovieran and Fix Holding work with project development.

Property-managing associated companies have during the period bought a property of SEK 475m (–) from Balder. 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.

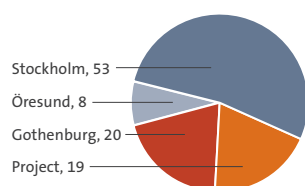
## Balder's participation in the real estate portfolio of associated companies on 2015-03-31

	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, %
<b>Distributed by region</b>								
Stockholm	32	94,858	146	1,535	142	98	1,933	53
Gothenburg	12	47,401	50	1,050	47	95	740	20
Öresund	7	21,982	23	1,046	21	90	300	8
<b>Total</b>	<b>52</b>	<b>164,241</b>	<b>218</b>	<b>1,329</b>	<b>210</b>	<b>96</b>	<b>2,974</b>	<b>81</b>
Project	6	–	–	–	–	–	692	19
<b>Total</b>	<b>58</b>	<b>164,241</b>	<b>218</b>	<b>1,329</b>	<b>210</b>	<b>96</b>	<b>3,666</b>	<b>100</b>

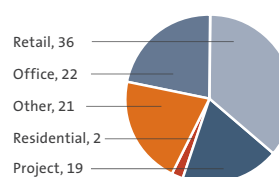
## Distributed by property category

Residential	4	3,461	5	1,319	4	98	84	2
Office	8	33,241	58	1,742	53	91	811	22
Retail	32	92,149	100	1,082	97	97	1,326	36
Other	8	35,391	56	1,588	56	100	753	21
<b>Total</b>	<b>52</b>	<b>164,241</b>	<b>218</b>	<b>1,329</b>	<b>210</b>	<b>96</b>	<b>2,974</b>	<b>81</b>
Project	6	–	–	–	–	–	692	19
<b>Total</b>	<b>58</b>	<b>164,241</b>	<b>218</b>	<b>1,329</b>	<b>210</b>	<b>96</b>	<b>3,666</b>	<b>100</b>

Distributed by region, %



Distributed by property category, %



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

SEKm	2015 31 Mar	2014 31 Mar
<b>Assets</b>		
Properties	3,666	2,585
Other assets	20	28
Cash and cash equivalents	33	63
<b>Total assets</b>	<b>3,718</b>	<b>2,676</b>
<b>Shareholders' equity and liabilities</b>		
Equity/shareholder loan	1,349	1,043
Interest-bearing liabilities	2,186	1,449
Other liabilities	182	184
<b>Total equity and liabilities</b>	<b>3,718</b>	<b>2,676</b>



# 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 as well as the geographical distribution. The diversification strengthens the possibilities of maintaining a steady and satisfactory occupancy rate.

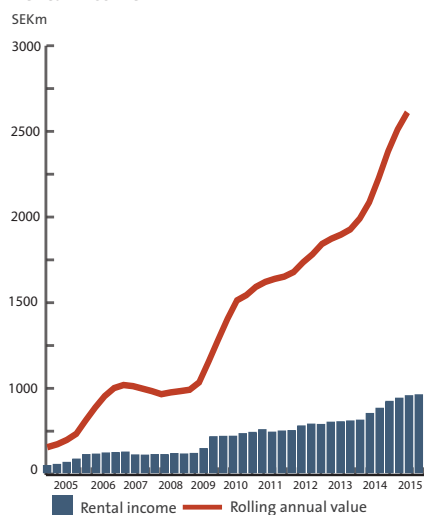
Balder's commercial leases have an average lease term of 6.4 years (5.3). Balder's 10 largest leases represent 10.0 per cent (9.3) of total rental income and the average lease term amounts to 13.5 years (11.1). No individual lease accounts for more than 1.6 per cent (1.7) of Balder's total rental income and no individual customer accounts for more than 4.7 per cent (1.7) of total rental income.

## Lease maturity structure 2015-03-31

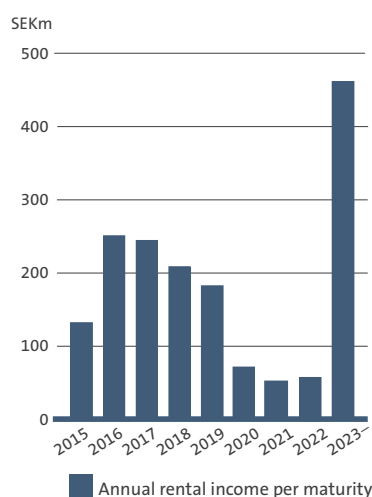
Maturity date	Number of leases	Proportion, %	Contracted rent, SEKm	Proportion, %
2015	744	27	128	5
2016	797	29	248	9
2017	533	19	247	9
2018	438	16	206	8
2019–	267	10	825	30
<b>Total</b>	<b>2,779</b>	<b>100</b>	<b>1,655</b>	<b>60</b>
Residential <sup>1)</sup>	14,365		1,027	37
Car park <sup>1)</sup>	5,268		17	1
Garage <sup>1)</sup>	4,953		45	2
<b>Total</b>	<b>27,365</b>		<b>2,745</b>	<b>100</b>

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

2015-03-31

- ICA Sverige AB
- Kopparbergs Bryggerier
- Marriott
- ProfilEvents AB
- Rezidor Radisson
- Scandic Hotels AB
- Sirius International Försäkring AB
- County Administrative Board, Stockholm
- Stureplansgruppen
- Winn Hotel Group

# Financing

## Shareholders' equity

Consolidated equity amounted to SEK 14,687m (11,649) on 31 March and the equity/assets ratio amounted to 35.1 per cent (36.8). During the period, equity increased by comprehensive income for the period of SEK 425m (283).

## Interest-bearing liabilities

The group's interest-bearing liabilities in respect of properties amounted to SEK 20,488m (16,379) on 31 March, corresponding to a loan-to-value ratio of 53.8 per cent (56.3). The interest-bearing liabilities consist of bonds of SEK 2,650m (1,350), a certificate programme with a framework amount of SEK 1,500m (1,500) and bilateral bank loans with Nordic banks. Balder's certificate programme had an outstanding volume of SEK 825m (825) on 31 March. On 31 March, the average interest rate refixing period was 2.4 years (3.3).

The fixed credit term amounted to 3.9 years (5.0) and the average interest rate amounted to 2.4 per cent (3.1), including the effect of accrued interest from the 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. Changes in value amounted to SEK -179m (-124) during the period. The remaining deficit on derivatives, SEK 1,264m (596), will be released during the remainder of the term and recognised as income. This means that Balder has a reserve of SEK 1,264m 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 according to IFRS 13.

## Liquidity

The group's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 1,343m (1,432) at the end of the accounting period.

## Financial goals

The proportion of equity is impacted by the chosen level of financial risk which in turn is impacted by lenders' equity requirements for offering marketbased financing. Balder's financial goals are that the equity/assets ratio shall not be less than 35 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 35.1 per cent (36.8) and the interest coverage ratio was 3.3 times (3.0).

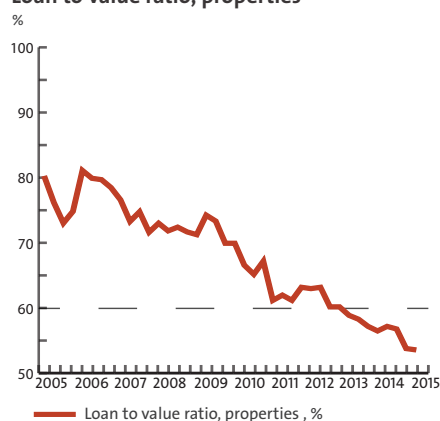
## Financial targets

	Target	Outcome
Equity/assets ratio, %	35.0	35.1
Interest coverage ratio, times	1.5	3.3

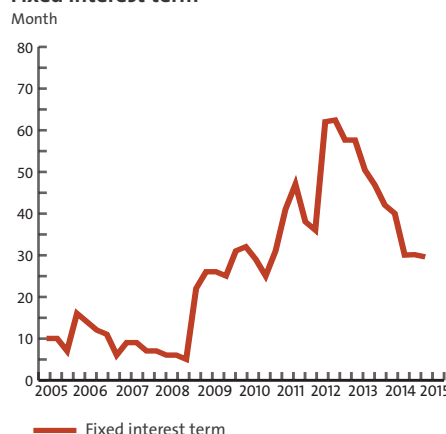
## Interest maturity structure on 2015-03-31

Year	Fixed interest term		Proportion, %
	SEKm	Interest, %	
Within one year	14,205	1.6	61.1
1–2 years	522	4.3	2.2
2–3 years	—	—	—
3–4 years	3,000	4.7	12.9
4–5 years	—	—	—
> 5 years	5,509	3.3	23.7
<b>Total</b>	<b>23,236</b>	<b>2.4</b>	<b>100</b>

## Loan to value ratio, properties



## Fixed interest term



## Other disclosures

### Events after the end of the period

Fastighets AB Balder has acquired 22.8 per cent of Sato Oyj. Sato is a Finnish real estate company focused on ownership and project development of residential. Sato owns about 25,000 residential at a value of EUR 2,600m. About 80 per cent of the residential portfolio is located in Helsinki metropolitan area and the remainder in developing communities. Balder acquires the shares for SEK 1.8 billion.

Balder has also acquired the remaining 19.3 per cent minority interest in Bovieran Holding AB.

### Related company transactions

Balder receives fees from associated companies and Erik Selin Fastigheter AB for property and company management services. These fees amounted to SEK 7m (6) during the period and are recognised in management and administrative costs. 50 per cent of the property Murmästaren 3 was sold via a company transfer. The property is now reported as an associated company.

### 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 2014, on pages 46-49. Since year-end acquisitions were made in Finland, which means that a currency position has occurred. Otherwise, no significant changes are noted.

### 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.

The accounting policies and calculation methods applied are unchanged compared with the Annual Report for 2014.

The interpretation IFRIC 21 Levies described in the Annual Report for 2014 has been adopted by the EU. IFRIC 21 Levies has therefore been applied by the Group in this interim report, which means that debt accounting of all of the remaining property tax for 2015 has been made.

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

Gothenburg, 6 May 2015

Erik Selin  
Chief Executive Officer



# Consolidated statement of comprehensive income

SEKm	2015 Jan-Mar	2014 Jan-Mar	2014/2015 Apr-Mar	2014 Jan-Dec
Rental income	685	566	2,644	2,525
Property costs	-234	-217	-777	-760
<b>Net operating income</b>	<b>451</b>	<b>350</b>	<b>1,867</b>	<b>1,766</b>
Changes in value of properties, realised	0	9	135	144
Changes in value of properties, unrealised	402	238	3,069	2,906
Other income/costs	-1	-	-1	-
Property and administrative costs	-44	-40	-159	-154
Participations in the profits of associated companies	51	33	335	317
<b>Operating profit</b>	<b>858</b>	<b>590</b>	<b>5,246</b>	<b>4,977</b>
Net financial items	-138	-115	-554	-531
Changes in value of derivatives	-179	-124	-679	-624
<b>Profit before tax</b>	<b>542</b>	<b>351</b>	<b>4,013</b>	<b>3,822</b>
Current taxes	0	0	-12	-11
Deferred tax	-107	-69	-720	-682
<b>Net profit for the period/year</b>	<b>435</b>	<b>282</b>	<b>3,281</b>	<b>3,128</b>
<b>Other comprehensive income – items that will be transferred to net profit</b>				
Translation difference	-12	0	4	16
Participation in other comprehensive income of associated companies	2	1	3	1
<b>Total comprehensive income for the period/year</b>	<b>425</b>	<b>283</b>	<b>3,288</b>	<b>3,145</b>
Profit from property management before tax, SEKm	323	234	1,364	1,275
Profit from property management before tax per ordinary share, SEK	1.68	1.15	7.17	6.64
Profit after tax per ordinary share, SEK	2.37	1.45	18.97	18.10

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	2015 31 Mar	2014 31 Mar	2014 31 Dec
<b>Assets</b>			
Investment properties	38,076	29,105	37,382
Other fixed assets	93	105	96
Participations in associated companies	1,560	1,139	1,489
Other receivables <sup>1)</sup>	1,088	932	760
Cash and cash equivalents and financial investments	993	407	456
<b>Total assets</b>	<b>41,809</b>	<b>31,688</b>	<b>40,185</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	14,687	11,649	14,261
Deferred tax liability	1,656	930	1,549
Interest-bearing liabilities <sup>2)</sup>	23,236	17,859	22,378
Derivatives	1,264	596	1,086
Other liabilities	966	654	910
<b>Total equity and liabilities</b>	<b>41,809</b>	<b>31,688</b>	<b>40,185</b>
1) Of which most part refers to receivables in associated companies			
2) Of which interest-bearing liabilities in respect of properties	20,488	16,379	20,317

## Consolidated statement of changes in equity

Attributable to the Parent Company's shareholders, SEKm	2015 31 Mar	2014 31 Mar	2014 31 Dec
<b>Opening equity</b>	<b>14,261</b>	<b>11,196</b>	<b>11,196</b>
Dividend own shares	—	—50	—300 <sup>1)</sup>
Disposal of treasury shares	—	220	220
Net profit for the period/year	425	283	3,145
<b>Closing equity</b>	<b>14,687</b>	<b>11,649</b>	<b>14,261</b>

1) Of which paid SEK 200m.

# Consolidated statement of cash flows

SEKm	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
Net operating income	451	350	1,766
Other income/costs	-1	-	-
Management and administrative expenses	-44	-40	-154
Reversal of depreciation	4	3	18
Adjustment item	-7	0	11
Net financial items paid	-172	-126	-591
Taxes paid	-	-	-11
<b>Cash flow from operating activities before change in working capital</b>	<b>230</b>	<b>187</b>	<b>1,038</b>
Change in operating receivables	-280	-57	148
Change in operating liabilities	78	66	155
<b>Cash flow from operating activities</b>	<b>28</b>	<b>196</b>	<b>1,340</b>
Acquisition of properties	-740	-1,164	-6,835
Acquisition of property, plant and equipment	-1	0	-6
Purchase of financial investments	0	-	-144
Investment in existing properties	-142	-210	-700
Acquisition, liquidity	-	-	19
Sale of properties	504	47	1,114
Sale of financial investments	155	210	219
Acquisition of shares in associated companies	-19	-86	-420
Dividend paid from associated companies	-	-	45
<b>Cash flow from investing activities</b>	<b>-242</b>	<b>-1,204</b>	<b>-6,708</b>
Dividend paid for preference shares	-50	-50	-200
Loans raised	1,274	1,434	6,575
Disposal of treasury shares	-	221	220
Amortisation/redemption of loans sold properties/changes in overdraft facilities	-345	-497	-1,237
<b>Cash flow from financing activities</b>	<b>880</b>	<b>1,108</b>	<b>5,359</b>
<b>Cash flow for the period/year</b>	<b>666</b>	<b>100</b>	<b>-8</b>
Cash and cash equivalents at the start of the period/year	199	208	208
<b>Cash and cash equivalents at the end of the period/year</b>	<b>865</b>	<b>308</b>	<b>199</b>
Unutilised credit facilities	350	1,025	350
Financial investments	128	99	257



## Segment information

SEKm	2015 Jan-Mar	2014 Jan-Mar	2014/2015 Apr-Mar	2014 Jan-Dec
<b>Rental income</b>				
Stockholm	221	158	827	765
Gothenburg/West	234	203	888	857
Öresund	101	91	413	402
East	88	79	354	345
North	41	35	162	156
<b>Total</b>	<b>685</b>	<b>566</b>	<b>2,644</b>	<b>2,525</b>
<b>Net operating income</b>				
Stockholm	157	110	621	574
Gothenburg/West	151	126	606	582
Öresund	69	59	305	294
East	53	37	235	219
North	21	17	101	97
<b>Total</b>	<b>451</b>	<b>350</b>	<b>1,867</b>	<b>1,766</b>

The group's internal reporting of operations is divided into the above segments. Total net operating income corresponds with reported net operating income in the income statement. The difference between net operating income of SEK 451m (350) and profit before tax of SEK 542m (351) consists of changes in value of properties of SEK 402m (247), management and administrative costs of SEK –44m (–40), participations in profits of associated companies of SEK 51m (33), net financial items of SEK –138m (–115) and changes in value of derivatives of SEK –179m (–124).

The carrying amounts of properties increased during the period by SEK 302m in the Stockholm region, SEK 81m in the Gothenburg/West region, SEK 286m in the Öresund region, SEK 26m in the North region and reduced by SEK 3m in the East region. The property holdings in Finland are reported in East region.

# Key ratios

SEKm	2015 Jan-Mar	2014 Jan-Mar	2014/2015 Apr-Mar	2014 Jan-Dec
<b>Share-related, ordinary shares <sup>1)</sup></b>				
<i>Average number of shares, thousands</i>	162,397	159,919	162,397	161,786
Profit after tax, SEK	2.37	1.45	18.97	18.10
Profit after tax excluding unrealised changes in value, SEK	1.26	0.88	6.61	6.19
Profit from property management before tax, SEK	1.68	1.15	7.17	6.64
Net operating income, SEK	2.78	2.19	11.50	10.91
<i>Outstanding number of shares, thousands</i>	162,397	162,397	162,397	162,397
Carrying amount of properties, SEK	234.46	179.22	234.46	230.19
Shareholders' equity, SEK	72.72	54.02	72.72	70.10
Long-term net asset value (EPRA NAV), SEK	90.70	63.41	90.70	86.33
Share price on the closing date, SEK	146.00	78.50	146.00	110.25
1) There is no dilutive effect as no potential shares arise.				
<b>Property-related</b>				
Rental value full-year, SEK/sq.m.	1,326	1,233	1,326	1,325
Rental income full-year, SEK/sq.m.	1,260	1,170	1,260	1,254
Economic occupancy rate, %	95	95	95	95
Surplus ratio, %	66	62	71	70
Carrying amount, SEK/sq.m.	17,474	14,577	17,474	17,172
Number of properties	493	501	493	494
Lettable area, sq.m. thousands	2,179	1,997	2,179	2,177
Profit from property management before tax, SEKm	323	234	1,364	1,275
<b>Financial</b>				
Return on equity, ordinary share, %	8.6	7.4	29.9	29.7
Return on total assets, %	4.9	4.8	12.4	12.4
Interest coverage ratio, times	3.3	3.0	3.5	3.4
Equity/assets ratio, %	35.1	36.8	35.1	35.5
Debt/equity ratio, times	1.6	1.5	1.6	1.6
Loan-to-value ratio, %	55.6	56.4	55.6	55.7
Loan-to-value ratio properties, %	53.8	56.3	53.8	54.3

## Condensed parent company income statement

SEKm	2015 Jan-Mar	2014 Jan-Mar	2014/2015 Apr-Mar	2014 Jan-Dec
Net sales	33	29	128	124
Administrative expenses	-38	-32	-145	-139
<b>Operating profit</b>	<b>-5</b>	<b>-3</b>	<b>-18</b>	<b>-16</b>
<b>Profit from financial items</b>				
Dividends from subsidiaries	-	-	700	700
Other net financial items	110	64	385	338
Changes in value of derivatives	-177	-111	-652	-585
<b>Profit before appropriations and taxes</b>	<b>-72</b>	<b>-50</b>	<b>416</b>	<b>438</b>
<b>Appropriations</b>				
Group contributions paid/received	-	-	-250	-250
<b>Profit before tax</b>	<b>-72</b>	<b>-50</b>	<b>166</b>	<b>188</b>
Deferred tax	16	11	119	115
<b>Net profit for the period/year</b>	<b>-56</b>	<b>-39</b>	<b>285</b>	<b>302</b>

## Condensed parent company balance sheet

SEKm	2015 31 Mar	2014 31 Mar	2014 31 Dec
<b>Assets</b>			
Property, plant and equipment	21	23	22
Financial non-current assets	3,357	3,279	3,193
Receivables from group companies	16,082	12,741	15,777
Current receivables	13	27	8
Cash and cash equivalents and financial investments	881	360	422
<b>Total assets</b>	<b>20,355</b>	<b>16,430</b>	<b>19,422</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	6,441	6,406	6,497
Interest-bearing liabilities	9,014	6,560	7,843
Liabilities to group companies	3,682	2,943	3,952
Derivatives	1,113	472	936
Other liabilities	105	49	194
<b>Total equity and liabilities</b>	<b>20,355</b>	<b>16,430</b>	<b>19,422</b>



# The share and owners

Balder's shares are listed on NASDAQ OMX Stockholm, Large 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 27,360m (16,238).

The principal owner in Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 38.0 per cent of the capital and 51.3 per cent of the votes. Foreign ownership amounts to approximately 17 per cent of the outstanding shares.

## Ordinary shares

At the end of the period, approximately 8,718 shareholders (9,280) held ordinary shares. During the period, 19.0 million shares were traded (21.2), which corresponds to an average of about 307,000 shares per trading day (342,000). The annual turnover rate amounted to 47 per cent (52) during the period. The price of the ordinary share was SEK 146.00 (78.50) on 31 March, corresponding to a rise of 32 per cent since year-end.

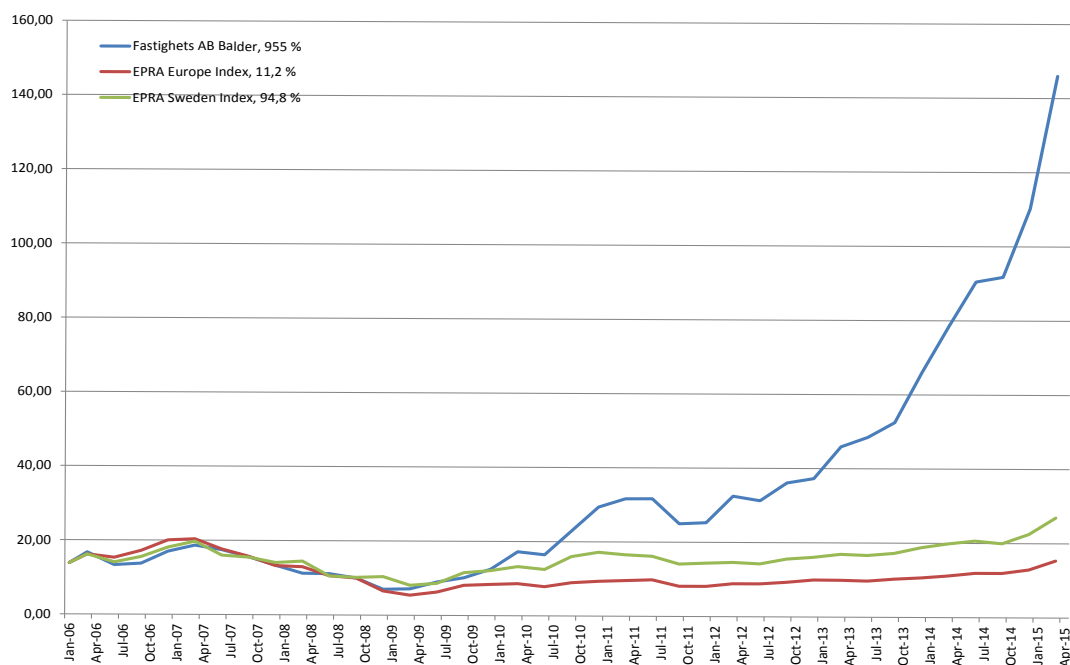
## Preference shares

At the end of the period, approximately 8,303 shareholders (8,144) held preference shares. During the period, 0.9 million shares were traded (0.9), which corresponds to an average of 14,700 shares per trading day (14,900). The annual turnover rate amounted to 36 per cent (37). On 31 March, the market value of the preference share was SEK 365 (349), corresponding to a rise of 4 per cent since year-end and a total yield of 6 per cent since year-end.

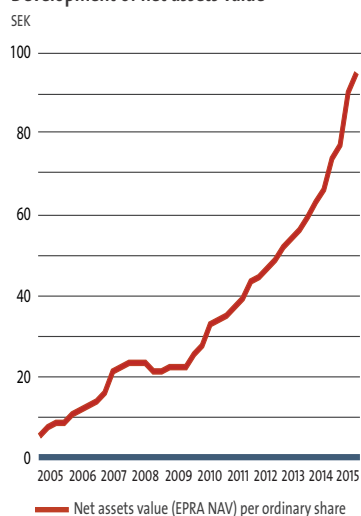
## Share capital

On 31 March, the share capital in Balder amounted to SEK 172,396,852 distributed among 172,396,852 shares. Each share has a quota value of SEK 1.00, whereof 11,229,432 shares are of Class A, 151,167,420 of Class B and 10,000,000 preference shares. The total number of outstanding shares amounts to 172,396,852. Each Class A share carries one vote and each Class B share and preference share carries one tenth of one vote.

## Share Price



### Development of net assets value



### Share price/Net assets value (EPRA NAV)



### Ownership list as of 2015-03-31

Owner	A ordinary shares	B ordinary shares	Preference shares	Total number of shares	Capital, %	Votes, %
Erik Selin via company	8,301,930	57,218,298	500	65,520,728	38.0	51.3
Arvid Svensson Invest AB	2,915,892	13,542,540	—	16,458,432	9.6	15.6
Swedbank Robur fonder	—	11,293,224	—	11,293,224	6.6	4.1
Länsförsäkringar fondförvaltning AB	—	8,808,117	—	8,808,117	5.1	3.2
AMF - Försäkring och Fonder	—	5,575,785	—	5,575,785	3.2	2.0
Handelsbanken Fonder AB	—	4,356,230	—	4,356,230	2.5	1.6
CBNY Norges Bank	—	3,600,816	—	3,600,816	2.1	1.3
SEB Investment Management	—	2,644,916	—	2,644,916	1.5	1.0
JPM Chase	—	2,304,541	133,642	2,438,183	1.4	0.9
Lannebo fonder	—	2,400,000	—	2,400,000	1.4	0.9
Rahi, Sharam via company	—	1,516,300	20,000	1,536,300	0.9	0.6
Other	11,610	37,906,653	9,845,858	47,764,121	27.7	17.5
<b>Total</b>	<b>11,229,432</b>	<b>151,167,420</b>	<b>10,000,000</b>	<b>172,396,852</b>	<b>100</b>	<b>100</b>

### Preference share calendar

Final day of trading incl. right to payment of dividend	8 July 2015
Record day for payment of dividend	10 July 2015
Expected day of payment from Euroclear	15 July 2015
Final day of trading incl. right to payment of dividend	7 October 2015
Record day for payment of dividend	9 October 2015
Expected day of payment from Euroclear	14 October 2015
Final day of trading incl. right to payment of dividend	5 January 2016
Record day for payment of dividend	8 January 2016
Expected day of payment from Euroclear	13 January 2016

# Definitions

## FINANCIALS

### **Return on equity, ordinary share, %**

Profit after tax reduced by preference share dividend for the period in relation to 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 income/costs. Reversal of changes in value and tax as regards participation in profits of associated companies also takes place.

### **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**

Shareholders equity' per preference share is equivalent to the average subscription price of the preference share of SEK 287.70 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.

### **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, utility expenses, maintenance, ground rent and property tax.

### **Rental value, SEKm**

Contracted rent and estimated market rent for vacant premises.

### **Surplus ratio, %**

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. This information has been published at 12 p.m. on 6 May 2015.

This report is a translation of the Swedish Interim Report January–March 2015. 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 about the company's operations, board of directors and management, financial reporting and press releases, may be found on Balder's website, [www.balder.se](http://www.balder.se).

#### Calendar

Interim Report Jan-Jun 2015	21 August 2015
Interim Report Jan-Sep 2015	4 November 2015
Year-end report 2015	18 February 2016

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