

Fastighets AB Balder

Year-end report

January-December 2015

- Profit from property management before tax increased to SEK 1,780m (1,275), corresponding to an increase per ordinary share by 46 per cent to SEK 9.71 (6.64)
- Rental income amounted to SEK 2,711m (2,525)
- Profit after tax amounted to SEK 4,916m (3,128), corresponding to SEK 28.98 per ordinary share (18.10)
- Shareholders' equity (incl. Collector AB at market value) amounted to SEK 128.03 per ordinary share (70.10) and the net asset value amounted to SEK 159.14 per ordinary share (86.33)
- The board proposes that no dividend shall be declared for ordinary shares (–) and that a dividend of SEK 20 per share (20) shall be paid for preference shares

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 68.5 billion (37.4) as of 31 December 2015. The Balder share is listed on Nasdaq Stockholm, Large Cap



The year in brief

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

October-December 2015

- Rental income amounted to SEK 680m (677).
- Net operating income increased by 5 per cent to SEK 508m (486).
- Profit from property management increased by 28 per cent to SEK 482m (378), which corresponds to an increase by 31 per cent to SEK 2.64 per ordinary share (2.02).
- Changes in value in respect of investment properties amounted to SEK 2,017m (1,621). The average yield requirement amounted to 5.4 per cent (5.5).
- Changes in value of interest rate derivatives have impacted the result by SEK 197m (–202).
- Net profit after tax for the period amounted to SEK 2,506m (1,470), which corresponds to SEK 14.99 per ordinary share (8.74).
- One property (4), with an area of approximately 2,000 sq.m. were divested at a property value of SEK 3m
- During the period another 22.9 per cent of the outstanding shares in Sato Oyj were acquired, after the acquisition Balder's ownership in Sato amounts to 53.3 per cent.
- A directed issue of 10,000,000 ordinary shares at a value of SEK 1,705m after issue costs has been implemented.

January-December 2015

- Rental income amounted to SEK 2,711m (2,525).
- Net operating income increased by 10 per cent to SEK 1,944m (1,766).
- Profit from property management increased by 40 per cent to SEK 1,780m (1,275), which corresponds to an increase by 46 per cent to SEK 9.71 per ordinary share (6.64).
- The occupancy rate amounts to 96 per cent (95).
- Changes in value in respect of investment properties amounted to SEK 3,388m (3,050). The average yield requirement amounted to 5.4 per cent (5.5).
- Changes in value of interest rate derivatives have impacted the result by SEK 227m (–624).
- Net profit after tax amounted to SEK 4,916m (3,128), which corresponds to SEK 28.98 per ordinary share (18.10).
- 11 properties (37), of which 9 project properties were acquired at a property value of SEK 2,183m with a lettable area of approximately 70,000 sq.m.
- 23 properties (41) were divested at a property value of SEK 1,613m and a lettable area of approximately 108,000 sq.m.
- Collector AB (publ) were listed on June 10 2015. Balder's share amounts to 44.1 per cent.
- During the year Balder has acquired 53.3 per cent of Sato Oyj, Finland's second largest housing company. Since controlling interests is obtained, Sato is now consolidated in the consolidated statement of financial position on 31 December 2015.

	2015 Oct-Dec	2014 Oct-Dec	2015 Jan-Dec	2014 Jan-Dec	2013 Jan-Dec	2012 Jan-Dec	2011 Jan-Dec	2010 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec
Rental income, SEKm	680	677	2,711	2,525	1,884	1,701	1,466	1,333	854	633
Profit from property management before tax, SEKm	482	378	1,780	1,275	854	691	516	417	315	174
Changes in value of properties, SEKm	2,017	1,621	3,388	3,050	854	812	990	1,047	4	–201
Changes in value of derivatives, SEKm	197	–202	227	–624	433	–71	–520	148	–23	–333
Profit after tax, SEKm	2,506	1,470	4,916	3,128	1,738	1,162	812	1,338	248	–388
Carrying amount of properties, SEKm	68,456	37,382	68,456	37,382	27,532	22,278	17,556	14,389	12,669	7,086

Data per ordinary share (including Collector AB (publ) at market value)

Average number of shares, thousands	163,825	162,397	162,753	161,786	159,537	159,537	158,656	149,487	112,902	95,910
Profit after tax, SEK	14.99	8.74	28.98	18.10	10.11	6.69	4.87	8.95	2.20	–4.04
Profit from property management before tax, SEK	2.64	2.02	9.71	6.64	4.57	3.73	3.00	2.79	2.79	1.81
Outstanding number of shares, thousands	172,397	162,397	172,397	162,397	159,537	159,537	159,537	149,487	149,487	94,458
Shareholders' equity, SEK	128.03	70.10	128.03	70.10	52.14	42.15	35.57	31.13	22.19	19.63
Long-term net asset value (EPRA NAV), SEK	159.14	86.33	159.14	86.33	60.50	50.37	41.83	32.89	22.16	20.95
Share price on closing date, SEK	208.70	110.25	208.70	110.25	66.00	37.30	25.30	29.40	12.50	7.00

Comments by the CEO

Dear shareholder,

Property markets and investments

For Balder, 2015 was a very interesting and positive year! The property market continued to perform well due to strong interest from investors driven by record low interest rates, a favourable rental market and also in some cases due to a lack of alternative investment opportunities.

Our largest investment by far during the year, was our gradual acquisition of just over 50 percent of the shares of the Finnish residential property company Sato. Although Finland has shown a weaker performance than the other Nordic countries in recent years, I am convinced that the long-term development in Finland will be positive again. Through Sato, we gain an excellent organisation and a fantastic network, which will give us the basis to find good investment opportunities over time. Our Finnish investment is in safe hands.

In Sweden, we were a net seller of investment properties, although on a small scale, and a net investor in residential projects instead, where we are now gradually obtaining a better and better project portfolio. In the short term, this will have a slightly negative impact on earnings but looking ahead, these investments will be important for our future results.

The property market in Copenhagen was also strong during the year and our operations there are gradually improving and expanding through the construction projects, which are being completed now and in the coming years. We have also initiated our first hotel investment in Copenhagen, which feels great. As you probably know, we are really delighted about our hotels and this division at Balder also advanced its position during 2015.

Associated companies

On the associated company side, we gained some fine new additions in the form of Tornet and Brinova. Even though their impact on our comprehensive income in the balance sheet is not particularly great at present, it gives us additional investment opportunities and options over time and,

not least, it gives us new relationships. Creating new relationships and maintaining existing ones is something that I consider to be invaluable and it is also fun and stimulating for me and for the rest of Balder's employees.

In June, Collector was listed on the stock market, which has meant that the company's value has become more clearly visible. We regard Collector as an associated company and we expect that Balder will remain as an owner for the foreseeable future. In accounting terms, this means that we should not recognise Collector's shares at market value but at the cost value (our share of the profit is added to this). To provide as true and fair view as possible, we are also presenting our balance sheet and key ratios including Collector at market value.

Financial goals and key ratios

To maintain a strong balance sheet, we used part of the authorisation to issue shares that we received at the Annual General Meeting 2015. We carried out a directed issue of 10 million shares to Swedish and international institutions and it received a very good response. The offer was strongly oversubscribed.

Balder's Board of Directors has decided to adjust the company's goal for the interest coverage ratio from 1.5 to 2 times. When the interest rate is at prevailing levels, the interest coverage ratio key ratio is not so interesting but who knows what will happen with interest rates over time? (I don't know).

2016 and subsequently

In the short term, the property market feels strong based on the same factors that have prevailed in recent years. However, our focus is completely on the long-term performance, for Balder and for its shareholders. Looking ahead, I am very positive about Balder's opportunities due to the fact that our organisation is continually improving, we are investing in different market segments and because we have so many partners that help us with everything possible.

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-months basis

SEKm	2015 31 Dec	2015 30 Sep	2015 30 June	2015 31 Mar	2014 31 Dec	2014 30 Sep	2014 30 June	2014 31 Mar	2013 31 Dec	2013 30 Sep	2013 30 June
Rental income	5,045	2,725	2,650	2,745	2,730	2,650	2,600	2,310	2,260	1,885	1,865
Property costs	-1,635	-775	-760	-800	-800	-795	-785	-735	-735	-580	-575
Net operating income	3,410	1,950	1,890	1,945	1,930	1,855	1,815	1,575	1,525	1,305	1,290
Property and administrative expenses	-425	-175	-175	-170	-165	-165	-165	-165	-165	-125	-120
Profit from property management from associated companies	340	560	500	410	220	200	180	180	170	150	130
Operating profit	3,325	2,335	2,215	2,185	1,985	1,890	1,830	1,590	1,530	1,330	1,300
Net financial items	-880	-530	-575	-575	-585	-580	-580	-535	-535	-515	-510
Profit from property management	2,445	1,805	1,640	1,610	1,400	1,310	1,250	1,055	995	815	790
Profit from property management attributable to parent company shareholders	2,035	1,805	1,640	1,610	1,400	1,310	1,250	1,055	995	815	790
Taxes	-520	-397	-361	-354	-308	-288	-275	-232	-219	-179	-174
Profit after tax	1,925	1,408	1,279	1,256	1,092	1,021	975	823	776	636	616
Profit after tax attributable to											
Ordinary shareholders	1,396	1,208	1,079	1,056	892	821	775	623	576	506	486
Preference shareholders	200	200	200	200	200	200	200	200	200	130	130
Profit from property management before tax according to current earning capacity per ordinary share, SEK	10.64	9.88	8.87	8.68	7.39	6.83	6.47	5.26	4.99	4.29	4.14

Current earning capacity per 31 December is excluding properties sold during January 2016.

The consolidated statement of financial position including Collector AB (publ) at market value

Under IFRS, Collector AB (publ) should not be recognised at market value when Balder reports its participation in the profit from associated companies from Collector. In order to clarify Collector's market value, Collector is reported below at the share price as of 31 December.

SEKm	2015 31 Dec
Assets	
Investment properties	68,456
Other fixed assets	122
Participations in associated companies ¹⁾	6,549
Other receivables ²⁾	1,497
Cash and cash equivalents and financial investments	1,025
Total assets	77,649
Shareholders' equity and liabilities	
Shareholders' equity ³⁾	29,325
Deferred tax liability	4,071
Interest-bearing liabilities	41,063
Derivatives	1,294
Other liabilities	1,896
Total equity and liabilities	77,649
1) Including Balder's marketable value of Collector AB (publ)	5,224
2) Of which most part refers to receivables in associated companies.	
3) Of which non-controlling interests	4,377

Consolidated statement of changes in equity

SEKm	2015 31 Dec
Opening equity	14,261
Dividend preference shares	-200
Net profit for the year	4,909
Share issue after issue costs	1,705
Non-controlling interests arising on the acquisition of subsidiary	4,377
Adjustment of Collector AB (publ) to market value	4,273
Closing equity	29,325

Results, income and costs

Results

Profit from property management increased by 40 per cent during the year and amounted to SEK 1,780m (1,275), which corresponds to an increase per ordinary share by 46 per cent to SEK 9.71 (6.64). Profit from property management includes SEK 457m (195) in respect of associated companies.

Net profit after tax amounted to SEK 4,916m (3,128), corresponding to SEK 28.98 per ordinary share (18.10). Profit before tax was affected by changes in value in respect of properties of SEK 3,388m (3,050), changes in value of interest rate derivatives of SEK 227m (–624) and profit from participations in associated companies of SEK 831m (317).

Rental income

Rental income increased by 7 per cent to SEK 2,711m (2,525). The increase was primarily due to the change in the real estate portfolio. The leasing portfolio was estimated to have a rental value on 31 December of SEK 5,257m (2,885). The average rental level for the entire real estate portfolio amounted to SEK 1,508/sq.m. (1,325) excl. project properties.

Rental income shows a considerable diversification of risks as regards tenants, sectors and locations. The economic occupancy rate amounted to 96 per cent (95) on 31 December. The total rental value of unlet areas at the end of the period amounted to SEK 182m (155) on an annual basis.

Property costs

Property costs amounted to SEK 767m (760) during the year. The increase in property costs was mainly due to the change in the property portfolio and a mild winter with little snow.

Net operating income increased by 10 per cent to SEK 1,944m (1,766), which implies a surplus ratio of 72 per cent (70).

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 December, based on a ten-year cash flow model, of the entire real estate portfolio. Unrealised changes in value during the year amounted to SEK 3,323m (2,906). Realised changes in value amounted to SEK 65m (144).

The average yield requirement as of 31 December amounted to 5.4 per cent (5.5), which is an increase of 0.1 percentage points compared with the third quarter and a reduction of 0.1 percentage points since year-end. The

increase of the yield requirement during the fourth quarter is due to the consolidation of Sato Oyj, whose properties have a higher average yield requirement. The change in value during the year was attributable to improved net operating income and a reduced yield requirement.

Management and administrative costs

Management and administrative costs amounted to SEK 185m (154) during the period. The increase was mainly due to the change in the property portfolio.

Participations in the profit of associated companies

Balder owns property-managing and project developing associated companies and 44.1 percent in Collector AB (publ) which was listed in June. From the second quarter 2015 Balder also reports a consolidated statement of financial position including Collector AB (publ) at market value to clarify Collectors value in Balder. During the year Balder has gradually acquired a total of 53.3 per cent of the outstanding shares in Sato Oyj, Finland's second largest housing company. Sato is from 31 December 2015 included in the Group's consolidated balance sheet. During the year also 31 and 35 per cent of the shares in Tornet Bostadsproduktion AB and Brinova AB were acquired.

Profit from participations in associated companies amounted to SEK 831m (317) and Balder's participation in the associated companies profit from property management amounted to SEK 457m (195).

Profit before tax was impacted by unrealised changes in value in respect of properties and interest rate derivatives of SEK 410m (178).

Net financial items and changes in value of derivatives

Net financial items amounted to SEK –437m (–531) and changes in value of interest rate derivatives amounted to SEK 227m (–624). The positive change in value of derivatives during the year is due to the fact that the interest rates have risen during the year. Unrealised changes in value do not affect the cash flow.

Net financial items are equivalent to borrowing at an average interest rate of 1.8 per cent (2.7) during the period, including the effect of accrued interest from interest rate derivatives.

Taxes

Balder reported current tax income for the period of SEK 4m (–11) and a deferred tax expense of SEK –866m (682).

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 and divested 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 4,071m (1,549).

The fourth quarter 2015

Profit from property management for the fourth quarter of 2015 increased by 28 per cent and amounted to SEK 482m (378), which corresponds to an increase per ordinary share of 31 per cent to SEK 2.64 (2.02). Profit from property management included SEK 128m (58) in respect of associated companies. Rental income amounted to SEK 680m (677) and property costs amounted to SEK 172m (191), which meant that net operating income increased by 5 per cent to SEK 508m (486). The surplus ratio amounted to 75 per cent (72).

Net profit after tax for the period amounted to SEK 2,506m (1,470), corresponding to SEK 14.99 per ordinary share (8.74). Profit before tax has been impacted by changes in value in respect of properties of SEK 2,017m (1,621), changes in value of interest rate derivatives of SEK 197m (–202) and profit from participations in associated companies of SEK 359m (92).

Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 1,193m (1,038). Investing activities have burdened the cash flow by SEK 5,635m (6,708).

During the year, acquisition of properties of SEK 2,097m (6,835), investments in existing properties and projects of SEK 791m (700), investments in property, plant and equipment, financial investments and associated companies and subsidiaries of SEK 4,857m (570) and dividends paid of SEK 200m (200) adds up to SEK 7,945m (8,305).

These have been financed through cash flow from operating activities of SEK 762m (1,340) by property divestments of SEK 1,606m (1,114), financial investments of SEK 504m (219), share issue SEK 1,705m (–) and net borrowings of SEK 3,788m (5,338), adds up to SEK 8,365m (8,011).

Total cash flow for the year amounted to SEK 421m (–8). The group's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 1,339m (806) on 31 December.

Employees and organisation

The number of employees on 31 December amounted to 647 persons (313), of whom 310 (110) were women. Balder is, after the acquisition of Sato Oyj, organised into six regions with 17 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 relates to sales of services, principally to associated companies. Sales in the parent company amounted to SEK 147m (124).

Net profit after tax amounted to SEK 1,061m (302). Dividend of SEK 800m (700) from subsidiaries was included and unrealised changes in value of interest rate derivatives amounted to SEK 199m (–585) and paid group contributions amounted to SEK –340m (–250).

Proposed dividend

The board intends propose to the annual general meeting that no dividend shall be declared for ordinary shares (–) and that a dividend of SEK 20 per share (20) shall be paid for preference shares.

Annual Report and Annual General Meeting

The annual report for 2015 will be available on Balder's website, www.balder.se, from week 14, 2016.

Fastighets AB Balder's annual general meeting will take place on Tuesday, 10 May 2016 at 4.00 p.m. at Elite Park Avenue Hotel in Gothenburg.

Real estate holdings

On 31 December, Balder owned 1,177 properties (486) with a lettable area of approximately 3,430,000 sq.m. (2,177,000) and a value of SEK 68,456m (37,382), including project properties. Balder's total rental value excluding project properties amounted to SEK 5,173m (2,885).

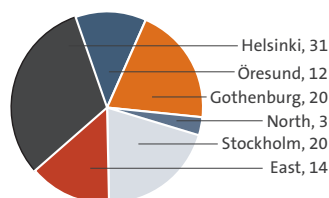
Balder's commercial properties are mainly located in the central parts of large cities. Balder's residential properties are located in metropolitan areas and places that are growing and developing positively. Balder's ambition is to continue growing in selected markets.

Balder's real estate holdings on 2015-12-31 ¹⁾

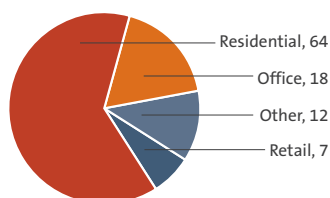
	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Helsinki	479	942,551	1,797	1,906	1,764	98	19,595	29
Stockholm	57	456,509	866	1,897	801	93	13,550	20
Gothenburg	200	779,963	954	1,223	919	96	12,887	19
Öresund	51	298,041	439	1,473	408	93	6,581	10
East	312	787,675	951	1,207	935	98	9,085	13
North	78	165,349	167	1,009	163	98	2,178	3
Total	1,177	3,430,088	5,173	1,508	4,990	96	63,876	93
Project			84		84		4,581	7
Total	1,177	3,430,088	5,257	1,508	5,075	96	68,456	100
Distributed by property category								
Residential	1,018	2,471,660	3,511	1,420	3,451	98	39,250	57
Office	70	422,785	812	1,921	727	90	12,095	18
Retail	48	218,077	333	1,528	319	96	4,653	7
Other	41	317,566	517	1,628	494	95	7,878	12
Total	1,177	3,430,088	5,173	1,508	4,990	96	63,876	93
Project			84		84		4,581	7
Total	1,177	3,430,088	5,257	1,508	5,075	96	68,456	100

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.

Distributed by region including projects, %



Distributed by property category including projects, %



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 cash flow based 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 December, Balder's average yield requirement amounted to 5.4 per cent (5.5) excluding project and development properties.

In order to quality-assure its internal valuations, Balder regularly allows parts of its portfolio to be externally valued during the period or at each year-end. During the fourth quarter, Balder has externally valued approximately one-third of the properties, including Sato's property portfolio. The external valuation was less than 1 per cent lower than Balder's internal valuation at year-end. Historically, deviations between external and internal valuations have been insignificant.

Project real estate

On 31 December, Balder had ongoing residential projects with an expected total investment of SEK 8,000m, of which about SEK 4,400m was already invested. The most large-scale investments are in Copenhagen and Helsinki and mainly relate to condominiums that are let. In Copenhagen,

there are currently about 1,000 apartments under construction as well as about 1,100 apartments in Finland and about 350 tenant-owner's rights in Sweden. We expect to complete about 500 apartments during the first half of 2016.

Unrealised changes in value

The overall carrying amount of Balder's properties amounted to SEK 68,456m (37,382) on 31 December. The unrealised change in value during the period amounted to SEK 3,323m (2,906) and was attributable to improved net operating income and a lower yield requirement.

Investments, acquisitions and divestments

During the year, a total of SEK 2,974m (7,759) was invested, of which SEK 2,183m (7,059) related to acquisitions and SEK 791m (700) related to investments in existing properties and projects. In addition, the acquisition of Sato Oyj contributed to an increase of the property portfolio of SEK 26,477m. Properties with a sales value of SEK 1,613m (1,114) were divested during the year. Profit from property sales amounted to SEK 65m (144). The change in the real estate portfolio during the year may be seen in the table below.

Change in carrying amount of properties

	2015		2014	
	SEKm	Number ¹⁾	SEKm	Number ¹⁾
Real estate portfolio, 1 January	37,382	486	27,532	490
Investments in existing properties and projects	791		700	
Acquisitions	2,183	2	7,059	37
Acquisition Sato Oyj	26,477	712	—	
Sales	–1,542	–23	–971	–41
Change in value of investment properties, unrealised	3,323		2,906	
Currency changes	–158		157	
Real estate portfolio, 31 December	68,456	1,177	37,382	486

1) Number of investment properties.

Property transactions 2015

Quarter	Number	Name of property	Municipality	Property category	Lettable area, sq.m.
Acquisitions					
One	1	Snöflingan 3	Stockholm	Hotel	22,000
One	1	Inom Vallgraven 54:10	Gothenburg	Office	875
One	1	Sundby Overdrev (Lavetten)	Copenhagen	Project	0
Two	4	Bovieran		Project	0
Three	1	954 b Sundby Overdrev (321)	Copenhagen	Project	0
Three	1	1041 Sundbyoster (Öresund Strandpark)	Copenhagen	Project	0
Three	1	273 Vestervold kvarter (Niels Brocks Gade)	Copenhagen	Project	0
Three	1	Bastuban 1	Mölnadal	Project	47,054
Four	712	Acquisition of Sato Oyj	Finland	Residential	1,334,595
Total	723				1,404,524
Divestments					
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
Two	13	All properties	Tidaholm	Residential	6,768
Two	1	Jakobsberg 2:2583	Järfälla	Other	22,054
Two	1	Eken 14	Sundbyberg	Office	8,913
Two	1	Vreten 8	Stockholm	Office	11,919
Two	1	Vreten 17	Stockholm	Office	6,550
Two	1	Vreten 25	Stockholm	Office	12,610
Three	1	Oden 7	Trollhättan	Retail	16,253
Four	1	Dingersjö 3:135	Sundsvall	Other	1,677
Total	23				107,288

Associated companies

Balder owns 50 per cent of a number of companies where Balder handles the management and administration, for further information, see Balder's Annual Report. Balder's 50 per cent-owned associated companies are shown in the table below. Apart from the 50 per cent owned associated

companies, Balder owns 44.1 per cent (48) in Collector AB (publ), 31 per cent (–) of Tornet Bostadsproduktion AB and 35 per cent (–) of Brinova AB. For more information about these associated companies, see each company's website: Collector.se, Tornet.se and Brinova.se.

Balder's participation in the 50 per cent-owned associated companies' real estate holdings on 2015-12-31 ¹⁾

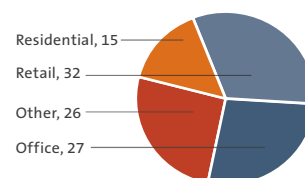
	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	36	100,846	156	1,548	152	98	2,248	51
Gothenburg	11	47,401	55	1,171	52	93	800	18
Öresund	8	35,073	48	1,382	47	97	654	15
Total	55	183,320	260	1,419	251	97	3,701	84
Project			16		16		713	16
Total	55	183,320	276	1,419	267	97	4,414	100
Distributed by property category								
Residential	6	8,228	11	1,329	11	97	210	5
Office	10	35,026	69	1,966	64	92	953	22
Retail	31	91,434	99	1,081	96	97	1,396	32
Other	8	48,632	81	1,675	81	99	1,142	26
Total	55	183,320	260	1,419	251	97	3,701	84
Project			16		16		713	16
Total	55	183,320	276	1,419	267	97	4,414	100

1) The above table refers to the properties owned by the associated companies 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.

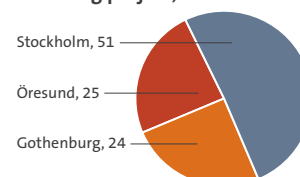
Balder's participation in the balance sheets of 50 per cent-owned associated companies

SEKm	2015 31 Dec	2014 31 Dec
Assets		
Properties	4,414	3,396
Other assets	247	27
Cash and cash equivalents	61	24
Total assets	4,723	3,447
Shareholders' equity and liabilities		
Equity/shareholder loan	1,726	1,230
Interest-bearing liabilities	2,501	2,032
Other liabilities	496	185
Total equity and liabilities	4,723	3,447

Distributed by property category including project, %



Distributed by region including project, %



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 6.3 years (5.9). Balder's 10 largest leases represent 6.1 per cent (9.4) of total rental income and the average lease term amounts to 11.1 years (11.1).

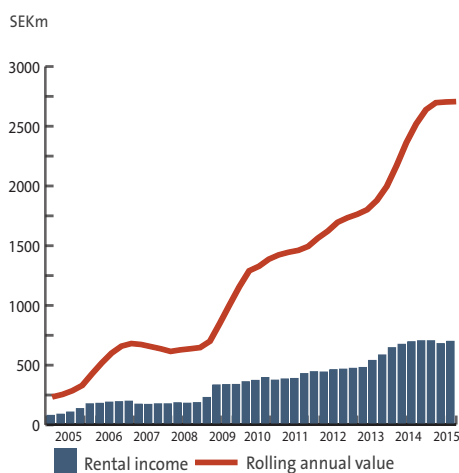
No individual lease accounts for more than 0.9 per cent (1.5) Balder's total rental income and no individual customer accounts for more than 2.7 per cent (4.8) of total rental income.

Lease maturity structure 2015-12-31

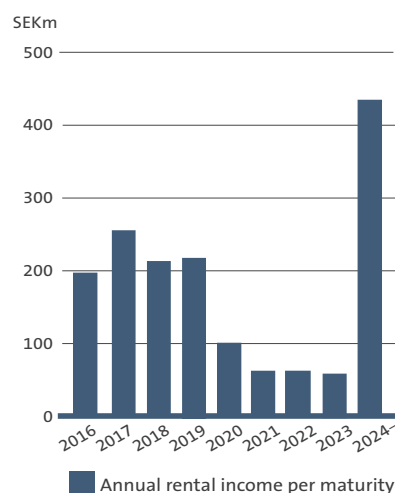
Maturity date	Number of leases	Proportion, %	Contracted rent, SEKm	Proportion, %
2016	1,079	39	192	4
2017	616	23	264	5
2018	511	19	217	4
2019	294	11	220	4
2020–	234	9	725	14
Total	2,734	100	1,618	32
Residential ¹⁾	37,008		3,401	67
Car park ¹⁾	5,442		15	0
Garage ¹⁾	4,741		41	1
Total	49,925		5,075	100

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

on 2015-12-31

- ICA Sverige AB
- Kopparbergs Bryggerier
- Marriott
- ProfilEvents AB
- Rezidor Hotel Group
- Scandic Hotels AB
- SCA Hygiene Products AB
- Stockholms municipality
- Stureplansgruppen
- Winn Hotel Group

Financing

Equity

Consolidated equity, including Collector AB (publ) at market value, amounted to SEK 29,325m (14,261) on 31 December and the equity/assets ratio amounted to 37.8 per cent (35.5). During the year, equity increased by comprehensive income for the year of SEK 4,909m (3,145), share issue after issue costs of SEK 1,705m (–), non-controlling interests arising on acquisition of subsidiaries of SEK 4,377m (–) and market value of the holding in Collector AB (publ) of SEK 4,273m (–), and decreased by SEK 200m (200) regarding dividends approved and entered as a liability to the preference shareholders.

Interest-bearing liabilities

The majority of Balder's liabilities are revolving bilateral liabilities with eight different Nordic banks. Apart from bank financing, Balder has outstanding bonds totalling SEK 7,865m (1,950) and outstanding certificates of SEK 2,680m (675).

The Group's net debt to assets excluding cash ratio calculated as net interest-bearing liabilities divided by net total assets including Collector at market value, amounted to 52.3 percent (55.2) at year-end. The secured liabilities in relation to total assets amounted to 42.2 per cent (50.6) as of 31 December.

At year-end, Balder had credit facilities of SEK 4,745m (1,000), of which SEK 4,545m (900) were unutilised. Apart from these facilities, Balder had cash and cash equivalents, unutilised overdrafts and financial investments of SEK 1,339m (806). Balder also has credit facilities that fully cover future payments for ongoing construction projects.

The interest rate refixing period and fixed credit term amounted to 2.9 years (2.3) and 4.4 years (4.3), respectively.

Financial goals

Balder's Board of Directors has decided to adjust the interest coverage ratio from 1.5 times to 2.0 times in order to better represent Balder's financial profile. This means that the equity/assets ratio should not be less than 35 per cent over time and that the interest coverage ratio should not be less than 2.0 times.

As of 31 December, the equity/assets ratio was 37.8 per cent (35.5) and the interest coverage ratio was 5.1 times (3.4).

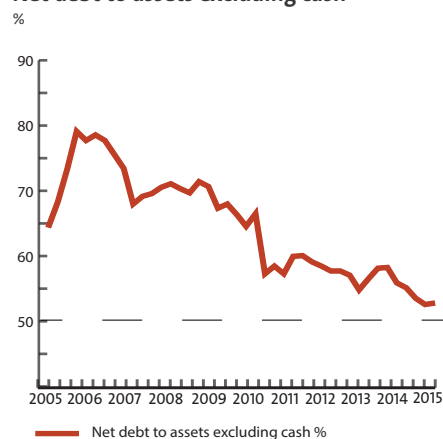
Financial targets

	Target	Outcome
Equity/assets ratio, %	35.0	37.8
Interest coverage ratio, times	2.0	5.1

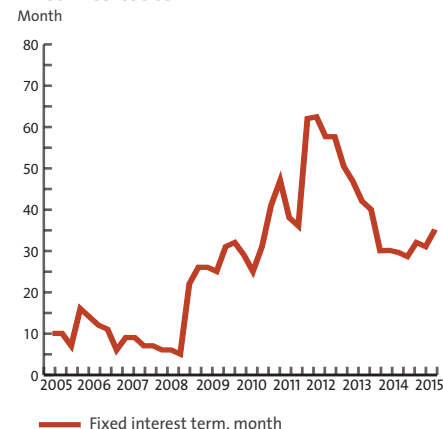
Interest maturity structure on 2015-12-31

Year	Fixed interest term		Proportion, %
	SEKm	Interest, %	
Within one year	21,512	1.1	52
1–2 years	304	3.3	1
2–3 years	4,470	4.5	11
3–4 years	1,631	3.1	4
4–5 years	4,012	2.6	10
> 5 years	9,134	3.2	22
Total	41,063	2.2	100

Net debt to assets excluding cash



Fixed interest term



Other disclosures

Events after the end of the year

Fastighets AB Balder's cooperation with the Third Swedish National Pension Fund was conditional upon approval from the Swedish Competition Authority. This approval was given and the deal was completed. After the end of the financial year, Balder also acquired 49 per cent of Sjaelsö Management Aps in Denmark. Sjaelsö Management is one of the largest players within project development and construction management in Denmark. In January, all properties in Skara and Töreborda were sold together with the property Miklaholt 2 in Stockholm.

Related party transactions

Balder receives fees from associated companies and Erik Selin Fastigheter AB for property and company management services. These fees amounted to SEK 29m (25) during the year and are reported in management and administrative costs. In addition, services are bought from Collector AB (publ).

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. During the year further acquisitions have been made in Finland, which means that a currency position has occurred. Otherwise, no significant changes have been 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.

The Board's proposal to the Annual General Meeting 2016

Ahead of the annual general meeting on 10 May 2016, the board intends to propose that the meeting should pass resolutions regarding the following matters:

- That no dividend shall be declared for the ordinary share.
- Dividend of SEK 20.00 shall be declared per preference share.
- Authorise the board until the next annual general meeting, to repurchase and transfer B shares and preference shares in Balder equivalent to not more than 10 per cent of all shares in the company.
- Authorise the board until the next annual general meeting, on one or more occasions, to resolve on new issue of preference- and/or ordinary shares of Class B, corresponding to not more than 10 per cent of the existing share capital. It shall be possible to subscribe for the shares in cash, in kind or through right of set-off.

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

Gothenburg 18 February 2016

Erik Selin
Chief Executive Officer

Consolidated statement of comprehensive income

SEKm	2015 Oct-Dec	2014 Oct-Dec	2015 Jan-Dec	2014 Jan-Dec
Rental income	680	677	2,711	2,525
Property costs	-172	-191	-767	-760
Net operating income	508	486	1,944	1,766
Changes in value of properties, realised	1	33	65	144
Changes in value of properties, unrealised	2,016	1,588	3,323	2,906
Other income/costs	1	-	2	-
Non-recurring items	9	-	9	-
Property and administrative costs	-50	-38	-185	-154
Participations in the profits of associated companies	359	92	831	317
Operating profit	2,844	2,161	5,988	4,977
Net financial items	-105	-128	-437	-531
Changes in value of derivatives	197	-202	227	-624
Profit before tax	2,936	1,831	5,778	3,822
Current tax	6	-8	4	-11
Deferred tax	-437	-353	-866	-682
Net profit for the year	2,506	1,470	4,916	3,128
Other comprehensive income - Items that may be subsequently reclassified to profit or loss				
Translation difference	-18	10	3	16
Participation in other comprehensive income of associated companies	-7	0	-10	1
Total comprehensive income for the year	2,482	1,480	4,909	3,145
Profit from property management before tax, SEKm	482	378	1,780	1,275
Profit from property management before tax per ordinary share, SEK	2.64	2.02	9.71	6.64
Profit after tax per ordinary share, SEK	14.99	8.74	28.98	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 Dec	2014 31 Dec
Assets		
Investment properties	68,456	37,382
Other fixed assets	122	96
Participations in associated companies	2,276	1,489
Other receivables ¹⁾	1,497	760
Cash and cash equivalents and financial investments	1,025	456
Total assets	73,376	40,185
Shareholders' equity and liabilities		
Shareholders' equity ²⁾	25,052	14,261
Deferred tax liability	4,071	1,549
Interest-bearing liabilities	41,063	22,378
Derivatives	1,294	1,086
Other liabilities	1,896	910
Total equity and liabilities	73,376	40,185
1) Of which most part refers to receivables in associated companies.		
2) Of which non-controlling interests	4,377	—

Consolidated statement of changes in equity

SEKm	2015 31 Dec	2014 31 Dec
Opening equity	14,261	11,196
Dividend for preference shares	—200	—300 ¹⁾
Disposal of treasury shares	—	220
Net profit for the year	4,909	3,145
Share issue, after issue costs	1,705	—
Non-controlling interests, arising on the acquisition of subsidiary	4,377	—
Closing equity	25,052	14,261

1) Of which paid SEK 200m.

Consolidated statement of cash flows

SEKm	2015 Oct–Dec	2014 Oct–Dec	2015 Jan–Dec	2014 Jan–Dec
Net operating income	508	486	1,944	1,766
Other income/costs	1	–	2	–
Management and administrative expenses	–50	–38	–185	–154
Reversal of depreciation	4	6	15	18
Adjustment item	4	8	0	11
Net financial items paid	–154	–154	–586	–591
Taxes paid	6	–8	4	–11
Cash flow from operating activities before change in working capital	319	301	1,193	1,038
Change in operating receivables	–126	389	–660	148
Change in operating liabilities	–87	38	228	155
Cash flow from operating activities	107	728	762	1,340
Acquisition of properties	–2	–1,163	–2,097	–6,835
Acquisition of property, plant and equipment	2	–5	–4	–6
Purchase of financial investments	–19	–2	–542	–144
Acquisition of shares in associated companies	–4	–228	–92	–420
Investment in existing properties and projects	–191	–163	–791	–700
Acquisition of subsidiary ¹⁾	–1,676	–	–4,219	19
Sale of properties	3	175	1,606	1,114
Sale of financial investments	11	–	504	219
Dividend paid from associated companies	–	–	–	45
Cash flow from investing activities	–1,875	–1,385	–5,635	–6,708
Share issue, after issue costs	1,705	–	1,705	–
Dividend paid for preference shares	–50	–50	–200	–200
Loans raised	615	969	5,209	6,575
Disposal of treasury shares	–	–	–	220
Amortisation/redemption of loans sold properties/changes in overdraft facilities	–446	–265	–1,421	–1,237
Cash flow from financing activities	1,824	655	5,293	5,359
Cash flow for the year	55	–2	421	–8
Cash and cash equivalents at the start of the year	565	202	199	208
Cash and cash equivalents at the end of the year	620	199	620	199
Unutilised credit facilities	314	350	314	350
Financial investments	405	257	405	257

1) The item in 2015 represents a net outflow of cash for the acquisition of Sato Oyj. For further information, see section Business combination.

Segment information

SEKm	2015 Oct-Dec	2014 Oct-Dec	2015 Jan-Dec	2014 Jan-Dec
Rental income				
Helsinki	0	—	0	—
Stockholm	202	219	843	765
Gothenburg	241	221	938	857
Öresund	108	108	414	402
East	88	88	352	345
North	41	41	164	156
Total	680	677	2,711	2,525
Net operating income				
Helsinki	0	—	0	—
Stockholm	157	167	643	574
Gothenburg	171	151	650	582
Öresund	88	83	315	294
East	64	59	233	219
North	28	26	103	97
Total	508	486	1,944	1,766

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 1,944m (1,766) and profit before tax of SEK 5,778m (3,822) consists of changes in value of properties of SEK 3,388m (3,050), other income/costs SEK 2m (—), non-recurring items of SEK 9m (—), management and administrative costs of SEK –185m (–154), participations in profits of associated companies of SEK 831m (317), net financial items of SEK –437m (–531) and changes in value of derivatives of SEK 227m (–624).

The carrying amounts of properties has during the period changed by SEK 19,595m in Helsinki region, SEK 1,001m in the Stockholm region, SEK 708m in the Gothenburg region, SEK 425m in the Öresund region, SEK 192m in the North region and by SEK 5,075m in the East region. The group's projects has increased by SEK 4,078m. Sato's property portfolio is divided between the regions Helsinki and East.

Business combination

On 1 April 2015, Balder carried out the first acquisition of shares in Sato Oyj equivalent to about 21 per cent of the outstanding shares and voting rights. Balder has subsequently acquired additional shares and the holding of shares and voting rights in Sato amounted to 30.4 per cent before the acquisition of a controlling influence. On 30 December 2015, Balder took possession of a further 22.9 per cent of the outstanding shares, and after that Balder's ownership

in Sato amounted to 53.3 per cent. As control was obtained, Sato was consolidated in the Group's balance sheet as 31 December 2015. Sato is one of Finland's largest residential property companies with high-quality properties in excellent locations that complement Balder's existing operations and property portfolio. The number of employees in Sato amounted to 170 people on 31 December, of which 110 were women.

Information about purchase price and acquired net assets is presented below:

SEKm

Purchase	
Price Cash and cash equivalents	444
Ordinary shares issued, after issue expenses	1,705
Total purchase price paid for 22.9 per cent of the outstanding shares in Sato	2,149
Fair value of the participations acquired in Q2 and Q3 (30.4 per cent) (before the business combination resulting in control) ¹⁾	2,855
Purchase price	5,004

1) The remeasurement effect amounted to SEK 9m and is recognised in the line Non-recurring items in the consolidated statement of comprehensive income

The fair value of the 10,000,000 ordinary shares issued as part of the purchase price for Sato was based on an issue price of SEK 172 per share. Transaction costs of SEK 15.2m,

which are directly related to the share issue were recognised as a deduction from equity.

The assets and liabilities recognised as a consequence of the acquisition were as follows:

SEKm

Assets and liabilities in SATO ¹⁾	
Investment properties	26,477
Other property, plant and equipment	37
Current receivables	236
Cash and cash equivalents and financial investments	569
Deferred tax liability	-1,691
Interest-bearing liabilities	-15,312
Derivatives	-435
Other liabilities	-499
Acquired identifiable net assets	9,382
Non-controlling interests	-4,377
Acquired net assets	5,004

1) Carrying amount in the Group, 31 December 2015

Choice of accounting policy for non-controlling interests

The Group recognises non-controlling interests in an acquired entity, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. This choice of policy is made for every individual business combination. For non-controlling interests in Sato, the Group has chosen to recognise non-controlling interests at the fair value of the acquired identifiable net assets.

Revenue and profit in acquired operations

If the acquisition had been carried out on 1 January 2015, the consolidated pro-forma financial statements as of 31 December 2015 would show rental income of SEK 5,044m and net profit for the year of SEK 5,873m. These amounts were calculated using the subsidiary's results while adjusting for any differences in accounting policies between the Group and the subsidiary.

Cash flow to acquire subsidiary, after addition of acquired cash and cash equivalents:

SEKm

Cash purchase price	–3,068
Ordinary shares issued, after issue costs	–1,705
Total cash flow to acquire subsidiary	–4,773
Less: Acquired balances	
Acquired cash and cash equivalents	554
Total acquired cash and cash equivalents	554
Net outflow of cash and cash equivalents, investing activities	–4,219

Acquisition-related costs

Acquisition-related costs of SEK 94m (of which Finnish stamp duty SEK 83m), that were not directly related to the new issue, are included in the line Non-recurring items in the consolidated statement of comprehensive income and in operating activities in the cash flow statement.

Key ratios including Collector AB at market value

	2015 Oct–Dec	2014 Oct–Dec	2015 Jan–Dec	2014 Jan–Dec
Share-related, ordinary shares ¹⁾				
<i>Average number of shares, thousands</i>	163,825	162,397	162,753	161,786
Profit after tax, SEK	14.99	8.74	28.98	18.10
Profit after tax excluding unrealised changes in value, SEK	3.01	1.79	10.00	6.19
Profit from property management before tax, SEK	2.64	2.02	9.71	6.64
Net operating income, SEK	3.10	3.00	11.94	10.91
<i>Outstanding number of shares, thousands</i>	172,397	162,397	172,397	162,397
Shareholders' equity, SEK	128.03	70.10	128.03	70.10
Long-term net asset value (EPRA NAV), SEK	159.14	86.33	159.14	86.33
Share price on the closing date, SEK	208.70	110.25	208.70	110.25
Property-related				
Rental value full-year, SEK/sq.m.	1,508	1,325	1,508	1,325
Rental income full-year, SEK/sq.m.	1,455	1,254	1,455	1,254
Economic occupancy rate, %	96	95	96	95
Surplus ratio, %	75	72	72	70
Carrying amount, SEK/sq.m.	18,622	17,172	18,622	17,172
Number of properties	1,177	486	1,177	486
Lettable area, sq.m. thousands	3,430	2,177	3,430	2,177
Profit from property management before tax, SEKm	482	378	1,780	1,275
Financial				
Return on equity, ordinary share, %	20.8	20.8	28.2	29.7
Return on total assets, %	7.3	8.8	10.5	12.4
Interest coverage ratio, times	5.6	3.9	5.1	3.4
Equity/assets ratio, %	37.8	35.5	37.8	35.5
Debt/equity ratio, times	1.4	1.6	1.4	1.6
Net debt to assets excluding cash, %	52.3	55.2	52.3	55.2

Key ratios excluding Collector AB at market value

	2015 Oct–Dec	2014 Oct–Dec	2015 Jan–Dec	2014 Jan–Dec
Share-related, ordinary shares ¹⁾				
Shareholders' equity, SEK	103.24	70.10	103.24	70.10
Financial				
Return on equity, ordinary share, %	25.1	20.8	32.3	29.7
Return on total assets, %	7.7	8.8	10.9	12.4
Equity/assets ratio, %	34.1	35.5	34.1	35.5
Debt/equity ratio, times	1.6	1.6	1.6	1.6
Net debt to assets excluding cash, %	55.3	55.2	55.3	55.2

1) There is no dilutive effect as no potential shares arise.

Condensed parent company income statement

SEKm	2015 Oct-Dec	2014 Oct-Dec	2015 Jan-Dec	2014 Jan-Dec
Net sales	45	39	147	124
Administrative expenses	-51	-39	-167	-139
Operating profit	-6	0	-20	-16
Profit from financial items				
Dividends from subsidiaries	—	—	800	700
Other net financial items	136	114	492	338
Changes in value of derivatives	185	-195	199	-585
Profit before appropriations and taxes	316	-81	1,470	438
Appropriations				
Group contributions paid/received	-340	-250	-340	-250
Profit before tax	-24	-331	1,130	188
Deferred tax	9	72	-69	115
Net profit for the period/year	-16	-259	1,061	302

Condensed parent company balance sheet

SEKm	2015 31 Dec	2014 31 Dec
Assets		
Property, plant and equipment	20	22
Financial non-current assets	3,537	3,193
Receivables from group companies	21,676	15,777
Current receivables	10	8
Cash and cash equivalents and financial investments	394	422
Total assets	25,637	19,422
Shareholders' equity and liabilities		
Shareholders' equity	9,063	6,497
Interest-bearing liabilities	10,968	7,843
Liabilities to group companies	4,507	3,952
Derivatives	737	936
Other liabilities	363	194
Total equity and liabilities	25,637	19,422

The share and owners

Balder's shares are listed on Nasdaq 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 December amounted to SEK 39,099m (21,404).

The principal owner in Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 35.9 per cent (38.0) of the capital and 49.5 per cent (51.3) of the votes. Foreign ownership amounts to approximately 22 per cent (16) of outstanding shares.

Ordinary shares

At the end of the year, approximately 9,300 shareholders (8,900) held ordinary shares. During the year, 67.7 million shares were traded (62.8) which corresponds to an average of about 270,000 shares per trading day (252,000). The annual turnover rate amounted to 42 per cent (39). The price of the ordinary share was SEK 208.70 (110.25) on 31 December, corresponding to a rise of 89 per cent since year-end.

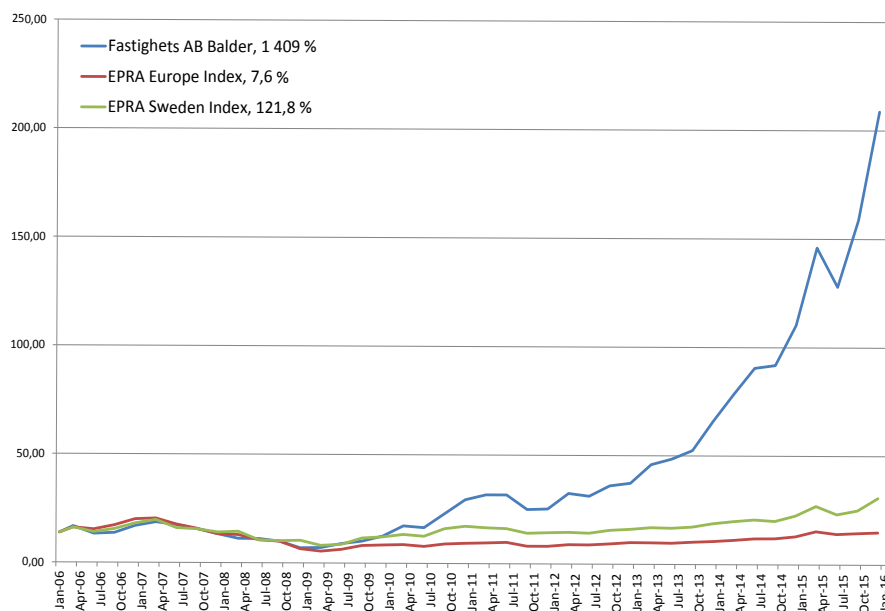
Preference shares

At the end of the year, approximately 8,700 shareholders (8,400) held preference shares. During the period approximately 3.3 million shares were traded (3.3), which corresponds to an average of about 13,000 shares per trading day (13,000). The annual turnover rate amounted to 33 per cent (33). On 31 December, the market value of the preference share was SEK 312.00 (350.00), corresponding to a decrease of 11 per cent since year-end and a total return of -5.1 per cent since year-end.

Share capital

In December, Balder carried out a directed share issue of 10 million ordinary shares, which brought in SEK 1,705m after issue expenses. The issue has provided Balder with a number of new Swedish and foreign shareholders. For existing ordinary shareholders, the issue implied a dilutive effect of 6 per cent of the capital. After the issue and as of 31 December, the share capital in Balder amounted to SEK 182,396,852, distributed among 182,396,852 shares. Each share has a quota value of SEK 1.00, whereof 11,229,432 shares are of Class A, 161,167,420 of Class B and 10,000,000 preference shares. The total number of outstanding shares amounts to 182,396,852. Each Class A share carries one vote and each Class B share and preference share carries one tenth of one vote.

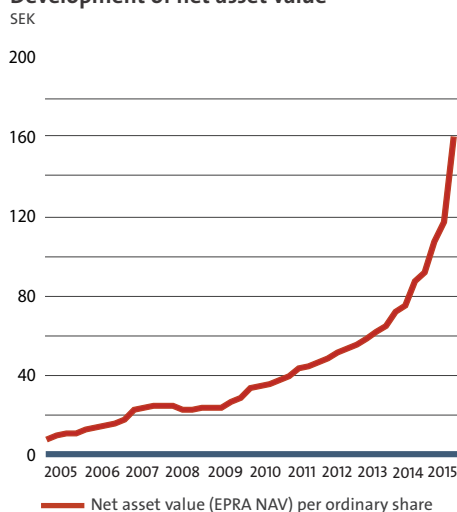
Share price



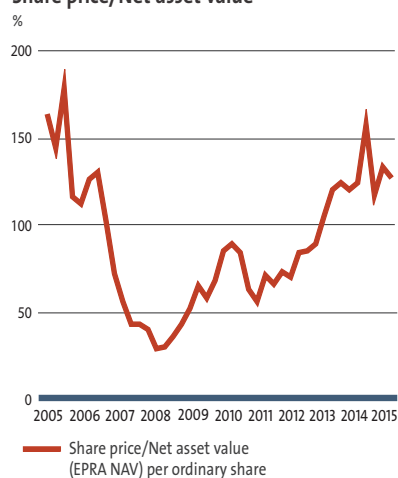
EPRA key ratios

	2015 Jan-Dec	2014 Jan-Dec
EPRA NAV (Long-term net asset value), SEKm	27,436	14,019
EPRA NAV, SEK per share	159.14	86.33
EPRA Vacancy rate	4	5

Development of net asset value



Share price/Net asset value



Ownership list as of 2015-12-31

Owner	A ordinary shares	B ordinary shares	Preference shares	Total number of shares	Capital, %	Votes, %
Erik Selin via company	8,309,328	57,210,900	500	65,520,728	35.9	49.5
Arvid Svensson Invest AB	2,915,892	13,542,540	—	16,458,432	9.0	15.1
Swedbank Robur fonder	—	11,433,340	—	11,433,340	6.3	4.0
Länsförsäkringar fondförvaltning AB	—	6,310,867	—	6,310,867	3.5	2.2
Handelsbanken Fonder AB	—	4,972,218	—	4,972,218	2.7	1.8
SEB Investment Management	—	4,612,807	—	4,612,807	2.5	1.6
CBNY Norges Bank	—	3,446,198	—	3,446,198	1.9	1.2
Lannebo fonder	—	2,500,000	—	2,500,000	1.4	0.9
AMF - Försäkring och fonder	—	2,282,507	—	2,282,507	1.2	0.8
Second Swedish National Pension Fond	—	2,215,766	—	2,215,766	1.2	0.8
Other	4,212	52,640,277	9,999,500	62,643,989	34.4	22.1
Total	11,229,432	161,167,420	10,000,000	182,396,852	100	100

Preference share calendar

Final day of trading incl. right to payment of dividend	6 April 2016
Record day for payment of dividend	8 April 2016
Expected day of payment from Euroclear	13 April 2016
Final day of trading incl. right to payment of dividend	6 July 2016
Record day for payment of dividend	8 July 2016
Expected day of payment from Euroclear	13 July 2016
Final day of trading incl. right to payment of dividend	6 October 2016
Record day for payment of dividend	10 October 2016
Expected day of payment from Euroclear	13 October 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.

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.

Net debt to assets excluding cash, %

Interest-bearing liabilities less cash and cash equivalents and financial investments in relation to total assets less cash and cash equivalents and financial investments.

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 year 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 year.

Long term 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 14.00 on February 18, 2016.

This report is a translation of the Swedish Interim Report January-December 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.

Calendar

Annual report 2015	Week 14, 2016
Annual General Meeting	10 May 2016
Interim report January-March 2016	10 May 2016
Interim report January-June 2016	23 August 2016
Interim report January-September 2016	3 November 2016
Year-end report 2016	22 February 2017

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