

Wihlborgs
Annual Report
2015

Invitation to attend the Annual General Meeting

The Annual General Meeting (AGM) of shareholders in Wihlborgs Fastigheter AB (publ) will be held at **4.00 p.m. on Thursday, 28 April 2016 at Slagthuset**, Jörgen Kocksgatan 7 A, Malmö, Sweden.

Shareholders wishing to attend the AGM must:

- be entered in the register of shareholders maintained by Euroclear Sweden AB on Friday, 22 April 2016, and
- notify the Company of their intention to attend, with any assistant, no later than 4.00 p.m. on Friday, 22 April 2016.

Notice of intention to attend the AGM may be given in any of the following ways:

- by post to: Wihlborgs Fastigheter AB, Box 97, SE-201 20 Malmö, Sweden
- by telephone to: +46 (0)40-690 57 32
- by e-mail to: catharina.lachmann@wihlborgs.se
- via the Wihlborgs website – www.wihlborgs.se – where further information on the AGM is also available.

Those who have notified the Company of their intention to attend the AGM will receive an attendance card by post. This card must be presented on registration at the AGM.

When notifying intention to attend, the shareholder must give details of name, civic registration number/corporate registration number, address, telephone number and shareholding. Shareholders who have registered their shares in the name of a trustee must, to be able to attend the AGM, temporarily re-register their shares in their own name with Euroclear Sweden AB. Any request for such reregistration must be made in good time before 22 April 2016.

Introduction and Contents

Wihlborgs Fastigheter AB (publ) is a property company that focuses on commercial properties in the Öresund region. Its portfolio is located in Malmö, Helsingborg, Lund and Copenhagen. Wihlborgs is the leading property company in Malmö, Lund and Helsingborg. The book value for the Company's properties totals SEK 28.6 billion with an annual rental value of SEK 2.3 billion. Wihlborgs' shares are listed on the Large Cap List of Nasdaq Stockholm.

Highlights of the Year

Rental income rose 3 percent to SEK 1,910 million (1,856).

Operating surplus* rose 3 percent to SEK 1,402 million (1,357).

Income from property management* improved 11 percent to SEK 932 million (839)

Profit for the year totalled SEK 2,278 million (395), corresponding to earnings per share of SEK 29.64 (5.14).

The Board of Directors proposes a dividend of SEK 5.25 (4.75)

Key Ratios for the Group, SEK m	2015 Jan–Dec	2014 Jan–Dec
Rental income	1,910	1,856
Operating surplus*	1,402	1,357
Income from property management*	932	839
Changes in value	1,884	-396
Profit for the year	2,278	395
Earnings per share, SEK	29.64	5.14
Surplus ratio, %*	73	73
Equity/assets ratio, %	30.6	28.2
Occupancy rate, %**	91	91

* Excluding payments for early lease termination.

** Excluding Projects & Land.

Financial Information 2016

Wihlborgs prints its annual report and sustainability report in both Swedish and English. The Annual Report will be sent to any shareholders notifying the company that they wish to receive the document in printed form. The reports are also available in digital form at wihlborgs.se. Our sustainability report is prepared in accordance with Core level of the Global Reporting Initiative (G4). We also publish our interim reports on our website, as follows:

Interim Report, Jan.–Mar. **28 April**

Interim Report, Jan.–June **11 July**

Interim Report, Jan.–Sep. **20 October**

Major events

Q1

- Wihlborgs expands in Denmark through acquisition of an office property located by Herlev station.
- MAX IV became the first building in Sweden to be awarded the highest level of BREEAM-SE environmental certification: Outstanding.

Q2

- Wihlborgs completed the Floretten 4 property in Helsingborg and strengthened its position as a significant property owner in the Berga district.
- In Malmö, the Polstjärnan 1 and 2 properties were acquired in Nyhamnen, an area near the central station with major development potential.
- At the AGM held on 29 April, a dividend of SEK 4.75 per share for 2014 was approved.

Q3

- The Karin 11 and Nora 11 properties were acquired, thereby strengthening the company's position as a long-term property owner in Malmö.
- In Helsingborg, the Stattena 7 office and commercial property, part of Stattena Centrum, was acquired by Wihlborgs.
- Wihlborgs began the redevelopment of the Gångtappen 1 property in the Dockan area of Malmö, which was Sweden's first skyscraper and Kockum's head office when constructed in 1958.

MAX IV received two awards for Best Project within both Green Building and BREEAM at the Nordic region's largest sustainable building conference – Sweden Green Building Conference.

Q4

- Two strategically located properties were acquired in Glostrup and Høje-Taastrup respectively in Copenhagen. Thanks to these acquisitions, Wihlborgs has strengthened its position in Copenhagen.
- Wihlborgs acquired an office and industrial property that currently houses the printing office of the Sydsvenskan newspaper on Yttre Ringvägen in Malmö. Occupancy will take place in 2016.

08

CEO's statement

11

Historical review

13

Mission, goals
and strategy

17

Sustainable
enterprise

29

The Wihlborgs share

33

The Öresund region

51

Projects and
development

57

Acquisitions and
sales

61

Our properties

77

Valuation
principles

81

Taxes

Administration Report

Review of 2015 86

Risks and
uncertainties 88

Proposed distribution
of profit 92

Financial statements

Group

Statement of Comprehensive Income 94

Statement of Financial Position 95

Statement of Changes in Equity 96

Cash Flow 97

Parent Company

Income Statement 98

Balance Sheet 99

Statement of Changes in equity 100

Cash Flow Statement 100

Notes to Consolidated &
Parent Company Financial Statements 101

Signatures 123

Audit Report 124

Corporate Governance Report 126

Five-Year Review 134

Definitions 135

Articles of Association 137

The most positive year we have ever experienced. Again!

Wihlborgs is doing well.

And it has been doing well year after year since we were listed over ten years ago. Further evidence of this is that Wihlborgs Fastigheter has been listed on the Large Cap segment of the Nasdaq Stockholm Exchange since 1 January 2016. This is the segment for companies with a market capitalisation exceeding EUR 1 billion.

Our income from property management has now reached SEK 975 million and this gives us a growth rate of 11 percent. This cash flow puts us in an exceptionally strong position and gives us the freedom to face new challenges and exploit new opportunities.

Is there a secret to this success?

It may be as simple – or difficult – as the fact that we actually do what we have said we were going to do. We have followed the business strategies we established in 2004 to the letter, refining them as required over time. We work closely with our customers and are keenly aware of their needs and wishes.

At the same time, we have honed our instincts in terms of developments in our region, and are able to act quickly when new opportunities arise. It remains our organisation and employees, however, that should be praised most of all. They live up to our ideals and values each and every day and are the clearest proof of our ability to act as a partner to the business sector at every stage. Acting as a landlord is not enough; we want to be a part of our customers' successes by offering help wherever we can.

All of this makes us the dominant commercial property company in the Öresund region, and we intend to retain and develop that position. Our successes are a source of inspiration for new ideas that help us reach new goals.

Heart versus head

Properties have souls too, and it can be very important for a company or an organisation to be based in the right location. It should be a joy to move into a new office, not just a matter of rationalising its function or needing a roof over your head. The focus should be placed more on whether the atmosphere will contribute to the company's identity.

At Wihlborgs, we have always protected the souls of buildings when investing in existing or new properties. One good example is the classic Kockums building in Malmö, also known as "Gäng-tappen", due to its architectonic design. When it was inaugurated in 1958, it was Sweden's tallest office building. The facade was renovated during the 1990s, but we have now built a new facade and recreated the original facade from the 1950s. We also ripped out the interior and renovated it all into hyper-modern office premises. The property is a real industrial pearl and symbol, not just of Malmö but of an entire industrial era.

We think in this same way when we are involved in building new properties.

The reason we inhabit a building is important, but it is also important how we feel about it and how it affects our life and the environment we live in.

The houses and workplaces we create influence people's lives and daily routines, and will potentially do so for generations to come.

This is a responsibility we take seriously.

We recently won an architectural competition in Lund for Science Village Scandinavia, which will be situated between the MAX IV and ESS facilities, and where extra focus was placed on the environment, choice of materials and pleasure provided by



"We can see continued stable growth and good profitability ahead. And we are looking a long way ahead," says Anders Jarl, CEO of Wihlborgs since 2004.

the architecture. We are already present here thanks to the construction of MAX IV, which was completed earlier than expected and was 15 percent cheaper than we had calculated. We took on the role of building developer together with Peab, and we can be pleased that MAX IV has won two outstanding awards for Best Project within Green Building and the BRE Environmental Assessment Method (BREEAM). This says something about our own soul too, and about our consideration for the environment and the importance of having clear sustainability strategies.

We take care of the moving merry-go-round

This is a part of our customer philosophy.

There should always be an option in Wihlborgs' property portfolio for one of our tenants to move to larger areas when they need to, or, as occasionally happens, downsize their operations. A feeling of security is created for both parties and the contract renegotiation process is simplified when tenants remain part of the "family". With a market share of 25-30 percent, we have a strong organisation that is able to look ahead to see how we can best tackle requirements that arise, together with our customers. The fact that we are located right in the centre of the region in which we work makes a major difference. It means we are a part of the collective regional development, which in turn gives our tenants access to a network and contacts that they can use for their own development.

It's all happening here

We have said it before, but it is worth repeating that the Öresund region is one of Europe's most dynamic regions.

It is estimated that by 2020 the region will have 3.9 million inhabitants, and it already accounts for 26 percent of Denmark and Sweden's combined GDP. Following a number of weak years of growth, Denmark is now beginning to pick up and investment there is increasing. On the Swedish side, Malmö is the region's engine running at full speed and attracting more and more companies. Over the years, we at Wihlborgs have welcomed, among others, VA Syd, Robert Bosch and Danske Bank into our properties. In Lund, we are continuing to develop Ideon and are just getting started on the construction of 11,000 square metres of office space around the central station. The redevelopment of Knutpunkten in Helsingborg will soon be complete and the building has already been entirely let – there is great demand in Helsingborg for new, modern premises. During the year, we also completed a major transaction in Copenhagen by taking over two strategically located properties totalling 110,000 square metres – and more will be added, as Copenhagen represents great potential for us.

In a region with the greatest concentration of highly educated people in all of northern Europe, the need for modern and sustainable premises in attractive locations is hardly likely to slow down.

And we don't intend to either.

Stability leads to belief in the future

Rental income rose 3 percent this year to SEK 1,910 million.

Operating surplus rose 3 percent to SEK 1,445 million.

Our loan-to-value ratio now stands at 56.8 percent, with the value of our properties rising more than our liabilities over the year.

Income from property management has now reached SEK 975 million and is continuing to grow.

Furthermore, all projects we have commenced have been fully let upon completion.

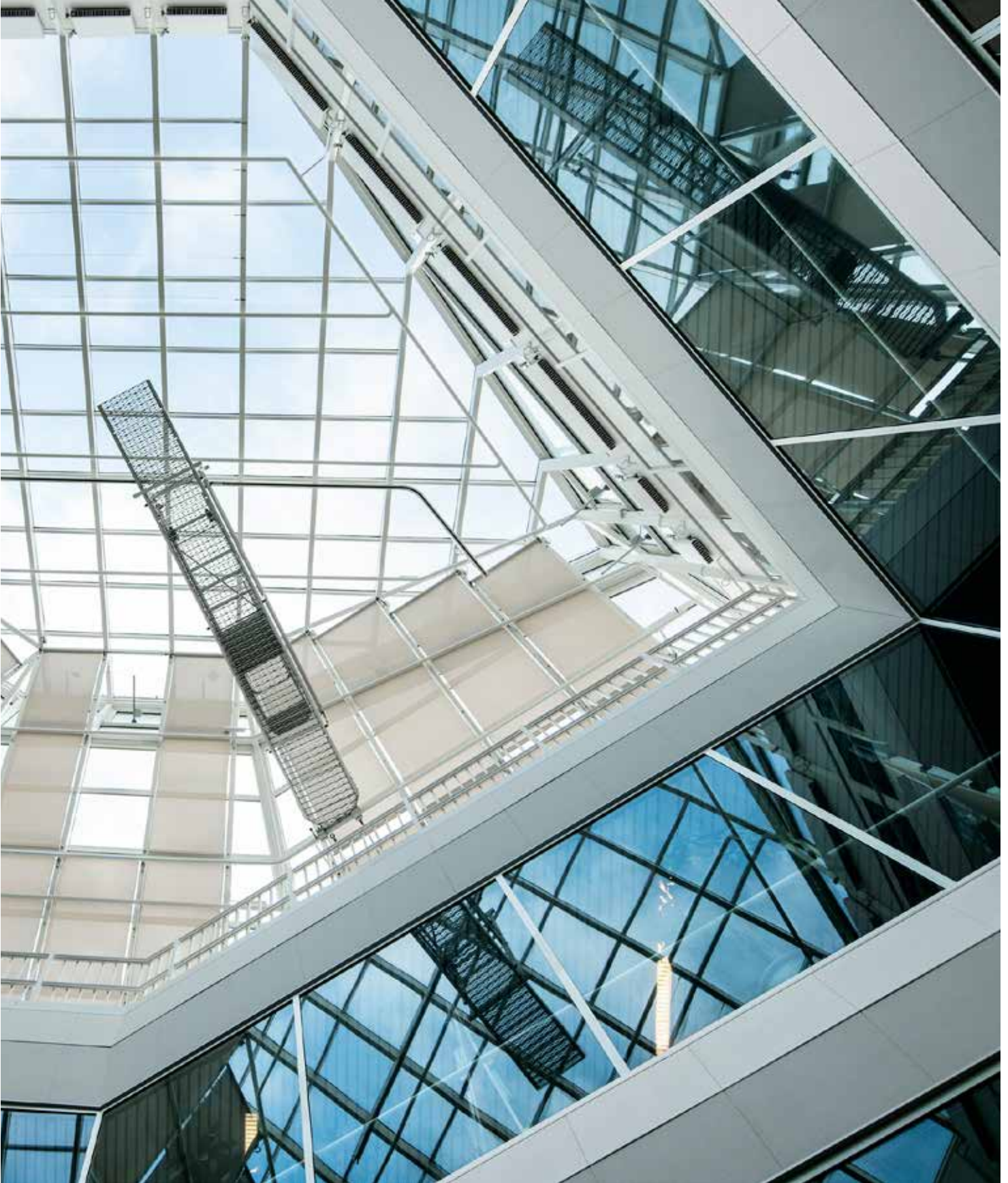
We have trained our diligent employees in Proactive Business skills and recruited new, young and highly skilled employees.

In brief, we feel well-equipped to tackle future projects with full force. This is particularly the case in Malmö's Nyhamnen area, which we are already calling our "next Dockan". Thanks to our strong financial position and our committed employees, we can see continued stable growth and good profitability ahead.

And we are looking a long way ahead.

Malmö, March 2016

Anders Jarl, Chief Executive Officer



Daylight streams through the skylights in Malmö's Uven 9 property.

The future is our history

In 1924, master builder O. P. Wihlborg established a construction company in Malmö, which became a traditional property company in 1985.

The Company gradually acquired a concentration of properties both in the Öresund region and in Stockholm. The Stockholm operation became even more focused with the acquisition of Fastighets AB Storheden in 1998.

When Wihlborgs acquired the Stockholm-based property company Fabege in 2004, a resolution was passed at the 2005 AGM to the effect that the property portfolio in the Stockholm and Öresund regions should be spun off. The “old” Wihlborgs was concentrated within the Stockholm region and renamed Fabege AB. The Öresund portfolio was distributed to the shareholders and listed under the name of Wihlborgs Fastigheter AB.

Our “new life”

In 2005 we began writing the second part of our history, and on May 23, Wihlborgs Fastigheter AB was listed on the “O” List of the Stockholm Stock Exchange.

In 2006 Wihlborgs acquired 14 properties in Malmö from Tornet, which had a total lettable area of 182,000 m². In June, Wihlborgs acquired 40 percent of the shares in Ideon AB in Lund. The acquisition includes the property Betahuset (kv Vätet 1), with a total area of 24,000 m². In May, a 2-for-1 share split was carried out, in which two new shares were issued for every existing share held.

In 2007 Wihlborgs continued to invest in the Ideon district of Lund, opening its fourth local office there. Wihlborgs launched a share buy-back programme.

In 2008 Wihlborgs acquired the Scandinavian Center property in Malmö, with a total area of 8,000 m².

In 2009 Wihlborgs acquired the Gängtappen building in the Dockan area and the SVT building in the adjacent Varvsstaden area. We acquired the remaining 60 percent of the shares in Ideon AB.

In 2010 Wihlborgs, in partnership with Peab, won the contract for the MAX IV research facility in Lund, and the first earth was turned on 22 November. In central Helsingborg, the Knutpunkten centre was acquired, measuring 18,500 m² and containing offices, a travel hub, shops and restaurants. The Bytarebacken 39 property in central Lund, with a total area of 15,400 m² of shops and offices, was acquired.

In 2011 the AGM approved a 2-for-1 share split. The first day of trading for the shares after the split was Monday 23 May. The number of shares outstanding and registered increased to 76,856,728.

In 2012, the Media Evolution City project in Dockan was completed. The project is a property of 7,600 m² and a centre for various businesses in the media sector. The Baltzar City building in central Malmö was acquired. Two properties were acquired in Denmark in Wihlborgs’ sub-market Herlev/Ballerup.

In 2013 Wihlborgs acquired the remaining ten properties in Ideon, thereby becoming sole owner of the whole of the Ideon Science Park. Wihlborgs’ biggest single new-build and redevelopment project at the Landsdomaren 6 property in Lund, was completed and Psykiatri Skåne (the Skåne Psychiatric Service) moved in.

In 2014 Wihlborgs expanded its presence in Ballerup via four new office properties with an area of 39,000 m². The Terminalen 3 building in central Helsingborg was acquired, making Wihlborgs the sole owner of the entire Knutpunkten complex.

In 2015 Wihlborgs strengthened its presence in Copenhagen by purchasing three properties totalling 115,000 m² and now has a total of 287,000 m² in its sub-area. In central Malmö, a major acquisition was also carried out of two large properties comprising 45,000 m². Wihlborgs expanded its property portfolio in Nyhamnen, next to Malmö central station, by purchasing two development properties, Polstjärnan 1 and 2.

We want to fuel the development of the business community

The best way we can do this is by understanding what people need.

We are clear that we should be the business community's property company of choice ahead of all others in the Öresund region.

We believe that our solutions create environments that promote increased job satisfaction and inspiration in daily life.

We would like to think that this is why so many companies and organisations are happy in our properties – we are the landlord for 2,000 different companies, each with their own specific prerequisites and requirements.

Many of Skåne's most successful companies are tenants of ours – and more are expected to join them. More and more companies are choosing to move their offices to the Öresund region, and we are here to help them find their feet in their new environment. Given the right support from the beginning, they can develop their business concepts in the optimal manner. It is our job to help with this. This in turn gives us at Wihlborgs the fuel we need ourselves to grow larger and stronger.

Our mission

Specialising in efficient sub-markets in the Öresund region, Wihlborgs will own, manage – in-house – and develop commercial properties.

Overall goals and strategy

Wihlborgs will operate a business model for growth and will be one of the leading and most profitable property companies on the Nasdaq Stockholm Exchange. To achieve this goal, Wihlborgs will:

- Consolidate and further secure its market position in the Öresund region by concentrating on selected sub-markets.
- Actively enhance its property portfolio through the acquisition, development and sale of properties. Realization of value growth will form a key part of operations.
- Actively and efficiently manage its property portfolio with its own personnel through focusing on high cost-efficiency and a high occupancy rate by maintaining a market-leading position in each sub-market.
- Strengthen customer relationships through active commitment and a high degree of service to create the conditions for long-term rental relationships.
- Actively cultivate the rental market to acquire new customers and reinforce our brand, to become the preferred choice for customers.

Financial targets¹⁾

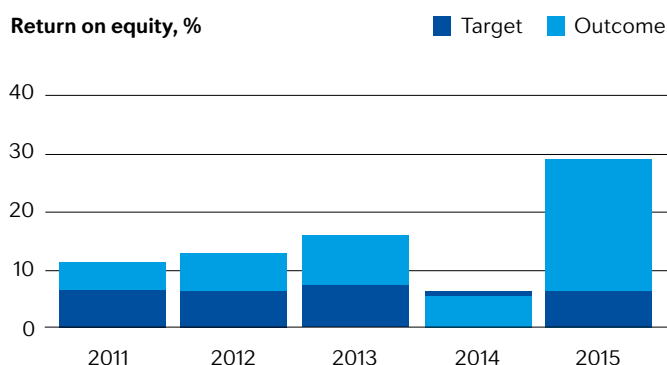
Wihlborgs will achieve:

- A return on equity that exceeds the risk-free interest rate by no less than six percentage points.²⁾
- An equity/assets ratio of no less than 30 percent.
- A loan-to-value ratio of no more than 60 percent.
- An interest coverage ratio of no less than 2.0.
- These financial targets will be achieved by active management of assets, liabilities and capital structure. Wihlborgs will at all times maintain a capital structure that delivers the best return to shareholders, with due regard taken to risk.

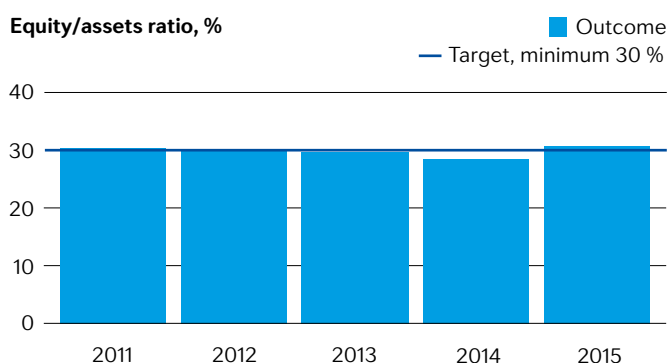
¹⁾ For definitions of key ratios; see page 135.

²⁾ Risk-free interest rate is defined as the rate on a 5-year Swedish government bond.

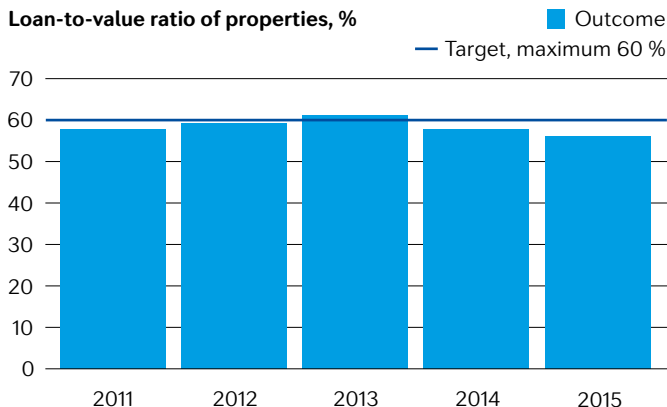
Return on equity, %



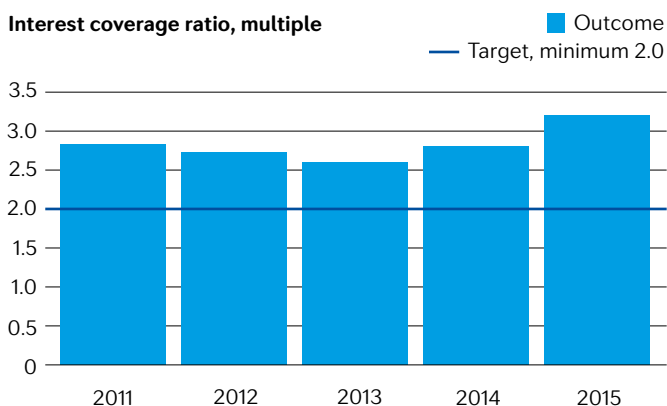
Equity/assets ratio, %



Loan-to-value ratio of properties, %



Interest coverage ratio, multiple

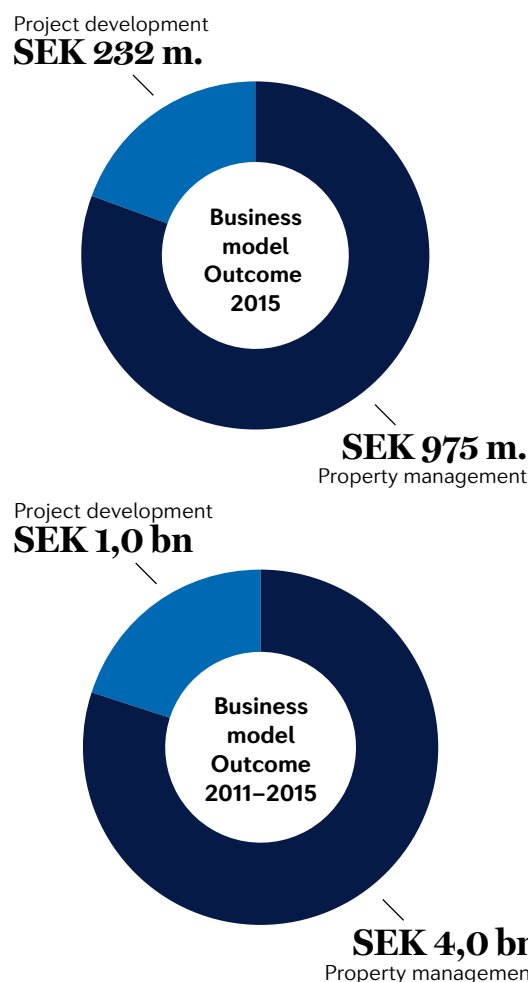


Business model and value-driving factors

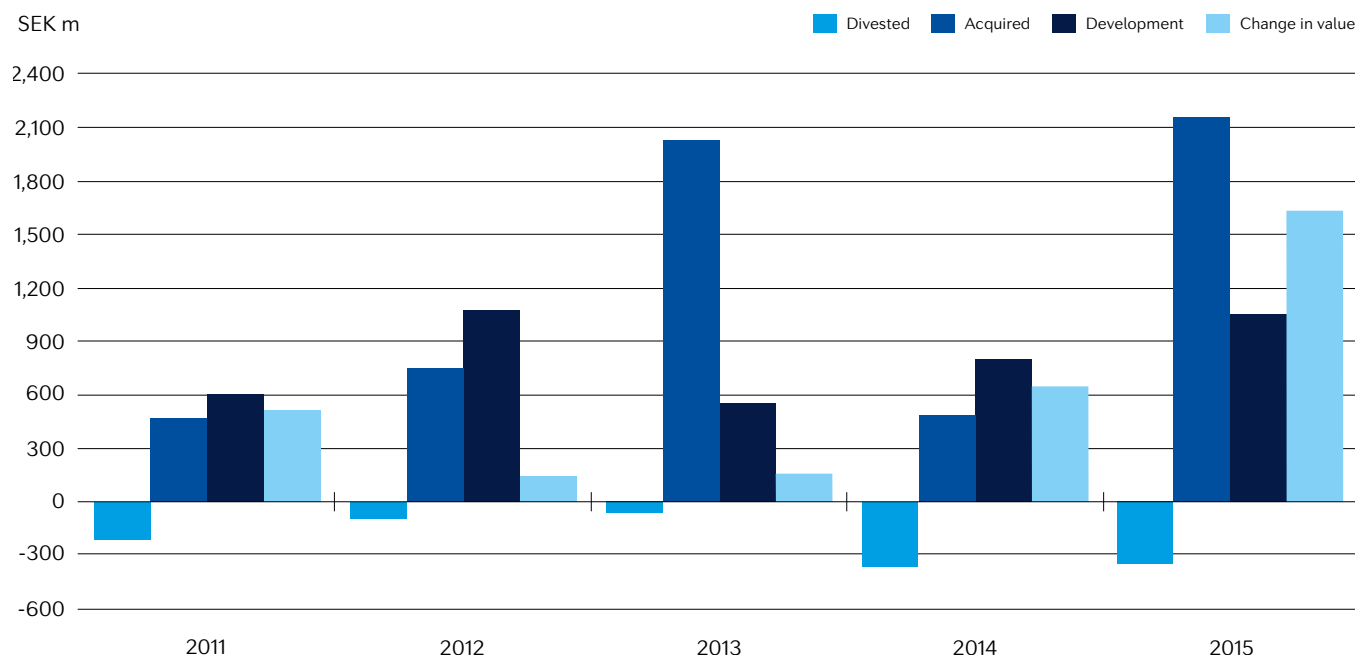
Wihlborgs' business model is based on growth. It rests on two pillars, project development and property management. The model consists of actively enhancing the property portfolio by:

- Starting new projects, acquiring, adding value and selling properties.
- Actively managing the property portfolio with its own personnel to assure a focus on high cost-efficiency and a high occupancy rate. By being a market leader in each sub-market, the business model can be developed and strengthened.

The financial impact of the model is illustrated in the chart alongside (right). Factors driving the value of this business model include Wihlborgs' property portfolio, which encompasses an attractive range of modern properties for our tenants to operate in, and thus create conditions for their own growth. To achieve this goal, we must develop and add value to existing properties in the form of redevelopment and extension, in combination with the acquisition of new properties and the sale of completed properties. The changes made in the property portfolio are shown in the adjacent diagrams. Significant property value can be created through new-build projects. Market conditions determine the size and pace at which projects may be started.



Development of the property value, 2010–2014



Think about the types of lives our buildings will live

Above all, this challenge applies to everyone at Wihlborgs.

What is our vision of our societal role, and what are we doing to ensure Wihlborgs keeps its place at the forefront of development? Writing our goals down on a piece of paper is not enough in itself, we also have to make these goals reality. Continuously investing in new competence for our employees is our way of creating a work environment and a work approach that takes into consideration both the environment and our societal responsibility as a company. And this strategy is delivering results.

During the year, the construction of MAX IV in Lund won two awards for excellence. The Sweden Green Building Council chose MAX IV for the Best Project in both Green Building and BREEAM (an environmental certification system). Fastighets AB ML4, a joint venture between Wihlborgs and Peab, is the developer behind the construction of the MAX IV facility.

Since 2011, Wihlborgs has been presenting a sustainability report audited in accordance with the Global Reporting Initiative (GRI). More businesses are following our lead, but we don't mind being a trend-setter. And this year, MAX IV provides the proof.



In 2015, Wihlborgs' work environment committee comprised nine representatives from the offices in Malmö, Helsingborg and Lund.

What does sustainability mean to us?

By being a catalyst in the local business community, Wihlborgs can help secure favourable long-term development for the entire Öresund region. This is where the company operates and where it can make the largest positive impact. This is what we mean by sustainability.

In purely practical terms, this means a proactive and flexible approach to managing risks and opportunities in our operations and thereby ensuring long-term profitability. This also means being willing to take responsibility for the entire value chain and for the impact of our business activities – positive and negative alike.

We want to build long-term trust by, for example, shouldering responsibility for our impact on the environment and climate, how we design working conditions and/or how we act with regard to anti-corruption issues. Trust is crucial to all long-term relationships with investors, employees, tenants and decision-makers in the region.

Since 2011, we have been reporting on our sustainability work in accordance with the Global Reporting Initiative (GRI). Preparing a sustainability report feels important, since it contributes to openness and transparency, which are also integral to trust. And over the years, we have held dialogues with our stakeholders to obtain feedback on the areas Wihlborgs needs to focus on. Based on this feedback, we have made a list of priorities, known as a materiality analysis, which has resulted in the following four priority areas:



- Commitment to the region and its community
- Sustainable properties
- Attractive employer
- Responsible business

These four areas now comprise our sustainability framework and our forthcoming Sustainability Report is based on this framework.

Giving priority to the key areas is also in line with the new sustainability reporting guidelines issued by the Global Reporting Initiative last year (G4). The aim is to achieve an enhanced positive impact by concentrating our focus. You can read more in Wihlborgs' Sustainability Report, which is available on the website (www.wihlborgs.se).

About Wihlborgs

Driven organisation

We have a straightforward organisation that comprises four regions. Each of these is led according to the Wihlborgs' ethos by a regional director. In each region, our personnel operate from a local office: Malmö (Dockan), Lund (Ideon), Helsingborg (Berga) and Copenhagen (Herlev). This means that our tenants are close to the people that take decisions and provide service, and enables us to continue the organic growth. Our aim is to keep the structure straightforward and flat, to avoid bureaucracy and endless discussions.

We also believe in personal relationships with our tenants. Accordingly, all property management is conducted by our own personnel (property managers and maintenance staff) who know our customers, the properties and the area, thereby enabling them to quickly understand expectations and to respond.

Relationships with our tenants are our top priority and our conviction is that short decision paths create the ability to act and the flexibility that are appreciated by our tenants.

Improvements to the property portfolio are handled by a project department staffed by dedicated project managers. The project managers are responsible for new-build and redevelopment projects. The property management and project departments work together on preparing and evaluating investments in new and existing properties.

In addition to the property management and project organisations, we have a number of Group-wide functions. These are: Accounting/finance, IT, Purchasing, Environment, HR/CSR and Communication. These functions support property management with functional expertise and drive Group-wide development initiatives.

Wihlborgs' Group Management consists of the CEO, CFO, Director of Corporate Communication, Director of HR and CSR

and the Director of Projects & Developments. Group Management has overall responsibility for coordinating Wihlborgs' operations.

In 2015, a new Director of Projects & Developments and a new Director of Corporate Communication were recruited to Group Management. Our former Director of Corporate Communication will retire during 2016. In conjunction with the recruitment of a new Director of Corporate Communication, we have merged the information and marketing departments to coordinate and ensure consistency in our communication.

At the end of the year, Wihlborgs had 127 employees (117), of whom 79 were white-collar (72) and 48 blue-collar (45). 111 people are full-time employees and 16 work part-time and their average age was 45 (45). In 2015, personnel turnover was 9 percent (14.2) .

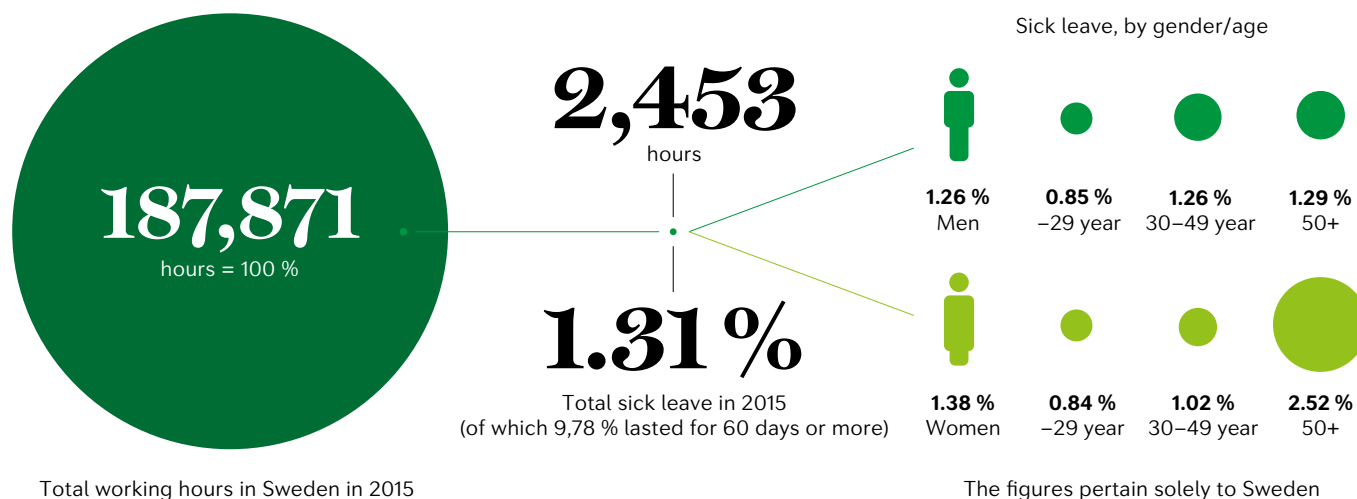
An attractive workplace

We aim to be an attractive employer and we believe the combination of a focused strategy, in terms of markets and portfolios, together with a simple, shared structure provides a stable base from which to act.

Playing a part in stimulating growth in the local business community by offering modern, flexible premises gives pride in our day-to-day work. And this pride shows in the way we meet and provide service to our tenants.

In last year's customer satisfaction index (CSI), we noted that customer satisfaction had increased as had customers' willingness to recommend. The highest rating went to the response and availability of our maintenance staff. Accordingly, the bar has been set high for this year's forthcoming survey.

A stable base needs to be supplemented with flexibility and sensitivity toward new generations of customers and employees.



Providing an attractive workplace is key to retaining skilled employees and for recruiting new ones. Our corporate culture is based on drive, knowledge, honesty and cohesion, which we refer to when recruiting and introducing new employees. Communicating with tomorrow's professionals in this industry is another area we have identified as a need to ensure we can attract the right skills moving forward. During the year, we therefore introduced our own job bank and have planned to actively participate in job fairs.

During 2015, we employed 21 new people and 11 people left the company.

Our focus in 2015 was on developing our business culture and linking individual contributions to overall results, and on creating exchanges between regions and employees. We have focused strongly on developing skills within our property management operations and trained talents involved with proactive communication and letting. The ability to ask the right questions and act instead of reacting has been a focus for all employees.

We are growing and our regions are becoming increasingly autonomous. With large numbers of new colleagues, we need to prioritise induction, feedback and leadership if we are to maintain and develop our ethos, skills and drive as an organisation. During the year, one of our property managers was promoted to property director.

A safe and secure work environment – with no risk of accidents – is key to an attractive workplace. We have a work environment committee that conducts and evaluates activities to improve our shared work environment. We have set up a system of internal control in accordance with the Swedish Work Environment Act. Day-to-day action on the work environment is facilitated by procedures for sick leave, rehabilitation, ergonomics, management of ill-health and accidents, and reporting of close calls.

Our aim is also to work proactively with wellness and, in

addition to offering a wellness allowance to our employees, we arrange a "Wihlborgs' Classic" to encourage exercise and strengthen the sense of community.

We also note low figures for sick leave. In 2015, this was 1.31 percent (1.58) in Sweden. Long-term absence in Sweden (60 days or more) represented 9.78 percent (0) of total sick leave.

The overall gender balance within the Group comprised 39 percent women with the corresponding figures of 44 percent for managers, 60 percent for Group Management and 43 percent for the Board, which indicates an even gender balance across these areas.

Incentives

Since 2005, Wihlborgs has had a profit-sharing fund in place for all employees with the exception of the CEO. This aims to encourage the personnel to achieve set goals and to increase participation in Wihlborgs' activities. All contributions allocated to the fund are invested in Wihlborgs' shares. The maximum allocation is one price base amount per employee per year. The shares in the foundation are subject to a five-year lock-in period after allocation.

Goals moving forward

During the year, we worked systematically to become a better employer and performed internal checks to ensure we are on the right path and that progress is being made.

To move efforts to evaluate and develop our work culture another step forward, we will participate in the Great Place to Work programme in 2016. By participating in this initiative's employee surveys, we will not just obtain an internal metric, we will also see how we benchmark against other companies. Our goal is to become one of the best workplaces in the property industry within a three-year period.

Thriving job satisfaction

At Wihlborgs, we believe it important to create the preconditions that enable job satisfaction to grow and thrive, thereby ensuring we all enjoy coming to work and have fun at work. There is a difference between going to work and wanting to go to work. One element of the above is our aim for our employees to develop and grow with the company. When our employees develop, Wihlborgs does too; it's that simple.



Anders Löwgren, IT Manager

What does your job involve?

As IT Manager, I am responsible for day-to-day IT support for operations but I also work on developing internal IT systems and infrastructure. My job also includes improving IT support in the company's business processes.

Are you facing any particular challenge in 2016?

We work continuously to ensure IT provides effective support for the company's operations and contributes to improved business opportunities. IT should support the company's business processes based on existing and future needs.

What do you like most about Wihlborgs as an employer?

I appreciate being able to control and plan my workday, and also having pleasant colleagues who make my workplace a nice place to be. Wihlborgs is a secure and stable company in continuous growth that looks after its employees.



Cacke Larsson, Project Manager in Malmö

What does your job involve?

I work as a project manager in Malmö. My duties involve supporting letting and property management with the redevelopment and extension of our properties. I run several construction projects, large and small, together with contractors and ensure that we get a finished product on schedule for our tenants. I also participate in early discussions when one of our customers is interested in a new build on a site where we have development rights.

Are you facing any particular challenge in 2016?

I will continue to drive my own projects and stick to project budgets and schedules. When needed, I will also identify new first-rate contractors that we can work together with.

What do you like most about Wihlborgs as an employer?

Wihlborgs is a positive and open company with an excellent work atmosphere. We sit closely together at the office and have short decision paths.



Anette Månsson, Accounting Manager in Helsingborg

What does your job involve?

My duties include the follow-up and financial reporting for our properties and subsidiaries in Helsingborg, everything from results and project follow-up to VAT issues and financial reporting. I participate in budget work and am involved in the purchase/sale of subsidiaries and properties. In Helsingborg, we manage about 100 properties and manage the accounts of some 50 subsidiaries. Together with my colleagues in the accounts department, I prepare quarterly and annual closing accounts as well as the annual accounts. I also look after the accounting for one of our joint ventures, Hälsostaden Ängelholm AB.

Are you facing any particular challenge in 2016?

We are continuously identifying possibilities for improvement at Wihlborgs and, next on the list, is developing our project accounting, which I am working on together with a few colleagues.

What do you like most about Wihlborgs as an employer?

It is fun to work for a company that is doing well and which has a good reputation. I appreciate the short decision paths and the responsibility that comes with the freedom of action we are allowed. The personnel are committed and the atmosphere is positive. Other positives are our staff benefits such as our profit-sharing fund, healthcare insurance and wellness initiatives.

Focused green initiatives

Wihlborgs' environmental efforts are built on a palette of different environmental initiatives whereby we systematically drive a variety of activities to ensure our properties become sustainable. Through stakeholder dialogues, we identified interest in the following three areas: our energy use, emissions and thereby climate impact, certified buildings. In addition to the above, we also drive efforts in other identified areas to reach our environmental goals.

Today, sustainability is a prerequisite for profitability. For us, taking responsibility means finding a balance within our operations and enabling the business to grow in a sustainable direction. We have also noted increasing demands from our investors and, for a number of years, we have actively pursued environmental initiatives. We have implemented several energy efficiency projects and successively rearranged our energy mix in favour of sustainable sources of energy.

Energy-enhancing green initiatives

Wihlborgs' energy consumption and choice of energy type is the area where our operations have the single largest environmental impact. Our main focus has been on the energy area because this is where our operations have their greatest environmental effect and where we can make a positive impact on reducing greenhouse gas emissions. Working continuously on energy efficiency with regard to heating, cooling and electricity is a prioritised area. This has also been clearly set out in our environmental policy and, for several years, has also been a prioritised environmental aspect in environmental plans and goals.

Total energy consumption was reduced 4 percent between 2014 and 2015, despite an increase in the total m² of lettable area. Today, the energy consumption of the properties we manage corresponds to the energy consumed by about

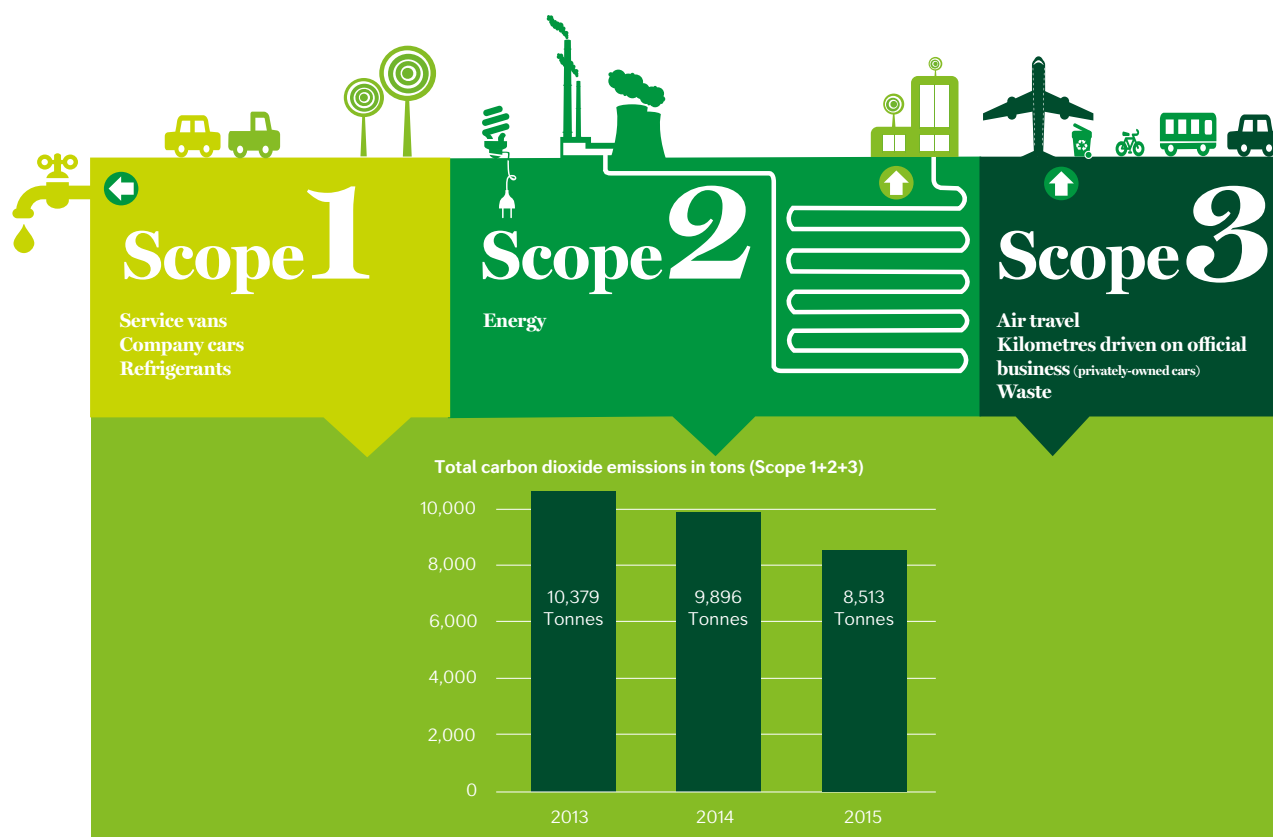
7,100 houses (annual consumption of 25,000 kWh per house). Including operations in Denmark, our total energy consumption in 2015 was 177,660,869 kWh. This means that the energy consumption, when divided by our lettable area, has declined in relative terms from 120 kWh per square metre to 109 kWh.

We have continuously implemented energy efficiency measures in those properties where these were required. In 2015, we compiled the impact of several energy efficiency projects that we have completed in our existing properties. We have implemented five different projects from which the total saving amounted to 35 percent. This saving corresponds to 1,383,100 kWh or SEK 1,111,570 per year by Wihlborgs' estimates.

During the year, the dialogue continued with our largest energy supplier to influence the content mix of products in favour of a larger share of renewable energy with low carbon dioxide emissions such as wind and hydropower. This has resulted in new three-year energy agreements (2016-2018) for our operations in Malmö, Helsingborg and Lund.

Emissions and climate impact

A total of 94 percent of Wihlborgs' carbon dioxide emissions stems from the energy used in our properties. Each year, Wihlborgs reports its total carbon dioxide emissions and gathers data for those areas where we impact the environment. We use the framework provided by the Greenhouse Gas Proto-



col to compile our greenhouse gas emissions. Scopes 1, 2 and 3 indicate the areas represented in the table for tonnes of carbon dioxide.

Wihlborgs' total carbon dioxide emissions in tonnes over the past three years:

Year	Scope 1 Tonnes	Scope 2 Tonnes	Scope 3 Tonnes	Total Tonnes
2013	652	9,559	168	10,379
2014	516	9,177	203	9,896
2015	441	8,009	63	8,513

Wihlborgs' environmental vision for 2020 is to continue to expand but with reduced environmental impact. Compared to the preceding year, 2014, environmental impact decreased from 9,896 tonnes CO₂ to 8,513 tonnes CO₂. This was a year-on-year decline of 14 percent. The largest decrease in carbon dioxide was in district heating (Scope 2), where deliveries have decreased but this was also attributable reduced consumption of gas. The positive results are also due to enhanced energy efficiency and lower emissions of refrigerants at our cooling facilities.

Business travel

Our office and service vehicles are powered by electricity or gas. All of our offices have company bicycles that can be borrowed for travelling shorter distances in town. Other business travel is by air, rail and bus. Our carbon dioxide emissions from air travel rose slightly year-on-year (from nine to 12 tonnes), but the needs of a growing business should be taken in to account here. The target we have set in our updated environmental programme for carbon dioxide emissions from business travel by car is a maximum of 2 tonnes per year. In 2015, we met this target and the average for our car pool (including company cars) was 1.9 tonnes.

Certified buildings

Our stakeholder dialogues identified an explicit desire for our properties to be environmentally certified. Certification is perceived as credible evidence of a property's energy efficiency and that it generates a smaller negative environmental footprint during its life cycle.

Certification entails an external audit and an objective assessment of energy efficiency, the materials used and the types of renewable energy used for heating, cooling and electricity. It also usually includes assessments of areas such as acoustics, lighting and air quality.

During the year, we worked on, and will continue to work on, the environmental certification of our newly produced or redeveloped properties.

We apply the Swedish environmental standard SGBC (gold level) as our primary guide for certification. The Sweden Green Building Council (SGBC) is a certification system based on regulations from the Swedish construction industry and public agencies, as well as Swedish construction practices. Complying with a leading environmental certification programme such as the SGBC also minimises Wihlborgs' risk in connection with existing and any new regulatory requirements. Through acquisitions and joint ventures, Wihlborgs has properties in its portfolio that are certified under BREEAM and LEED (Leadership in Energy and Environmental Design).

It is also pleasing to note that we were awarded an environmental prize for the MAX IV building project in Lund. Since environmental certification under a programme such as BREEAM requires ecological and biodiversity criteria, we established meadows at the MAX IV facility that were sown naturally with seeds collected from Kungsmarken – a nearby nature reserve which also happens to be one of Sweden's oldest. Establishing these meadows was one way of reducing the risk of destruction of the historic plant species in Kungsmarken, since this nature reserve is located in the catchment basin for our facility.

During the year, in conjunction with new production or redevelopment, six properties were certified under the SGBC standard (gold, silver or bronze):

- Armaturen 4 in Lund
- Terminalen 1 (Knutpunkten) in Helsingborg
- Skåneland 1 in Malmö
- Sadelplatsen 13 in Helsingborg
- MAX IV in Lund (office building)
- Landstinget 2 in Lund

We also have seven buildings that have been approved under the EU GreenBuilding Programme.

Green Leases

Wihlborgs signs Green Leases with its tenants. These leases are based on the template for Green Leases from the Swedish Property Federation. Certain adjustments have been made in the leases to take into account the prerequisites of the premises being let and the operations for which the premises will be used, such as offices or warehousing. The agreement includes activities in the areas of information and coordination, energy and the indoor environment, as well as the choice of materials and waste management. Increasing the number of Green Leases is also one of our environmental goals.

In total, Wihlborgs has 274 active Green Leases out of a total of about 2,200 leases as of 31 December 2015. This was an increase of 175 leases compared with 2014. We believe that the Green Leases fill a key function, since they create a platform for collaboration between tenant and landlord in a joint effort to reduce the environmental impact of the property/premises.

Ecosystems

It is important for us to promote biological diversity. Bees promote green growth in urban environments by pollinating flowers and trees. During the year, we located beehives at a number of our properties in Malmö and Helsingborg and, in 2016, four hives will be located in Lund. In 2015, we produced about 200 jars of honey, which we have given to our customers.

Environmental training

In the spring, a half-day environmental training course was conducted for all new employees and as a refresher course for those employees who underwent the training five years earlier. During the course, the employees learnt basic environmental knowledge and about Wihlborgs' environmental efforts.

Sustainable innovation

This environmental goal, which is aimed at openness to new innovations, was not prioritised during the year. No specific project was initiated in connection with this goal. However, we continuously meet new choices in terms of technology and methods through our memberships of various environmental networks and through supplier dialogues.

In 2015, Wihlborgs participated in the Swedish Property Federation's initiative to prepare a code of conduct for supplier assessment. We will continue with this work during the year and decide whether it will replace our existing internal procedures for supplier assessment. Through collaboration, we can influence more suppliers to realise the importance of environmental and societal responsibility.

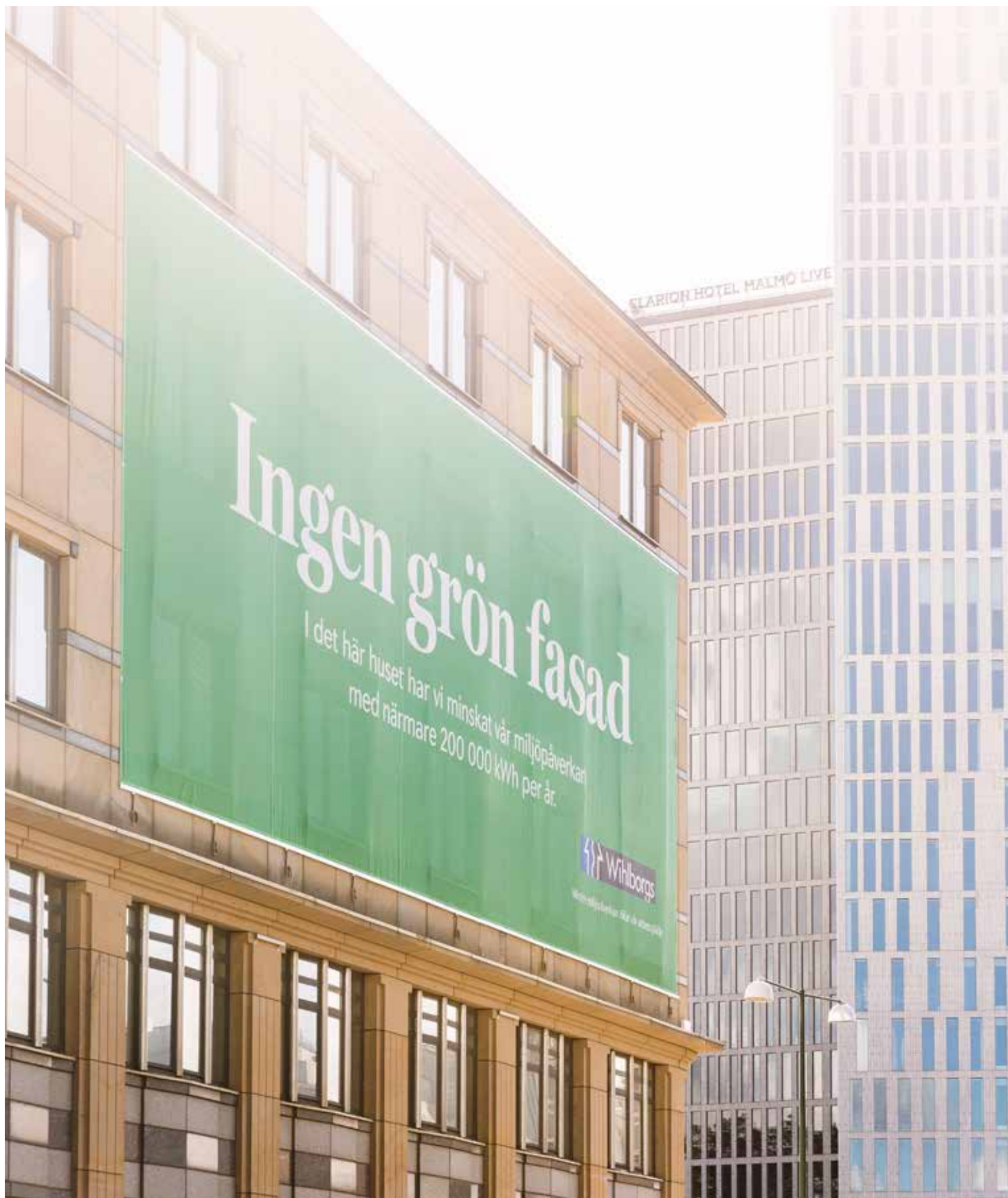
Environmental initiatives moving forward

Wihlborgs' vision for 2020 is to continue to expand its operations but with reduced environmental impact.

Wihlborgs has a new updated environmental policy (www.wihlborgs.se/miljo) that applies from 1 January 2016. Our revised policy has greater emphasis on the life-cycle perspective in operations and increased focus on renewable energy sources than the policy it replaces. In addition, we make clear that Wihlborgs wants to take an active role in the public debate and in this role both listen and contribute to sustainable development.

Our new Environmental Manager joined Wihlborgs in November and is working on the preparation of revised environmental goals and an action plan for the 2016 to 2018 period. The foundation of the environmental programme will remain in place, but greater focus will be dedicated to climate impact, circular flows in accordance with the life-cycle perspective and quality assurance of our procedures for environmental certification of our buildings.

If you would like further information on carbon dioxide emissions, energy consumption and our environmental efforts; refer to Wihlborgs' Sustainability Report.



The environmental campaign "No green facade" was displayed during the summer on a few selected properties in Malmö, Lund and Helsingborg.

Now we are one of the heavyweights

From 1 January 2016, Wihlborgs Fastigheter will be listed on the Large Cap segment of the Nasdaq Stockholm Exchange. In other words, the segment for companies with a market capitalisation exceeding EUR 1 billion.

This is positive, it confirms that we are taking the right actions and have performed favourably for many years.

As a matter of curiosity, it could be interesting to know that, to date, only five Skåne-based companies are listed on the Large Cap segment. We say this with a touch of pride, but perhaps we are just being vain.

However, we have always taken the long-term approach and this has paid off for our shareholders.

So with a confident stride, we will keep moving forward.

The Wihlborgs share

Since January 2016, the Wihlborgs share has been listed in the financial sector of the Large Cap segment of Nasdaq Stockholm. Wihlborgs was floated in 2005, when the company was spun off from the listed company Faberge.

A two-for-one share split has twice been carried out, in 2006 and 2011, meaning each old share was replaced by two new shares and, accordingly, the number of shares outstanding has risen to 76,856,728.

At year-end, the company's share capital totalled SEK 192 million. Each share entitles the holder to one vote and, at the AGM, each person entitled to vote may vote for the full number of shares held and represented by that person.

During the year, the Board did not exercise its mandate to authorise a new issue of shares amounting to a maximum of 10 percent of the shares outstanding. In addition, the Board did not exercise its mandate to buy back any of the company's own shares. Wihlborgs has no treasury shares as of December 31, 2015.

At year-end, the company's market capitalisation was SEK 13.1 billion.

Share turnover

During 2015, the total trading value of Wihlborgs shares was SEK 6.0 billion (3.4) on the Nasdaq Stockholm Exchange. A total of 38.5 million (27.1) Wihlborgs shares were traded on the Nasdaq Stockholm Exchange in 2015, corresponding to a daily turnover of 153,000 shares (109,000). This represented a turnover rate of 50 percent (35) of the average number of shares outstanding.

Share price performance

At year-end, the price quoted for Wihlborgs share was SEK 171.00 (142.75). In 2015, the highest and lowest prices quoted for Wihlborgs shares were SEK 180.00 and 135.00, respectively. The total yield on the share, including the dividend of SEK 4.75, was 23.1 percent for 2015.

Net asset value

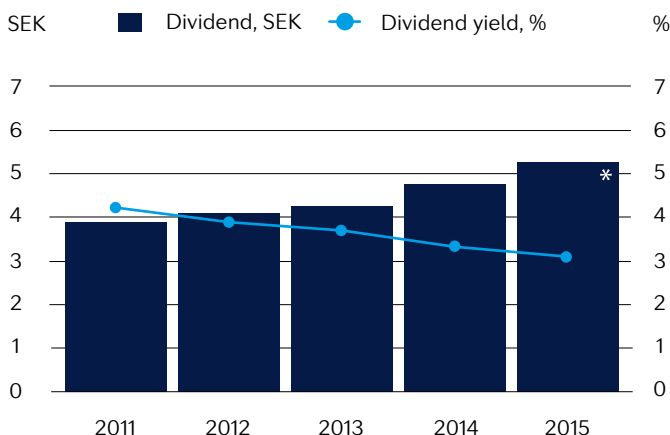
At a tax rate of 22 percent, Wihlborgs' equity per share is SEK 115.49. At a tax rate of 0 percent, Wihlborgs equity per share is SEK 144.10. The long-term net asset value (EPRA NAV) per share was SEK 155.54.

Dividend and dividend policy

Wihlborgs' dividend policy is based on distributing to shareholders 50 percent of income from day-to-day property management and 50 percent of income realized from property sales. In both cases, a deduction is made for tax at a standard rate of 22 percent. The dividend proposed by the Board for 2015 is SEK 5.25 (4.75). This represents a dividend yield of 3.1 percent, based on the share price at year-end. Provided that the AGM adopts the Board's proposed dividend of SEK 5.25 and that the record

date is set for 2 May, the dividend will be paid on 6 May 2016. Wihlborgs shares will be traded, including dividend, up to and including the date of the AGM, Thursday, 28 April 2016.

Dividend/share and dividend yield



* The dividend for 2015 pertains to the dividend proposed by the Board ahead of the Annual General Meeting.

Ownership structure

The largest shareholder in Wihlborgs is Erik Paulsson and family, who owns 10.1 percent of the shares outstanding. At the end of December 2015, the ten largest shareholders owned 30.7 percent of the shares.

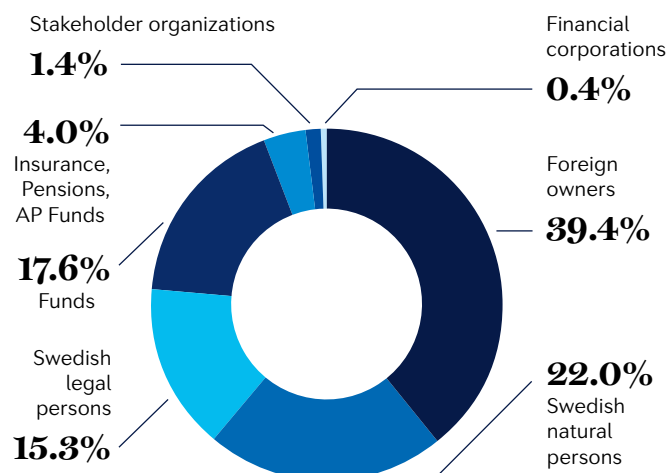
The number of shareholders was 23,458, down 1,000 year-on-year.

At the end of December, foreign shareholders represented 39.4 percent of the total, up 3.9 percentage points year-on-year. Of foreign ownership, the US accounted for 51 percent, the UK for 29 percent, Luxembourg for 8 percent and Ireland for 4 percent.

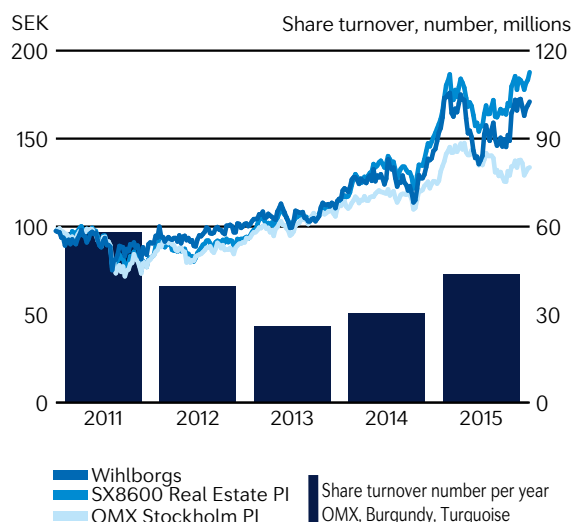
Largest shareholders in Wihlborgs at 31 December 2015

Shareholders	No. of thousands shares	Share of capital and votes, %
Erik Paulsson and family, privately and through companies	7,790	10.1
Länsförsäkringar Funds	3,645	4.7
SEB Funds	3,365	4.4
Handelsbanken Funds	2,216	2.9
The Qviberg family	2,162	2.8
Norges Bank	1,555	2.0
DnB Carlson Funds	840	1.1
Tibia Konsult	813	1.1
Skandia Funds	619	0.8
Avanza Pension	601	0.8
Other shareholders registered in Sweden	24,546	32.0
Other shareholders registered abroad	28,705	37.3
Total number of shares outstanding	76,857	100.0

Ownership structure

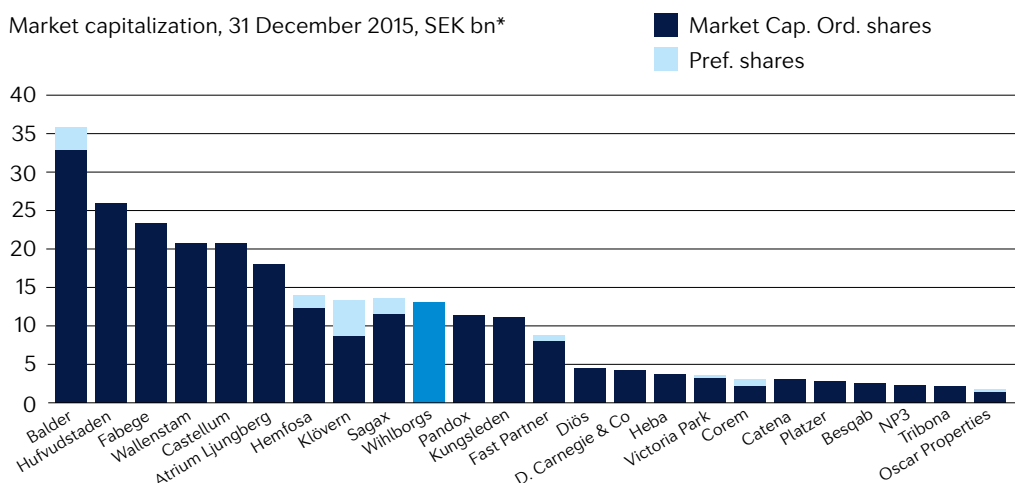


Change in share, price 2011 – 2015



Listed property companies

Market capitalization, 31 December 2015, SEK bn*



* All classes of shares



Obtain the latest share price on your mobile or tablet device.

Share/Kay ratios ¹	2015	2014	2013	2012	2011
Share price at year-end, SEK	171.00	142.75	115.25	101.50	91.00
Change in share price during the year, %	19.8	23.9	13.5	11.5	-6.7
Earnings per share, SEK	29.64	5.14	13.83	10.71	8.65
Income from property management per share, SEK	12.69	11.55	9.75	8.91	8.54
P/E ratio I, multiple	5.8	27.8	8.3	9.5	10.5
P/E ratio II, multiple	17.3	15.8	15.2	15.5	14.5
EPRA NAV (long-term net asset value)	155.54	126.76	111.92	104.23	97.32
Dividend per share, SEK (2015 = proposed dividend)	5.25	4.75	4.25	4.00	3.75
Dividend yield per share, %	3.1	3.3	3.7	3.9	4.1
Total yield per share, %	23.1	27.5	17.5	15.7	-3.1
Number of shares at year-end, thousands	76,857	76,857	76,857	76,857	76,857
Average number of shares, thousands	76,857	76,857	76,857	76,857	76,857

¹For definitions of key ratios; see page 135.

Moving in pace with one region

This is an art we are trying to master.

We keep a constant eye on development, on political decisions, on economic growth on both sides of Öresund, and pretty much anything that impacts the region, both now and moving forward.

With our 276 properties valued at SEK 28.6 billion, no one is bigger than us in this property market. This makes us a key player in the development of the region. We have the strength to act, to seize the moment, and not least, to help our tenants find new solutions when the circumstances demand it.

In 2014, we kept ourselves calm on the investment front, well aware of the lethargy in the economy, primarily on the Danish side.

But the situation has also started to change there, and now we are poised to see what could fit in with our investment philosophy.

The pace is higher on the Swedish side, as can be seen from the transactions and projects we completed during the year.

Whatever the pace of the Öresund region's development, we know one thing for sure, it's moving forward.

A concentrated portfolio

Wihlborgs strategy is to be present in locations in the Öresund region with potential for long-term growth, both population-wise and economically. That is why we are established in Malmö, Lund, Helsingborg and Copenhagen. In these locations, we are also geographically highly focused on, and dominant in, a number of selected sub-markets.

Our local presence gives us a depth and breadth of knowledge of these markets that enables us to offer our customers enhanced quality of service. On the Swedish side of the Öresund, this makes us the largest commercial property owner.

A growth region

The Öresund region comprises Skåne on the Swedish side of the Öresund and Själland, Lolland, Falster, Møn and Bornholm on the Danish side. Skåne's population slightly exceeds 1.3 million inhabitants and in 2015, the total number of inhabitants in the Öresund region passed 3.9 million. If the trend continues, the Öresund region will have 4.0 million inhabitants by the end of 2017. According to a forecast from Region Skåne in 2015, Skåne's population is expected to rise 13 percent by 2024, which is a higher rate of growth than over the past ten years, when the population grew slightly more than 10 percent. Since the 1980s, Skåne's population has outpaced national growth, mainly due to high figures for people moving to Skåne. According to the Øresundinstituttet, population growth in Copenhagen in the period until 2022 will outpace growth in Stockholm. Annual population growth in Copenhagen is expected to be 1.8 percent and the corresponding figure for Stockholm is 1.6 percent.

Infrastructure investments, including the Öresund Bridge, the City Tunnel in Malmö and the Copenhagen Metro, have been a huge factor in the development of the Öresund region, helping to boost both regional expansion and mobility. According to the Øresundinstituttet, an average of 95,800 people crossed Öresund each day in 2015, of which 74,900 used the Öresund Bridge and 20,900 the ferry between Helsingborg and Helsingør.

Despite the relatively limited geographical area of the Öresund region – less than 5 percent of the total area of Sweden and Denmark¹ – the region accounts for more than a quarter of the combined GDP for Sweden and Denmark. After several years of low growth, the economy is brightening in the Öresund region according to the Øresundinstituttet. The Öresund region's gross regional product (GRP) rose 1.8 percent in 2014 and is expected to grow by 2.9 percent in 2015 and 2016.

The Öresund region can boast several world-class research projects. MAX IV, the most powerful synchrotron light research facility in the world, will be inaugurated on Mid-Summer Day 2016. For more information on MAX IV; see page 55. Close to MAX IV, the construction of ESS, a multi-disciplinary research centre based around the most powerful neutron source in the world, has also started. In 2025, ESS is expected to be in full operation.

Economic outlook

The Swedish economy has entered a strong growth phase. According to Nordea's Economic Outlook in January 2016, GDP is expected to grow 3.5 percent, both in 2015 and 2016. The economy will receive an extra boost from the robust flow of asylum seekers. The return to growth for GDP is attributable to factors including rising productivity in Sweden. The service sector has noted a steady recovery since the end of the financial crisis and, fueled by healthy domestic demand, the trend is expected to continue. Demand in Swedish export markets has started to recover. Increased disposable incomes and rising asset prices are contributing to households' strong financial position.

With the continued recovery of the Danish economy, prospects for the regional economy in the south of Sweden have improved. Through 2015, Nordea expects South Sweden to have outperformed the remainder of the country and West Sweden. Thereafter, growth is expected to track the trend in the rest of the country.

Regional growth, gross regional product, annual change in real terms, %					
	2013F	2014F	2015F	2016F	2017F
South Sweden	1.0	2.3	3.2	2.3	1.6
Mälardalen	2.7	2.6	4.1	4.0	2.8
West Sweden	0.8	1.7	3.0	2.6	1.7
Rest of Sweden	0.0	2.1	2.9	2.5	1.6
Total (GDP)	1.2	2.3	3.4	3.1	2.1

Source: Nordea's Regional Outlook, October 2015

Inflation remained weak and, during the year, Sweden's central bank, the Riksbank lowered its repo rate to minus 0.35 percent and maintained its extremely expansive monetary policy.

The Danish economy has been growing since mid-2013. Private consumption remains the key to growth. In 2015, it increased 2.5 percent and approached pre-crisis levels. GDP growth was expected to amount to 1.4 percent in 2015 to then increase to 1.7 percent in 2016 and 1.9 percent in 2017. Denmark also finds itself in a situation with low inflation and low interest rates.

Labour market outlook

The labour market in South Sweden is improving and employment is increasing to about the same levels as prior to the financial crisis in 2008. High flows of people moving into the region combined with population growth mean that labour supply and employment are increasing at a healthy rate in the region, even if structural unemployment is relatively high. A large proportion of jobseekers are disadvantaged, that is, have low educational qualifications, have non-European backgrounds or have impaired working capacity. According to Nordea's Regional Outlook, October 2015, employment growth in South Sweden is expected to have clearly outpaced other parts of the country.

¹Excluding Greenland and the Faeroes.

Employment trend, annual change, %

	2013F	2014F	2015F	2016F	2017F
South Sweden	1.3	0.5	2.2	1.1	0.9
Mälardalen	1.5	2.0	1.7	1.8	1.5
West Sweden	0.9	1.6	0.8	1.3	0.9
Rest of Sweden	0.5	1.2	0.7	0.8	0.3
Total	1.0	1.4	1.3	1.2	0.9

Source: Nordea's Regional Outlook, October 2015

According to Nordea's Economic Outlook for December 2015, employment has increased steadily in Denmark since 2013, primarily driven by the private sector. Employment is expected to increase from now on and, unless the labour force is strengthened through increased inflows of qualified labour from abroad, for example, the risk of labour market bottlenecks will increase.

Rental market

A positive climate prevails in the rental markets in all of our areas, with high demand for both offices and industrial/warehousing premises.

A positive trend has been noted in the Malmö rental market with increased demand. Demand is rising for locations with good transport links. Vacancies have not been appreciably impacted despite several sizable new construction projects. These developments are largely taking place around the central station and in the Hyllie suburb. Malmö continues to attract companies to the region, for example, Orkla Foods is moving its head office from Eslöv to Dockan in 2016.

The office rental market in Lund can be divided into two sub-markets: central Lund and northeast Lund, including Ideon. The rental market in central Lund remains strong and has, essentially, no vacancies. In 2016, Wihlborgs will therefore start building on the Postterminalen office project located adjacent to Lund Central Station. Even if substantial vacancies exist in northeast Lund following the large cutbacks at companies including Ericsson, there is still demand and growth in the area. Companies choosing to establish operations at Ideon in 2015 included Robert Bosch and Flatfrog.

In Helsingborg, the rental market has remained relatively stable with low vacancies. Practically no new development has taken place here for slightly more than 20 years. Early in the 1990s, in the midst of the property crisis, the Knutpunkten complex was completed. Building has now resumed in Helsingborg. In 2016, Wihlborgs will complete the extension to Knutpunkten. A new top rent level has been set and leases have been signed at rents, excluding heating, of more than SEK 2,500/m². The establishment of top rents at such high levels will, in time, create acceptance for higher levels for the better premises in Helsingborg.

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

The property market

The property transaction market in Sweden remained buoyant in 2015 even if total transaction volumes failed to reach the figures for 2014. Properties changed hands for a total of SEK 134 billion in 2015, based on transactions valued over SEK 100 million.

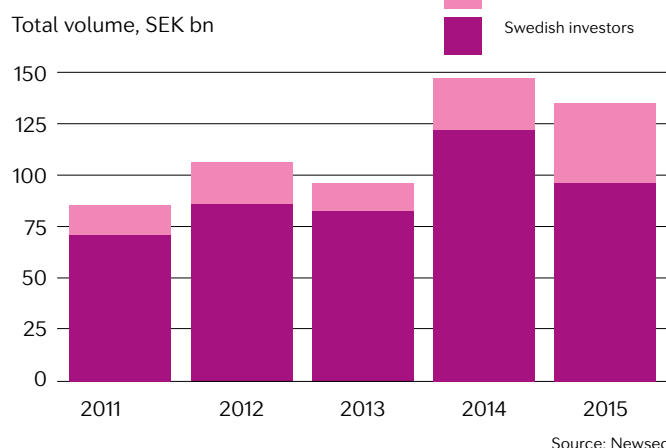
It is interesting to note that foreign investors increased significantly by 10 percentage points year-on-year and accounted for 28 percent of acquisitions in 2015. One third of the transaction volume pertained to office properties. Housing and retail accounted for about one fifth each of the total transaction volume.

The Stockholm market accounted for almost half of transaction volume in 2015 as compared with Malmö which accounted for 5 percent. A full 23 percent of sales were outside of the major cities and other larger cities.

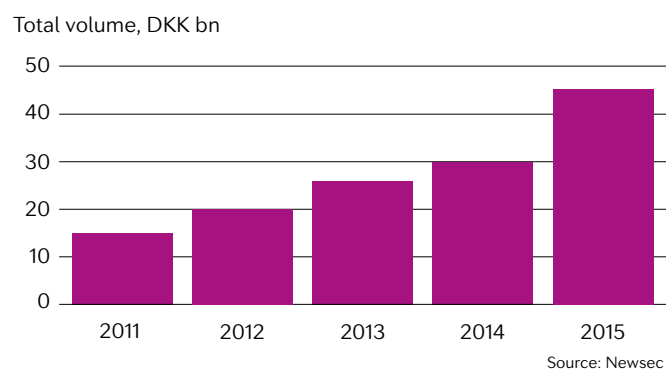
Wihlborgs has been active in the property transaction market. For more information about our transactions; see Acquisitions and sales on pages 57–59.

The transaction volume in Denmark has been relatively low in recent years, but rose substantially to DKK 45 billion in 2015.

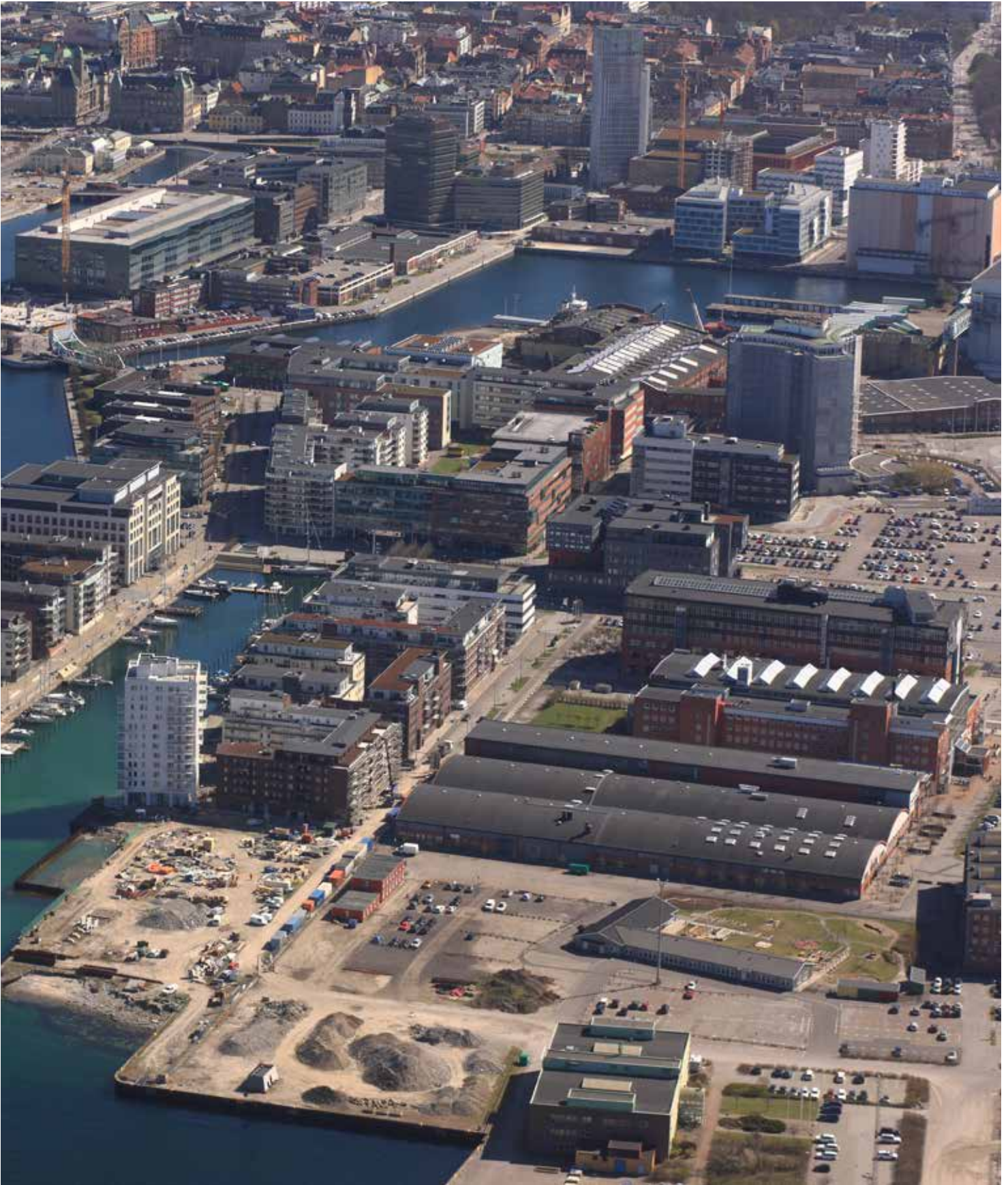
Transaction volume Sweden



Transaction volume Denmark



The Öresund region



The Dockan development area, where Wihlborgs owns 162,000 m².

Malmö

322,574

Population on 31 December 2015

7.9% (4.6%) Population growth, 2010–2015

11.0% (8.3%) Employment trend, 2009–2014¹

65% (77%) Percentage in employment, aged 20–64, 2014

31% (26%) Percentage with higher education, 2014²

Figures in brackets refer to Sweden as a whole.

¹ Gainfully employed, workplace in the municipality, aged 16+.

² At least 3 years of tertiary education, aged 25–64.

Source: Statistics Sweden.

Malmö is Sweden's third largest city and has a vigorously growing population. According to a population forecast from the City of Malmö in 2014, the population in the city will exceed 375,000 as early as in 2025. In 2015, the population grew 1.4 percent. Malmö has been remodelled from an industrial city to a city with a knowledge and service-based business community. The Öresund Bridge, the City Tunnel and, not least, the establishment of Malmö University in 1998, have helped to transform Malmö.

Its attractive location in the region means that the majority of businesses have chosen to locate their offices in Malmö. In 2015, companies including Ikea, Ikano Fastigheter and Ikano Bank moved their operations to Malmö. Orkla Foods is moving its head office from Eslöv to Malmö in 2016. IBM will open a development centre in Malmö; this venture is expected to create at least 300 jobs. IBM chose Malmö because of its great diversity, both ethnic and in terms of age, as well as the proximity to universities and institutes of higher education.

Property development in Malmö is largely concentrated to the transport nodes. A municipal central plan is being prepared for the area north of the central station, Nyhamnen. In the long term, Nyhamnen will become part of the mixed, compact city, with workplaces for 13,000 and 6,000 homes. The Dockan area of Västra Hamnen, just a few minutes from the central station, is a consistently popular, modern city district. In 2016, organisations including Orkla Foods, Länsförsäkringar and the Swedish Social Insurance Agency will establish operations in Dockan. Hyllie is beginning to establish itself in the market and several office, residential and hotel projects are ongoing. Wihlborgs expects to have a legally binding detailed development plan in place by spring 2016.



Regional Director Lennart Jönsson.

Wihlborgs in Malmö

	2015	2014
Number of properties	125	120
Lettable area	716,000 m ²	666,000 m ²

Wihlborgs is the largest commercial property owner in Malmö, with slightly more than 700,000 m². Other major commercial property owners include Fastighets AB Briggen, Klöver, Kungsliden, Stena Fastigheter, Vasakronan and Volito Fastigheter.

As one of the largest property owners, Wihlborgs is involved in the Malmö Citysamverkan non-profit company that works with the street environment, safety, events and marketing of businesses in the city. Malmö Citysamverkan is co-owned by three partners: the City of Malmö, the commercial property owners and the retail association. The area covered by Malmö Citysamverkan stretches from the central station to the shopping centre Triangeln and from Drottningtorget to Davidshallstorg. The company also works with the city's logistics and parking issues.

In 2015, Wihlborgs boosted its holdings in Malmö through a few major acquisitions. The largest acquisition was in summer 2015 and comprised the Karin 11 and Nora 11 properties, which are located at the junction of Drottninggatan and Kungsgatan. The properties comprise three well-known buildings: Tegelkarin, a brick building from the 1930s that houses the County Administrative Board; Plåtkarin, a sheet-metal clad building from the 1970s which houses, among others, the Swedish police's passport office and Nora 11, which is largely let to the tax authorities and the City of Malmö.

In the spring, the Polstjärnan 1 and 2 development properties in Nyhamnen were acquired from Lantmännen. The properties have a plot size of slightly more than 10,000 m².

Wihlborgs is highly focused within four management areas in Malmö: Västra Hamnen, central Malmö, Fosie/Limhamn and Norra Hamnen/Arlöv. Wihlborgs has project opportunities in all of these management areas. We have also arranged for land to be reserved for office developments in Hyllie and Nyhamnen. For further information about our projects and development opportunities, see Projects and development on pages 51–55.



Property Director Louise Ahnelöv, Property Manager Johnny Andersson, Administrative Assistant Britt-Marie Olsson, and property managers Micha Nadel and Helen Hansson.

Västra Hamnen

Number of properties	18
Lettable area	162,000 m ²

Dockan in Västra Hamnen is Wihlborgs' largest management area. In 2000, the Dockan Exploatering development company was established by Wihlborgs, JM and Peab, each with equal shares in the company. Dockan Exploatering acquired the land area comprised by Dockan. Wihlborgs is responsible for developing the commercial sites in Dockan. The area, where Kockums once enjoyed its period of greatness, has been transformed from an industrial area into a mixed modern urban environment comprising housing, restaurants, retail units and offices. Wihlborgs owns and manages a total of 162,000 m² in the area and has further opportunities for development in this area.

The Dockan development has won Malmö's City Architectural Award on several occasions. In 2002, the award was won for the first time for the Tyrén Building; in 2011, for the Region Skåne building and in 2012, it was for Media Evolution City, the hub of Malmö's media industry.

Wihlborgs' largest letting in 2015 was in Dockan, at the Kranen 8 property. An area of 12,300 m² is being redeveloped here for the Swedish Social Insurance Agency which, in spring 2016, will co-locate a number of units in the building known as the Ubåtshallen. Major redevelopments were carried out at Kranen 1, where Orkla Foods is moving its head office from Eslöv, and at Gängtappen 1, Kockums' former head office, which is being fully renovated for Länsförsäkringar.

Wihlborgs' major tenants in Västra Hamnen include SAAB, Tieto Sweden, Mercedes-Benz Sverige, Region Skåne, SVT and ÅF.

Market information

	Rent excl. heating, SEK/m ²	Economic, vacancy ¹ , %	Yield requirement ² , %
Offices	1,800–2,500	5–8	4.5–6.0

Source: Malmöbryggan Fastighetsekonomi AB, standard property.

¹ Long-term economic vacancy.

² Investment yield requirement, fully let.

Central Malmö

Number of properties	24
Lettable area	237,000 m ²

Wihlborgs' largest management area in Malmö is Central Malmö. Wihlborgs owns and manages a total of 237,000 m² in this area.

Wihlborgs had a high level of transaction activity in this management area in 2015. At the junction of Drottninggatan and Kungsgatan, about 44,000 m² of lettable area was acquired in the Karin 11 and Nora 11 properties. Högvakten 6, a 1960s property located in Norra Vallgatan, was sold to Malmö City-fastigheter.

Wihlborgs also acquired the Polstjärnan 1 and Polstjärnan 2 properties, which are strategically located in Nyhamnen. The regeneration of this area into a modern city district has started and Wihlborgs is represented by a number of properties, both developed and undeveloped. One is the Sirius 3 site, for which a detailed development plan has been approved, allowing the new build of 7,000 m² of offices and which will be started in 2016. We have also been allocated land of approximately 25,000 m² gross floor area (GFA) in Nyhamnen. For further information about our portfolio and opportunities in Nyhamnen; see Projects and development on pages 51-55.

The largest letting in this area in 2015 comprised 4,000 m² at the Våktaren 3 property to VA Syd. The premises will be extensively refurbished in 2016 prior to occupancy.

Wihlborgs' major tenants in this management area include Svenska Prize Hotel, Nordea, the Swedish Tax Agency, the Swedish Social Insurance Agency, Region Skåne, the Municipality of Malmö, Tullverket (Swedish Customs) and the County Administrative Board.

Market information

	Rent excl. heating, SEK/m ²	Economic, vacancy ¹ , %	Yield requirement ² , %
Offices	1,500–2,200	5–12	5.0–6.25



Property Director Tobias Andersson and Property Manager Jan Andersson.

Fosie and Limhamn

Number of properties	45
Lettable area	163,000 m ²

The locations of the well-known commercial districts of Fosie and Limhamn have good transport links to the European road network.

The development of Fosie, one of the largest commercial districts in Malmö, started in the 1970s. The area, situated between the inner and outer orbitals, is home to businesses of various sizes.

The Limhamn portfolio is located in the Annetorp industrial area, and is characterised by small industrial businesses, plus a number of office units. Svågertorp also falls within the management area. The areas are conveniently located with good links to the inner and outer orbitals.

Wihlborgs manages 163,000 m² in the area, primarily industrial/warehousing properties. We have various development opportunities in the management area.

Wihlborgs has prepared a detailed development plan for housing and remediated contaminated land in an older industrial area of Limhamn. The plan covers the Gjuteriet 18 and Limhamn 156:90 properties that were acquired by Dresser Wayne in 2010. In 2015, the Limhamn 156:90 property and part of the Gjuteriet 18 property were divested.

Larger lettings were made for properties including Boplatsen 3, where DHL Freight Sweden AB is leasing a 2,000 m² office. Bilia has leased a 2,900 m² warehouse at the Stridsyxan 4 property in Agnesfridsvägen.

Wihlborgs' major tenants in the management area include ABB, Honda Motor Europe, Scandinavian Cosmetics, Bravida Sverige and Securitas Sverige.

Market information

	Rent excl. heating, SEK/m ²	Economic, vacancy ¹ , %	Yield requirement ² , %
Offices	800–1,300	8–12	6.5–7.5
Industrial/Warehousing	500–800	6–11	6.5–8.0



Property Director Ivana Stankovic and Property Manager Stefan Eklöf.

Norra Hamnen and Arlöv

Number of properties	38
Lettable area	155,000 m ²

The harbourside area, which has hosted industrial activity since the early 1900s, is undergoing redevelopment and renewal.

The district is one of the largest commercial areas in Malmö.

The harbourside area has close access to the region's extensive rail and motorway network. The area is typified by industrial and warehouse businesses of various sizes.

The Arlöv industrial district occupies a strategic location between Malmö and Lund, with direct links to the region's motorways. Wihlborgs' management area also includes Bulltofta, adjacent to the Inner Orbital. Development of the area started in the 1970s, when the airport that had operated there since the 1920s was closed down and operations moved to Sturup. The area mainly comprises small industrial businesses and minor office properties.

Wihlborgs manages 155,000 m², primarily industrial/warehousing properties. We have various development opportunities in the management area.

A major new letting was carried out at the Flygledaren 9 property, which is located in Bulltofta, where Lekia has leased 3,700 m². In Arlöv, Hilti Svenska has expanded by 1,900 m² at the Tågarp 16:42 property. This company has now leased 5,800 m² and, in conjunction with the expansion, signed a seven-year lease for the entirety.

Wihlborgs' major tenants in the management area include TransFargo, Ahlsell Sverige, Axfood Sverige, Wayne AB, Mechanum Sverige, Hilti Svenska and Nordic Sugar.

Market information

	Rent excl. heating, SEK/m ²	Economic, vacancy ¹ , %	Yield requirement ² , %
Offices	800–1,100	10–12	7.0–9.0
Industrial/Warehousing	400–700	7–15	7.5–9.5

The Öresund region



The Berga industrial area, where Wihlborgs owns 208,000 m².

Helsingborg

137,909

Population on 31 December 2015

6.8% (4.6%) Population growth, 2010–2015

9.6% (8.3%) Employment trend, 2009–2014¹

72% (77%) Percentage in employment, aged 20–64, 2014

23% (26%) Percentage with higher education, 2014²

Figures in brackets refer to Sweden as a whole.

¹ Gainfully employed, workplace in the municipality, aged 16+.

² At least 3 years of tertiary education, aged 25–64.

Source: Statistics Sweden.

The growing city of Helsingborg is located at the narrowest point of the Öresund channel. Helsingør is only four kilometres away. The city's geography is dominated by the steep slopes of the Landborgen ridge. Helsingborg is one of Sweden's oldest cities. It received its official charter in 1085.

The city's excellent location has meant that several logistics companies and distribution centres have established operations here. The harbour is the second largest container port in Sweden.

In 2015, the Ångfärjan (steam ferry) project was started in Helsingborg. The plan is to move the current ferry station in 2016 to make room for a new hotel and conference facility, expected to be ready in 2020. The new development will link the pedestrian areas along the channel with the city centre, which is part of strategic efforts to create a compact and cohesive city with a wide range of meeting places and functions in Helsingborg and in the region.

The regeneration of southern Helsingborg has started and in 2015 a new hotel was completed, the Radisson Blue, which has given a boost to Mäster Palms Plats.

Work on the H+ project, which is intended to develop and increase the density of properties in southern Helsingborg to create an attractive and cohesive city. The Oceanpiren area is being planned as a sub-project and is located a stone's throw from Knutpunkten, which is to be developed into an urban archipelago in central Helsingborg. The plan is for 320 housing units and 30,000 m² of office space in this area, and Wihlborgs is having discussions with the City of Helsingborg about obtaining a land allocation of 14,000 m². A new pedestrian and bicycle bridge will link Oceanpiren with Knutpunkten.



Regional Director Thomas Bråhagen.

Wihlborgs in Helsingborg

	2015	2014
Number of properties	102	103
Lettable area	537,000 m ²	512,000 m ²

Wihlborgs is the largest commercial property owner in Helsingborg, with just over 537,000 m². Other major commercial property owners in Helsingborg include Alecta, Fastighets AB Briggen and Norrporten.

As one of the largest property owners in Helsingborg, Wihlborgs is involved in Citysamverkan. Citysamverkan is a three-way partnership between the City of Helsingborg, Property owners and Helsingborg Cityföreningen. The overriding objective is for "More people to choose to visit the city more often, stay longer and have an experience that is worth being retold."

Wihlborgs' largest ongoing project is the extension of Knutpunkten, the Terminalen 1 property. About 8,000 m² of new office space is being created here. In 2015, the Floretten 4 office project comprising about 5,000 m² of offices was completed at Berga. For further information about our projects; see Projects and development on pages 51–55.

In 2015, a number of transactions were completed in Helsingborg. Wihlborgs acquired the Kroksabeln 12, Stattena 7 and Musköten 17 properties. The properties at Bunkagården Mellersta 1, Brottaren 17, Kärnan Södra 8 and Minerva 19 were divested. For more information; refer to Acquisitions and sales on pages 57–59.

Wihlborgs is highly focused within its three management areas: Central Helsingborg, Berga and Söder. We have project and development opportunities in all areas.



Property Director Jan-Erik Johansson, Administrative Assistant Ylwa Spangenberg and Property Manager Ola Caapsgård. Property Manager Peter Siroky is missing from the picture.

Central Helsingborg

Number of properties	19
Lettable area	111,000 m ²

Wihlborgs manages 111,000 m² in the city centre, primarily office properties.

In 2015, the Statten 7 property, which is part of Statten Centrum, was acquired. Wihlborgs already owned Statten 10, the other property that comprises Statten Centrum, and, accordingly, now has full control and the possibility of enhancing operational efficiency. The older Kärnan Södra 8 and Minerva 19 properties were divested during the year.

Work on the long-term enhancement of the Terminalen 1 property, at Knutpunkten, is in full swing. A larger extension project comprising 8,000 m² of office space will be completed in summer 2016, which is when the project is expected to be ready for occupancy. A new level of slightly more than SEK 2,500 per m² for rent excluding heating has been set for Helsingborg. Discussions are ongoing regarding an extension of the District Court, which is adjacent to the Knutpunkten property, in the Polisen block.

New tenants in the area include Teva, Assistansbolaget, Mazars Rikshem and Manpower, which will all move into the Terminalen 1 property. Atkins is moving to Svea 7 and DIAB is moving its management group from Laholm to Helsingborg, to the Najaden 14 property.

Wihlborgs' major tenants in this management area include the National Courts Administration, Stena Line Öresund, ProCivitas, the City of Helsingborg, Region Skåne and Ljud & Bildskolan (LBS).

Market information

	Rent excl. heating, SEK/m ²	Economic, vacancy ¹ , %	Yield requirement ² , %
Offices	1,500–2,000	2–8	5.0–6.0

Source: Malmöbryggan Fastighetsekonomi AB, standard property.

¹ Long-term economic vacancy.

² Investment yield requirement, fully let.



Property Manager Per Eneborg. Property Director Frida Carlsson took up her position in April 2016.

Berga

Number of properties	42
Lettable area	208,000 m ²

Berga is the largest operating area in Helsingborg, conveniently located next to the E4/E6 and E20 motorways and, thus in an outstanding position for communication links. The area is characterised mainly by small-scale industrial, warehouse and commercial properties, with extensive services and efficient public transport. Wihlborgs manages 208,000 m² in the area, mainly industrial/warehousing properties.

In 2015, Wihlborgs made two acquisitions in Berga. Krok-sabeln 12, a 15,000 m² warehouse and office property was acquired. Tenants here include LK Valves, OBO Bettermans and Heraeus Kulzer Nordic. Musköten 17 a 5,000 m² warehouse and office property was also acquired. The property is fully let to Brammer Sweden AB.

On the Floretten 4 site, the new build of a 5,000 m² office building was completed. The property's tenants include NCC, SAAB and Connect4u. A new build was also completed in Berga, in this case a 3,500 m² warehouse at the Kniven 2 property. Tullverket (Swedish Customs) has leased all of this space.

The Berga portfolio offers a number of major project opportunities. Wihlborgs' tenant Bravida Prenad is expanding and its office is being upgraded and extended by about 500 m². At Väla Norra, Rollco is expanding the size of its lease and we are building a further 800 m² of warehousing at the Snårskogen 4 property.

Wihlborgs' major tenants in the management area include NCC, Eimskip Transport, NetOnNet, AM Depot, Tools Sverige and Victoria Scandinavian Soap.

Market information

	Rent excl. heating, SEK/m ²	Economic, vacancy ¹ , %	Yield requirement ² , %
Offices	900–1,400	6–8	6.25–7.25
Industrial/Warehousing	500–900	6–11	6.25–8.0



Regional Director Thomas Bråhagen and Administrative Assistant Helen Seffers. Property Director Max Alsborn took up his position in January 2016.

Söder

Number of properties	41
Lettable area	218,000 m ²

The buildings in the area are fairly heterogeneous, ranging all the way from smaller warehouse and industrial properties through large logistical facilities to office and commercial properties. Wihlborgs is represented in four sub-areas in Söder: Hamn-City, located adjacent to the important container port, Gåsebäck, Planteringen and Ättekulla. Wihlborgs manages 218,000 m² in the area, mainly industrial/warehousing properties.

There were two sales in the management area during the year. In Ättekulla, an old bakery at Bunkagården Mellersta 11 and, in Söder, the Brottaren 17 commercial property were divested.

A new-build project of 5,000 m² was completed at the Sadelplatsen 13 property where Optimera has now opened the doors to its new store. In 2015, Nowaste Logistics expanded its operations again and now leases more than 14,000 m² from Wihlborgs at the Plåtföräldringen 11 property. Plantagen Logistik has established a 3,000 m² warehouse at the Olympiaden 8 property.

Wihlborgs has major development options in its existing property portfolio in Söder. The management area also includes six undeveloped sites in Landskrona.

Wihlborgs' major tenants in the management area include Nowaste Logistics, PH Nedermans & Co, Bolist Logistik, Posten Meddelande, Unilever Sverige, TNT Sverige and Yves Rocher Suède.

Market information

	Rent excl. heating, SEK/m ²	Economic, vacancy ¹ , %	Yield requirement ² , %
Offices	700–1,000	8–12	6.5–8.5
Industrial/Warehousing	400–700	7–11	8.0–9.5

The Öresund region



The Postterminalen 1 new build in Lund starts in spring 2016 and is expected to be completed in two years. Then one will be able to see this view over central Lund and Wihlborgs' Bytarebacken 39 property.

Lund

116,834

Population on 31 December 2015

5.9% (4.6%) Population growth, 2010–2015

7.0% (8.3%) Employment trend, 2009–2014¹

67% (77%) Percentage in employment, aged 20–64, 2014

52% (26%) Percentage with higher education, 2014²

Figures in brackets refer to Sweden as a whole.

¹ Gainfully employed, workplace in the municipality, aged 16+.

² At least 3 years of tertiary education, aged 25–64.

Source: Statistics Sweden.

Lund, one of Sweden's oldest cities, was founded in around 990 AD. Lund was part of Denmark until the Roskilde Peace in 1658, and to assist in the process of "Swedification," Lund University was founded in 1666. Today, the university has nearly 47,000 students and employs 3,000 research scientists. Lund's population is growing vigorously and grew by about 900 inhabitants in 2015.

The city has a strong tradition of research and entrepreneurship, and Sweden's first science park, Ideon, was opened here in 1983. Since 2013, through its acquisition of Ikano Fastigheter's properties, Wihlborgs has been the sole property owner in the original Ideon area. The objective with Ideon was to utilise knowledge at Lund University and to create new, growth companies with local roots, thus generating higher employment in the region. In 2015, a new organisation was created to further develop the Ideon brand; find out more in the section on Ideon on page 47.

Two of the world's leading materials research facilities are now being developed in northeast Lund. 2016 marks the inauguration of the MAX IV laboratory, which will become the world's foremost synchrotron-light facility and construction of the European Spallation Source (ESS) research centre, which will have the world's most powerful neutron source, was started in 2014.

Plans are currently in progress for a city district to be known as Science Village Scandinavia to be located between MAX IV and the ESS, which is being planned primarily for companies and research institutes that complement the research facilities. The area will also contain support functions, service, recreation facilities and some housing.

On 17 December, Lund Municipal Council took a decision to initiate works for the construction of a tramline between central Lund and the ESS. This means that construction can start in 2016 and traffic is planned to start in 2019.



Regional Director Cecilia Larsson.

Wihlborgs in Lund

	2015	2014
Number of properties	27	27
Lettable area	205,000 m ²	205,000 m ²

Wihlborgs is the largest commercial property owner in Lund. We own and manage 205,000 m² here, half of which in Ideon. Other major commercial property owners in Lund include Briggen and Vasakronan. Akademiska Hus, which principally provides educational premises, is another major player in Lund.

Just north of the City of Lund's new office, Kristallen, adjacent to the railway station in Lund, Wihlborgs owns a project property known as Postterminalen 1. In 2015, a detailed development plan entered force that permits the development of 11,000 m² of office space and about 7,000 m² of housing. Preparation has started for the project and existing buildings have been demolished. Building on the office part of the development is planned for 2016.

In northeast Lund, Wihlborgs is working together with Akademiska Hus, Hotell Ideon Gästeri and the City of Lund on the Röda Stråket project, which aims to be a living connection between the Ekonomisentrum building at Lund University to Ideontorget. New buildings should be sited with their entrances and fronts facing the Röda Stråket and the ground floors should, as far as possible, be open and of mixed use.

Wihlborgs is highly committed to the development of northeast Lund and participated in and won a competition for land allocation, Science Village Scandinavia, in 2015. This gives us the opportunity to acquire land for the construction of a hotel at MAX IV and ESS as well as office premises. For further information about our projects and development opportunities; see Projects and development on pages 51–55.

Wihlborgs operates in two management areas in Lund: Ideon and the Rest of Lund, and we have project and development opportunities in both.



Our cheery and bright receptionists make everyone feel welcome to Ideon in Lund.



Property Director Magnus Andersson and Property Manager Anders Grönvall.

Ideon

Number of properties	13
Lettable area	102,000 m ²

Sweden's first science park, Ideon, is situated directly adjacent to Lund University's Faculty of Engineering amidst the green spaces of Pålssjö. The objective is to utilise knowledge at Lund University and to create new, growth companies with local roots, thus generating higher employment in the region. The project was inspired by examples from the US, but the concept has been adapted to Swedish conditions. The first building, Gamma, was completed in 1983.

In 2015, Ideon AB was reorganised and, now, a larger portion of northeast Lund comes under the Ideon banner. Together with Wihlborgs, the other property owners in the area – Medicin Village, Vasakronan and Briggen – each own one fourth of the company. The company aims to work as one to raise the profile of this unique growth and knowledge environment for world-class development and research companies. The public sector participants – Lund University, Region Skåne and the City of Lund – are also partners in this collaboration. The aim is to become one of Europe's largest growth arenas thus attracting international companies and international capital.

The Ideon area continues to be attractive and examples of new tenants who have established operations here in 2015 include Robert Bosch and Flatfrog, each leasing 1,000 m² at Ideon.

Wihlborgs' major tenants in the management area include Elite Hotels of Sweden, Axis Communications, Bio Invent International, Nokia Sales International, Camurus and Lund University.

Market information

	Rent excl. heating, SEK/m ²	Economic, vacancy ¹ , %	Yield requirement ² , %
Offices	1,500–2,500	6–8	5.75–6.25

Source: Malmöbryggan Fastighetsekonomi AB, standard property.

¹ Long-term economic vacancy.

² Investment yield requirement, fully let.



Regional Director Cecilia Larsson and Property Manager Max Alsborn. From 1 January 2016, Max Alsborn will be Property Director for the Söder area in Helsingborg.

Other Lund

Number of properties	14
Lettable area	103,000 m ²

Wihlborgs' portfolio in the Other Lund management area is mainly focused on the area immediately around the central station. Lund Central Station is one of the country's busiest stations. The Central Station and surrounding area is currently overloaded and lacks sufficient capacity to manage increased traffic. The City of Lund has therefore prepared an overall solution for the entire station area in the form of a framework programme, which the City Planning Committee approved in November 2015.

The framework programme will form the basis for future detailed development plans and enable the gradual development of the area. Thereafter, the west side of the station will also function as the front. Clemenstorg is being redesigned and will become a new hub for commuter traffic. A new tram stop is being located in the middle of Clemenstorget. Tram traffic will cross the square diagonally in the direction of Sankt Laurentiigatan.

In 2015, a larger project at the Armaturen 4 property was completed. This comprised a new floor of offices of 1,100 m², which was fully let on completion. Skåne's Association of Local Authorities and the law firm Advokatfirman Glimstedt now have their offices here. Advokatfirman Glimstedt vacated premises in the Spettet 11 property, which were prepared for NCC who moved in during winter 2015.

Wihlborgs' major tenants in the management area include Region Skåne, ICA Sverige, Gambro Lundia, Capio Närsjukvård, QlikTech International and the City of Lund.

Market information

	Rent excl. heating, SEK/m ²	Economic, vacancy ¹ , %	Yield requirement ² , %
Offices	1,300–2,200	4–8	5.5–6.5
Industrial/Warehousing	500–900	8–15	6.5–7.5

The Öresund region



The Öresund link comprises 16 km bridge and tunnel that link Sweden with Denmark.

Copenhagen

1,789,174

Population, 1 January 2016

5.3% (2.6%) Population growth, 2011–2016 (1 Jan.)

4.5 % (4.4 %) Full-time unemployment, 2015¹

80.5% (78.7%) No. of people in employment, 2015 (Q3)¹

Figures refer to the Capital Region of Denmark. Figures in brackets refer to Denmark as a whole.
¹ 15 years.

Source: Statistics Denmark

The Danish capital is growing rapidly and is expected to grow at an average annualised rate of 1.8 percent until 2022. Accordingly, growth is expected to be higher in Copenhagen than in Stockholm, where growth is expected to average 1.6 percent per annum. In total, the Capital Region of Denmark, Hovedstaden, currently has almost 1.8 million inhabitants

The Nordic region's largest airport, which is an important hub throughout the Öresund region, is located in Copenhagen. In 2015, passenger numbers grew 3.8 percent, a larger increase than Stockholm Arlanda airport reported. The number of passengers that used Copenhagen Airport in 2015 was 26.6 million.

Wihlborgs in Copenhagen

	2015	2014
Number of properties	22	19
Lettable area	287,000 m ²	168,000 m ²

Wihlborgs established operations in Copenhagen back in 1996. Wihlborgs was highly active in 2015 and expanded its holdings by approximately 120,000 m² and made an entrance into two new interesting sub-markets; Høje-Taastrup and Glostrup. Wihlborgs owns and manages a total of 287,000 m² in Copenhagen.

At the start of 2015, the Stationsalléen 40-46 office property was acquired, which comprises 5,600 m² and is located at the station in Herlev. At the end of the year, Wihlborgs made its largest acquisition to date in Copenhagen, when it acquired two properties from Danske Bank for DKK 800 million. The properties comprise 110,000 m² and are fully let to Danske Bank under ten-year leases. Danske Bank has its IT and back-office func-



Regional Director Peter Nielsen.

tions located at these premises. One property, Girostrøget 1, is located in Høje-Taastrup directly adjacent to the Høje-Taastrup railway station, which is a key hub for Greater Copenhagen's rail traffic and is used by all forms of rail traffic; S-train, intercity trains and international trains. The second property, Ejby Industrivej 41, is located in Glostrup, directly adjacent to the future Ring 3 Light rail station.

All of Wihlborgs' properties are located near main transport routes in the west of Greater Copenhagen. As before, the majority of the portfolio is located in the municipalities of Herlev and Ballerup. Herlev has good public transport links in the form of both bus and rail services. A number of properties are located in the Lautrup business park in Ballerup, which is characterised by large office properties largely used by IT enterprises. We also have a logistics facility in Brøndby and one in Furesø.

In 2015, Wihlborgs' tenant stock remained stable with very few movements. Major tenants in the management area include Danske Bank, Schneider Electric, Pfizer, KMD, FORD Danmark, Formpipe, SOSU-skolen i Herlev, EG Gruppen and Caverion.

Market information

	Rent excl. heating, DKK/m ²	Yield require- ment ¹ , %
Herlev		
Offices	550–900	6.75–8.5
Industrial/Warehousing	300–450	8.0–10.0
Ballerup		
Offices	550–900	6.5–8.5
Industrial/Warehousing	300–450	8.0–10.0

Source: DTZ, standard property. ¹ Investment yield requirement, fully let.

Building boom? Or building boomerang?

Is too much under construction?

New commercial properties are being built like never before, particularly in Malmö. The demand exists, especially as many companies are locating operations to Malmö in particular and due to the proximity of the bridge Öresundsbron. Yet at the same time, vacancies are increasing, even for us. In parallel, however, we gain greater potential for lettings.

Many of our projects are about taking care of our existing stock, renovating and modernising. Examples include the Gängtappen property in Malmö, formerly the Kockum building, where we are redeveloping and modernising 14,000 m² for new tenants. At Knutpunkten in Helsingborg, we are building 8,000 m² of office space, which will be ready for occupancy in spring 2016. In February 2016, we are starting construction of Postterminalen 1, a new, 11,000 m² office building in Lund, which is located directly adjacent to the central station. And the next major project in Malmö will be our investment in Nyhamnen, a new project on the horizon that we already consider a new Dockan.

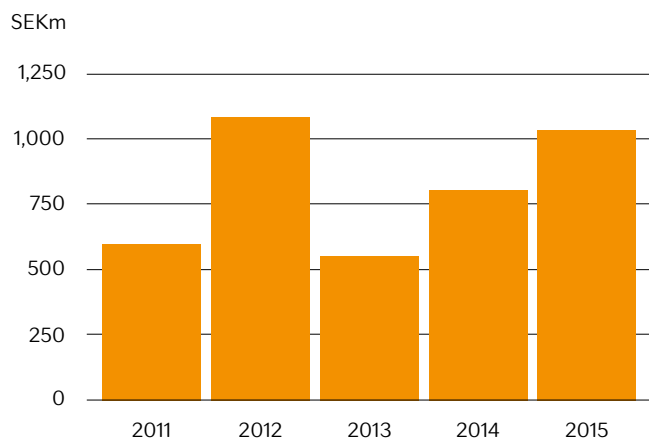
We are trying to avoid being carried away by the general building hysteria. If and when we enter the fray and build something new, we approach each such investment as a long-term relationship that we will care for and develop.

We don't want to be caught up in any building boomerang.

Continuous development

Wihlborgs aims to increase its cash flow and market value by actively enhancing its property portfolio, not just through acquisitions and sales but also by upgrading the existing property stock. In 2015, we invested SEK 1,047 million in redevelopment, extension and new builds - the chart below shows the trend since 2011. Approved investments in ongoing projects amount to SEK 1,288 million, of which SEK 789 million had been invested at the turn of the year.

Requiring investments



Meeting tenants' needs

Wihlborgs' property portfolio contains potential for redeveloping or extending existing properties to meet most wishes that tenants could have. We can also offer new builds, either on undeveloped sites or at partly developed properties. We work continuously on detailed development plans to optimise the value of our properties, to change land use and to meet tenants' needs. A number of current and future projects are described in the following.

Sustainable building

Wihlborgs is committed to and promotes sustainable building. Environmental goals are set for three years at a time and, in 2014, the environmental goals were established for the 2015–2017 period. Under these goals, all new-build projects are to be environmentally certified and environmental certification is to be considered for all major redevelopments.

Wihlborgs has also developed its own environmental programme that complements the Sweden Green Building Council (SGBC) system to support its own redevelopment and new-build operations.

Wihlborgs' ongoing projects comprising investments exceeding SEK 50 million are shown in the table on page 54, and a target of SGBC Silver has been set for the Gängtappen 1, Nora 11 and Kranen 8 redevelopment projects and a target of SGBC Gold for the Terminalen 1 extension project. Refer to pages 25–26 for further information about how we work with sustainable building and Wihlborgs' 2015 Sustainability Report.



In spring 2016, Wihlborgs starts the Sirius project in Carlsgatan, adjacent to Malmö central station.

Major development projects

Dockan in Malmö is Wihlborgs' largest development area to date and deserves a section to itself; see page 54.

The next major development area for Wihlborgs is Nyhamnen, the area north of the central station in Malmö. Work here on a municipal central plan for the area is ongoing. The regeneration of Nyhamnen is a key element in the development and expansion of Malmö's city centre. Nyhamnen will provide workplaces for 13,000 people as part of a diversified business community and about 6,000 housing units. Wihlborgs is a major property owner in the area and, in 2015, expanded its portfolio again through the acquisition of the Polstjärnan 1 and Polstjärnan 2 properties from Lantmännen. These two properties have a combined plot area of slightly more than 10,000 m². Wihlborgs has also been allocated land by the City of Malmö for the

construction of about 25,000 m² of office space in the area. We own the Sirius 3 plot, for which a detailed development plan previously existed, located immediately east of the Slagthuset in Malmö. In spring 2016, building will start on an office project with a lettable area of 7,000 m², only a stone's throw from Malmö central station.

A new suburb is under construction around the station at Hyllie, southern Malmö. New offices and housing units are being created at Malmö Arena, the Malmömässan exhibition complex and Emporia, one of the Nordic region's largest shopping centres. Wihlborgs has been assigned land for two areas and planning is ongoing for an area immediately south of Hyllie square. We expect a legally binding detailed development plan to be in place by spring 2016 that permits construction of office space of 7,000 m².

Several project options in the outer areas of Malmö are available for industrial/warehousing facilities.

Projects and development

The development of Knutpunkten is in full swing in Helsingborg. In the first stage, 8,000 m² of lettable office space is being created and will be ready for occupancy in spring 2016. A detailed development plan that permits new office premises exists for the Polisen site, adjacent to Knutpunkten. The first stage will comprise 4,000 m² and the second 8,000 m².

Work is also ongoing in Helsingborg on the development of Oceanpiren, part of the H+ urban regeneration project. Wihlborgs is in discussion with the City of Helsingborg about a land allocation comprising a gross floor area of 14,000 m² in the area. Berga and Söder offer several opportunities for industrial and warehousing new builds.

A detailed development plan allowing the development of 11,000 m² of offices and 7,000 m² of housing and retail units and is in place for the Postterminalen 1 property in Lund, which is located immediately west of the railway tracks at Lund Central Station. Demand for modern offices in central Lund is high, but the supply is essentially non-existent. In 2016, Wihlborgs will start building the office units.

In Ideon, Lund, we have development rights under a detailed development plan for the 8,000 m² Syret site. In the long term, we also expect to increase development density at Ideon through new development rights. A possibility exists at Gastelyckan, to develop industrial and warehouse buildings for prospective clients.

The Dockan area

The Dockan area, where Kockums once enjoyed its period of greatness, has been transformed from an industrial area into a mixed modern urban environment. Since 2000, developments in Dockan have been driven by Dockan Exploatering AB, a joint venture owned by Wihlborgs, Peab and JM. In the area, Wihlborgs has developed and completed more or less one building a year since 2000, when the first office block – Torrdockan 6 – was completed.

By engaging different architects on the projects, an exciting mix of building styles has emerged. Our new-build projects have been awarded the City of Malmö's Architectural Award three times; in 2002 for the Tyréns building, in 2011 for Regionhuset and in 2012 for Media Evolution City. Once development of the area is complete, it is estimated that Wihlborgs will have developed just over 200,000 m² of office space in Dockan.

Currently, several major redevelopment projects amounting to about SEK 400 million are ongoing at Dockan. For further information on these projects, refer to the section Ongoing Projects 2015 below.

The next new-build project in Dockan is the Rondellhuset property, a crescent shaped office building with a lettable area of 7,000 m² located by the roundabout where Stora Varvsgatan crosses Östra Varvsgatan. This building will be environmentally classified as SGBC Gold.

In 2015, a detailed development plan was adopted that allows continued development around the Ubåtshallen in Dockan. A multistorey car park will be constructed here.

Projects completed in 2015

Six major projects were completed in 2015, of which three were in Helsingborg. A 5,000 m², nine-storey office building was completed in Berga, at the Floretten 4 property, a large part of which is let to NCC. The project has received SGBC Gold certification.

Two warehouse projects in Helsingborg have also been completed. A new 3,500 m² warehouse was constructed in Berga for Tullverket (Swedish Customs). We have built a new 5,000 m² retail facility for Optimera at Sadelplatsen 13 in Söder.

An extension to the Armaturen 4 property, close to Lund Station, was completed. Ultra-modern office premises of 1,100 m² were built on the existing building, with superb views over the mediaeval city's roofscape. The redevelopment received SGBC Silver certification. We carried out major maintenance work at the Bytarebacken 39 property, which is a stone's throw from the Armaturen site.

In Ballerup, Copenhagen, a total renovation comprising 14,000 m² was completed for Schneider Electric at the Lautrupvang 1 property in conjunction with a new letting.

Ongoing projects 2015

The largest ongoing project, the redevelopment and extension of the Knutpunkten block, in the the Terminalen 1 property, continued through 2015. This project means the addition of ultra-modern office space in an area with the best transport links as part of a project with SGBC Gold certification.

In 2015, eight projects were started involving an investment

Ongoing projects with investments exceeding SEK 50 million

Municipality	Property	Projects	Category of use	Completion date	Lettable area, m ²	Occupancy rate, % ¹	Estimated investment, SEK m	Earned, SEK m ¹
Helsingborg	Terminalen 1	New-build	Office/Retail	Q2 2016	9,000	60	436	377
Malmö	Gångtappen 1	Redevelopment	Office/Retail	Q2 2016	14,000	40	242	113
Malmö	Nora 11	Redevelopment	Office/Retail	Q3 2016	12,000	75	142	68
Malmö	Kranen 8	Redevelopment	Office/Retail	Q2 2016	12,300	100	127	48
Total					47,300		947	606

¹ 31 December 2015

exceeding SEK 10 million, nine projects if we include the project we took over in conjunction with the acquisition of the Nora 11 property. The standout largest investment is in Dockan in Malmö.

The largest project comprises the 14,000 m² redevelopment of Kockums' former head office at the Gängtappen 1 property. The building was erected in 1958 and will undergo a complete rebuild including the replacement of the facade and windows. The original facade will be recreated in a lighter blue colour. Länsförsäkringar will be the first tenant to move in. In 2015, Malmö Högskola vacated Dockan which allowed Wihlborgs to upgrade the Kranen 8 property, known as the Ubåtshallen, with new installations and surface finishes. The Swedish Social Insurance Agency will combine a number of units and occupy 12,300 m² of office space. In early 2016, 5,000 m² of office space at the Kranen 1 property will be completed for Orkla Foods AB, which is relocating its headquarters from Eslöv to Dockan. In July 2015, the Nora 11 property was acquired together with a large ongoing redevelopment project. At Anna Lindhs Plats, in the Våktaren 3 property, VA Syd will move into a 4,000 m² space that will be fully renovated and feature new installations, surfaces and changing rooms.

In Helsingborg, PostNord expanded at the Bunkagården Västra 8 property in Ättekulla and will lease 6,000 m² under a ten-year lease. In addition to adaptation of the warehouse space, the facade and ground areas will be renovated. In Söder, Wihlborgs has signed a 15-year lease agreement for 3,000 m² with the City of Helsingborg, which will locate its municipal archives at the Posten 1 property. In Berga, our tenant Bravida Prenad AB is expanding and we are building a 500 m² extension to the company's office while upgrading its existing premises.

In Lund, the upgrade is continuing of our Bytarebacken 39 property. PCBs are being cleared, the remaining windows replaced, parts of the roof renovated, and damage to the brick facade and the foundation wall repaired.

MAX IV

Wihlborgs and Peab jointly own Fastighets AB ML4, the development company that is building the MAX IV facility in Lund. MAX IV will be a world-class synchrotron-light facility, with the University of Lund as a tenant and the MAX IV laboratory will be the user and specifier of requirements. The property is leased to the University of Lund, which took occupancy on 1 June 2015. The lease extends for a period of 25 years. The tenant is making its installations ahead of the grand inauguration on 21 June 2016 – the lightest day of the year, when the sun is at its zenith.

In its up to 28 beam tubes, the facility will produce very short-wave light – synchrotron light. Synchrotron light is produced using electrons accelerated to near the speed of light. With the aid of this short-wave light, the properties of various materials can be studied, opening the way to new advances in a number of areas, including biomedicine, medicine, materials science, nanotechnology and environmental science.

In all, the facility consists of around 20 buildings with a gross floor area of approximately 50,000 m². The project was

completed ahead of schedule and under budget. This is the first building in Sweden to be certified under BREEAM-SE, whereby the highest category, Outstanding, was awarded for the office building.

Hälsostaden

Hälsostaden Ängelholm AB is a joint venture – a Public Private Partnership (PPP) – involving three partners active in different specialist areas: Region Skåne with care, Peab with construction and Wihlborgs with property management. The company owns, develops and manages the properties at the Ängelholm Hospital site. Through a combination of demolition, rebuilding, new building and discontinuation, the operational facilities at the south of the site are to be concentrated to the north of the area. The company has no profit-making purpose and any surpluses are invested in its operations.

The majority of the operations in the company's premises are driven by a project under Region Skåne. The project's aims are to increase access, offer the appropriate level of health and social care and improve patient flows between the municipality, primary care and the hospital. The projects pertaining to the property and to operations are described in more detail on the website: www.halsostaden.se.

The investment is estimated at SEK 700 million. To date, a mortuary, a technology building and a multistorey car park have been built. Building starts in 2015 comprised a redevelopment of a 5,500 m² treatment building and the new build of an 11,000 m² care building.



Angular forms meet soft lines at MAX IV in Lund.

Copenhagen. And other acquisitions.

In line with our strategy, we are strengthening our position in Copenhagen.

We have waited a long time for the right opportunity, so when the moment arose and we were able to acquire two strategically located properties in Glostrup and Høje-Taastrup, we pounced. The properties are of 50,000 m² and 60,000 m² respectively and the tenant is Danske Bank, which has a ten-year lease. This generates an annual operating surplus of DKK 52 million for us. Together with our existing property portfolio in Herlev, we have now expanded our presence in western Copenhagen.

Acquisitions in Sweden included the centrally located Karin 11 and Nora 11 properties in Malmö, a ten-figure deal with substantial potential and long-term public sector tenants. Through strategically correct acquisitions, we continue to consolidate our position as the dominant property company in the Öresund region. Just as planned.

Strong transaction year

Wihlborgs was very active in the property transaction market in 2015 and made net acquisitions of SEK 1,796 million compared with SEK 142 million in 2014. Properties to a value of SEK 2,155 million (489) were acquired while properties to a value of SEK 359 million (347) were sold.

Wihlborgs' first and final acquisitions for the year were in Berga in Helsingborg, where we as early as 5 January acquired the Kroksabeln 12 property comprising 15,000 m² of offices and warehousing and, on 30 December, the 5,200 m² Musköten 17 industrial property was acquired. 30 December was also the date of Wihlborgs' largest single acquisition in Denmark, at SEK 979 million, when we acquired a 110,000 m² of office properties from Danske Bank. The properties, Ejby Industrivej 41 in Glostrup and Girostrøget 1, among others, in Høje-Taastrup, are fully let to Danske Bank under long leases. At the start of the year, the Stationsalléen 40-46 office property located by Herlev station in Denmark was acquired. The property comprises a lettable area of 5,600 m².

Wihlborgs' largest acquisition in 2015 was in Malmö, where we took possession on 1 July of the Karin 11 and Nora 11 properties; refer to the infobox below for more information.

In the second quarter, a strategic acquisition was made of the development properties Polstjärnan 1 and 2 located in Malmö's

future major development area, Nyhamnen. For a long time, Wihlborgs has owned part of Statten Centrum in Helsingborg and, in the third quarter of 2015, we were able to acquire the remainder of the center.

A few non-strategic properties were sold. In Limhamn, a detailed development plan has been prepared for an old industrial area and we divested some of the land in 2015. Part of the Gjuteriet 18 property and the Limhamn 156:90 property were sold to Ikano Bostad and ICA Fastigheter respectively. The largest sale in 2015, was the Högvakten 6 office and retail property in Malmö, which was sold for SEK 90.7 million. A number of divestments were made in Helsingborg. Two older, centrally located properties comprising a total of 2,900 m² were divested: Minerva 19 and Kärnan Södra 8. A bakery, Bunkagården Mellersta 1, located in Ättekulla and a fully developed retail property, Brottaren 17, in Söder were divested. In Malmö, part of the Kranen 5 property was acquired by Dockan Exploatering to be sold on to Peab.

In the fourth quarter, an agreement was signed for the acquisition of the Stenåldern 1 property in Fosie, Malmö. The property comprises a plot of 32,000 m² and a warehouse/printing works of 9,700 m². Occupancy will be during the first quarter of 2016. An agreement was signed with Malmö's municipal housing company MKB for the sale of housing development rights at the Bensinpumpen 1 property in Limhamn with vacation in the first quarter of 2016.

2 properties in Malmö

Properties	Karin 11 and Nora 11
Seller	NIAM Fond IV
Purchase consideration	SEK 1 billion
Occupancy	1 July 2015
Lettable area	45,000 m ²
Tenants	County Administrative Board, Swedish Tax Agency, Police Authorities, etc.

Wihlborgs acquired the Karin 11 and Nora 11 properties located on Drottninggatan in Malmö from Niam. The properties comprise about 45,000 m² of lettable area, of which some 38,000 m² is offices. A significant proportion of revenue comes from public-sector tenants. Karin 11 comprises two buildings: Tegelkarin and Plåtkarin. The west section of Nora 11 has been totally refurbished since 2014. In spring 2015, about 14,000 m² of office premises were occupied by the Swedish Tax Agency, which has signed a ten-year lease. The redevelopment of the east section of the property is ongoing. On completion, Wihlborgs' total investment will be SEK 1 billion.



The Nora 11 and Karin 11 properties in Drottninggatan can be glimpsed on the other side of the canal.



Wihlborgs' largest acquisition in Denmark comprises the Ejby Industrivej 41 property in Glostrup.

Property acquisitions and sales

Acquisitions

Quarter	Property	Municipality	Management area	Category	Lettable area, m ²	Price, SEK m	Operating surplus 2015, SEK m ¹
1	Kroksabeln 12	Helsingborg	Berga	Industrial/Warehousing	15,058		
1	Stationsalléen 40-46	Herlev	Copenhagen	Office/Retail	5,379		
2	Polstjärnan 1	Malmö	Central Malmö	Projects & Land			
2	Polstjärnan 2	Malmö	Central Malmö	Projects & Land	11,055		
3	Karin 11	Malmö	Central Malmö	Office/Retail	16,101		
3	Nora 11	Malmö	Central Malmö	Office/Retail	28,568		
3	Stattena 7	Helsingborg	Central Helsingborg	Office/Retail	6,199		
4	Ejby Industrivej 41	Copenhagen	Copenhagen	Office/Retail	49,175		
4	Girostroget 1, etc.	Copenhagen	Copenhagen	Office/Retail	61,449		
4	Musköten 17	Helsingborg	Berga	Industrial/Warehousing	5,187		
4	Kranen 5, part of	Malmö	Västra Hamnen	Projects & Land			

Total acquisitions in 2015					198,171	2,155	43
-----------------------------------	--	--	--	--	----------------	--------------	-----------

Sales

1	Bunkagården Mellersta	Helsingborg	Söder	Industrial/Warehousing	2,463		
1	Gjuteriet 18, part of	Malmö	Limhamn	Projects & Land			
2	Högvakten 6	Malmö	Central Malmö	Office/Retail	3,623		
2	Brottaren 17	Helsingborg	Söder	Office/Retail	6,247		
2	Limhamn 156:90	Malmö	Limhamn	Projects & Land			
3	Kärnan Södra 8	Helsingborg	Central Helsingborg	Office/Retail	1,690		
3	Minerva 19	Helsingborg	Central Helsingborg	Office/Retail	1,181		
4	Kranen 5, part of	Malmö	Västra Hamnen	Projects & Land			

Total sales in 2015					15,204	359	4
----------------------------	--	--	--	--	---------------	------------	----------

¹ The operating surplus from acquired and sold properties that is included in the results for the period.

537,000m²

31

Office/Retail

59

Industrial/
Warehousing

12

Projects & Land

205,000m²

21

Office/Retail

4

Industrial/
Warehousing

2

Projects & Land



287,000m²

18

Office/Retail

3

Industrial/
Warehousing

1

Projects & Land

716,000m²

44

Office/Retail

49

Industrial/
Warehousing

32

Projects & Land

From 7.2 billion. To 28.6 billion.

The value of our properties has quadrupled over a decade. In parallel, earnings have more than trebled, resulting in annual growth in excess of 10 percent.

Naturally, SEK 28 billion engenders respect and gives us the presence we need to optimise management of our capital using our courage and wits. The strategy is to continue to grow, thereby increasing our possibilities for identifying new solutions that can meet new needs and requirements from our tenants. And attract new tenants.

Not least of our ambitions is our desire to play a key role in the dynamic and sustainable development of the Öresund region.

Property portfolio

Wihlborgs' property portfolio consists of commercial properties in the Öresund region. Of the portfolio's carrying amount, office and retail units accounted for 76 percent and industrial and warehousing facilities for 16 percent. The properties are located in selected sub-markets in Malmö, Helsingborg, Lund and Copenhagen. At 31 December 2015, the property portfolio consisted of 276 properties, including 11 leasehold properties, with a total lettable area of around 1,746,000 m². The carrying amount of the properties at 31 December 2015 was SEK 28,623 million, corresponding to the estimated market value at that date. The total rental value was SEK 2,259 million and the annualised contractual rental income was SEK 1,983 million. The economic occupancy rate was 88 percent. Wihlborgs' properties in Malmö and Helsingborg accounted for 73 percent of the total rental value and 72 percent of the properties' carrying amount. The rental value of office and retail properties, and industrial and warehouse properties accounted for 73 percent and 22 percent, respectively, of the total rental value.

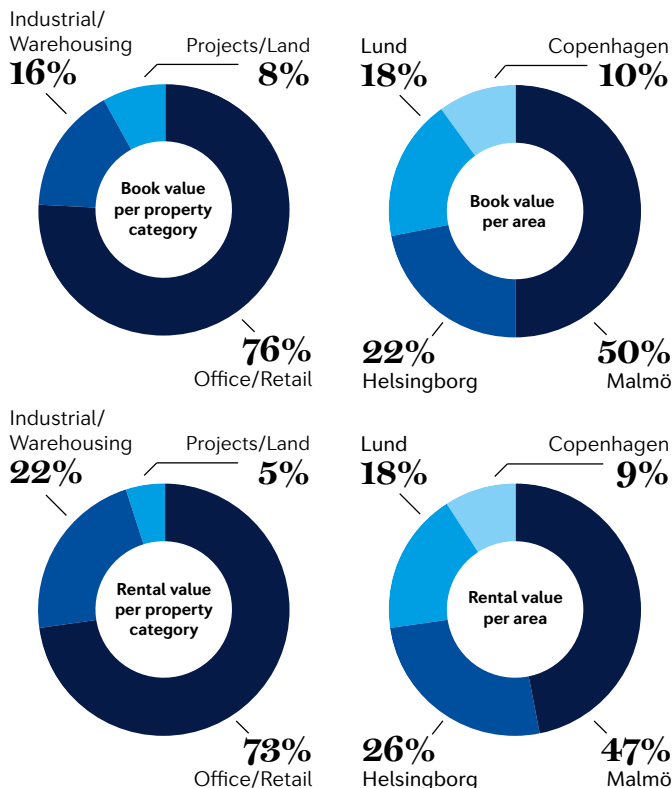
In Malmö, Helsingborg and Lund, where Wihlborgs is the leading property company, the property portfolio is divided into management areas operating under different market conditions.

In Malmö, Wihlborgs owns properties valued at SEK 14,139 million, divided into the property management areas of Västra Hamnen, Central Malmö, Fosie and Limhamn, as well as Norra Hamnen and Arlöv. Västra Hamnen, with a lettable area of 162,000 m², is Wihlborgs' largest management area in terms of value.

Helsingborg, with a property value of SEK 6,377 million, is divided into the management areas of Central Helsingborg, Söder and Berga, of which Central Helsingborg with 111,000 m² is the largest in terms of value.

In Lund, Wihlborgs owns properties valued at SEK 5,242 million, and in Copenhagen properties valued at SEK 2,864 million.

Within the existing property portfolio, ongoing value-adding projects are conducted in the form of redevelopments/extensions and new production. Of the property portfolio's total carrying amount, properties in Projects & Land account for SEK 2,387 million. Wihlborgs' largest development area is Dockan in Västra Hamnen, Malmö, where Wihlborgs' future development rights are estimated at 50,000 m² in gross area.



Property portfolio on 31 December 2015

The following summaries are based on Wihlborgs' property portfolio at 31 December 2015. Rental income refers to annualised contractual rental income on 1 January 2016. Operating surplus is calculated from the annualised earning capacity of the properties, based on rental income for January 2016 and the estimated annual costs of operations, repairs, maintenance, property management, property tax and ground rents. In the tables, each area is rounded off separately and so certain rounding-off differences may arise.

Analysis of lettable area by category of use and area

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

¹ Includes 10,275 m² of hotels.

² Includes 5,260 m² housing.

³ Includes 8,215 m² of hotels.

Analysis by area and property category

Area/property category	No. of properties	Area, thousand m ²	Carrying amount, SEK m	Rental value, SEK m	Rental value, SEK/m ²	Economic occupancy rate, %	Rental income, SEK m	Operating surplus incl. property mgmt, SEK m	Surplus ratio, %	Operating surplus excl. property mgmt, SEK m	Yield excl. property mgmt, %
Analysis/area											
Malmö	125	716	14,139	1,057	1,476	84	890	651	73	684	4.8
Helsingborg	102	537	6,377	580	1,080	90	523	372	71	395	6.2
Lund	27	205	5,242	414	2,017	91	376	275	73	296	5.6
Copenhagen	22	287	2,864	208	724	93	194	154	80	165	5.8
Total, Wihlborgs	276	1,746	28,623	2,259	1,294	88	1,983	1,452	73	1,540	5.4
Analysis/category											
Office/Retail	114	1,015	21,753	1,640	1,616	93	1,518	1,137	75	1,198	5.5
Industrial/Warehousing	115	651	4,483	510	783	87	441	311	71	335	7.5
Projects & Land	47	80	2,387	109	1,362	22	24	4	15	7	0.3
Total, Wihlborgs	276	1,746	28,623	2,259	1,294	88	1,983	1,452	73	1,540	5.4

Analysis per property category in each management area

Area/property category	No. of properties	Area, thousand m ²	Carrying amount, SEK m	Rental value, SEK m	Rental value, SEK/m ²	Economic occupancy rate, %	Rental income, SEK m	Operating surplus incl. property mgmt, SEK m	Surplus ratio, %	Operating surplus excl. property mgmt, SEK m	Yield excl. property mgmt, %
MALMÖ											
Office/Retail	44	390	10,494	750	1,925	92	693	524	76	546	5.2
Industrial/Warehousing	49	249	1,809	202	813	88	177	126	71	134	7.4
Projects & Land	32	78	1,836	105	1,345	–	20	1	–	4	–
Total, Malmö	125	716	14,139	1,057	1,476	84	890	651	73	684	4.8
HELSINGBORG											
Office/Retail	31	173	3,505	290	1,681	95	276	200	72	209	6.0
Industrial/Warehousing	59	362	2,427	285	787	85	242	169	70	183	7.5
Projects & Land	12	2	444	4	1,964	–	4	3	–	3	–
Total, Helsingborg	102	537	6,377	580	1,080	90	523	372	71	395	6.2
LUND											
Office/Retail	21	186	5,046	401	2,158	91	363	265	73	286	5.7
Industrial/Warehousing	4	20	126	14	697	95	13	10	77	11	8.4
Projects & Land	2	–	70	–	–	–	–	-1	–	0	–
Total, Lund	27	205	5,242	414	2,017	91	376	275	73	296	5.6
COPENHAGEN											
Office/Retail	18	267	2,706	199	747	93	185	148	80	158	5.8
Industrial/Warehousing	3	20	121	9	426	94	8	6	74	7	5.8
Projects & Land	1	–	36	–	–	–	–	–	–	–	–
Total, Copenhagen	22	287	2,864	208	724	93	194	154	80	165	5.8
Total, Wihlborgs	276	1,746	28,623	2,259	1,294	88	1,983	1,452	73	1,540	5.4
Total, excluding Projects & Land	229	1,666	26,236	2,150	1,291	91	1,959	1,448	74	1,533	5.8

Rental value and occupancy rate

The total rental value of the property portfolio on 1 January 2016 was SEK 2,259 million, of which the estimated rental value for vacant premises accounted for SEK 276 million.

The total lettable area on 1 January 2016 was approximately 1,746,000 m², of which 256,000 m² was unlet. The economic occupancy rate averaged 88 percent for the entire property portfolio including the project portfolio, with Malmö at 84, Helsingborg at 90, Lund at 91 and Copenhagen at 93 percent. The respective economic occupancy rates were 93 percent for office and retail properties and 87 percent for industrial and warehousing.

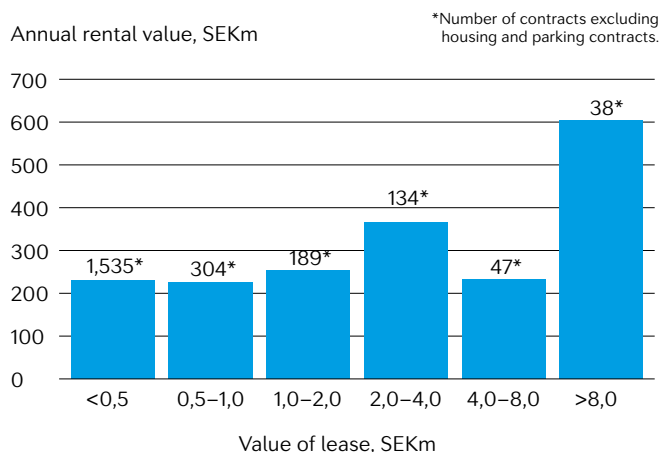
Rental income and contract structure

On an annualised basis, contracted annual rental income for Wihlborgs' property portfolio on 1 January 2016 was SEK 1,983 million. Rental income includes additional charges such as property tax, heating and electricity costs that Wihlborgs passes on to its tenants. At the same date, Wihlborgs had about 2,200 commercial leases with contractual rental income totalling SEK 1,919 million and an average term of 4.4 years. Rental income pertaining to contracts for parking places, land, housing, etc., amounted to SEK 64 million. Leases with a term of three years or more are normally subject to an annual rent adjustment based on changes in the consumer price index or a fixed percentage increase. For Wihlborgs, the rent adjustments in existing leases means that income for 2016 will increase by about 0.5 percent. Annualised rental income from Wihlborgs' ten largest tenants totalled SEK 429 million, corresponding to 22 percent of contractual rental income.

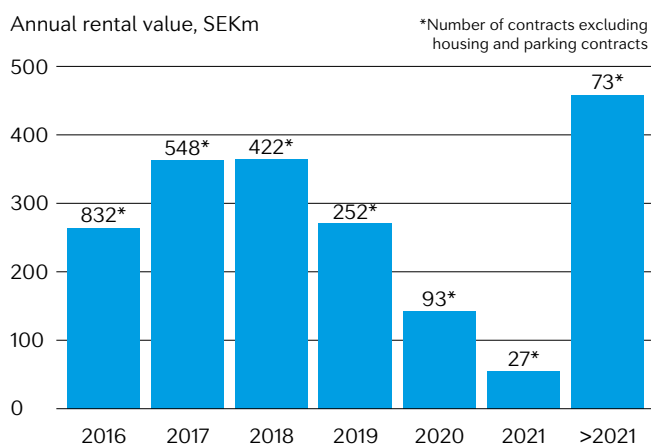
Wihlborgs' 10 largest tenants on 31 December 2015

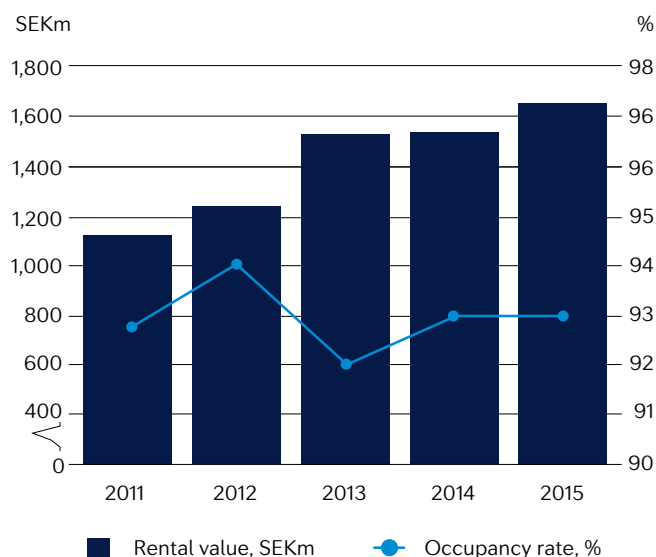
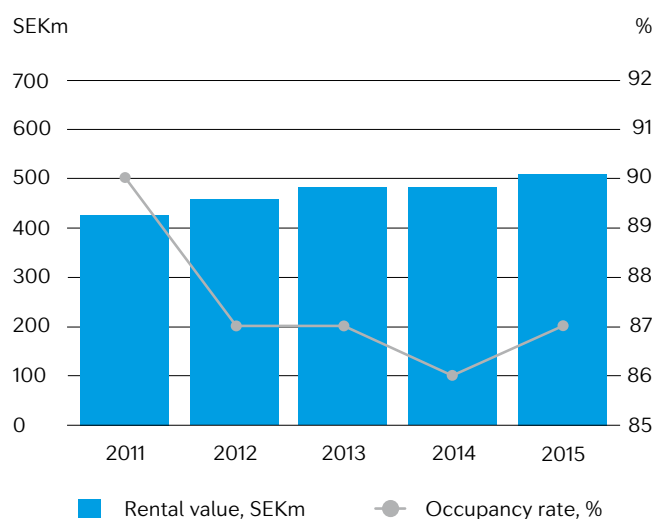
Tenant	Area
Axis	Lund
Danske Bank	Copenhagen
City of Helsingborg	Helsingborg
City of Malmö	Malmö
Qlik	Lund
Region Skåne	Malmö/Lund/Helsingborg
SAAB	Malmö/Helsingborg
Swedish Tax Agency	Malmö/Helsingborg
Swedish Customs (Tullverket)	Malmö/Helsingborg
ÅF Group	Malmö/Lund

Contracted rental income on 1 January 2016 by value of lease



Terms of Wihlborgs leases on 1 January 2016



Rental value and occupancy rate, Office/Retail**Rental value and occupancy rate, Industrial/Warehousing**

Property expenses

Operating costs

Wihlborgs major operating costs comprise heating, electricity, water and property upkeep. Other operating costs include insurance, waste management, and security and alarm systems. Operating costs in 2015 totalled SEK 235 million.

Wihlborgs' organisation focuses closely on efficient management and works continuously with its tenants to reduce operating costs. Since a large proportion of operating costs are charged to tenants in addition to their rental charges, the effect of changes in these costs on Wihlborgs' operating surplus is limited.

Repair and maintenance costs

To maintain the condition and standard of the properties, both ongoing and scheduled maintenance and repairs are carried out. The cost of repairs and maintenance in 2015 was SEK 78 million.

Property tax and ground rents

Property tax in 2015 amounted to 1 percent of the tax assessment value for commercial rental properties and 0.5 percent for industrial properties. Special-purpose properties such as schools and health care centres are not attributed a tax assessment value and are not charged with property tax. The tax assessment value for Wihlborgs' property portfolio in Sweden at 31 December 2015 totalled SEK 10,769 million and property tax for 2015 amounted to SEK 94 million. Of the total property tax charged to the Group, SEK 76 million was passed on to the tenants in the form of a rent surcharge.

Ground rents for 2015 amounted to SEK 5 million.

Division of responsibilities between property owner and tenants

Tenants of commercial premises, especially in industrial and warehousing properties, bear a relatively large measure of responsibility for operating and maintenance costs.

Normally, Wihlborgs is responsible only for external maintenance, while the tenants are responsible for internal maintenance of the buildings. In Denmark, tenants are essentially responsible for all operating and maintenance costs.

Property management

Property management costs mainly comprise expenses associated with renting, rent negotiation, rent debiting and marketing. In 2015, the cost of property management was SEK 96 million.

Surplus ratio

The operating surplus as a proportion of rental income – the surplus ratio – was 73 percent.

Investments

Expenditure on value-adding measures in existing properties is recognised as investments and is not expensed. Examples of investments include the cost of redevelopments, extensions and tenant improvements. Investments in 2015 amounted to SEK 1,047 million. A more detailed account of project activities appears on pages 51-55.

Malmö



Malmö

Västra Hamnen

No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m²	Retail, m²	Industrial/warehouse, m²	Education/Health-care, m²	Other, m²	Total, m²
1	Dockporten 1	Dockgatan 1 A-F	Malmö	Office/Retail	107		4,120	450	0	0	0	4,570
2	Gängtappen 1	Stora Varvsgatan 11	Malmö	Projects & Land	139		14,893	660	18	0	0	15,571
3	Gängtappen 2	Hallenborgsg/Lovartsg 2-8	Malmö	Office/Retail	227		9,165	680	19	0	0	9,864
4	Kranen 1	St Varvsg 1/Isbergs gata 1-13	Malmö	Projects & Land	70		8,269	534	0	698	0	9,501
5	Kranen 2 Högskolan	Östra Varvsgatan 11 A-F	Malmö	Projects & Land			0	650	707	15,987	0	17,344
6	Kranen 4	Östra Varvsgatan 23	Malmö	Office/Retail	45		3,988	0	25	0	170	4,182
7	Kranen 6 Båghallarna	Östra Varvsgatan 13 A-C	Malmö	Office/Retail			0	0	5,484	2,830	3,050	11,364
8	Kranen 7	Östra Varvsgatan 15	Malmö	Projects & Land	2		650	0	2,737	0	0	3,387
9	Kranen 8 Ubåtshallen	Östra Varvsgatan 9 A-B	Malmö	Projects & Land			14,930	375	10	0	0	15,315
10	Kranen 9	Isbergs gata 15	Malmö	Office/Retail	70		3,710	0	0	0	0	3,710
11	Skrovet 3	Dockplatsen/Hallenborgsg	Malmö	Office/Retail	217		8,720	1,605	21	0	0	10,346
12	Skrovet 4	Hallenborgs gata 7 A-B	Malmö	Office/Retail	41		0	0	0	0	0	0
13	Skrovet 5	Hallenborgs g/St Varvsg 9 A-C	Malmö	Office/Retail	187		7,482	1,243	0	0	0	8,724
14	Skrovet 6	Stora Varvsg 3-7/Isbergs gata 2	Malmö	Office/Retail	253		11,992	439	0	0	0	12,431
15	Skåneland 1	L Varvsg/Dockplatsen 22-26	Malmö	Office/Retail	221		11,206	325	0	0	0	11,531
16	Torrdockan 6	Dockplatsen 1	Malmö	Office/Retail	204		10,667	451	0	0	1	11,119
17	Torrdockan 7	Isbergs gata	Malmö	Projects & Land			0	0	0	0	0	0
18	Ubåten 2	Stora Varvsg/Gamla Dockan 1	Malmö	Office/Retail	167		12,023	369	0	184	0	12,576
Västra Hamnen Total					1,950		121,814	7,781	9,021	19,699	3,221	161,535

Central Malmö

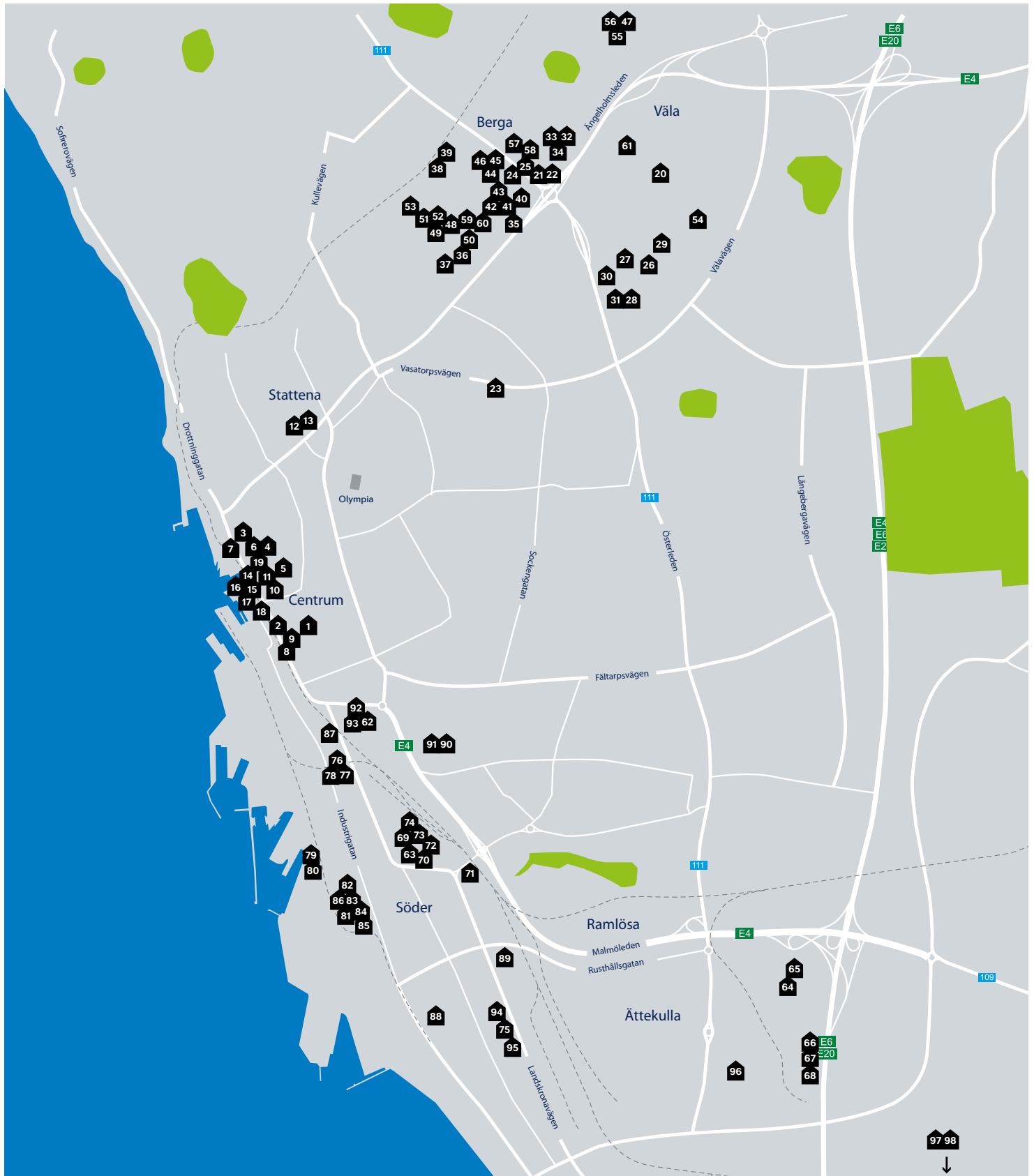
19	Börshuset 1	Skeppsbron 2	Malmö	Office/Retail	117		4,372	934	36	0	0	5,342
20	Elefanten 40	Storg 20/ S Förstadsg	Malmö	Office/Retail	247		12,111	2,742	8	0	0	14,861
21	Erik Menved 37	M Nilsg/Kattsundsg/Österg	Malmö	Office/Retail	361		17,631	3,308	2,070	0	203	23,212
22	Fisken 18	N Vallg/Västerg/L Bruks g	Malmö	Office/Retail	131		5,929	0	86	813	0	6,828
23	Flundran 1	Gibraltargatan 2/Suezgatan 9	Malmö	Office/Retail			0	0	0	2,451	0	2,451
24	Forskaren 1	PA Hanssons v/Cronquist g	Malmö	Office/Retail	150		13,177	225	632	0	0	14,034
25	Forskaren 4	PA Hanssons väg 35	Malmö	Office/Retail	32		2,730	0	0	0	0	2,730
26	Hamnen 22:188	Hans Michelsensgatan 8-10	Malmö	Office/Retail	122		5,946	700	1,921	0	0	8,567
27	Karin 11	Kungsg/Brandmg/Drottning	Malmö	Office/Retail	159		15,171	0	749	0	181	16,101
28	Kolga 4	Jörgen Kocksgatan/Stormg	Malmö	Office/Retail	47		2,266	0	19	0	0	2,285
29	Malmen 12	Barkg/Möllevångsg 44	Malmö	Office/Retail			3,490	0	10	3,437	574	7,511
30	Neptun 6	Västergatan/Slottsgat/N Vallg	Malmö	Office/Retail	76		3,391	0	239	1,486	0	5,116
31	Nora 11	Kungsg/Drottningg/Hjalmar G	Malmö	Office/Retail	444		26,249	719	1,690	0	0	28,658
32	Polstjärnan 1-2	Jupiterg/Jörgen Kocksg/Marsg	Malmö	Projects & Land	27		0	0	11,055	0	0	11,055
33	Ritaren 1	Stadiong/Ingenjörsg 11	Malmö	Office/Retail	16	L	3,088	0	0	0	0	3,088
34	Sankt Jörgen 21	Söderg /Baltzarg /Kalende	Malmö	Office/Retail	314		7,821	3,449	76	0	0	11,346
35	Sirius 3	Carlsg/Navigationsg	Malmö	Projects & Land			0	0	0	0	0	0
36	Slagthuset 1	Carlsg/Utställg/Jörgen Kockg	Malmö	Office/Retail	309		6,656	8,225	30	1,267	10,275	26,453
37	Sparven 15	V Kanal g/Storg/Drottningg	Malmö	Office/Retail	122		7,634	0	5,937	7,014	0	20,585
38	Söderhavet 4	Carlsg/Elbeg/Donaug	Malmö	Office/Retail	11		0	2,940	0	0	0	2,940
39	Uven 9	Diskontogången/Lugna g	Malmö	Office/Retail	78		6,091	0	1,010	0	0	7,101
40	Väktaren 3	Hjälmar g/Nordenskiöldsg	Malmö	Office/Retail	179		8,245	0	90	0	0	8,335
41	Östersjön 1	Carlsgatan/Stormgatan	Malmö	Office/Retail	156		7,956	0	80	0	0	8,036
Total, Central Malmö					3,099		159,954	23,242	25,738	16,468	11,233	236,635

Fosie and Limhamn

No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Industrial/warehouseing, m ²	Education/Health-care, m ²	Other, m ²	Total, m ²
42	Balken 7	Schaktugnsgatan 5	Malmö	Ind/Warehousing	8		618	0	1,202	0	0	1,820
43	Balken 10	Ringugnsgatan 3	Malmö	Ind/Warehousing	21		0	0	3,725	0	0	3,725
44	Blocket 1	Limhamnsg Allé/Krossv.g	Malmö	Ind/Warehousing	38		2,835	0	3,018	270	721	6,844
45	Boplatsen 3	Boplatsgatan 4-8	Malmö	Office/Retail	126		21,917	660	2,218	0	0	24,795
46	Bronsdolken 3	Stenyxegatan 13-15	Malmö	Ind/Warehousing	53		176	4,242	7,299	0	0	11,717
47	Bronsdolken 10	Stenyxegatan 27	Malmö	Ind/Warehousing	5		0	0	1,271	0	0	1,271
48	Bronsdolken 11	Stenyxegatan 29	Malmö	Ind/Warehousing	5		432	0	521	0	0	953
49	Bronsdolken 18	Stenyxegatan 17	Malmö	Ind/Warehousing	8		0	0	1,311	0	0	1,311
50	Bronsdolken 25	Stenyxegatan 33-35	Malmö	Office/Retail	38		480	6,872	2,881	0	0	10,233
51	Bronsspannen 5	Trehögsgatan 7	Malmö	Ind/Warehousing	3		0	0	735	0	0	735
52	Bronsspannen 8	Flintyxegatan 3	Malmö	Ind/Warehousing	6		0	0	1,067	0	0	1,067
53	Bronsspannen 9	Flintyxegatan 5	Malmö	Ind/Warehousing	9		351	0	1,718	0	0	2,069
54	Bronsspannen 13	Trehögsgatan 3	Malmö	Ind/Warehousing	7		0	0	1,765	0	0	1,765
55	Bronsåldern 2	Bronsåldersgatan 2	Malmö	Ind/Warehousing	57		2,145	0	10,162	0	0	12,307
56	Dubbelknappen 15	Kantyxegatan 23	Malmö	Office/Retail	12		1,555	0	78	0	0	1,633
57	Dubbelknappen 23	Risyxegatan 3	Malmö	Ind/Warehousing	26		0	0	4,027	0	0	4,027
58	Förbygeln 1	Ridsögatan 1/Skrittgatan 1	Malmö	Ind/Warehousing	21		0	0	5,146	0	0	5,146
59	Gjuteriet 22, etc.	Limhamnsvägen 109	Malmö	Projects & Land	13		0	0	0	0	0	0
60	Hindbygården 7	Ö Hindbyvägen 70-72	Malmö	Projects & Land	4		0	0	0	0	0	0
61	Hindbygården 8	Ö Hindbyvägen 74	Malmö	Office/Retail	5		1,630	0	0	0	0	1,630
62	Hindbygården 9	Ö Hindbyvägen	Malmö	Projects & Land	2		0	0	0	0	0	0
63	Hindbygården 10	Ö Hindbyvägen	Malmö	Projects & Land	1		0	0	0	0	0	0
64	Hundlokan 10	Cypressvägen 2- 23	Malmö	Ind/Warehousing	20		0	0	5,985	0	0	5,985
65	Hällristningen 5	Boplatsgatan 5	Malmö	Projects & Land	3		0	0	0	0	0	0
66	Löplinan 7	Sporregatan 13	Malmö	Ind/Warehousing	8		0	0	2,489	0	0	2,489
67	Mandelblomman 5	Lönnngatan 75	Malmö	Ind/Warehousing	7		640	0	1,995	0	0	2,635
68	Muren 5	Ringugnsgatan 8	Malmö	Ind/Warehousing	7		0	0	1,593	0	0	1,593
69	Olsgård 8	Olsgårdsgatan 3	Malmö	Ind/Warehousing	26		0	0	3,714	0	0	3,714
70	Revolversvarven 11	Jägershillgatan 20	Malmö	Office/Retail	7	L	0	1,170	480	0	0	1,650
71	Ringspännet 3	Kantyxegatan 5 and 3	Malmö	Ind/Warehousing	14		207	0	3,420	0	0	3,627
72	Rosengård 130:403	Agnesfridsvägen 113 B	Malmö	Office/Retail	55		7,801	415	0	0	0	8,216
73	Spännbucklan 9	Agnesfridsv/ Skivyxegatan 7	Malmö	Ind/Warehousing	35		0	0	6,800	0	0	6,800
74	Stenyxan 20	Stenyxegatan 16	Malmö	Office/Retail	7		1,415	0	175	0	0	1,590
75	Stenåldern 7	Stenåldersgatan	Malmö	Projects & Land	4		0	0	0	0	0	0
76	Stridsyxan 4	Agnesfridsvägen 179	Malmö	Ind/Warehousing	26		564	87	5,933	0	0	6,584
77	Stångbettet 15	Ridbanegatan 6	Malmö	Ind/Warehousing	20		270	0	3,687	0	0	3,957
78	Sufflören 3	Axel Danielssons väg 259	Malmö	Ind/Warehousing	12		828	0	1,486	0	0	2,314
79	Trindyxan 3	Bronsyxegatan 9	Malmö	Ind/Warehousing	34		576	0	7,037	0	0	7,613
80	Urnes 3	Långhusgatan 4	Malmö	Office/Retail	39		4,600	0	0	0	0	4,600
81	Valvet 1	Krossverksgatan 5 A-M	Malmö	Ind/Warehousing	16		2,810	0	629	0	0	3,439
82	Vårbuketten 2	Husievägen 19	Malmö	Ind/Warehousing	15		0	0	2,837	0	0	2,837
83	Vårbuketten 4	Husievägen 17	Malmö	Projects & Land	4		0	0	0	0	0	0
Total, Fosie and Limhamn					825		51,850	13,446	96,404	270	721	162,691

Norra Hamnen and Arlöv

No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Industrial/warehouse, m ²	Education/Health-care, m ²	Other, m ²	Total, m ²
84	Vinkeln 8	Arlövsv/Vinkelg/Hakeg	Malmö	Ind/Warehousing	44	L	1,777	0	6,249	0	0	8,026
85	Finngrundet 4	Blidögatan 24/Bjurögatan 25	Malmö	Ind/Warehousing	17		1,469	0	2,152	0	0	3,621
86	Flintan 3 (Malmö)	Borrgatan 4/Lodgatan 3	Malmö	Projects & Land	9		0	0	3,277	0	0	3,277
87	Flygledaren 9	Höjdrodergatan 16 and 24a	Malmö	Ind/Warehousing	24		0	0	5,573	0	0	5,573
88	Flygvärdinnan 5	Höjdrodergatan 28	Malmö	Ind/Warehousing	24		5,230	0	0	0	0	5,230
89	Fältsippan 11	Källvattengatan 6	Malmö	Projects & Land	6		0	0	0	0	0	0
90	Grytan 3	Industrigatan 21	Malmö	Ind/Warehousing	10		1,263	0	1,100	0	0	2,363
91	Gulsippan 4	Källvattengatan 9	Malmö	Ind/Warehousing	16		735	0	2,662	0	0	3,397
92	Hanö 1	Hanögatan 2	Malmö	Ind/Warehousing	20		814	270	3,936	0	0	5,020
93	Höjdmätaren 1	Flygledaregatan 5	Malmö	Ind/Warehousing	10		1,010	0	887	0	0	1,897
94	Kirseberg 31:53	Strömg/Lundavägen	Malmö	Ind/Warehousing	155		1,790	300	22,808	0	0	24,898
95	Skevrodet 2	Kabingatan 7	Malmö	Ind/Warehousing	6		0	0	1,830	0	0	1,830
96	Skjutsstallslyckan 11	Lundav/Rosendalsv	Malmö	Ind/Warehousing	9		0	692	3,073	0	0	3,765
97	Spillepengshagen 1	Ågatan 8	Malmö	Ind/Warehousing	7		115	0	1,915	0	0	2,030
98	Spillepengshagen 3	Lundavägen 14/ Ågatan 4	Malmö	Office/Retail	15	L	2,634	1,916	28	0	0	4,578
99	Spillepengsmarken 8	Strömgatan 11	Malmö	Office/Retail	16		2,414	0	610	0	0	3,024
100	Stenshuvud 3	Hanög/Borrg/Brännögatan	Malmö	Ind/Warehousing	68		1,213	0	16,189	0	0	17,402
101	Stocken 2	Västkustvägen 17	Malmö	Ind/Warehousing	32		0	0	4,390	0	0	4,390
102	Syret 12	Scheeleg/Industrigatan 33	Malmö	Ind/Warehousing	5	L	0	0	1,803	0	0	1,803
103	Syret 13	Industrigatan 31-33	Malmö	Ind/Warehousing	8		0	0	1,585	0	0	1,585
104	Utgrunden 8	Sturkögatan 8-10	Malmö	Ind/Warehousing	25	L	0	0	10,084	0	0	10,084
105	Arlöv 17:4	Arlövsvägen/Västkustvägen	Burlöv	Ind/Warehousing	14	L	212	0	4,024	0	0	4,236
106	Arlöv 19:133	Hantverkaregatan 18	Burlöv	Office/Retail	11		1,662	0	0	0	0	1,662
107	Arlöv 19:58	Hantverkaregatan 4	Burlöv	Projects & Land	7		540	0	1,449	0	384	2,372
108	Sunnanå 12:2	Staffanstorpsvägen	Burlöv	Projects & Land	12		0	0	0	0	0	0
109	Sunnanå 12:27	Starrvägen 100-102	Burlöv	Ind/Warehousing	74		0	0	14,525	0	0	14,525
110	Tågarp 16:19	Hammarvägen 3	Burlöv	Ind/Warehousing	11		0	0	4,316	0	0	4,316
111	Tågarp 16:42	Företagsv/Hammarv 2	Burlöv	Ind/Warehousing	34		558	0	8,653	0	0	9,211
112	Åkarp 1:69	Tegelvägen 4	Burlöv	Ind/Warehousing			0	0	5,277	0	0	5,277
113	Borgeby 15:14, etc.	Norra Västkustvägen	Lomma	Projects & Land	3		0	0	0	0	0	0
Total, Norra Hamnen and Arlöv					693		23,436	3,178	128,395	0	384	155,392
Total, Malmö					6,567		357,053	47,647	259,557	36,437	15,559	716,252



Helsingborg

Central Helsingborg

No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Lease- hold	Offices, m ²	Retail, Industrial/ m ² warehousing, m ²	Education/ Health- care, m ²	Other, m ²	Total, m ²	
1	Belgien Norra 19	Gasverksg/N.Eneborgs/Söderg	Helsingborg	Office/Retail	100		1,939	728	200	2,547	3,649	9,063
2	Kalifornien 10	Järnvägsgatan 35-37	Helsingborg	Office/Retail	63		5,831	0	0	0	77	5,908
3	Kullen Västra 19	Kullagatan 30	Helsingborg	Office/Retail	23		1,078	401	0	0	372	1,851
4	Kärnan Norra 21	Stortorget/Norra Storgatan 6	Helsingborg	Office/Retail	28		2,330	303	138	0	0	2,771
5	Kärnan Södra 9	Södra Storg/Himmelriksgränd	Helsingborg	Office/Retail			382	1,002	8	1,336	3,543	6,271
6	Magnus Stenbock 7	Strömgränd/N Storgatan 7	Helsingborg	Office/Retail	7		403	200	0	0	0	603
7	Najaden 14	Drottningg/Sundstorget 2-6	Helsingborg	Office/Retail	143		8,660	1,552	589	2,775	42	13,618
8	Polisen 2	Nedre Holländaregatan 1	Helsingborg	Projects & Land			0	0	0	0	0	0
9	Polisen 3	Carl Krooks gatan 24	Helsingborg	Office/Retail	107		12,033	0	16	1,457	0	13,506
10	Ruuth 23	Brukskatan 29	Helsingborg	Office/Retail	23		1,145	295	0	2,740	0	4,180
11	Ruuth 35	Brukskatan 25/Prästgatan 10	Helsingborg	Office/Retail			457	589	136	1,273	0	2,455
12	Stattena 7	Hälsöv/Nelly Krooks /Stattena	Helsingborg	Office/Retail	54		770	3,339	0	0	2,090	6,199
13	Stattena 10	Stattena Centra, Nelly Krooksg	Helsingborg	Office/Retail	39		0	2,403	0	257	676	3,336
14	Svea 7	Järnvägsg/Södra Strandg	Helsingborg	Office/Retail	101		4,906	2,009	0	108	313	7,336
15	Terminalen 1	Järnvägsg/Kungst,Terminalg	Helsingborg	Office/Retail		L	8,808	8,183	213	705	1,397	19,306
16	Terminalen 3	Järnvägsgatan 14	Helsingborg	Office/Retail	50	L	3,044	151	0	790	0	3,985
17	Terminalen 4	Järnvägsgatan 18	Helsingborg	Office/Retail	46	L	3,348	0	0	0	25	3,373
18	Terminalen 5	Järnvägsgatan 22-24	Helsingborg	Office/Retail	69	L	5,591	142	0	0	0	5,733
19	Vikingen 10	N Kyrkog/Mariagatan 2-4	Helsingborg	Office/Retail	24		229	831	0	182	615	1,857
Total, Central Helsingborg					877		60,954	22,128	1,300	14,170	12,799	111,351

Berga

20	Ametisten 5	Porfyrgatan 1	Helsingborg	Ind/Warehousing	41	0	0	7,669	0	0	7,669
21	Armborstet 4	Lilla Garnisonsgatan 31	Helsingborg	Ind/Warehousing	12	880	1,970	0	0	0	2,850
22	Armborstet 6	Lilla Garnisonsgatan 41	Helsingborg	Ind/Warehousing	14	421	3,798	0	0	0	4,219
23	Barrikaden 3	Fyrverkaregatan	Helsingborg	Projects & Land		0	0	0	0	0	0
24	Floretten 3	Garnisonsgatan 25 A-C	Helsingborg	Office/Retail	39	5,248	44	444	0	0	5,736
25	Floretten 4	Garnisonsgatan 23	Helsingborg	Office/Retail	61	4,712	138	0	0	0	4,850
26	Grusbacken 1	Mogatan 12	Helsingborg	Ind/Warehousing	11	0	0	1,278	0	0	1,278
27	Grusgropen 3	Grustagsgatan 22	Helsingborg	Ind/Warehousing	24	531	0	4,200	0	0	4,731
28	Grushögen 2	Makadamgatan 1	Helsingborg	Ind/Warehousing	12	0	0	3,057	0	0	3,057
29	Grusplanen 2	Blockgatan 8	Helsingborg	Ind/Warehousing	14	3,352	0	0	0	0	3,352
30	Grustaget 1	Grustagsgatan 35-37	Helsingborg	Office/Retail	20	4,008	0	0	0	0	4,008
31	Grustaget 2	Grustagsgatan 11-15	Helsingborg	Ind/Warehousing	19	992	0	2,712	0	0	3,704
32	Hakebössan 1	Karbingatan 28-32	Helsingborg	Ind/Warehousing	22	997	0	3,885	0	0	4,882
33	Hakebössan 2	Karbingatan 10-20	Helsingborg	Ind/Warehousing	43	715	366	7,717	0	0	9,374
34	Hakebössan 3	Karbingatan 22, 26	Helsingborg	Ind/Warehousing	24	1,123	0	4,202	0	0	5,325
35	Hillebarden 1	Garnisonsgatan 16, 18 A-B	Helsingborg	Ind/Warehousing	39	2,014	2,732	4,294	0	0	9,040
36	Huggjärnet 12	Garnisonsg 7a/Kastellgatan 8	Helsingborg	Office/Retail	30	4,242	420	820	0	0	5,482
37	Huggjärnet 13	Kastellgatan 2	Helsingborg	Ind/Warehousing	16	0	600	3,842	0	0	4,442
38	Kniven 2	Mörsaregatan 17	Helsingborg	Ind/Warehousing	4	0	0	3,515	0	0	3,515
39	Kniven 3	Mörsaregatan 19	Helsingborg	Ind/Warehousing	19	200	0	4,591	0	0	4,791
40	Kroksabeln 11	Muskötg/Garnisonsg	Helsingborg	Ind/Warehousing	29	729	864	6,339	0	0	7,932
41	Kroksabeln 12	Garnisonsgatan 19	Helsingborg	Ind/Warehousing	74	2,680	2,932	9,446	0	0	15,058
42	Kroksabeln 19	Florettgatan 14	Helsingborg	Ind/Warehousing	22	835	192	6,913	0	0	7,940
43	Kroksabeln 20	Florettgatan 16	Helsingborg	Office/Retail	27	972	2,463	842	0	0	4,277
44	Lansen 1	Florettgatan 15-29 B-C	Helsingborg	Ind/Warehousing	102	9,831	0	13,293	0	30	23,124
45	Lansen 2	Florettgatan 31-39	Helsingborg	Ind/Warehousing	23	1,818	0	3,861	30	0	5,709
46	Lansen 3	Florettgatan 29 A	Helsingborg	Office/Retail	6	0	0	1,340	0	0	1,340
47	Lövskogen 3	Ekvåndan	Helsingborg	Projects & Land	0	0	0	0	0	0	0
48	Musköten 9	Muskötgatan 4	Helsingborg	Office/Retail	15	864	3,420	864	0	0	5,148
49	Musköten 13	Muskötgatan 8 B	Helsingborg	Office/Retail	14	2,308	0	0	0	0	2,308
50	Musköten 17	Kastellgatan 5	Helsingborg	Ind/Warehousing	17	0	0	5,187	0	0	5,187

continued on next page

Our properties

Berga (cont.)

No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Industrial/warehouse, m ²	Education/Health-care, m ²	Other, m ²	Total, m ²
51	Musköten 20	Muskötgatan 6-8	Helsingborg	Ind/Warehousing	13		0	0	1,881	0	0	1,881
52	Mörsaren Västra 5	Muskötgatan 5	Helsingborg	Ind/Warehousing	7		1,701	0	0	0	0	1,701
53	Mörsaren Västra 13	Florettgatan 4	Helsingborg	Ind/Warehousing	16		404	0	3,566	0	0	3,970
54	Rubinen 1	Basaltgatan 9	Helsingborg	Ind/Warehousing	51		112	0	11,082	0	0	11,194
55	Snårskogen 4	Ekvändan 5	Helsingborg	Ind/Warehousing	11		0	0	2,276	0	0	2,276
56	Snårskogen 5	Ekvändan	Helsingborg	Projects & Land	4		0	0	0	0	0	0
57	Spjutet 1	Garnisonsgatan 12	Helsingborg	Ind/Warehousing	13		168	1,328	1,512	0	0	3,008
58	Visiret 5	Garnisonsgatan 47 A	Helsingborg	Ind/Warehousing	10		0	0	1,800	0	0	1,800
59	Värjan 12	Muskötgatan 12	Helsingborg	Office/Retail	14		1,871	0	0	0	0	1,871
60	Värjan 13	Muskötgatan 10	Helsingborg	Ind/Warehousing	22		0	0	5,145	0	0	5,145
61	Zirkonen 2	Andesitgatan 16	Helsingborg	Ind/Warehousing	23		0	4,628	0	0	0	4,628
Total, Berga					978		53,728	25,895	127,573	576	30	207,802

Söder

62	Afrika 18	Verkstadsgr/Rågångsg 7	Helsingborg	Ind/Warehousing	9		1,434	0	0	0	0	1,434
63	Brottaren 15	Kapplöpningsgatan	Helsingborg	Ind/Warehousing	19		3,250	100	1,005	0	0	4,355
64	Bunkagården Västra 8	Bunkalundsvägen 5	Helsingborg	Ind/Warehousing	35		30	0	10,341	0	0	10,371
65	Bunkalund Östra 8	Bunkagårdsgatan 13	Helsingborg	Ind/Warehousing	20		0	0	6,300	0	0	6,300
66	Flintyxan 1	Stenbrovägen 40-42	Helsingborg	Ind/Warehousing	11		0	0	3,115	0	0	3,115
67	Flintyxan 3	Stenbrovägen 36-38	Helsingborg	Ind/Warehousing	11		0	0	3,109	0	0	3,109
68	Flintyxan 5	Stenbrovägen 32-34	Helsingborg	Ind/Warehousing	18		436	0	4,086	0	0	4,522
69	Gymnasten 4	Planteringsvägen 11	Helsingborg	Office/Retail	29		65	2,720	3,040	0	60	5,885
70	Gymnasten 9	Kapplöpningsgatan 6	Helsingborg	Ind/Warehousing	39		2,248	0	15,253	0	0	17,501
71	Hästhagen 7	La Cours g/Landskronav	Helsingborg	Office/Retail	63		7,368	1,609	621	1,297	320	11,215
72	Manövern 3	Hästhagsvägen 1	Helsingborg	Office/Retail	21		240	4,739	0	0	0	4,979
73	Olympiaden 7	Kapplöpningsgatan 5	Helsingborg	Ind/Warehousing	8		812	0	890	0	0	1,702
74	Olympiaden 8	Kapplöpningsgatan 3	Helsingborg	Ind/Warehousing	18		1,190	0	5,910	0	0	7,100
75	Orkanen 5	Landskronavägen 18	Helsingborg	Ind/Warehousing	7		498	0	2,464	0	0	2,962
76	Persien 1	V Sandg/Cindersg 11	Helsingborg	Ind/Warehousing	7		104	0	3,235	0	515	3,854
77	Persien 14	Cindersgatan 13-15	Helsingborg	Ind/Warehousing	9		44	0	1,336	2,472	0	3,852
78	Persien 15	Cindersgatan 17-19	Helsingborg	Ind/Warehousing			0	0	0	4,026	0	4,026
79	Planteringen 1:8	V Tallgatan 32	Helsingborg	Ind/Warehousing	5		540	0	1,317	0	0	1,857
80	Planteringen 1:9	V Tallgatan 32	Helsingborg	Ind/Warehousing	16		979	0	5,217	0	0	6,196
81	Plåtförädlingen 7	Strandbadsvägen 11	Helsingborg	Ind/Warehousing	4		55	0	1,155	0	0	1,210
82	Plåtförädlingen 8	Strandbadsvägen 13	Helsingborg	Ind/Warehousing	43		2,451	0	9,365	0	0	11,816
83	Plåtförädlingen 11	Strandbadsvägen 19-21	Helsingborg	Ind/Warehousing	72		2,621	0	20,472	0	0	23,093
84	Plåtförädlingen 13	Strandbadsvägen 15-17	Helsingborg	Ind/Warehousing	67		1,674	0	15,193	0	0	16,867
85	Plåtförädlingen 15	Strandbadsvägen 7	Helsingborg	Ind/Warehousing	17		0	0	2,496	0	0	2,496
86	Plåtförädlingen 18	Strandbadsvägen 9	Helsingborg	Ind/Warehousing	5		170	0	862	0	0	1,032
87	Posten 1	Västra Sandgatan 7	Helsingborg	Office/Retail			3,074	0	2,559	0	0	5,633
88	Påfågeln 9	Frejagatan 8	Helsingborg	Projects & Land	3		0	0	797	0	0	797
89	Rausgård 21	Landskronavägen 9	Helsingborg	Ind/Warehousing	43		4,500	0	5,872	0	190	10,562
90	Sadelplatsen 10	Fäktmästaregatan 5	Helsingborg	Ind/Warehousing	7		485	0	2,725	0	0	3,210
91	Sadelplatsen 13	Planteringsv/Fäktmästareg	Helsingborg	Ind/Warehousing	42		652	5,680	13,091	0	520	19,943
92	Spanien 5	Gåsebäcksv/Motorg 1	Helsingborg	Projects & Land	0		0	0	0	0	0	0
93	Spanien 11	Kvarnstg/Motorg/Ö Sandg	Helsingborg	Ind/Warehousing	26		2,133	508	2,910	0	0	5,551
94	Stormen 13	Landskronavägen 2-12	Helsingborg	Ind/Warehousing	16		0	0	4,303	0	0	4,303
95	Tyfonen 1	Landskronavägen 20	Helsingborg	Ind/Warehousing	16		370	0	3,365	0	700	4,435
96	Ättehögen Mellersta 6	Torbornavägen 22	Helsingborg	Ind/Warehousing	11		729	0	1,888	0	0	2,617
97	Bilrutan 5	Kamgatan	Landskrona	Projects & Land	3		0	0	0	0	0	0
98	Pedalen 16 mfl	Rattgatan 48	Landskrona	Projects & Land			0	0	0	0	0	0
Total, Söder					719		38,152	15,356	154,292	7,795	2,305	217,900
Total, Helsingborg					2,574		152,834	63,379	283,165	22,541	15,134	537,053



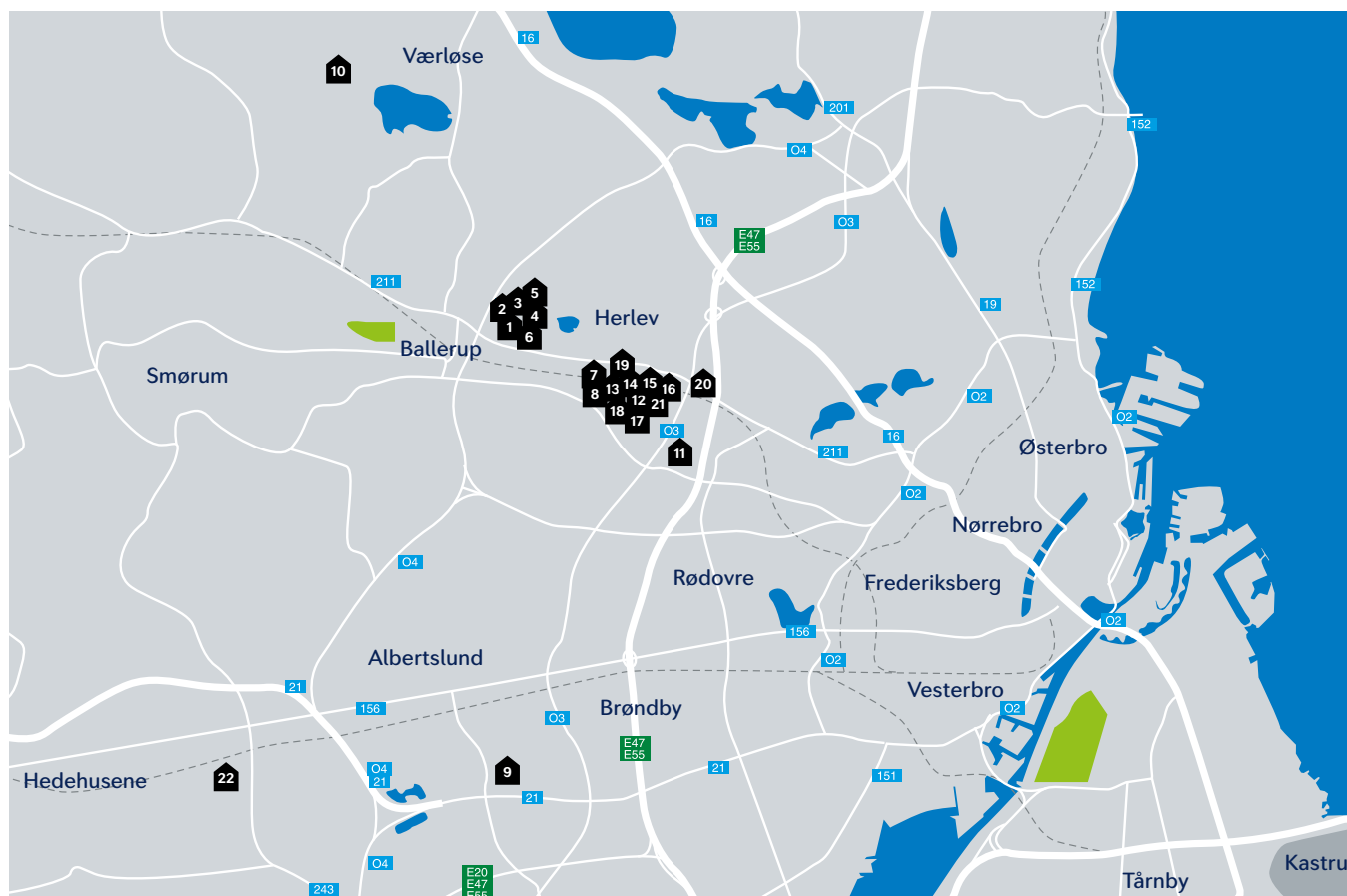
In 2015, an exciting extension was built at the Armaturen 4 property in central Lund, when 1,100 m² of ultra-modern office premises were built on the roof.

Our properties



Lund

No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Industrial/warehouseing, m ²	Education/Health-care, m ²	Other, m ²	Total, m ²
1	Forskaren 3	Scheelevägen 24-26	Lund	Office/Retail	220		11,253	0	0	0	0	11,253
2	Studentkåren 2	Scheelev/Ole Römers v 16	Lund	Office/Retail	60		10,031	1,183	223	0	22	11,459
3	Studentkåren 5	Scheelevägen 15 B-D	Lund	Office/Retail			8,150	0	0	0	0	8,150
4	Studentkåren 6	Scheelevägen 15 A	Lund	Office/Retail	33		4,707	0	0	0	0	4,707
5	Syret 1 (Delta car park)	Molekylvägen 3	Lund	Office/Retail	14		0	0	0	0	0	0
6	Syret 3 (Gateway)	Scheelevägen 27	Lund	Office/Retail	390		9,114	0	251	0	8,217	17,582
7	Syret 4 (Delta 2)	Scheelevägen 25	Lund	Projects & Land	2		0	0	0	0	0	0
8	Syret 5 (Delta 3)	Scheelevägen 23	Lund	Office/Retail	37		5,459	0	536	0	0	5,995
9	Syret 6 (Delta 4)	Scheelevägen 21	Lund	Office/Retail	45		8,123	563	0	0	0	8,686
10	Syret 7 (Delta 5)	Scheelevägen 19	Lund	Office/Retail	40		5,875	0	275	0	0	6,150
11	Syret 8 (Gamma)	Sölvegatan 41	Lund	Office/Retail	43		9,549	0	330	0	0	9,879
12	Syret 9 (Delta 6)	Sölvegatan 43	Lund	Office/Retail	20		3,407	0	41	0	0	3,448
13	Vätet 1	Scheelevägen 17	Lund	Office/Retail	151		23,118	710	1,154	1,016	5	26,003
14	Vätet 3 (Minideon)	Ole Römers väg 5	Lund	Office/Retail			0	0	0	335	0	335
15	Armaturen 4	Trollebergsv/Gasverksg 1-9	Lund	Office/Retail	87		6,585	0	50	0	208	6,843
16	Bytarebacken 39	Bang/Clemenstorget 5	Lund	Office/Retail	194		4,156	7,223	988	3,078	167	15,612
17	Diabasen 1	Skiffervägen 26	Lund	Ind/Warehousing	14		618	0	2,288	0	0	2,906
18	Diabasen 3	Skiffervägen 30-86	Lund	Office/Retail	39		2,250	0	5,967	0	0	8,217
19	Flintan 3	Skiffervägen 24	Lund	Ind/Warehousing	26		0	0	5,979	0	0	5,979
20	Landsdomaren 6	Baravägen 1	Lund	Office/Retail			0	0	0	27,495	0	27,495
21	Landstinget 2	Byggmästaregatan 4	Lund	Office/Retail	62		3,219	0	0	0	0	3,219
22	Länsmannen 1	Åldermansg/Måsvägen 23	Lund	Ind/Warehousing	32		220	0	7,740	0	0	7,960
23	Måsen 17	Starv/ Grisslevägen 1- 19	Lund	Office/Retail	46		3,829	0	452	0	0	4,281
24	Postterminalen 1	Fabriksgatan 1	Lund	Projects & Land			0	0	0	0	0	0
25	Skiffern 2	Skifferv / Porfyrvägen 7	Lund	Ind/Warehousing	10		0	0	2,910	0	0	2,910
26	Spettet 11	Byggmästaregatan 5	Lund	Office/Retail	21		1,527	0	0	0	0	1,527
27	Töebacken 7	Bondev/Fjeliev/Åldermansg	Lund	Office/Retail	42		2,845	1,482	448	0	0	4,775
Total, Lund					1,628		124,035	11,161	29,632	31,924	8,619	205,371



Copenhagen

No.	Name of property	Address	Municipality	Type of property	Tax ass. val. SEK m	Leasehold	Offices, m ²	Retail, m ²	Industrial/warehouse, m ²	Education/Health-care, m ²	Other, m ²	Total, m ²
1	Borupvang 5	Borupvang 5	Ballerup	Office/Retail			8,877	0	0	0	1,396	10,273
2	Industriparken 29	Industriparken 29	Ballerup	Office/Retail			3,118	0	0	0	0	3,118
3	Lautrupvang 1 A+B	Lautrupvang 1 A-B	Ballerup	Office/Retail			11,619	0	2,939	0	0	14,558
4	Lautrupvang 3	Lautrupvang 3	Ballerup	Office/Retail			10,080	0	0	0	3,360	13,440
5	Lautrupvang 8	Lautrupvang 8	Ballerup	Office/Retail			7,677	0	0	0	2,096	9,773
6	Lautrupvang 12	Lautrupvang 12	Ballerup	Office/Retail			8,135	0	0	0	1,261	9,396
7	Literbuen 6-10	Literbuen 6-10	Ballerup	Office/Retail			860	0	10,394	0	386	11,640
8	Literbuen 16-18	Literbuen 16	Ballerup	Office/Retail			4,696	0	3,637	0	0	8,333
9	Abildager 8-14	Abildager 8-14	Brøndby	Ind/Warehousing			0	0	14,512	0	0	14,512
10	Lejrvej 1	Lejrvej 1	Furesø	Ind/Warehousing			1,402	0	0	0	0	1,402
11	Ejby Industrivej 41	Ejby Industrivej 41	Glostrup	Office/Retail			25,480	0	0	0	23,695	49,175
12	Ellekær 2-4	Ellekaer 2-4	Herlev	Office/Retail			4,828	0	0	0	0	4,828
13	Ellekær 6	Ellekaer 6	Herlev	Office/Retail			4,763	0	1,071	0	0	5,834
14	Ellekær 9	Ellekaer 9	Herlev	Office/Retail			6,460	0	689	0	0	7,149
15	Hørkær 14 & 26	Hørkaer 14 & 26	Herlev	Office/Retail			4,309	0	0	0	1,070	5,379
16	Hørkær 16-28	Hørkaer 16-28	Herlev	Office/Retail			24,194	0	2,189	2,781	5,196	34,360
17	Marielundvej 28-30	Marielundvej 28-30	Herlev	Office/Retail			2,372	0	7,298	0	0	9,670
18	Marielundvej 29	Marielundvej 29	Herlev	Ind/Warehousing			1,720	0	2,014	0	708	4,442
19	Smedeholm 10	Smedeholm 10	Herlev	Office/Retail			2,990	0	0	0	216	3,206
20	Stationsalleen 40-46	Stationsalléen 40-46	Herlev	Office/Retail			3,664	914	0	0	801	5,379
21	Vasekær 9	Vasekaer 9	Herlev	Projects & Land			0	0	0	0	0	0
22	Girostrøget 1	Girostrøget 1	Taastrup	Office/Retail			46,296	0			15,153	61,449
Total, Copenhagen					0		183,540	914	44,743	2,781	55,338	287,316
Total, Wihlborgs					10,769		817,462	123,101	617,097	93,683	94,650	1,745,992

Plain speaking

The figures don't lie.

Figures speak the truth, they can't hide behind pretty phrases or smoke and mirrors.

However, if you're not careful figures can also hide the truth.

But figures are what they are, an account of how the year progressed. Naturally, we comply with all established valuation principles and legislation, that's the least we can do. There is no polishing up the figures at Wihlborgs – the only things we polish are buildings that need a facelift.

Sure, understanding the figures can be a challenge, but it is a lot easier if you know they present an honest picture of how things really stand.

That's the plain truth and how we choose to speak.

Market value

Wihlborgs' consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and we have elected to account for our properties at fair value, that is, at their market value.

The properties' carrying amount at 31 December 2015 was SEK 28,623 million (24,299), a year-on-year increase of SEK 1,615 million (642).

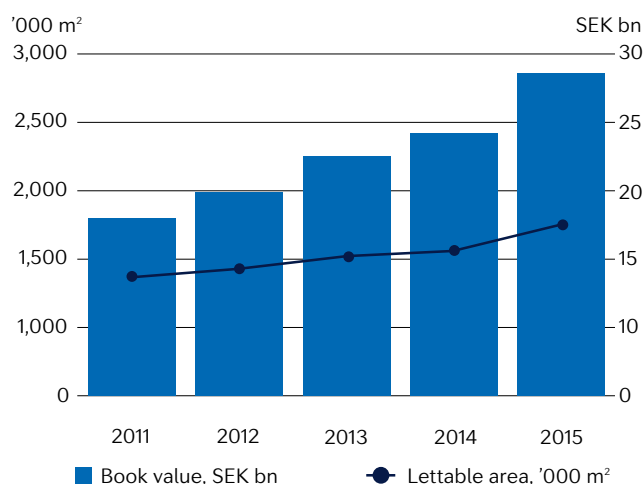
For details of all value changes, see the table below.

Change in properties' carrying amount in 2015

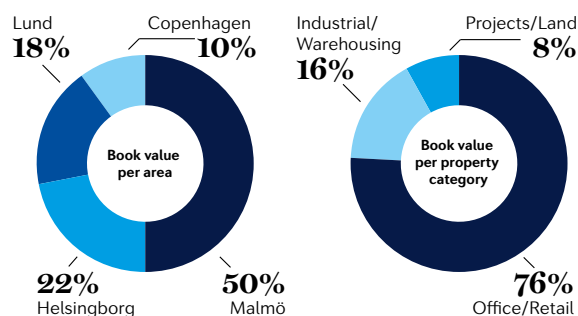
Value change item	Group total, SEK m
Carrying amount, 1 January 2015	24,299
Acquisitions	2,155
Investments	1,047
Divestments ¹	-411
Change in value	1,615
Currency translations	-85
Carrying amount, 31 December 2015	28,623

¹ Including insurance compensation for total losses on buildings, and profits from external projects.

Amendment of the properties' book value and lettable area 2011–2014



Carrying amount per property category and per area in 2015



Excluding property administration, the yield on the investment properties, excluding projects, was 5.8 percent (6.2). The yield per property category was 5.5 percent (5.9) for office properties and 7.5 percent (7.9) for industrial/warehousing properties.

External market valuation

At the valuation date, 31 December 2015, Wihlborgs arranged for an external valuation of its entire property portfolio, whereby the market values of the individual properties were assessed. The Swedish portfolio was valued by ASPECT-certified valuers at Malmöbryggan Fastighetsekonomi AB and Savills Sweden AB, while the Danish portfolio was valued by DTZ Egeskov & Lindquist A/S. The valuation was conducted in accordance with International Valuation Standards. The prevalent definition of market value used in Sweden is:

“The probable price obtained from a sale in the general property market.”

This definition is assumed to fall within the scope of, and lead to the same valuation result as, application of the definition from the International Valuation Standards Committee (IVSC):

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

The valuations are based on data including quality-assured contract and property-related information from Wihlborgs, data obtained from public sources and relevant market information. All built properties were inspected in the 2013–2015 period.

Valuation methods

In this valuation, a combination of a yield-based method (market simulation) and a location-price method is used, in which transactions completed in the sub-markets concerned are analysed in order to calibrate the parameters for the yield-based method (cash-flow method). The market parameters derived from analysis of comparable transactions encompass investment yield requirements, which include an appropriate risk premium. The market value is considered to correspond to the yield value that is normally calculated from 5-year cash-flow forecasts. In cases where it is considered justified in view of long-term leases, longer estimate periods are used. Ongoing new-build projects are valued as if the project were completed, less the budgeted remaining cost of the project. For unbuilt properties and upgrade projects, a new-build value for a possible future land use is estimated, taking into account clearing and development costs, based on current planning criteria and prices for similar projects sold.

The property values are affected by the assumed market parameters that are applied. By varying a number of parameters, a measure of the sensitivity of the valuation is obtained. For example, lowering the investment yield requirement by



The Karin 11 (Plåtkarin) property with its characteristic facade was acquired in the third quarter.

0.25 percent results in an increase of 3.4 percent in the yield value for the built properties in Sweden. A corresponding increase results in a reduction of 3.6 percent in the yield value. For a sensitivity analysis; see the table below.

Aggregated sensitivity analysis, built properties in Sweden

Parameter	Assumed change, %	Change in yield value, %
Market rent level	10	8.7
Market rent level	-10	-10.4
Operating and maintenance costs	20	-6.8
Operating and maintenance costs	-20	6.3
Investment yield, residual value	0.25	-3.6
Investment yield, residual value	-0.25	3.4

Source: Malmöbryggan Fastighetsekonomi AB

All assumptions on which value assessments are based reflect known market conditions at the time of valuation.

■ When leases expired, rents were adjusted to market levels while consideration was given to the property-specific, long-term vacancy risk. The long-term rent trends for office and commercial premises in their existing state is assumed to be no more than the rate of inflation.

■ Operating and maintenance costs are expected to rise by 0.5 percentage points above the rate of inflation during the

calculation period. Standardised operating and maintenance costs are applied when assessing values, and the specific characteristics of the property are also taken into account. These estimates are based on analyses of historical outcomes and budgeted costs at both property and aggregated level for the market segments and property categories concerned.

■ Over the calculation period, it is assumed that the CPI will be 1.4 percent in 2016 and that inflation will follow Riksbanken's (the Swedish Central Bank) long-term target of 2 percent.

Estimated cost of capital and investment yield requirements

Area	Cost of capital for current value calculation of the net operating income, %	Investment yield requirement for calculation of residual value, %
Västra Hamnen	4.75-7.10	4.5-5.5
Central Malmö	5.0-7.7	4.5-6.0
Fosie and Limhamn	6.9-8.6	5.5-7.5
Norra Hamnen and Arlöv	7.3-8.6	5.75-7.25
Central Helsingborg	6.4-7.5	4.75-6.0
Berga	6.75-8.5	5.75-6.75
Söder	6.0-8.2	5.75-7.25
Ideon	6.6-7.7	5.25
Other Lund	5.75-8.5	5.75-7.5
Copenhagen	-	6.75-8.25

Appreciating taxes

Low taxes in the property sector is a subject that sometimes comes up for debate. People tend to think that the property companies pay lower income taxes than companies in other sectors.

But one needs to appreciate this is only half of the truth, or in our case only one thirty-fifth of the truth, which is the share of our total tax burden that income tax comprises.

Wihlborgs paid income tax, or corporation tax, of SEK 4 million, but if we add the unique taxes pertaining to our sector, namely property tax and stamp duty – and add energy tax and the value added tax we are not permitted to deduct – then the taxes we pay appreciated to a total of SEK 148 million for 2015.

We hope this will be appreciated as this year's contribution to the community we all share in.

Taxes

In the operations conducted by Wihlborgs, several areas are subject to taxation. As well as income tax that is charged to the companies in the Group, taxes include property taxes, value added tax, stamp duties and energy taxes. The way these taxes impact Wihlborgs is described on the following pages. Political decisions such as changes in company taxation and tax legislation, including interpretations of that legislation, may either favourably or adversely impact Wihlborgs' tax situation.

Income tax

The nominal rate of corporation tax in Sweden is 22 percent (22) and in Denmark 23.5 percent (24.5). In Denmark, corporation tax is being lowered to 22 percent from the beginning of 2016.

Ongoing investigations and proposals

In 2016, the government is expected to present a new bill limiting tax relief on interest payments which will probably be based on interest deductions being limited to specified percentage of EBITDA or EBIT.

Under a government directive, the effects of packaging properties is to be investigated and new legislation proposed. According to the directive, the investigation is tasked with assessing whether it is reasonable to prevent packaging, both generally or specific types of packaging. The point of departure is that the system of tax exemption from capital gains on business-related shares will remain in place but with a review of the regulatory framework surrounding share transfers at less than market value and the sale of business-related shares with packaged properties. The commission is to report not later than March 2017. The investigation is also tasked with examining acquisitions through real property formation measures.

Current tax

In 2015, Wihlborgs' current tax totalled SEK 4 million (5). The taxable base does not include changes in the value of properties and derivatives. Nor is income from the sale of companies included either, as this item is not normally taxable/deductible. In addition, taxation may be deferred via tax depreciation allowances for tax purposes, as well as direct deductions. Loss carryforwards can also be used. Note 14 on page 112 details how taxable income is calculated.

Deferred tax

The deferred tax is calculated using the net of temporary differences between the recognised and tax values for assets and liabilities and on loss carryforwards. The income statement reports the tax on any change in the deferred tax liability over the year.

Tax deductible depreciation

Investments in properties in Sweden are divided among the categories of buildings, land improvements, fixtures and fittings, and land. Wihlborgs applies depreciation at the following rates for tax purposes:

Buildings	2–5% (Offices 2%, Ind./warehouse 4%)
Land improvements	5%
Fixtures and fittings	25%
Land	0%

The depreciation of buildings and land improvements is based on the accumulated cost and depreciation of fixtures and fittings based on the taxable residual value at the start of the year, adjusted to reflect investments and disposals during the year. In the case of new builds, fixtures and fittings often represent a major part of the investment.

In Denmark, the following depreciation categories are used:

Buildings	0-4% (Offices 0%, Ind./warehouse 4%)
Installations	4%
Fixtures and fittings	25%
Land	0%

In Denmark it is also possible to apply extra initial depreciation for buildings and installations during the year of investment.

Direct tax deductions in minor redevelopments

Direct tax deductions are allowed for tenant improvements, the replacement of components and minor redevelopments, even when these add value and are capitalized in the accounts.

Sale of properties as companies

Any profit from the sales of properties as companies is not liable for tax and any loss is not tax-deductible. This applies for shares that are business-related.

Loss carryforwards

The loss carryforwards that have been used to calculate deferred tax amount to SEK 1,059 million (1,178).

Property tax

Property tax is paid for nearly all the Group's properties. Particular categories of buildings, such as those for communication, education and health care, are tax-exempt. Tax rates for other types of buildings are determined by the type of building and land use. The rate for office properties is 1 percent of the tax assessment value and for industrial and warehousing properties the rate is 0.5 percent. In Denmark, tax rates vary, depending on which municipality the properties are located in. Property tax paid for 2015 totalled SEK 94 million (87).

Value added tax

Properties are exempt from compulsory registration for value added tax (VAT). If premises are leased to a tenant permanently operating a business subject to compulsory VAT registration, the property owner can voluntarily register for VAT and thereby have input VAT deducted from both operating costs and the investment. Where premises are leased to central or local government, there is no requirement regarding compulsory VAT registration. No deduction may be made for input VAT relating to operating costs or investments in premises that have not been registered for voluntary liability for VAT. In 2015, non-deductible input VAT on operating costs totalled SEK 6 million (6). This amount was recognised as an operating cost in the annual accounts. Non-deductible input VAT on investments for 2015 totalled SEK 8 million (24) and was recognised as investment in property.

Stamp duties

The sale of real property in Sweden is subject to stamp duty (transfer of title) of 4.25 percent on the purchase price or tax assessment value, whichever is the higher. In Denmark, the tax rate is 0.6 percent and the tax is charged in the same way. In the case of intra-Group property transactions, it is possible to be granted deferral of stamp duty until the property is sold outside the Group. If properties are purchased or sold as companies (packaged in holding companies) no stamp duty is payable. In 2015, SEK 15 million (7) was paid as stamp duty on the transactions in which Wihlborgs was involved. Stamp duty of 2 percent (1.5 percent in Denmark) was also payable on mortgages taken out on properties. This tax amounted to SEK 1 million (5) in 2015.

Energy taxes

In 2015, Wihlborgs procured energy at a cost of SEK 131 million (131) for use in its properties, primarily for heating, cooling, ventilation and lighting. Of this cost, energy taxes accounted for SEK 20 million (20). Wihlborgs works actively to reduce its energy consumption, which in the long term, and assuming an unchanged tax rate and property portfolio, will lead to lower energy tax costs.

Summary

In 2015, Wihlborgs' operations generated a total of SEK 148 million (154) in different categories of tax, as described above and detailed below:

Breakdown of taxes paid (SEK m)	2015	2014
Income tax	4	5
Property tax	94	87
Value added tax	14	30
Stamp duty	16	12
Energy tax	20	20
Total tax paid	148	154

In addition to taxes paid, Wihlborgs has liabilities in the form of deferred taxes. Deferred income tax was SEK 2,199 million (1,627) and stamp duty SEK 30 million (30). Assuming an unchanged rate of expansion, deferred income tax is not expected to fall due for payment within the foreseeable future.



Yellow metal cladding brings life to the facade of Delta 6 in Lund, Sweden.

Administration Report

Administration Report

The Board of Directors and CEO of Wihlborgs Fastigheter AB (publ), company registration number 556367-0230, hereby present their 2015 Annual Report for the Group and Parent Company.

Review of 2015

Operations

Wihlborgs is a property company with operations focused in the Öresund region. The company's property portfolio comprises 276 (269) commercial properties, located primarily in Malmö, Helsingborg, Lund and Copenhagen with a carrying amount on the balance-sheet date of SEK 28,623 million (24,299). At 1 January 2016, the total rental value excluding projects and land was SEK 2,150 million (2,025) and the corresponding contractual rental income on an annualised basis was SEK 1,959 million (1,845), giving an economic occupancy rate, excluding projects and land, of 91 percent, which is unchanged from the preceding year.

Organisation

Wihlborgs' operational organisation comprises Property Management and Project Development. Property Management is adapted to local market conditions and organised in four regions, which in turn are divided into ten geographical sub-areas for efficient, customer-centric management. All management is performed by company employees. The Project Development operation, with in-house project managers, is responsible for new build and redevelopment projects, procurement and follow-up. The Company head office accommodates central functions such as Finance, HR/CSR, Purchasing, Communication and Environment. These functions drive Group-wide development initiatives and supply functional expertise to support the administration. The head office has its own premises in the Dockan area of Malmö. In addition, local offices are located in

Helsingborg, which will move from Berga to Knutpunkten by the summer, Lund and Copenhagen. The number of full-time employees at year end was 122 (113) with the majority of the increase in Copenhagen. The average age was unchanged at 45.

Results

In 2015, Group rental income rose 3 percent to SEK 1,910 million (1,856). Interest income from early lease termination totalled SEK 43 million (49). The increase in rental income was attributable to a continued positive trend for net lettings, property acquisitions and completed projects. Activity in the region's rental market remained high. Net lettings amounted to SEK 24 million (19) for the full-year 2015. Total property expenses amounted to SEK 508 million, compared with SEK 499 million last year. The increase was primarily attributable to property tax and property management (personnel costs and other letting expenses). Despite a larger property portfolio, operating costs declined slightly, which was primarily attributable to favorable weather conditions. The Group's operating surplus, including other income, increased SEK 39 million to SEK 1,445 million (1,406). Excluding payments for early lease termination, the surplus ratio was 73 percent, unchanged year-on-year.

Interest income totalled SEK 10 million (11). Despite higher borrowings compared with last year, interest expense decreased from SEK 488 million to SEK 437 million, which was attributable to a decline in short-term market interest rates. The average interest rate was 2.76 percent (3.20) at year end, including the cost of interest swaps and credit agreements.

The property portfolio rose in value by SEK 1,615 million (642), with SEK 232 million (182) being attributable to project development and SEK 1,383 million (460) to a rise in value of the portfolio under management. The yield requirement was lowered slightly during the year. Rising market interest rates resulted in a positive value change of SEK 269 million in the interest-rate derivative portfolio during the year, in contrast to a negative value change of SEK 1,038 million last year.

Cash flow and financial position

Cash flow from operating activities generated a surplus of SEK 1,024 million, as against SEK 945 million last year, mainly through a higher operating surplus and lower interest rates. Large acquisitions, mainly in Malmö and Copenhagen, led to cash outflow from investment activities totalling SEK 2,843 million for the year compared with SEK 863 million last year. Investments and acquisitions are largely financed through loans, which means that borrowings increased SEK 2,189 million (305) during the year. Shareholders received dividends of SEK 365 million (327) in 2015. Total cash flow for the Group during the year amounted to SEK 4 million (60).

The Group's equity increased SEK 1.9 billion to SEK 8,876 million, giving an equity/assets ratio of 30.6 percent (28.2) at year end. Interest-bearing liabilities at year end totalled SEK 16,265 million (14,148), resulting in a loan-to-value ratio of 56.8 percent (58.2). All of the Group's financial targets (return on equity, equity/assets ratio, interest coverage ratio and loan-to-value ratio) were met at the end of 2015.

Acquisition and sale of properties and subsidiaries

The largest acquisition in 2015 was in Copenhagen, where two properties comprising a total of about 111,000 m² were acquired, in Høje Taastrup and Glostrup. On 1 July, a major acquisition was completed in central Malmö comprising the Nora 11 and Karin 11 properties. Other property acquisitions comprised three properties in Helsingborg, three in Malmö and one in Copenhagen. Five of these acquisitions were via company acquisitions. In total, 11 (ten) properties were acquired at a cost of SEK 2,155 million (489). Eight (five) properties were sold for SEK 359 million (347), half of which in Malmö and half in Helsingborg. Five of these sales were via companies. For more information on changes to the property portfolio during the year; refer to Acquisitions and Sales on pages 57-59.

Investments in existing properties and ongoing projects

A total of SEK 1,047 million (802) was invested in properties in 2015. Two major projects were completed during the year: the redevelopment for Schneider Electric at Lautrupvang 1 in Copenhagen and the Floretten 4 new build in Helsingborg. At year end, there were four major investments ongoing: the extension of the Terminalen 1 property (Knutpunkten) in Helsingborg, and the redevelopment for new tenants at the Gångtappen 1, Nora 11 and Kranen 8 properties in Malmö. At year end, approved investments in ongoing projects were SEK 1,288 million (928), of which SEK 789 million (660) had been invested. See pages 51-55 for further information on project activities and future projects.

Parent Company

The Parent Company does not have any property holdings itself and, instead, manages issues related to the stock market and Group-wide management, administration and financial services. Sales amounted to SEK 147 million (119), primarily from the sale of services to other companies within the Group. The Parent Company's after-tax profit was SEK 1,474 million (loss: 52). The year-on-year increase was attributable to a positive value change in derivatives of SEK 1.3 billion. During the year, the Parent Company invested SEK 959 million (444), in shares in subsidiaries, including shareholder contributions.

The Wihlborgs share

Until 31 December 2015, Wihlborgs shares were listed under Nasdaq Stockholm's Mid Cap segment. From 1 January 2016, the Wihlborgs share moved to the Large Cap segment. The share capital totals SEK 192 million and is allocated over 76,856,728 shares, each with a quotient value of SEK 2.50. All shares carry equal voting rights, one vote per share. During the year, share turnover was 38.5 million shares (27.1). At 31 December 2015, the market capitalisation was SEK 13.1 billion, compared with SEK 11.0 billion last year. The Board of Directors proposes that the Annual General Meeting (AGM) renew the Board's mandate firstly to repurchase a maximum of 10 percent of the shares registered in the company, which could mean the acquisition of a maximum of 7,685,672 shares, and secondly to authorise a new share issue corresponding to no more than 10 percent of the shares outstanding.

Ownership

At 31 December 2015, the largest shareholder in Wihlborgs was Erik Paulsson and family, who own 10.1 percent of both the capital and voting rights, which is unchanged from the preceding year. The proportion of shareholders registered abroad was 39.4 percent (35.5). At year-end, the ten largest Swedish shareholders in Wihlborgs held 30.7 percent (33.2) of the shares outstanding. The number of shareholders at year-end totalled 23,458 (24,507).

Profit-sharing fund

At 31 December 2015, employee holdings of shares via Wihlborgs' profit-sharing fund totalled 277,970.

Corporate Governance Report

A separate Corporate Governance Report is presented on pages 126-133.

Board of Directors

Under Wihlborgs' Articles of Association, the company's Board is to comprise not less than four and no more than eight members. In 2015, the Board consisted of seven regular members. No Board members are entitled to compensation at the end of their term of office.

Remuneration for senior executives

Fees are paid to the Chairman and Board members in accordance with the resolution passed by the AGM. The 2015 AGM adopted the following remuneration guidelines. Remuneration of the CEO and other senior executives comprises basic salary, other benefits and pension. Basic salary is renegotiated annually; for more information on amounts in 2015, see Note 8. "Other benefits" refers to company cars and health insurance. No separate variable or share-price-based remuneration is paid to members of Group Management. The pensionable age is 65. The cost of the CEO's pension comprises a premium amounting to 35 percent of pensionable salary per year during the CEO's period of service. Other senior executives are covered by an ITP plan or equivalent. Other senior executives refers to the five individuals who, together with the CEO, comprise Group Management. For information on the composition of Group Management; see page 132.

Events after the end of the financial year

In January, Wihlborgs sold, firstly the Bensinpumpen 1 property in Malmö, which comprises a plot of 9,400 m² with planning permission for a 15,000 m² development of a preschool and housing, and secondly the Arlöv 19:58 property of 2,400 m² in Burlöv. In February, Wihlborgs sold the Vinkeln 8 property, which comprises 8,000 m² of office/warehouse space and a 33,000 m² plot.

Outlook for 2016

Wihlborgs' business model is based on growth via project development and property management. We anticipate a higher operating surplus in 2016 and an increase in the project portfolio. Our balance sheet is strong and the hope is to acquire more properties in our existing sub-areas. As in previous years, net lettings will also remain in focus in 2016. We have noted healthy demand in central locations and are now planning new developments close to the stations in central Malmö and Lund. At the same time, we know that there will be a number of relocations within the portfolio in 2016, primarily in Malmö, which will limit growth to some extent before new tenants are in place.

Risks and uncertainties

Wihlborgs' results, cash flow, profit and financial position are affected by a number of factors that to varying degrees can be influenced by the company's own actions. By analysing the risks and uncertainties facing the Group and how Wihlborgs should address them in the short and long terms, many of these can also be regarded as opportunities.

Cash-flow risks

Critical factors for cash flow from operating activities are variations in rental income, property expenses and interest rates. These factors not only affect cash flow, but also results and key ratios.

Rental income

RISK OF FALLING RENTS

Description of risk

Rents are mainly driven by demand for premises, which in turn is driven by growth in various sub-markets. In areas of economic growth, higher demand for premises is to be expected, and thus potential for higher rents and scope for new production. An economic downturn and downward pressure on rents through overproduction could lead to more tenants moving out and relocating, resulting in higher vacancy rates and falling rents. The rental market is traditionally late in the economic cycle.

Risk management

Because the term of lease contracts is normally between three and five years, changes in market rents do not immediately impact rental income. Most of Wihlborgs' leases with a term of more than three years have index-linking clauses involving annual rental increases based either on changes in the consumer price index (CPI) or a fixed percentage increase.

Outcome

Income from like-for-like portfolios at year-end 2015 was 1.3 percent (1.3) higher year-on-year, despite an essentially unchanged CPI. The increase was partly attributable to contracts with fixed annualised percentage increases but also to new lettings with higher rents. Rent levels are relatively stable despite increased competition, primarily in Malmö. At year end, the average term for Wihlborgs' leases was 4.4 years (4.1). The following table shows when the property leases expire.

Terms of lease contracts

	Number of leases	SEK m	Share, %
2016	832	268	14
2017	548	361	19
2018	422	364	19
2019	252	271	14
2020	93	140	7
2021	27	56	3
>2021	73	459	24
Total	2,247	1,919	100

RISK OF VACANCIES

Description of risk

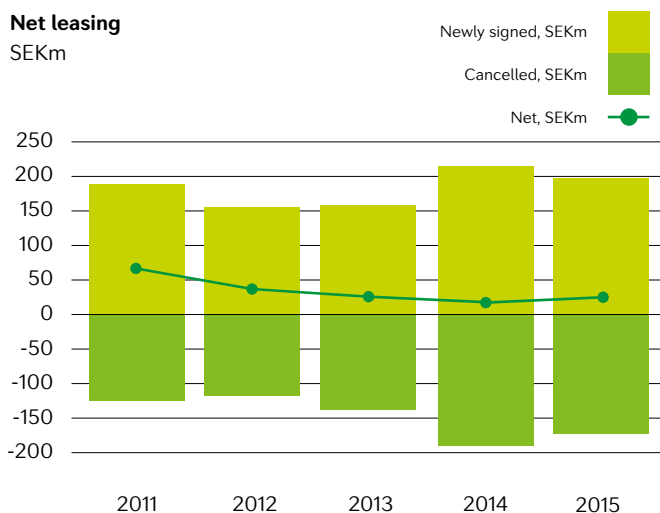
The portfolio's occupancy rate is largely determined by the company's own activities, but is also influenced by changes in the economic cycle. Concentration on individual markets creates many opportunities through close customer relations and knowledge of the market. However, it can also represent a risk if structural changes affect a particular city or region. For example, construction of new office space in Malmö is currently running at a high level, making for increased competition for tenants.

Risk management

In the long term, the Öresund region is regarded as a strong market in terms of location, population growth, employment and public transport. Through local knowledge, active engagement and a high level of service from the personnel who manage the properties and in contacts with tenants, we create the basis for long-term rental relationships and, thereby, reduce the risk of new vacancies. A certain level of vacancies creates opportunities in the form of new lettings and flexibility vis-à-vis existing tenants. In operating activities, substantial focus is placed on a positive net lettings result.

Net leasing

SEKm



Outcome

Wihlborgs has reported a positive net lettings result for eight consecutive years and market activity remains high; refer to the following table for net lettings. Excluding projects, the occupancy rate at year end was unchanged at 91 percent and vacancies measured in SEK during 2015 totalled SEK 228 million (199).

CUSTOMER DEPENDENCE/BAD DEBT LOSSES

Description of risk

During an economic downturn, the risk of bankruptcies and tenancy terminations increases. When a tenant moves out, the risk is that it will take time before a new tenant moves in. This affects both rental income and cash flow. In addition, most premises will need to be adapted to some extent before a new tenant moves in.

Risk management

A broad lettings portfolio with partners from a variety of sectors and companies, large and small, reduces the risk of major fluctuations in vacancies and bad debt losses resulting from dependence. All new leases are subject to a credit check of tenants, and if necessary the lease is backed by a security, deposit or bank guarantee. All rents are payable quarterly or monthly in advance.

Outcome

Wihlborgs has around 2,200 commercial leases diversified across the office, retail, industrial/warehousing, education/care and hotel sectors. The ten largest tenants accounted for 22 percent (20) of rental income at 1 January 2016. 19 percent of income at that time originated from municipalities, county councils and government agencies. Bad debt losses in 2015 amounted to SEK 6 million (9), corresponding to 0.3 percent (0.5) of total income.

Interest expense

FIXED-INTEREST PERIOD

Description of risk

Interest expense, including the cost of interest swaps, credit agreements etc., represents Wihlborgs' largest cost item. Changes in interest rates and interest margins with banks have considerable impact on cash flow, results and key ratios. The extent to which and how quickly an interest-rate change shows through in income will depend on the fixed-interest period chosen for the loan.

Risk management

Wihlborgs uses a combination of floating interest rates and interest-rate derivatives to adjust its fixed-interest periods and interest-rate levels to achieve its goals for financing activities with limited interest-rate risk and without the need to renegotiate loans. Interest-rate derivatives are measured at fair value. If the interest rate agreed for the derivative deviates from the anticipated future market interest rate during the term, a change in value arises that affects the company's balance sheet and income statement, but not its cash flow. In many cases, the lower risk in interest payments through long fixed-interest terms creates a higher risk in the value of the derivative, because of the time factor. When the derivatives expire, the value of interest-rate derivatives is always zero.

Outcome

At year end, the average fixed-interest period for the loans was 4.8 years (6.0), including the effects of derivatives. The average interest rate, including the cost of credit agreements, decreased to 2.76 percent (3.20).

Property expenses

Description of risk

Major operating cost items are tariff-based costs for heating, electricity, water and waste management. Other costs include property tax, property upkeep and administration. Under many of the leases, the bulk of these costs are passed on to the tenants. As a result, the impact of any change in the costs is relatively limited. Unforeseen repairs on a major scale may have a negative effect on results.

Risk management

Many of Wihlborgs' environmental goals are linked to improvements in energy efficiency, to curb cost increases and limit environmental impact. Work is under way both in-house and with tenants, since in most cases tenants are responsible for the operating costs. Wihlborgs works continuously with plans for maintenance and repair measures to maintain the condition and standard of its properties. The importance of cost-efficient management also comes into focus during acquisitions. All properties are insured against major negative impact through damage. Final settlement of operating costs with tenants takes place once a year using a proprietary developed system linked to both rent and financial management systems.

Outcome

Operating costs are lower than in the preceding year despite the increase in the property portfolio. This is primarily due to favourable weather conditions, but also to investments aimed at reducing energy consumption. The increase in property tax

is directly linked to the increase in the number of properties as is, to a degree, the increase in property management costs which is also due to more personnel and a slight increase in marketing and estate agent commissions.

Sensitivity analysis

All variations in the above risk factors directly impact income from property management. The following table illustrates the impact on income from property management (SEK m):

Sensitivity analysis - income from property management

	Change	Annual earnings impact, SEK m
Economic occupancy rate	+/- 1 percentage point	+/- 23
Rental income	+/- 1%	+/- 20
Property expenses	+/- 1%	+/- 5
Market interest rate	+/- 1 percentage point	- 37/- 10

Risks in property valuation

The property portfolio is valued every quarter at fair value, which directly affects both income and key ratios.

Changes in property values

Description of risk

The extent of changes in value is partly determined by Wihlborgs' own capacity, through alteration and upgrading of properties, as well as by lease contracts and client structures, to increase the properties' market value, and partly by external factors that affect supply and demand in Wihlborgs' property markets.

Risk management

For information on estimates and judgements in property valuations; see pages 78-79. On acquisition, the transaction department analyses the property concerned to determine its fair value as well as the future possibilities and risks. In general, the property values are less volatile in concentrated property portfolios in good locations. Wihlborgs' properties are highly concentrated to Malmö, Helsingborg, Lund and Copenhagen.

Outcome

In 2015, changes in value for Wihlborgs totalled SEK 1,615 million, including SEK 232 million (182) attributable to project development. The investment properties increased in value by SEK 1,383 million (460). The yield requirement declined slightly during the year. The following table illustrates the impact of a +/- 5-10 percent change in property values on Wihlborgs' results and financial position.

Sensitivity analysis, change in property values

	-10%	-5%	0	5%	10%
Profit before tax, SEK m	-3	1,428	2,859	4,290	5,721
Equity/assets ratio, %	25.4	28.1	30.6	32.8	34.8
Loan-to-value ratio, properties, %	63.1	59.8	56.8	54.1	51.7

Risks in investments

Wihlborgs' goal is to continue to grow, which will require investment in new and existing properties alike.

Description of risk

The principal risk in conjunction with property acquisitions consists of unexpected vacancies or costs arising in the properties after acquisition that are not covered by the agreement. If an acquisition is made as a company, other risks, such as VAT and other taxes, are also associated with that company. If a new build, extension or redevelopment project is more expensive than expected, is not leased on completion or is delayed, both value and cash flow are adversely affected.

Risk management

For all new acquisitions and investment projects, calculations are made of the estimated cost and the yield. These calculations are subject to approval via set internal procedures. Projects valued at more than SEK 10 million are subject to approval by the Board and the risks involved in the acquisition of properties/companies are limited by conducting due diligence processes using appropriately qualified in-house and external personnel. The risks associated with internal projects managed by experienced, in-house project managers are limited partly via agreements with contractors and partly via regular internal follow-ups versus budget to identify and address any deviations in good time.

Outcome

During the year, 11 properties were acquired, mainly in Malmö and Copenhagen. At the start of 2015, the redevelopment of Schneider Electronics' property in Copenhagen was completed, as was the new build of the Floretten 4 property in Helsingborg. The 8,000 m² extension above the Knutpunkten property in Helsingborg, with completion planned for the second quarter of 2016 has been more complex than expected and the budget has been increased. In Malmö, three major redevelopments are in progress for new tenants who will take up occupancy in the second and third quarters of 2016. These are progressing as planned. For more information; see Projects and Development on pages 51-55.

Risks in financing

Wihlborgs is dependent on external loans to be able to fulfil its commitments and complete transactions.

Access to capital

Description of risk

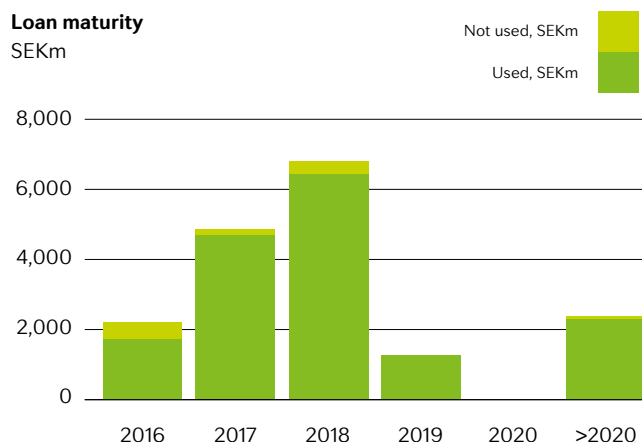
Turbulence in the credit markets in recent years demonstrates how conditions for and access to credit can rapidly change. If Wihlborgs is unable to extend loans or raise new loans, or if the terms and conditions are extremely unfavourable, our ability to meet our undertakings and complete transactions becomes limited.

Risk management

Each year, the Board adopts a financial policy that sets out overall principles for the finance function and for how risks in the company's financial activities are to be limited. The policy states, for example, that the spread of loans between various credit institutions must be such that there are four to six main lenders, each of whose share of the total loan portfolio should not exceed 30 percent. Wihlborgs is also required to endeavour to ensure that the final maturity dates for loans are spread over as long a period as the market allows. To reduce our dependence on the banks, Wihlborgs has firstly borrowed from the part-owned company Nya Svensk FastighetsFinansiering and secondly issued covered and uncovered bonds. For further information on other financial targets and financial risk management; see Note 2.

Outcome

At year-end, Wihlborgs reported a loan-to-value ratio of 56.8 percent (58.2) and had seven main lenders, of whom the largest represented 19 percent (21) of the total loan portfolio. 84 percent (83) comprises loans from banks and 16 percent (17) bond loans (including Nya Svensk FastighetsFinansiering). The maturity of the loans and the unutilized portions of the loans are shown in the table below.

Loan maturity
SEKm

Other risks

Operational risk

Description of risk

The risk of sustaining losses as a result of inadequate procedures for day-to-day operations.

Risk management

Wihlborgs seeks to continuously monitor, evaluate and improve the company's internal controls. Operational risks are reduced by sound internal controls for essential processes, appropriate administrative systems, skills development and reliable valuation models and principles.

Outcome

As a result of the growth in recent years and certain change-of-generation developments, several new recruits have started work at Wihlborgs. This led to increased focus on procedural descriptions and instructions to facilitate skills transfer. New employees often come up with useful ideas for changes, which in turn enhance efficiency and lead to other improvements.

During the year, projects were initiated that focused on checks to ensure suppliers invoice according to valid agreements, which had a positive impact.

Environment

Description of risk

Both existing buildings and the construction of new properties affect the environment in different ways. Under the Swedish Environmental Code, whoever has conducted an activity and has caused pollution is responsible for after-treatment. If the party responsible cannot conduct this after-treatment, then the owner of the property is responsible.

Risk management

Wihlborgs works actively to reduce negative environmental impact and has set environmental goals, which are presented in the section entitled Sustainable Enterprise, on pages 24-27. Environmental risks are analysed and assessed in conjunction with any acquisitions.

Outcome

The outcome with regard to the environmental goals is described on page 25.

Proposed distribution of profit

The following unappropriated profit in the Parent Company is at the disposal of the AGM:

Retained earnings	1,159,381,737
Profit for the year	1,474,428,701
Total, SEK	2,633,810,438

The Board proposes that the unappropriated profit be distributed as follows:

Dividend to shareholders, SEK 5.25 per share	403,497,822
To be carried forward	2,230,312,616
Total, SEK	2,633,810,438

Wihlborgs has 76,856,728 registered shares. If the number of shares outstanding changes prior to the record date, the dividend sum of SEK 403,497,822 will be adjusted.

Statement of the Board of Directors on the proposed dividend

Basis of decision

The Group's equity has been calculated in accordance with the IFRS standards and interpretations of those standards (IFRIC), as adopted by the EU, and in accordance with Swedish law through the application of the Swedish Financial Reporting Board's Recommendation RFR 1 (Supplementary Accounting Rules for Groups).

The Parent Company's equity has been calculated in accordance with Swedish law, via application of the Swedish Financial Reporting Board's Recommendation RFR 2 Accounting Rules for Legal Entities. The proposed distribution of unappropriated profit is based on 50 percent of the Group's income from day-to-day property management and 50 percent of the proceeds realised from property sales, less a deduction for tax at a standard rate of 22 percent, which is in line with Wihlborgs' dividend policy. The Board is of the view that full provision will be available for the company's restricted equity following the proposed distribution of unappropriated profit. The Board also considers that the proposed dividend to shareholders is justifiable in terms of the parameters stipulated in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act; nature, scope and risks of the business, as well as consolidation requirement, liquidity and general position.

The Board's judgement is that the proposed dividend will not affect the Group's future business opportunities or its ability to fulfil its commitments. The dividend does not conflict with the Group's financial targets.

Financial statements

Financial statements

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

SEK m	Note	2015	2014
	1-3		
Rental income	4	1,910	1,856
Other income	5	43	49
Property expenses	6-8	-508	-499
Operating surplus		1,445	1,406
Other income	9	8	9
Central administration and marketing	7-8, 10-11	-51	-50
Interest income		10	11
Interest expenses		-437	-488
Share in results of joint ventures		0	0
Income from property management		975	888
Change in value, investment properties	12	1,615	642
Change in value, derivatives	13	269	-1,038
Profit before tax		2,859	492
Current tax	14	-4	-5
Deferred tax	14	-577	-92
Profit for the year		2,278	395
Other comprehensive income	15		
Items that will be reclassified to profit or loss for the year			
Year's translation differences on recalculation of foreign operations		-23	29
Year's hedging of currency risk in foreign operations		23	-29
Tax attributable to items that may be reclassified to profit or loss for the year		-4	5
Other comprehensive income for the year		-4	5
Comprehensive income for the year		2,274	400
Profit for the year, attributable to:			
Parent Company shareholders		2,278	395
Non-controlling interests		-	-
Comprehensive income for the year, attributable to:			
Parent Company shareholders		2,274	400
Non-controlling interests		-	-
PER-SHARE DATA (NO DILUTION AFFECT, AS THERE ARE NO POTENTIAL SHARES)			
Earnings per share, SEK		29.64	5.14
Dividend per share (2015, proposed dividend)		5.25	4.75
No. of shares at end of period, million		76.9	76.9
Average number of shares, million		76.9	76.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	Note	2015	2014
ASSETS			
Non-current assets			
Investment properties	16	28,623	24,299
Equipment	17	8	7
Participations in joint ventures	18	6	6
Other long-term securities holdings	20	20	1
Long-term receivables	21	212	183
Total non-current assets		28,870	24,496
Current assets			
Accounts receivable	22	21	26
Other receivables		31	17
Prepaid expenses and accrued income	23	36	68
Cash and cash equivalents	24	75	71
Total current assets		163	182
Total assets		29,033	24,678
EQUITY AND LIABILITIES			
Equity	25		
Share capital		192	192
Other contributed capital		2,178	2,178
Reserves	15	46	50
Retained earnings including profit for the year		6,460	4,547
Equity attributable to Parent Company shareholders		8,876	6,967
Non-controlling interests		–	–
Total equity		8,876	6,967
Non-current liabilities			
Deferred tax liability	26	2,199	1,627
Other provisions	27	39	37
Non-current interest-bearing liabilities	28	15,083	14,148
Derivatives	29	879	1,148
Other non-current liabilities		15	16
Total non-current liabilities		18,215	16,976
Current liabilities			
Current interest-bearing liabilities	28	1,182	–
Accounts payable		148	96
Current tax liabilities		4	5
Other liabilities		142	182
Accrued expenses and deferred income	30	466	452
Total current liabilities		1,942	735
Total equity and liabilities		29,033	24,678

For information on the Group's pledged assets and contingent liabilities; see Note 31.

Financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Note	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity	Non-controlling interests	Total equity
	15, 25	└── attributable to Parent Company shareholders ──┐						
Equity, 1 January 2014		192	2,178	45	4,479	6,894	-	6,894
Comprehensive income for the year								
Profit for the year		-	-	-	395	395	-	395
Other comprehensive income		-	-	5	-	5	-	5
Comprehensive income for the year		-	-	5	395	400	-	400
Transactions with the Group's owners								
Dividends paid		-	-	-	-327	-327	-	-327
Total transactions with the Group's owners		-	-	-	-327	-327	-	-327
Equity, 31 December 2014		192	2,178	50	4,547	6,967	-	6,967
Comprehensive income for the year								
Profit for the year		-	-	-	2,278	2,278	-	2,278
Other comprehensive income		-	-	-4	-	-4	-	-4
Comprehensive income for the year		-	-	-4	2,278	2,274	-	2,274
Transactions with the Group's owners								
Dividends paid		-	-	-	-365	-365	-	-365
Total transactions with the Group's owners		-	-	-	-365	-365	-	-365
Equity, 31 December 2015		192	2,178	46	6,460	8,876	-	8,876

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m	Note	2015	2014
OPERATING ACTIVITIES			
Operating surplus		1,445	1,406
Other income		8	9
Central administration		-51	-50
Depreciation/amortisation		1	1
Interest received		10	5
Interest paid		-431	-486
Income tax paid		-5	-18
Cash flows before change in working capital		977	867
CHANGE IN WORKING CAPITAL			
Changes in operating receivables		24	22
Changes in operating liabilities		23	56
Total change in working capital		47	78
Cash flows from operating activities		1,024	945
INVESTMENT ACTIVITIES			
Property acquisitions		-2,155	-489
Investments in existing properties		-1,047	-802
Disposal of properties		411	376
Changes in other non-current assets		-52	52
Cash flows from investment activities		-2,843	-863
FINANCING ACTIVITIES			
Dividends paid		-365	-327
Settlement of derivatives		-	-
Borrowings		6,567	3,406
Loan repayments		-4,378	-3,101
Change in other non-current liabilities		-1	-
Cash flows from financing activities		1,823	-22
Change in cash and cash equivalents		4	60
Opening cash and cash equivalents		71	11
Closing cash and cash equivalents	24	75	71

Financial statements

PARENT COMPANY INCOME STATEMENT

SEK m	Note	2015	2014
	1-2		
Net sales	32	147	119
Operating costs	8, 11, 32	-127	-122
Operating profit		20	-3
Result from financial items			
Result from interests in Group companies	33	1,283	752
Result from other securities and receivables accounted for as non-current assets	34	342	343
Other interest income and similar profit/loss items		0	0
Interest expense and similar profit/loss items	35	-504	-588
Change in value, derivatives	13	269	-1,038
Profit/loss after financial items		1,410	-534
Appropriations	36	119	256
Profit/loss before tax		1,529	-278
Tax on profit for the year	14	-55	226
Profit/loss for the year		1,474	-52

PARENT COMPANY STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

Profit/loss for the year	1,474	-52
Other comprehensive income for the year	-	-
Comprehensive income/loss for the year	1,474	-52

PARENT COMPANY BALANCE SHEET

SEK m	Note	2015	2014
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Equipment	17	3	3
<i>Financial assets</i>			
Participations in Group companies	37	8,624	8,029
Receivables from Group companies		10,954	9,028
Participations in joint ventures	18	36	36
Receivables from joint ventures	19	17	45
Other long-term securities holdings	20	21	1
Other long-term receivables	21	207	176
Deferred tax assets	38	213	268
<i>Total financial assets</i>		20,072	17,583
Total non-current assets		20,075	17,586
Current assets			
Accounts receivable		1	1
Other receivables		1	2
Prepaid expenses and accrued income	23	7	620
Cash at bank and in hand	24	0	33
Total current assets		9	656
Total assets		20,084	18,242
EQUITY AND LIABILITIES			
Equity	25		
<i>Restricted equity</i>			
Share capital		192	192
<i>Unrestricted equity</i>			
Retained earnings		1,159	1,576
Comprehensive income for the year		1,474	-52
<i>Total unrestricted equity</i>		2,633	1,524
Total equity		2,825	1,716
Provisions			
Other provisions for pensions	27	9	7
Non-current liabilities			
Non-current interest-bearing liabilities	28	11,983	12,152
Liabilities to Group companies		3,196	3,061
Derivatives	29	879	1,148
Total non-current liabilities		16,058	16,361
Current liabilities			
Current interest-bearing liabilities	28	1,076	0
Accounts payable		3	3
Other liabilities		9	60
Accrued expenses and deferred income	30	104	95
Total current liabilities		1,192	158
TOTAL EQUITY AND LIABILITIES		20,084	18,242
Pledged assets	31	14,681	13,930
Contingent liabilities	31	2,052	2,108

Financial statements

STATEMENT OF CHANGES IN EQUITY IN PARENT COMPANY

SEK m	Note	Share capital	Restricted reserves	Unrestricted equity	Total equity
	25				
Equity, 1 January 2014		192	0	1,903	2,095
Dividends paid		–	–	-327	-327
Comprehensive income for the year		–	–	-52	-52
Equity, 31 December 2014		192	0	1,524	1,716
Equity, 1 January 2015		192	0	1,524	1,716
Dividends paid		–	–	-365	-365
Comprehensive income for the year		–	–	1,474	1,474
Equity, 31 December 2015		192	0	2,633	2,825

PARENT COMPANY CASH FLOW STATEMENT

SEK m	Note	2015	2014
OPERATING ACTIVITIES			
Operating profit/loss		20	-3
Depreciation/amortisation		0	1
Interest and dividends received		2,460	676
Interest paid		-516	-576
Cash flows before change in working capital		1,964	98
CHANGE IN WORKING CAPITAL			
Changes in operating receivables		2	5
Changes in operating liabilities		-48	0
Total changes in working capital		-46	5
Cash flows from operating activities		1,918	103
INVESTMENT ACTIVITIES			
Acquisitions of non-current assets		0	0
Shareholder contributions paid		-485	-116
Acquisition of participations in Group companies		-477	-328
Disposal of participations in Group companies		144	0
Change in receivables from Group companies		-1,931	-30
Change in other financial assets		-23	16
Cash flows from investment activities		-2,772	-458
FINANCING ACTIVITIES			
Dividends paid		-365	-327
Borrowings		4,415	2,673
Loan repayments		-3,485	-2,147
Changes in other non-current liabilities and provisions		137	-71
Group contributions received		119	256
Cash flows from financing activities		821	384
Change in cash and cash equivalents		-33	29
Opening cash and cash equivalents		33	4
Closing cash and cash equivalents	24	0	33

Notes

Unless otherwise stated, amounts are in SEK million.

Note 1 - Significant accounting policies

General information

The consolidated accounts and the annual accounts of Wihlborgs Fastigheter AB (the Parent Company) for the 2015 financial year have been approved by the Board of Directors and the Chief Executive Officer for publication on 9 March 2016 and will be presented to the Annual General Meeting (AGM) on 28 April 2016 for adoption. The Parent Company is a Swedish public limited company with its registered office in Malmö. The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency of the Parent Company and the Group.

Compliance with standards and statutory requirements

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as interpretations issued by the IFRS Interpretations Committee (IFRIC) as endorsed by the European Union. Furthermore, the consolidated accounts have been prepared pursuant to the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups. The Parent Company's annual accounts have been prepared in accordance with the Annual Accounts Act and by application of recommendation RFR 2, Accounting for Legal Entities issued by the Swedish Financial Reporting Board. Deviations between the Group's and the Parent Company's accounting policies are described in the "Parent Company's accounting policies" section, below.

Basis of preparation

Assets and liabilities are recognised at cost, other than investment properties and derivatives, which are reported at fair value.

Judgements and estimates used

The preparation of financial statements in accordance with generally accepted accounting principles requires that the management and Board make judgements and assumptions that affect the amounts recognised for assets, liabilities, income and expenses, as well as other information disclosed.

These judgements are based on experience and the various assumptions that are considered reasonable by the management and the Board in view of the prevailing circumstances. Actual outcomes may differ from these judgements if other assumptions are made or if the conditions change.

The accounts are particularly sensitive to the judgements

and assumptions applied in the valuation of investment properties. Further information on the input data and the methods used in the valuation of properties is provided on pages 78–79 of this annual report and also in notes 12 and 16.

Tax claims and loss carryforwards are assessed, and if they are encumbered with significant uncertainty they are not taken into account in the calculation of tax on the profit for the year and tax claims, that is to say, they are not included in the total loss carryforwards recognised.

Significant accounting policies applied

The following accounting policies have been applied consistently in all periods that are presented in the Group's financial statements, unless otherwise indicated below.

New accounting policies

Changes effective 1 January 2015

No new standards that entered force in 2015 have had any impact on Wihlborgs' financial reporting.

New standards and interpretations effective 1 January 2016

IAS 1 – Presentation of Financial Statements, which entered force 1 January 2016, provides clarification regarding materiality, the division of items and sub-totals, the structure of notes and disclosures on accounting policies. The changes are not expected to have any significant impact on Wihlborgs' reporting. Likewise, amendments in IAS 34 – Interim Financial Reporting have impacted the presentation, but not the accounting, in Wihlborgs' interim reports for 2016. Other changes that enter force from 1 January 2016, are not expected to have any material impact on the consolidated financial statements when they are applied for the first time.

New or amended IFRS standards and new interpretations that have yet to come into effect

Management is of the opinion that the application of IFRS 9 – Financial Instruments, which enters force in 2018, could affect the recognised amounts in the financial statements in terms of the Group's financial assets and liabilities. Management has not yet performed a detailed analysis of what effects the first-time application of this standard may have.

IFRS 16 – Leases, which will replace IAS 17 – Leases, introduces a "right-of-use model" and means, essentially, that the lessee is required to recognise all leases in the balance sheet. Classification of leases as operating or financial is not to be performed. Depreciation of the asset and the interest expense for the liability are recognised in profit or loss. The standard entails more exhaustive disclosure requirements compared with the existing standard. For lessors, IFRS 16 implies no major differences compared with IAS 17. IFRS 16 is applicable for financial years starting 1 January 2019. The standard has not yet been adopted by the EU. IFRS 16 has no material impact on the balance sheet or income statement for Wihlborgs.

Management is of the view that other new and amended

standards and interpretations that have not yet entered force, are not expected to have any material effect on the Group's financial statements when they are applied for the first time.

Definition of segments

Wihlborgs reports on four geographical market areas: Malmö, Helsingborg, Lund and Copenhagen. Each market area corresponds to an operating segment whose revenue and costs are regularly monitored through reporting to the CEO, who is the chief operating decision maker. The Group Management monitors operating profit and changes in property values; other profit and loss items are not broken down by market area. On the assets side, investments in properties and their fair values are monitored.

Consolidated accounts

The consolidated accounts include the Parent Company, Wihlborgs Fastigheter AB, and all companies in which the Parent Company has a direct or indirect controlling interest. A "controlling interest" comprise a direct or indirect right to design a company's financial and operational strategies in order to obtain economic benefits. The consolidated accounts are based on accounting documents prepared for all Group companies as per 31 December, and have been prepared in accordance with the acquisition method. However, the Group companies acquired in December 2004 are reported in this Group at the values recognised in the Faberge Group in accordance with the rules on joint control.

Companies acquired or disposed of during the year are included in the consolidated income statement at values that correspond with the period during which the company was owned. Intra-Group sales, balances, and profits and losses are eliminated in the consolidated accounts.

Acquisition of properties via companies

A company acquisition may be regarded either as an asset acquisition or a business combination. A company acquisition where the primary purpose is to acquire the purchased company's properties, and where its management organisation and administration are of subordinate importance to the completion of the acquisition, is normally treated as an asset acquisition. A company acquisition where the acquired company's management organisation and administration are of major importance to the completion and value of the acquisition, is instead treated as a business combination.

In the case of an asset acquisition, no deferred tax is recognised on the surplus value of the properties; any discount attributable to the deferred tax is instead deducted from the property value. When establishing a fair value after the acquisition date, the property value is adjusted to take into account the discount obtained. However, in the case of a business combination, deferred tax is recognised at the nominal tax rate on the surplus value of the property and other temporary differences attributable to the assets or liabilities acquired. The company acquisitions made after the formation of the Group have been treated as asset acquisitions.

Currency translation of foreign operations

The functional currency for the Group's foreign operations is the currency in which the Group entity concerned conducts its business activities. The Group's financial statements are presented in Swedish kronor (SEK), which is the Parent Company's functional currency. The income statements and balance sheets for foreign operations are translated to SEK, which means that the balance sheets are translated at the closing day rate, with the exception of equity, which is translated at the historical rate. The income statements are translated at the average exchange rate for the period. Any translation differences arising in translation to SEK are recognised in other comprehensive income and are accumulated as a reserve within equity.

Joint arrangements

From 2014, companies in which Wihlborgs has a long-term ownership stake and in which it exercises a controlling influence, together with one or several joint venture partners, are classified either as a joint venture or joint operation, depending on whether the Group has direct rights to assets and direct obligations for liabilities (joint operation) or not (joint venture). The assessment is based on the structure of the investment, its legal form, contractual agreements and other factors and circumstances. Joint ventures are reported in the consolidated income statement and balance sheet using the equity method, which means that Wihlborgs' share of this result is recognised annually in the consolidated income statement. The values of these participations are adjusted in the balance sheet to reflect the share of earnings and any dividend payments. Any internal gains are adjusted in the income statement.

Wihlborgs' direct share of the assets, liabilities, income and costs of joint operations are recognised in the consolidated accounts. The assets, liabilities, income and costs that cannot be attributed directly to the partners are allocated on the basis of the respective participating interest. Intra-Group balances are eliminated on consolidation.

Joint arrangements are accounted for on the basis of the latest available accounts for the company concerned, adjusted for any deviation in accounting policies.

Transactions in foreign currencies

Transactions in foreign currency are translated to SEK using the exchange rate at the transaction date. Monetary assets and liabilities in foreign currency are translated at the closing day rate, with any resulting exchange-rate differences recognised in profit or loss. Exchange-rate differences on operating receivables and liabilities are recognised in profit or loss, while exchange-rate differences attributable to financial assets and liabilities are recognised under "Result from financial items".

Hedging of new investments in foreign operations

To reduce currency risks related to net assets in foreign operations, foreign currency loans have been raised. At the end of accounting periods, these loans are translated at the closing day rate. The effective portion of the period's changes in exchange rates attributable to the hedging instruments is recognised in

other comprehensive income to take into account the translation differences pertaining to the net assets of foreign operations. The accumulated translation differences from both net investments and hedging instruments are settled and recognised in profit or loss when the foreign operation is divested. Where a hedge is not wholly effective, the ineffective portion is recognised in profit for the year.

Income

Rental income from property management is notified in advance and recognised as income in the period to which it relates. Rental income includes invoiced supplementary charges for electricity, heating, property tax, etc. In cases where a tenant is granted a time-limited rent reduction and charged a higher rent in another period, the respective underpayment or overpayment is accrued on a linear basis over the term of the lease, provided that the rent reduction is not associated with phased occupancy or the like. Income relating to early lease termination is recognised immediately unless any outstanding obligations exist vis-à-vis the tenant. Income from property sales is recognised when the significant risks and benefits associated with ownership of the properties have been transferred to the buyer and when it is probable that the economic benefits associated with the sale will accrue to Wihlborgs. Generally, this means that the income is recognised from the date the buyer takes occupancy.

Leasing

Lease contracts attributable to investment properties are treated as operating leases. These contracts are recognised in accordance with the principles of income recognition as described above. Wihlborgs is the lessee in site leasehold agreements that are operational leases from an accounting perspective. The site leasehold is recognised as a cost for the period concerned. Wihlborgs is also a lessee to a small number of lease agreements of insignificant scale. These leases, which largely pertain to cars, are recognised as operating leases, with the expense recognised in profit or loss on a straight-line basis over the period of the lease.

Costs

The concept of property expenses includes all costs associated with the investment properties. This includes direct property expenses such as costs of operations, maintenance, site leasehold and property tax. The term also includes indirect property expenses, such as costs of leasing and property management. The term central administration comprises costs of Group Management, the costs of being a public limited company and other costs associated with the corporate form, including centralised advertising and other marketing.

Remuneration of employees

Remuneration of employees, in the form of salaries, paid holiday, paid sick leave etc. is recognised as it is earned. Pensions and other post-employment benefits are classified as defined-contribution or defined-benefit plans. Commitments under the defined-contribution plans are fulfilled via premiums

to independent government agencies or companies that administer the plans. A number of Wihlborgs employees are covered by the ITP Plan, with regular contributions to Alecta. According to IFRS, this is to be classified as a multi-employer defined-benefit plan. Since sufficient information to recognise these plans as defined-benefit is not available, they are recognised as defined-contribution plans.

All employees, except for the CEO, can receive shares in the Wihlborgs Profit-Sharing Fund, which is entirely independent of Wihlborgs. Allocations to the Profit-Sharing Fund are recognised as personnel costs in the period to which the profit shares pertain.

Income from property management

IAS 1 prescribes which information is to be presented in the income statement and the appendix describes how it is to be presented. However, neither what is prescribed nor what is described is exhaustive or specific to developments at a property management company in Sweden, and a fairly clear tendency can be discerned. Against that background, income from property management is recognised in a section of the income statement and changes in the value of properties and derivatives in a separate section between income from property management and profit before tax.

Financial income and expenses

Financial income comprises interest income and realised gains on available-for-sale financial assets. Interest income is recognised in the period in which it arises. Dividends on shares are recognised in the period in which the entitlement to receive payment is considered certain.

Financial expenses includes interest and other costs attributable to the financing of operations. This item also includes impairment losses and realised losses on available-for-sale financial assets. Interest expense is charged to income in the period in which they are incurred, except to the extent they are incorporated into the cost of a construction project, and are recognised by application of the effective interest method. Wihlborgs capitalises interest expense attributable to the production of major new builds, extensions and redevelopments in the consolidated accounts. In the accounts of individual companies, all borrowing costs are charged to income in the year in which they are incurred. The average interest rate for the loan portfolio is used when calculating borrowing costs to be capitalised.

Charges for mortgages raised are not expensed but capitalised as investment in property.

Income tax

Tax on profit for the year includes both current and deferred income tax for Swedish and foreign Group entities. Current tax is based on taxable profit for the year, which differs from the recognised profit for the year, in that it has been adjusted for non-taxable income, non-deductible expenses and for any change in temporary differences between recognised and taxable values for assets and liabilities. Current tax for the Group is based on the tax rates that applied on the balance-sheet date.

Deferred tax has been calculated using the balance sheet method. This method is used to account for deferred tax liabilities and claims for all temporary differences between recognised and taxable values for assets and liabilities and for other taxable deductions or deficits. Deferred tax liabilities and tax claims are calculated on the basis of the tax rate anticipated for the time at which the temporary difference is reversed. When valuing loss carryforwards, an assessment is made of the likelihood that the deficit can be utilised. Loss carryforwards associated with significant uncertainty have been excluded from the base data for deferred tax assets.

Deferred tax assets and deferred tax liabilities are offset if they relate to income tax to the same tax authority, and if the Group can settle the tax by paying a net amount. Both current and deferred tax are recognised in profit or loss as income or expenses except where the underlying transaction is recognised in other comprehensive income. In such cases, the tax is also recognised in other comprehensive income.

Appropriations and untaxed reserves

Tax legislation in Sweden and certain other countries allows the payment of tax to be postponed by appropriation to untaxed reserves in the balance sheet via the income statement item "Appropriations." Depreciation rules in legislation allow accelerated depreciation. However, appropriations and untaxed reserves are not recognised in the consolidated accounts. In the consolidated balance sheet, untaxed reserves are divided into deferred tax liabilities and equity. Equity is then eliminated so that only equity earned after the date of acquisition remains. In the consolidated income statement, the appropriation to or withdrawal from untaxed reserves is divided between deferred tax and profit for the year.

Properties

All properties in the Group are classified as investment properties on the basis that they are held to earn rental income or for capital appreciation, or a combination of the two. Investment properties are measured at fair value in the balance sheet in accordance with IAS 40. Any change in value is recognised on a separate line in the income statement. The Group's properties are recognised in the balance sheet as non-current assets. Since the properties are measured at fair value, no provision for depreciation is made in the consolidated accounts. Investment properties are valued quarterly on the basis of an internal valuation model. The valuation of investment properties has been classified as falling within Level 3 in the fair value hierarchy, since the estimated value is materially affected by non-observable input data used in the valuation. At year-end, all properties are valued by independent external appraisers with recognised and appropriate qualifications. The valuation model used for developed properties is based on a long-term assessment of return, taking into account the present value of future payment flows and differentiated yield requirements per property, as determined by such factors as location, purpose, condition, standard etc. Undeveloped properties, which comprise about 2 percent of the property portfolio, are valued in accordance with the location-price method, Level 2 of the fair-value hierarchy. In

the case of properties acquired via asset acquisition, the carrying amount is downwardly adjusted by an amount equal to any discount provided, in respect of the deferred tax, at acquisition.

Additional expenses relating to redevelopment/extension are added to the carrying amount only when it is probable that the future economic benefits associated with the asset will accrue to the company and the cost can be measured in a reliable manner. All other subsequent costs are expensed in the period in which they arise. The decisive factor in determining when an additional expense is added to the carrying amount is whether the expense relates to replacement of whole or parts of identified components, in which case the expenditure is capitalised. Expenditure on entirely new components is also added to the carrying amount. In major projects, interest during the project period is capitalised. Expenditure on repairs is recognised in the period in which it arises.

Further information on the valuation of the property portfolio and the carrying amounts included therein is provided on pages 78–79 and in Note 16.

Financial instruments

Financial assets and liabilities are recognised in the balance sheet when the company becomes a party under the contractual terms and conditions for the instrument. A financial asset is derecognised from the balance sheet when the contractual rights expire or become due or when the company loses control over the asset. On every reporting date, the company determines whether there are objective indications of any impairment requirement for a financial asset or group of financial assets. A financial liability is derecognised from the balance sheet when the obligation has been fulfilled or has otherwise expired.

Financial assets and liabilities are offset and recognised at a net amount in the balance sheet when there is a legally enforceable right to offset and when there is an intention to settle the items on a net basis, or to realise the asset and settle the liability simultaneously. Financial income and expenses are offset in the income statement in cases where they are linked to the financial assets and liabilities where offsetting occurs.

Financial instruments are recognised either at amortised cost or fair value, depending on how they are categorised under IAS 39, see Note 29 for information on classification.

Cash and bank balances consist of bank balances at the end of the reporting period and are recognised at their nominal value.

Loan and accounts receivable are financial assets that are not derivatives, that have fixed or determinable payments and that are not quoted in an active market. The receivables are recognised at cost, with a provision for bad debt. The need for such provision is assessed on a case-by-case basis, with any impairment recognised among operating costs. Any portion of the receivables that falls due within a year is recognised among other receivables.

Borrowings are recognised at amortised cost. Most of the borrowings are non-current. Current credits covered by unutilised long-term credit agreements are also recognised as non-current.

Derivatives are measured regularly at fair value in accordance with IAS 39. Any changes in value are recognised in profit or loss. The principles for hedge accounting stated in IAS 39 are not applied to interest-rate derivatives. Derivatives are measured at the present value of future cash flows. In determining future cash flows, anticipated market rates during the remaining term of the derivative portfolio were used. In the cancellable swaps included in the portfolio, the option component has not been attributed any value, since swaps can only be cancelled in pairs and thus do not give rise to any earnings impact for Wihlborgs. The banks decide whether a swap can be cancelled. The cancellable swaps are measured at fair value in accordance with Level 3 and other swaps in accordance with Level 2.

Accounts payable are subject to a short payment date and are recognised at cost.

Equipment

Assets are recognised in the balance sheet at accumulated cost, less accumulated depreciation according to plan and impairment. Annual depreciation is applied at 20 percent, on a straight-line basis, to the acquisition cost.

Equity

If any buy-back of Wihlborgs' own shares takes place, equity is reduced by the purchase consideration paid, including transaction costs. Payments received from any sale of the company's own shares are recognised as an increase in equity. Any transaction costs are recognised directly against equity.

Dividends are recognised as a reduction in equity following approval by the AGM.

Parent Company's accounting policies

The deviations between the Parent Company's and the Group's policies arise from limitations in the Parent Company's ability to apply IFRS as a result of statutory provisions in, above all, the Swedish Annual Accounts Act, and in view of the relationship between accounting and taxation.

Shares in subsidiaries

Shares in subsidiaries are recognised in the Parent Company using the cost method. The carrying amount is continuously tested by reference to the fair value of the assets and liabilities of the subsidiaries. In cases where the carrying amount of the shares in subsidiaries exceeds the fair value of the subsidiaries, impairment is charged to profit or loss. Where an earlier impairment is no longer justified, it is reversed.

Group contributions

Group contributions are recognised in accordance with the alternative rule of recommendation RFR 2. According to the alternative rule, Group contributions received and paid are both recognised as appropriations.

Shareholders' contributions

Shareholders' contributions are recognised by the donor as an increase in shares in subsidiaries and by the recipient as an increase in unrestricted equity.

Note 2 – Financial risk management

Financial policy

Wihlborgs' financial activities are governed by the financial policy that is approved by the Board annually. This financial policy sets out the overall rules determining how Wihlborgs' financial operations are to be managed and how the risks of these financial activities are to be limited. Operations are financed by equity and loans. The major share of these loans are interest-bearing liabilities. The Parent Company's Finance function is a Group executive function with responsibility for the Group's financing, interest-rate risk management, liquidity planning and management of other financial risks. The function reports quarterly to the Board in accordance with guidelines established in the financial policy. The overall goals for the Finance function are to:

- Ensure Wihlborgs' short and long-term capital requirements.
- Optimise net financial items within set risk parameters.
- Continuously to adapt financing based on Wihlborgs' operations, in order to achieve and maintain a capital structure that is stable in the long term.

Management of financial risks

Liquidity and financing risk

Liquidity and financing risk refers to the risk of not being able to meet payment obligations as a result of insufficient liquidity or difficulties in raising new loans. Wihlborgs must be able to carry out transactions when the opportunity arises and must always be able to meet its commitments. Refinancing risk increases if the company's creditworthiness deteriorates or if a large portion of its loan portfolio falls due on one or a few occasions.

Liquidity risk is managed by performing regular liquidity forecasts and by ensuring that Wihlborgs has access to credit lines or cash and cash equivalents that can be used at short notice to even out fluctuations in payment flows. The bank overdraft facility at year-end amounted to SEK 211 million, of which SEK 84 million was unutilised.

Financing risk is the risk that financing will be unavailable or obtainable only at highly unfavourable terms at a certain time. According to the financial policy, the objective for the capital structure is to generate returns on equity, enable the company to obtain the necessary loan financing and ensure scope for investment. Most of the interest-bearing liabilities, which amounted to SEK 16,265 million (14,148) at year-end, were raised by the Parent Company by pledging collateral in the form of promissory notes from subsidiaries containing pledged property mortgages. Most of the collateral contains conditions regarding loan-to-value ratio and interest coverage ratio in the agreements with lenders, known as financial covenants. These covenants to lenders are issued with satisfactory margins for Wihlborgs' capital structure targets. These targets are an equity/assets ratio of no less than 30 percent and a loan-to-value ratio of no more than 60 percent. On 31 December, the equity/assets ratio was 30.6 percent (28.2) and the loan-to-value ratio 56.8 percent (58.2), which provides a stable platform for future expansion.

Financial statements

Wihlborgs endeavours to ensure that the final maturity dates for loans are spread over as long a period as the market allows so as to limit refinancing risk. Wihlborgs' total available credit is SEK 17,189 million (15,612), of which SEK 16,265 million (14,148) had been utilised on 31 December 2015. Wihlborgs has secured access to financing via long-term credit facilities. The average loan maturity, including credit facilities, remained unchanged at 4.1 years. The table below shows the credit facilities that existed at year-end.

Credit facilities

	2015		2014	
	Amount, SEK m	Utilised, SEK m	Amount, SEK m	Utilised, SEK m
Long-term binding loan agreements with banks	13,762	13,301	12,283	10,933
Short-term binding loan agreements with banks	1,931	1,630	1,350	1,350
Overdraft facilities	211	49	194	80
Total loan agreements	15,904	14,980	13,827	12,363
Bond, covered, framework SEK 880 million (1,880)	785	785	1,785	1,785
Bond, uncovered, framework SEK 4,000 million	500	500	–	–
	17,189	16,265	15,612	14,148

Refer to the table below for more information on the maturity structure at year-end

Maturity structure of credit framework agreements

	31 Dec 2015		31 Dec 2014	
	Agreement, SEK m	Utilised	Agreement, SEK m	Utilised
0–1 year	2,106	1,680	1,350	1,350
1–2 years	4,875	4,727	5,340	4,715
2–3 years	6,768	6,418	6,390	5,551
3–4 years	1,290	1,290	0	0
4–5 years	0	0	906	906
> 5 years	2,150	2,150	1,626	1,626
	17,189	16,265	15,612	14,148

Interest-rate risk

Interest expense is the largest single cost item to which Wihlborgs is exposed. The extent to which and how quickly an interest rate change impacts earnings depends on the fixed-interest period.

An interest expense sensitivity analysis showed that an increase or a decrease in the market interest rate of 1 percentage point would result in interest expense increasing SEK 37 million and SEK 10 million respectively. The reason for the increase in interest expense from a decrease in the interest rate is that for

a number of bank agreements, the floating interest rate (STI-BOR) cannot fall below zero, while the floating interest rate for interest-rate derivatives can drop below zero.

Interest-rate risk is the risk that income and cash flow will be affected by a change in market interest rates; the interest-rate risk is calculated as the difference between the current average interest rate in the portfolio and the market interest rate. According to the financial policy, the target for the interest coverage ratio is to exceed 2.0 times; at year-end the interest coverage ratio was 3.2 times (2.8).

A combination of loans with a short fixed-interest period and the use of financial instruments in the form of interest-rate swaps leads to, a high degree of flexibility and the fixed-interest period and interest-rate level can be adapted to ensure that the goals for financial operations can be achieved with a limited level of interest-rate risk. This can be done without any need for re-negotiation of underlying loans. To manage the interest-rate risk and obtain an even growth in net financial items, the average fixed-interest period for Wihlborgs' interest-bearing borrowings is adjusted to reflect the estimated risk level and interest rate expectations. Wihlborgs has an Interest Rate Committee that presents the Board with proposals for fixed-interest periods and interest-rate levels as a basis for Board decisions. The table below shows the interest maturity structure as per 31 December 2015

Interest maturity structure 2015

	Excl. derivatives	Interest-rate derivatives	Net, SEK m	Average interest, %
2016	15,342	-9,500	5,842	1.14
2017	300	0	300	0.80
2018	0	0	0	0.00
2019	0	0	0	0.00
2020	0	1,000	1,000	3.00
>2020	623	8,500	9,123	3.79
	16,265	0	16,265	2.73

Interest maturity structure 2014

	Excl. derivatives	Interest-rate derivatives	Net, SEK m	Average interest, %
2015	13,738	-9,500	4,238	1.48
2016	0	0	0	0.00
2017	0	0	0	0.00
2018	0	0	0	0.00
2019	0	1,000	1,000	3.24
>2019	410	8,500	8,910	3.92
	14,148	0	14,148	3.14

Wihlborgs has an interest-rate derivative portfolio of SEK 9.5 billion, comprising 11 separate interest-rate swaps. For more detailed information see the table below. Due to higher market interest rates, the deficit in Wihlborgs' interest-rate derivative portfolio fell to SEK 879 million, entailing a positive change of SEK 269 million (neg: 1,038) during the year.

The interest-rate derivative portfolio

Amount, SEK m	Interest rate, %	Can be cancelled	Expiry
---------------	------------------	------------------	--------

Cancellable swaps

500	2.63	quarterly	2026
500	2.72	quarterly	2026
500	2.34	quarterly	2026
500	2.58	quarterly	2027
1 000	1.96	quarterly	2021

Future liquidity flows

Amount, SEK m	Interest rate, %	Expiry
---------------	------------------	--------

Interest-rate swaps

2 000	2.70	2021
1 000	2.04	2022
1 000	2.01	2022
1 000	3.40	2024
500	3.32	2024

Threshold swap

1 000	3.07	Threshold 4.75%	2021
-------	------	-----------------	------

Future liquidity flows attributable to credits are described below. The Stibor rate at the end of the reporting period was used in the calculation of credits and the variable components of the interest-rate swaps. Outstanding borrowings and credit margins were assumed to be the same at the end of the reporting period until the maturity of each credit, at which point the final payment is assumed to have been made.

Future liquidity flows for credits, calculated at 31 December 2015

	Maturity of credits	Interest on credits	Interest derivatives	Total
2016	1,680	152	290	2,122
2017	4,727	124	290	5,141
2018	6,418	77	290	6,785
2019	1,290	36	290	1,616
2020	0	33	285	318
>2020	2,150	174	530	2,854
	16,265	596	1,975	18,836

Future liquidity flows for credits, calculated at 31 December 2014

	Maturity of credits	Interest on credits	Interest derivatives	Total
2015	1,350	209	223	1,782
2016	4,715	171	223	5,109
2017	5,551	67	223	5,841
2018	–	42	223	265
2019	906	33	223	1,162
>2019	1,626	455	735	2,816
	14,148	977	1,850	16,975

Other non-current liabilities pertain to deferred parking income until 2036. Accounts payable and other liabilities are current

and mature within one year. Wihlborgs' commitments associated with these financial liabilities are largely met by rental income that primarily falls due every quarter.

Counterparty risk

Counterparty risk refers to the risk that the counterparty will not be able to fulfil a delivery or payment. In Wihlborgs' financial activities, counterparty risk primarily arises when the company invests excess liquidity, engages in interest-rate swap contracts and obtains long-term credit facilities. To reduce counterparty risk, Wihlborgs' financial policy states that the company must work only with banks or similar credit institutions with a rating corresponding to no less than A from both Moody's and Standard & Poor's. Svensk FastighetsFinansiering and Nya Svensk FastighetsFinansiering may also be a lender, as long as Wihlborgs has an ownership stake in the company. According to the financial policy, the spread of loans between various credit institutions must be such that there are at least four to six main lenders, none of whom should represent more than 30 percent of the total loan portfolio. At year-end, Wihlborgs had seven main lenders, of whom the largest represented 19 percent of the total loan portfolio. Wihlborgs has also previously issued a programme of its own covered bonds totalling SEK 785 million. At the start of 2015, SEK 500 million in an uncovered bond was issued under a Medium Term Note programme.

Regarding Wihlborgs' accounts receivable, standard customer credit checks are performed before a new tenant is accepted, and if necessary the lease is backed by a personal guarantee, deposit or bank guarantee. For receivables older than three months, a provision is made in the accounts if no repayment plan or similar has been entered into with the tenant. Similarly, credit checks are carried out in connection with any promissory notes that may arise in connection with the disposal of properties or companies. The maximum credit exposure for accounts receivable and promissory notes corresponds to the carrying amount, refer to Note 22 for an age analysis of accounts receivable.

Currency risk/translation exposure

Currency risk refers to the risk of an impact that changes in exchange rates may have on Wihlborgs' income statement and balance sheet. Wihlborgs owns properties in Denmark via its subsidiary Wihlborgs A/S. To moderate the impact of changes in exchange rates as far as possible, properties in Denmark are financed in Danish kroner (DKK) via the Danish subsidiary directly and via loans in the Parent Company in DKK. Note 15 states the amounts for the translation of net investments and hedging of currency risk.

Operational risk

Operational risk in Wihlborgs' financial activities concerns the risk of incurring losses as a result of inadequate routines and/or irregularities. Effective internal controls, fit-for-purpose administrative routines, competence development and the availability of reliable valuation and risk models comprise a sound framework for minimising operational risks. Wihlborgs Finance function focuses continuously on monitoring the company's administrative security and control.

Note 3 – Operating segments

The Group's operations are focused on commercial properties in the Öresund region. In internal reporting to Group Management, operations are evaluated per market area, which represents the Group's only division into segments. These market areas are Malmö, Helsingborg, Lund and Copenhagen.

Segment reporting

Market areas	Malmö		Helsingborg		Lund		Copenhagen		Total	
Items classified per segment	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Rental income	903	895	508	494	370	356	129	111	1,910	1,856
Other income	36	0	6	2	1	47	0	0	43	49
Property expenses	-226	-217	-145	-152	-100	-101	-37	-29	-508	-499
Operating surplus	713	678	369	344	271	302	92	82	1,445	1,406
Changes in property values	930	299	315	130	375	191	-5	22	1,615	642
Segment profit	1,643	977	684	474	646	493	87	104	3,060	2,048

ITEMS NOT CLASSIFIED BY SEGMENT

Other income	-	-	-	-	-	-	-	-	8	9
Central administration	-	-	-	-	-	-	-	-	-51	-50
Net interest, etc.	-	-	-	-	-	-	-	-	-427	-477
Change in value, derivatives	-	-	-	-	-	-	-	-	269	-1,038
Tax on profit for the year	-	-	-	-	-	-	-	-	-581	-97
Net profit	-	-	-	-	-	-	-	-	2,278	395

PROPERTY VALUES AND INVESTMENTS PER SEGMENT

Properties	14,139	12,096	6,377	5,518	5,242	4,832	2,865	1,853	28,623	24,299
Property acquisitions for the year	882	27	247	115	0	47	1,026	300	2,155	489
Other investments in properties	445	139	443	394	76	161	73	108	1,047	802

Rental income and property value per country

	Rental income		Property value	
	2015	2014	2015	2014
Denmark	129	111	2 865	1,853
Sweden	1,781	1,745	25,758	22,446
	1,910	1,856	28,623	24,299

Wihlborgs has no tenant whose rent represents more than 10 percent or more of the Group's total rental income.

Note 4 – Rental income

	Group	
	2015	2014
Rental income, gross	2,138	2,055
Unlet space	-228	-199
	1,910	1,856

Rental income, gross, includes not only rent excluding heating, supplementary charges for heating, electricity, water and sewerage and property tax passed on to the tenant, but also deduction of rent discounts granted. SEK 52 (50) million of rental income is sales based rent on premises. Rents and rent discounts only charged during a specific part of the term of the lease have been recognised on an accrual and straight-line basis over the entire term of the lease.

Rental income is based on leases that are to be regarded as operating leases, where the Group is the lessor. Future rent payments not subject to lease termination are as follows, by maturity:

	Group	
	2015	2014
Within 1 year	1,939	1,753
Between 1 and 5 years	4,343	3,668
More than 5 years	2,814	2,206
	9,096	7,627

Of the above-mentioned future rent payments not subject to lease termination, SEK 564 million (344) relates to leases signed before year-end but with occupancy taking place on a later date in the following year. For more information on rents and leases, see pages 64-65.

Note 5 - Other income

This item consists of non-recurring compensation from tenants in connection with early lease termination.

Note 6 - Property expenses

	Group	
	2015	2014
Heating, electricity and water/sewerage	141	141
Other operating costs	94	99
Repairs and maintenance	78	77
Property tax	94	87
Ground rents	5	5
Property management	96	90
	508	499

Ground rents

Ground rents pertain to the fee that the owner of a building on municipally-owned land pays every year to the municipality. These fees are currently calculated so that the municipality receives a real interest rate on the estimated market value of the land. The ground rent is distributed over time and is normally renegotiated with a 10-20 years interval. Of Wihlborgs' 11 site leasehold agreements, two fall due in 2017 and 2020 and the remainder between 2028 and 2048.

Contracted future ground rents*	Group	
	2015	2014
Contracted ground rents within 1 year	5	5
Contracted ground rents between 2 and 5 years	18	18
Contracted ground rents more than 5 years	106	111
Total	129	134

*Not in Parent Company

Note 7 - Expenses by nature

Property expenses and costs for central administration are divided according to their nature.

	Group	
	2015	2014
Employee benefits	93	89
Heating, electricity and water/sewerage	141	141
Repairs and maintenance	78	77
Property tax	94	87
Other	153	155
	559	549

Note 8 - Employees, personnel costs and executive remuneration

Average number of employees	Of whom,		Of whom,	
	2015	men	2014	men
Parent Company, Sweden	92	58	91	58
Subsidiaries, Sweden	5	0	6	0
Subsidiaries, Denmark	22	15	19	13
Group, total	119	73	116	71

Gender distribution, Board and senior executives	Board of Directors		Senior executives	
	2015	2014	2015	2014
Men	4	4	2	3
Women	3	3	3	2
Total	7	7	5	5

¹ Since September 2014, two individuals.

Salaries, other remuneration and social security costs	Group		Parent Company	
	2015	2014	2015	2014
Board fees	0.9	0.9	0.9	0.9
Chief Executive Officer				
Salaries and other remuneration	4.2	3.9	4.2	3.9
Benefits	0.1	0.1	0.1	0.1
Other senior executives				
Salaries and other remuneration	4.0	4.7	4.0	4.7
Benefits	0.1	0.1	0.1	0.1
Other employees	53.9	51.1	41.7	39.9
Total	63.2	60.8	51.0	49.6
Pension costs (excl. special employer's contribution)				
Chief Executive Officer	1.5	1.4	1.5	1.4
Other senior executives	1.6	1.3	1.6	1.3
Other employees	6.4	6.8	5.7	6.3
Other social security costs	20.1	19.0	19.6	17.9
Total	29.6	28.5	28.4	26.9

Remuneration of senior executives

Principles

Fees are paid to the Chairman and Board members in accordance with the resolution passed by the AGM and remained unchanged compared with the preceding year. The Chairman was paid SEK 230,000 and other Board members excluding the CEO SEK 135,000 each. Remuneration of the CEO and other senior executives comprises basic salary, other benefits and pension. "Other senior executives" refers to the Group Management, which in addition to the CEO consists of the Chief Financial Officer, the Director of Corporate Communication, the Director of Projects & Developments (from February 2015) and the Director of HR & CSR. Group Management is not entitled to any specific variable or share-price related remuneration.

Remuneration and other benefits during the year

"Other benefits" refers to company cars. "Pension cost" refers to the cost charged to profit for the year. The retirement age for the CEO is 65 years. The cost of the CEO's pension comprises a premium amounting to 35 percent of pensionable salary per year during the CEO's period of service. Other senior executives are covered by an ITP plan or equivalent, with the retirement age being 65.

A number of administrative personnel in Sweden are covered by the ITP2 Plan's defined-benefit pension commitments for retirement and family pensions via an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board UFR 3 Classification of ITP plans financed by insurance with Alecta, this comprises a multi-employer defined-benefit plan. For the 2015 financial year, the company did not have

access to information to enable it to recognise its proportional share of the plan's commitments, plan assets and costs. As a result, the company was unable to recognise it as a defined-benefit plan. Accordingly, the ITP 2 Pension Plan secured via insurance with Alecta was recognised as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually on the basis of such factors as salary, previously earned pension entitlement and estimated remaining period of employment. Anticipated charges for the next reporting period for ITP 2 insurance policies held with Alecta totalled SEK 2.3 million (2.0). The collective consolidation level is the market value of Alecta's assets as a percentage of its insurance commitments, calculated according to Alecta's actuarial methods and assumptions, which do not correspond to IAS 19. Normally, the collective consolidation is permitted to vary between 125 and 155 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 155 percent, action is to be taken to create the conditions for returning the consolidation level to within the normal range. In the case of low consolidation, one step can be to increase the price of new, and extending existing, benefits. In the case of high consolidation, one step can be to reduce premiums. At year-end 2015, Alecta's surpluses in the form of the collective consolidation level was 153 percent (144).

Severance pay

The notice of termination of employment, on either side, for the CEO is six months. If employment is terminated by Wihlborgs, the CEO is entitled to severance pay corresponding to 18 months' salary. Severance pay is deducted from other sources of income. If the employment is terminated by the CEO, no severance pay is due. In the case of other senior executives, employment is subject to a mutual notice of termination of four to six months. If employment is terminated by the company, the senior executive is entitled to severance pay for up to 12 months. Severance pay is deducted from other sources of income. If the employment is terminated by the senior executive, no severance pay is due.

Remuneration-setting procedure

Remuneration of the CEO for the 2015 financial year was approved by the Board. Remuneration of other senior executives was approved by the CEO.

Profit-Sharing Fund

Wihlborgs has a Profit-Sharing Fund for which all employees are eligible, apart from the CEO. Allocations to the Profit-Sharing Fund may not exceed one price base amount per employee per year and is based on a combination of Wihlborgs' profits, excluding changes in the value of properties and derivatives, return on equity requirements and dividend to shareholders. The Profit-Sharing Fund is required to invest its assets in shares in Wihlborgs Fastigheter AB. Payments to employees are made in accordance with the Fund's articles of association. Personnel costs for 2015 include an allocation of SEK 4 million (4.0) to the Profit-Sharing Fund.

Note 9 – Other income

Other income not related to own property management.

Note 10 – Central administration and marketing

This item comprises costs of Group Management and Group-wide functions for finance, HR, accounting, IT and investor relations etc., as well as other costs associated with being a public listed company. Property-related administration is not included, and is instead recognised under property expenses.

Note 11 – Fees to auditors, SEK 000s

	Group		Parent Company	
	2015	2014	2015	2014
Deloitte AB				
Audit engagement	2,250	2,200	2,250	2,200
Auditing activities other than audit engagement	420	435	420	435
Tax advice	157	141	157	141
Other services	106	–	106	–
Aaen & Co. statsautoriserede revisorer p/s				
Audit engagement	67	64	–	–
Auditing activities other than audit engagement	29	102	–	–
Tax advice	32	70	–	–
Other services	133	158	–	–

Fees charged to Swedish subsidiaries are invoiced to the Parent Company.

Auditing services consist of statutory auditing of the annual accounts, the consolidated accounts and the accounting records, as well as examination of the administration of the Board and CEO and other auditing functions performed by agreement or under contract.

Auditing services also include other duties that fall to a company's auditor, together with advisory services and other support caused by observations made during audits or the performance of such other duties.

Note 12 – Change in value, investment properties

The change in value during the year relates to properties sold and the property portfolio at year-end.

	Group	
	2015	2014
Change in value, properties sold	55	24
Change in value, property portfolio on 31 Dec.	1,560	618
	1,615	642

The realised change in value, that is, the difference between the sales price of properties sold and the total capital invested in these properties, was SEK 141 million (157). "Total capital invested" refers to the original investment or acquisition, plus the investments made in the property concerned during the remainder of the period of ownership.

To determine the change in value for each period, the properties are valued at the end of every quarter. Internal valuations are performed on 31 March, 30 June and 30 September. To confirm internal valuations at these times, a small selection of properties are valued externally. The properties are selected with a focus on properties showing major changes in rental levels, vacancy rates or substantial investments. At every year-end, all properties are valued externally. Malmöbryggan Fastighetsekonomi AB and Savills Sweden AB performed a valuation of all of Wihlborgs' properties in Sweden as per 31 December 2015. The values of the properties are determined individually to correspond to the fair value of each property. In Denmark, the properties were valued by DTZ Egeskov & Lindquist A/S. For further information, see Note 16.

For more details on valuation methods, valuation bases, market parameters etc. used in determining the value of the property portfolio, refer to pages 78-79.

Note 13 – Change in value, derivatives

Derivatives are financial instruments that in accordance with IAS 39 are measured at fair value in the balance sheet. Changes in the value of interest-rate derivatives are recognised as "Change in value, derivatives" in profit or loss. For information on the principles for valuation of derivatives, refer to Note 1.

Note 14 – Tax on profit for the year

	Group		Parent Company	
	2015	2014	2015	2014
Current tax on profit for the year	-4	-5	–	–
Adjustment of current tax, previous years	–	–	–	–
Total current tax	-4	-5	0	0
Deferred tax	-577	-92	-55	226
Total tax	-581	-97	-55	226
Nominal tax on profit before tax	-629	-108	-336	61
Tax effect, adjustment items				
– Dividend from Group companies	–	–	331	174
– Impairment/reversal of participations in Group companies	–	–	-68	-9
– Sale of properties via companies	32	46	–	–
– Restructuring of Group	–	-14	–	–
– Gain from sale of subsidiaries	–	–	19	–
– Non-deductible costs	-15	-27	-1	0
– Recalculation of tax in Denmark	11	–	–	–
– Other adjustment items	20	6	–	–
Total tax, excl. current tax, previous years	-581	-97	-55	226
Adjustment of current tax, previous years	–	–	–	–
	-581	-97	-55	226

In addition to that reported above, the Group has a tax expense attributable to components of other comprehensive income amounting to 4 (-5).

The nominal tax rate is 22 (22) percent in Sweden and 23.5 (25) percent in Denmark. Effective 1 January 2015, corporation tax in Denmark was lowered to 22 percent, which affected the calculation of deferred tax in this year's accounts.

The Group reports current tax amounting to SEK -4 million (-5). Current tax is based on the taxable income of the companies incorporated in the Group. This is lower than the Group's profit before tax.

This is primarily because:

- The change in value for investment properties and derivatives is not included in the taxable profit.
- Tax deductible depreciation on buildings, land improvements and fixtures and fittings in buildings is not charged to consolidated profit.
- Directly tax deductible amounts for certain redevelopment investments in properties are not charged to consolidated profit.
- Loss carryforwards utilised are not charged to consolidated profit.

Calculation of current tax on profit for the year in the Group

	2015	2014
Profit before tax	2,859	492
Changes in value	-1,884	396
Tax deductible depreciation on buildings	-614	-464
Direct deductions, tenant improvements and replacement of components etc.	-335	-184
Restructuring of Group	–	63
Taxable profit property sales	75	6
Other	38	6
Taxable profit before loss carryforwards	139	315
Loss carryforwards, opening balance	-1,178	-1,469
Loss carryforwards, closing balance	1,059	1,178
Taxable profit	20	24
Current tax on profit for the year	-4	-5

Note 15 – Statement of other comprehensive income and change in reserves

The translation reserve includes all currency differences that arise in translation of financial statements from foreign subsidiaries that have prepared their financial statements in a currency other than the one in which the Group's financial statements are presented.

The translation reserve also includes currency differences that arise in translation of liabilities and other items accounted for as hedging instruments for a net investment in a foreign operation. When the foreign subsidiary is wound up or sold, its portion of the translation reserve is transferred to profit for the year. These reserves are recognised as a separate item in equity. Various reserves may appear here, but at present the only one included is the translation reserve.

	Opening balance	Change in translation reserve for the year	Transferred to profit for the year	Closing balance
2015				
Translation of net investments in foreign operations	33	-23	–	10
Hedging of currency risk in foreign operations	28	23	–	51
Tax attributable to hedging of currency risk in foreign operations	-11	-4	–	-15
	50	-4	–	46

2014	Opening balance	Change in translation reserve for the year	Transferred to profit for the year	Closing balance
Translation of net investments in foreign operations	4	29	–	33
Hedging of currency risk in foreign operations	57	-29	–	28
Tax attributable to hedging of currency risk in foreign operations	-16	5	–	-11
	45	5	–	50

In order to minimise the impact of exchange rate fluctuations on translation of the net assets of foreign operations into SEK, both forward currency contracts and loans in foreign currency have historically been used. At present, only loans denoted in foreign currency are used for hedging in this way.

Note 16 – Investment properties

All Wihlborgs' properties are classified as investment properties. Investment properties are those owned in order to earn rental income or for capital appreciation or a combination of the two. Investment properties are measured at fair value in the statement of financial position.

Wihlborgs rents offices in Copenhagen, Lund, Malmö and Helsingborg in its own properties. The rental value for own renting represents, in all cases, a negligible portion of the total rental value for the property concerned and consequently none of these properties is classified as owner-occupied property.

Wihlborgs does not own any property that was acquired or redeveloped with a view to reselling it quickly thereafter. As a result, no property is recognised as property held for resale.

Approved investments amount to SEK 1,288 million (928), of which SEK 789 million (660) had been invested at year-end.

Of the carrying amounts for the properties, it is estimated that SEK 131 million (116) relates to capitalised loan costs. The interest rate used to calculate the capitalised borrowing cost is the average interest rate of the loan portfolio. On 31 December 2015, the interest rate was 2.76 percent (3.20).

At year-end, the residual value of the property portfolio for tax purposes was SEK 13,274 million (11,818).

	2015	2014
Tax assessment value, Swedish properties	10,769	9,613
Carrying amount, Swedish properties	25,758	22,466

When determining fair value, the point of departure has been the maximum and best use. Fair value is determined by a combination of the location-price method, based on recorded local purchases, and a yield-based method.

The yield-based method is based on a present value calculation of future actual cash flows, which is continually adjusted to the market, normally over five years, and the present value of the estimated residual value at the end of the calculation period. The valuation of investment properties has been classified as falling within Level 3 in the fair value hierarchy, since the estimated value is materially affected by non-observable input data used in the valuation. The values of the properties are determined individually to correspond to the fair value of each property. For undeveloped properties, a new-build value for a possible future land use is estimated, taking into account clearing and development costs, based on current planning criteria and prices for similar projects sold.

The fair value of investment properties was assessed by impartial external property appraisers with appropriate professional qualifications and experience not of only the market areas concerned but also the type of properties valued. In Sweden, the valuations were performed by Malmöbryggan Fastighetsekonomi AB and Savills Sweden AB. In Denmark, the properties were valued by DTZ Egeskov & Lindquist A/S. For further information on the valuation of the property portfolio, see pages 77-79.

Change in carrying amount for the year

	Group	
	2015	2014
Carrying amount, beginning of year	24,299	22,584
Reclassification ¹	–	51
Property acquisitions	2,155	489
Investments	1,047	802
Divested properties ²	-411	-376
Change in value	1,615	642
Currency translations	-82	107
Carrying amount	28,623	24,299

¹ Properties and property value acquired as a result of reclassification of joint arrangements

² Including insurance compensation for total losses on buildings, and profits from external projects.

Aggregated sensitivity analysis, developed properties in Sweden

Parameter	Assumed change, %	Change in yield value, %	
		2015	2014
Market rent level	10	8.7	9.3
Market rent level	-10	-10.4	-10.5
Operating and maintenance costs	20	-6.8	-7.3
Operating and maintenance costs	-20	6.3	6.4
Investment yield, residual value	0.25	-3.6	-3.4
Investment yield, residual value	-0.25	3.4	2.8

Source: Malmöbryggan Fastighetsekonomi AB

Summary of valuation assumptions

Date of valuation	31 Dec 2015	31 Dec 2014
Fair value	SEK 28,623 million	SEK 24,299 million
Calculation period	Normally five years for Swedish properties and ten years for Danish properties. However, for certain properties, different calculation periods are justified on the basis of the length of the lease.	
Estimated investment yield requirement, residual value	Between 4.5 percent (4.75) and 8.25 percent (8.25).	
Cost of capital	Between 4.75 percent (5) and 8.6 percent (9).	
Long-term vacancy rate	Normally between 3 percent (5) and 12 percent (12).	
Operating and maintenance costs	In assessing the value, operating and maintenance costs are calculated on a standardised basis taking type of property, valuation year and location into account.	
Inflation assumption	CPI is estimated to rise by 2 percent per year except in 2016 when it is estimated to rise by no more than 1.4 percent (0.40).	

Note 17 – Equipment

	Group		Parent Company	
	2015	2014	2015	2014
Opening balance, cost	40	43	10	10
Investments	2	1	0	0
Sales and disposals	-0	-4	-0	-0
Closing balance, cost	42	40	10	10
Opening balance, depreciation	-33	-36	-7	-6
Sales and disposals	0	4	0	0
Depreciation for the year	-1	-1	-0	-1
Closing balance, depreciation	-34	-33	-7	-7
Carrying amount	8	7	3	3

Note 18 – Participations in joint ventures and holdings in joint operations

IFRS 11 Joint Arrangements has been applied since 1 January 2014. This standard defines the difference between joint operations and joint ventures, depending on whether the Group has direct rights to the assets and obligations for the liabilities or not. The assessment is based on the structure of the investment, its legal form, contractual agreements and other

factors and circumstances. For Wihlborgs, the effect of this is that Dockan Exploatering AB, Nyckel 0328 AB and Nya Svensk FastighetsFinansiering AB are classified as joint operations, which means that Wihlborgs' share of assets, liabilities, income and expenses in these companies has been consolidated into the consolidated accounts.

Fastighets AB ML4, which owns the MAX IV research facility in Lund, is recognised as a unconsolidated structured entity.

	Group		Parent Company	
	2015	2014	2015	2014
Carrying amount at beginning of year	6	124	36	53
Reclassifications	-	-118	-	-
Share of profit	-	-	-	-
Repayment of shareholders' contributions	-	-	-	-17
Deferred tax	-	-	-	-
Carrying amount at year-end	6	6	36	36

Name/Cop. Reg. No.	Registered office	Proportion of equity, %	Group	Parent Company
Dockan Exploatering AB 556594-2645	Malmö	33.3	-	31
Hälsostaden Ängelholm Holding AB/556790-5723	Ängelholm	33.3	5	5
Medeon AB 556564-5198	Malmö	40.0	0	0
Ideon AB 556862-4026	Lund	60.0	1	-
			6	36

Description of participations classified as joint ventures

- Hälsostaden Ängelholm Holding AB was established to develop the site around Ängelholm Hospital into a health care city with a wide range of hospital and health-promoting activities. A major conversion and new build project began in the northern hospital district in 2013 and is expected to be completed in 2018. The investment is estimated at SEK 700 million and is financed through the Nordic Investment Bank (NIB) and the European Investment Bank.
- Medeon AB is marketing Medeon Science Park, a research park in Malmö focusing on life sciences (pharmaceuticals, medical technology, biotechnology and healthcare).
- Ideon AB, owned jointly with Lunds Universitets Innovations-system AB and the City of Lund, was established to strengthen and develop Ideon as a creative and active research community in close contact with universities and other institutes of higher education.

Description of holdings classified as joint operations

- Dockan Exploatering AB conducts development activities in the Dockan area of Malmö. The company's purpose is to source development land for its owners.

- Nyckel 0328 AB conducts, via its subsidiary Svensk FastighetsFinansiering AB, financial activities in the form of raising loans in the capital markets and issuing cash loans. The company is jointly owned by Fabege, Wihlborgs and Peab. Wihlborgs' participating interest is 33.33 percent.
- In January 2015, Nya Svensk FastighetsFinansiering AB was established, a new finance company with a covered MTN programme of SEK 8 billion. The company is owned by Catena AB, Diös Fastigheter AB, Fabege AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB, each with a 20 percent share. The objective is to broaden the base for the company's borrowing structure in a situation where the capital market is showing a strong appetite for bonds.

At the end of the year, bonds of SEK 3,528 million were issued, of which Wihlborgs' share amounted to SEK 1,343 million.

Summary of joint venture company earnings and financial position (100%)

	2015	2014
Earnings		
Income	83	81
Expenses	-83	-81
	0	0
Assets		
Non-current assets	606	403
Current assets	26	12
	632	415
Liabilities and equity		
Equity	71	17
Non-current liabilities	549	382
Current liabilities	12	16
	632	415
Carrying amount	6	6

Note 19 – Receivables from joint ventures

	Group		Parent Company	
	2015	2014	2015	2014
Maturity date between				
1-5 years from balance-sheet date	–	–	17	45
Maturity date more than 5 years				
from balance-sheet date	–	–	–	–
Carrying amount	–	–	17	45

Note 20 – Other securities held as non-current assets

	Group		Parent Company	
	2015	2014	2015	2014
Opening balance	1	1	1	1
Shareholders' contributions	20	–	20	–
Carrying amount	21	1	21	1

Name/Cop. Reg. No.	Registered office	Proportion of equity, %	Carrying amount
Fastighets AB ML4			
556786-2155	Malmö	50.0	21

Fastighets AB ML4's purpose is to develop, build, own and manage the MAX IV research centre in Lund. The company is owned jointly with Peab Sverige AB. Work started on construction in 2011 and was completed in 2015, when the tenant, Lund University, moved in. The lease is for 25 years. The investment amounted to slightly less than SEK 2 billion, and in 2015 a 24-year loan agreement totalling SEK 1.5 billion was signed with the Nordic Investment Bank (NIB). As collateral for the loan, the bank has mortgages in the lease with Lund University and in rental payments, liens in insurance receivables and mortgages in site leaseholds and buildings. The NIB also hold collateral through the pledging of all shares in Fastighets AB ML4. If Lund University neglects to make rental payments due to mandatory legislation in the Swedish Land Code/Tenancy Act, Wihlborgs has agreed an indemnity bond for 50 percent of unpaid, due payments of interest and repayment instalments that Fastighets AB ML4 has not paid. At year-end, 50 percent of the (unpaid but not due) liability amounted to SEK 748 million. Both of the owner companies also each lent SEK 200 million to Fastighets AB ML4, that fall due at the same time as the loan to NIB is to be repaid. The loan was recognised as a non-current receivable in both the consolidated and Parent Company statement of financial position.

Note 21 – Non-current receivables

	Group		Parent Company	
	2015	2014	2015	2014
Maturity date between				
1-5 years from balance-sheet date	5	178	–	171
Maturity date more than 5 years				
from balance-sheet date	207	5	207	5
Carrying amount	212	183	207	176

SEK 207 million (176) of the above receivables are interest-bearing.

Note 22 – Accounts receivable

	Group	
Maturity structure – accounts receivable due	2015	2014
Accounts receivable that are neither due nor impaired	13	5
Accounts receivable that are due		
0-30 days	2	5
31-60 days	2	3
61-90 days	1	2
>90 days	19	32
Of which, provision made (excluding VAT)	-16	-21
Total	21	26

The total cost for the year for confirmed and anticipated bad debts amounted to SEK 6 million (9).

Note 23 – Prepaid expenses and accrued income

	Group		Parent Company	
	2015	2014	2015	2014
Rental income	7	8	–	–
Insurance payments	–	40	–	–
Anticipated dividends	–	–	–	612
Interest income	–	4	–	4
Other	29	16	7	4
Total	36	68	7	620

Note 24 – Cash and cash equivalents

Cash and cash equivalents comprise bank balances. Unused overdraft facilities which are not included in cash and cash equivalents amounted to SEK 126 million (114), of which SEK 126 million (114) in the Parent Company.

Note 25 – Equity

Number of shares registered and outstanding at beginning and end of year 76,856,728

All shares have equal voting rights, one vote per share. Quotient value per share, SEK 2.50 (2.50). In 2015, shareholders received a dividend of SEK 4.75 (4.25) per share, representing a total of SEK 365 million (327).

After the balance-sheet date, the Board proposed the following dividend

Per share	SEK 5.25
Total	SEK 403 million

The dividend proposal will be subject to approval by the Annual General Meeting, to be held on 28 April 2016.

The dividend proposal complies with the company's dividend policy and is based on:

- 50 percent of income from property management, after deduction of tax at 22 percent.
- 50 percent of profit realised from property sales, that is, the sales price, less total capital invested, after deduction of tax at 22 percent.

In order to control and manage the company's capital, a number of financial targets have been established to provide Wihlborgs with a capital structure that delivers the best return to shareholders, with due account taken of risk. Capital refers to equity.

	Target 2015	Outcome 2015	Average 2011-2015
Return on equity is to exceed the risk-free interest rate			
by at least six percentage points, %	6.3	28.8	15.4
Equity/assets ratio, %	>30.0	30.6	29.7
Loan-to-value ratio, %	<60.0	56.8	58.6
Interest coverage ratio, multiple	>2.0	3.2	2.8

The company's lenders have been given guarantees (financial covenants) concerning the equity/assets ratio and interest coverage ratio. There is an adequate margin between the level of guarantees provided and targets/outcomes for 2015. For more information on the Group's financial targets, dividend policy etc., as well as the relevant definitions, see pages 14 and 135.

Note 26 – Deferred tax liability

	Group	
	2015	2014
Deferred tax is based on the net of:		
– Loss carryforwards	-233	-259
– Difference between carrying amount and taxable value of properties	2,576	2,054
– Difference between carrying amount and taxable value related to derivatives	-193	-253
– Other temporary differences	48	67
– Untaxed reserves	1	18
Total	2,199	1,627

The loss carryforwards that have been used to calculate deferred tax amount to SEK 1,059 million (1,178). Of this amount, SEK 8 million (5) is a deficit that is non-permissible since it comprises Group contributions or is merger-related.

In the calculation of deferred tax on unutilised loss carryforwards, loss carryforwards encumbered with considerable

uncertainty have been excluded. Excluded loss carryforwards amounted to SEK 540 (460) million.

Note 27 - Other provisions

	Group		Parent Company	
	2015	2014	2015	2014
Stamp duty, property acquisition	30	30	–	–
Provisions for pensions	9	7	9	7
Carrying amount	39	37	9	7

The stamp duty liability arose in connection with sales of properties within the Group. The liability only falls due for payment when the properties or the Group companies that own the properties are sold to an external party.

Note 28 - Interest-bearing liabilities

	Group		Parent Company	
	2015	2014	2015	2014
Maturity date up to 1 year from balance-sheet date	1,680	1,350	1,574	1,000
Maturity date between 1 and 5 years from balance-sheet date	12,435	11,172	11,092	10,743
Maturity date more than 5 years from balance-sheet date	2,150	1,626	393	409
	16,265	14,148	13,059	12,152
– of which, non-current portion	15,083	14,148	11,983	12,152
– of which, current portion	1,182	–	1,076	–
	16,265	14,148	13,059	12,152

The amounts above include the utilised bank overdraft facility, which was SEK 84 million (80) for the Group and SEK 49 million (61) for the Parent Company. The credit limit approved as a bank overdraft facility was SEK 211 million (194) for the Group and SEK 175 million (175) for the Parent Company. The current portion of loans has been wholly or partly reduced by unutilised long-term credit agreements. The loan portfolio includes, in addition to loans from banks and credit institutions, loans from the finance company Nya Svensk FastighetsFinansiering AB, in the amount of SEK 1,343 million (–) and bond loans of SEK 1,285 million (1,785).

Note 29 - Derivatives

Analysis of value of derivatives based on maturity

	Group		Parent Company	
	2015	2014	2015	2014
Less than 1 year from balance-sheet date	–	–	–	–
Between 1 and 5 years from balance-sheet date	–	–	–	–
More than 5 years from balance-sheet date	879	1,148	879	1,148
	879	1,148	879	1,148

of which, recognised as

Non-current receivable

– Interest-rate derivative, surplus value

Non-current liability

– Interest-rate derivative, deficit

value

Derivatives are classified as non-current liabilities in the balance sheet and measured regularly in accordance with IAS 39 at fair value at Level 2, except for the cancellable swaps that are measured at Level 3 (IFRS 7). Interest-rate derivatives are not expected to be settled in cash. See also Note 1 - Accounting policies.

Any change in the value of interest-rate derivatives is recognised in profit or loss on a separate line entitled "Change in value, derivatives." The changes in value of interest-rate derivatives during the year totalled SEK 269 million (neg: 1,038), all of which was unrealised.

For more detailed information on Wihlborgs' derivatives and the risks they are intended to minimise, refer to Note 2 - Financial risk management.

	Group/ Parent Company	
	2015	2014
Swaps value IFRS 7, Level 3		
Opening balance, fair value 1 Jan 2015, liability	327	183
Change from Level 3 to Level 2, no longer cancellable	–	-125
Changes in value	-92	269
Maturity	–	–
Closing balance, fair value 31 Dec 2015, liability, Level 3	235	327
Closing balance, fair value 31 Dec 2015, liability, Level 2	644	821

Note 30 - Accrued expenses and deferred income

	Group		Parent Company	
	2015	2014	2015	2014
Prepaid rent	277	271	–	–
Interest expense	85	78	82	76
Additional expenses, sale of properties	14	15	–	–
Other	90	88	22	19
	466	452	104	95

Note 31 - Pledged assets and contingent liabilities

	Group		Parent Company	
	2015	2014	2015	2014
Pledged assets				
Property mortgages	16,607	15,583	–	–
Participations in Group companies	1,944	1,873	1,102	823
Other participations	21	1	21	1
Endowment insurance	7	5	7	5
Promissory notes	–	–	13,551	13,100
Bank deposits	–	1	–	1
	18,579	17,463	14,681	13,930

Contingent liabilities

Guarantee commitments on behalf of subsidiaries	–	–	1,878	1,327
Other contingent liabilities	174	781	174	781
	174	781	2,052	2,108

Note 32 - Net sales and Operating costs

Net sales largely comprise the Parent Company's onward invoicing of costs to other Group companies, primarily relating to property management, property upkeep and a share of central administration.

Operating costs	2015	2014
Personnel costs	86	83
Administration costs	41	39
	127	122

Note 33 - Result from participations in Group companies

	Parent Company	
	2015	2014
Dividends on participations	1,506	793
Impairment of participations	-308	-41
Gain from sale of participations	85	–
	1,283	752

Participations in Group companies are impaired when the carrying amount in the Parent Company exceeds the fair value of an individual Group company. In cases where the impaired value of participations has risen and exceeds the carrying amount in the Parent Company, these impairments are reversed, wholly or in part. In 2015, an impairment loss was recognised on the value of the participations in 13 Group companies.

Note 34 - Result from other securities and receivables recognised as non-current assets

	Parent Company	
	2015	2014
Interest income, Group companies	332	333
Interest income, other	10	10
	342	343

Note 35 - Interest expense and similar profit/loss items

	Parent Company	
	2015	2014
Interest expense, Group companies	112	123
Interest expense, other	392	465
	504	588

Note 36 - Appropriations

This items consists entirely of Group contributions received from other Group companies. Group contributions are recognised in accordance with the alternative rule of recommendation RFR 2. According to the alternative rule, Group contributions received and paid are both recognised as appropriations.

Note 37 – Participations in Group companies

	Parent Company	
	2015	2014
Opening balance, cost	9,706	9,261
Acquisitions	474	328
Shareholders' contributions paid/new share	485	117
Sales	-56	-
Closing balance, cost	10,609	9,706
Opening balance, impairment	-1,677	-1,635
Impairment for the year	-308	-42
Reversals for the year	-	-
Closing balance, impairment	-1,985	-1,677
Carrying amount	8,624	8,029

Subsidiaries Name	Corp. Reg. No.	Carrying amount
Balken 10 i Malmö AB	556705-3334	19
Bastionen Syd AB	556072-2042	115
Berga V5, AB	556742-9443	1
Bruksgatans Fastighets AB	556401-0675	22
Bunium Fastigheter AB	556700-5474	24
Exab Utvecklings AB	556353-2828	0
Fastighets AB Altimeter	556786-2213	5
Fastighets AB Bergakniven	556742-7454	11
Fastighets AB Flygvärdinnan 5	556708-8512	19
Fastighets AB Fortet	556090-5621	97
Fastighets AB Hundstjärnan	556824-7679	0
Fastighets AB Kastrullen	556754-8812	0
Fastighets AB Kvävet	556222-8071	7
Fastighets AB Oxigenium	556754-8820	207
Fastighets AB Plinius	556033-6538	23
Fastighets AB Rentabel i likvidation	556252-6284	1
Fastighets AB Stillman	556082-1752	39
Fastighets AB Yxstenen	556691-4437	7
FR Förvaltning AB i likvidation	556281-3559	0
Första Fastighets AB Ideon	556233-7765	842
Förvaltnings AB Haspen	556466-2533	17
Hilab Fastigheter AB	556112-0345	16
Hundlokan 10 i Malmö AB	556730-4489	31
Ishavet Malmö AB	556928-0737	15
Kalinehuset AB	556129-5824	129
Kniven 2 AB	556706-9355	4
Kolgafour AB	556627-7843	7
Lund Lagret 1 AB	556730-3820	35
Lunds Byggmästaregille, AB in liquidation	556058-9888	1
M2 Fastigheter AB	556101-4332	379
Malmö Börshus AB	556115-8543	109
Medeon Fastigheter AB	556034-1140	31
Neptuninnan AB	556743-5465	96

Subsidiaries Name	Corp. Reg. No.	Carrying amount
Ringcentralen i Hälsingborg Fastighets AB	556115-9483	0
Spillepengen Fastighets AB	556107-5002	67
Studentkåren 6 Fastighets AB	556730-3499	129
Tågarp 16:19 Fastighets AB	556692-9336	8
Utvecklings AB Kranen	556286-9999	117
Weraco AB	556509-6418	58
Wihlborgs A/S	14 12 50 43	328
Wihlborgs Ametisten 5 AB	556686-0457	7
Wihlborgs Armborstet 6 AB	556966-7081	15
Wihlborgs Boplatsgatan 5 AB	556675-2449	0
Wihlborgs Borgeby AB	556675-2639	0
Wihlborgs Bronsdolken AB	556232-5919	4
Wihlborgs Bytarebacken AB	556822-0171	257
Wihlborgs Cinder AB	556518-5732	6
Wihlborgs Cityfastighet AB	556862-2848	1
Wihlborgs Erik Menved 37 AB	556704-3699	417
Wihlborgs Fastigheter i Helsingborg AB	556101-6295	424
Wihlborgs Fastigheter i Nordvästra Skåne AB	556271-3924	3
Wihlborgs Fisker 18 AB	556675-2357	145
Wihlborgs Flintan 3 AB	556675-2647	5
Wihlborgs Flounderone AB	556727-7909	20
Wihlborgs Forskaren 3 AB	556690-0667	128
Wihlborgs Fosieberg AB	556188-3223	50
Wihlborgs Fosiering AB	556721-4225	21
Wihlborgs Gallerian AB	556704-3632	181
Wihlborgs Gjuteriet 18 AB	556717-2282	0
Wihlborgs Gåsebäck AB	556303-1326	9
Wihlborgs Gäddan 6 AB	556704-3681	1
Wihlborgs Gängtappen 1 AB	556776-3585	324
Wihlborgs Gängtappen 2 AB	556813-3572	147
Wihlborgs Havskryssaren AB	556703-0613	54
Wihlborgs Holding AB	556701-2827	0
Wihlborgs Ideon Fastigheter AB	556239-8718	194
Wihlborgs Karin 13 AB	556761-8987	148
Wihlborgs Kirseberg AB	556691-4874	0
Wihlborgs Kranen 10 AB	556824-7703	33
Wihlborgs Kranen AB	556704-6387	112
Wihlborgs Kroksabeln 12 AB	556654-0331	101
Wihlborgs Kärnan Södra 9 AB	556824-7661	76
Wihlborgs Lönngatan AB	556704-3657	10
Wihlborgs Mauritzborg AB	556753-3483	339
Wihlborgs Mobergsgården Västra 8 AB	556831-9130	23
Wihlborgs Motorseglaren AB	556703-0605	0
Wihlborgs Musköten 17 AB	559021-1081	21
Wihlborgs Måsen 17 AB	556627-7835	2
Wihlborgs Nils 24 AB	556704-3731	0
Wihlborgs Nora 11 AB	556761-9001	194
Wihlborgs Obligation Holding AB	556240-3633	147
Wihlborgs Olsgård 8 AB	556775-6019	10
Wihlborgs Pajao 1 AB	559012-4995	0
Wihlborgs Pajao 2 AB	559020-7774	0
Wihlborgs Pajao 3 AB	559020-7766	0
Wihlborgs Pajao 4 AB	559020-7758	0

Subsidiaries Name	Corp. Reg. No.	Carrying amount
Wihlborgs Pajao 7 AB	559025-2622	0
Wihlborgs Pajao 8 AB	559025-2598	0
Wihlborgs Pajao 9 AB	559025-2614	0
Wihlborgs Poliset AB	556703-0589	87
Wihlborgs Rikken AB	556701-5028	202
Wihlborgs Ritaren 1 AB	556675-2605	1
Wihlborgs Rosengård AB	556699-7986	48
Wihlborgs Rubinen AB	556862-2855	3
Wihlborgs Skrovet 3 AB	556468-5385	170
Wihlborgs Skrovet 4 AB	556173-9417	5
Wihlborgs Skrovet 5 AB	556237-6268	145
Wihlborgs Skrovet 6 AB	556681-1898	281
Wihlborgs Spanien 5 AB	556710-4574	0
Wihlborgs Sparven 15 AB	556704-3624	292
Wihlborgs Spettet 11 AB	556761-9050	12
Wihlborgs Stenåldern 7 AB	556120-9759	0
Wihlborgs Stridsyxan 4 AB	556825-9948	4
Wihlborgs Stångbettet 15 AB	556683-1615	14
Wihlborgs Sufflören 3 AB	556704-3640	6
Wihlborgs Sunnanå 12:27 AB	556766-4098	50
Wihlborgs Sydporten AB	556726-0202	36
Wihlborgs Tegelvågen 4 AB	556824-7653	0
Wihlborgs Terminalen 1 AB	556726-1663	78
Wihlborgs Terminalen 3 AB	556962-9859	62
Wihlborgs Tyfonen 1 AB	556692-2570	1
Wihlborgs Uvenine AB	556695-2502	30
Wihlborgs Vikingen 10 AB	556675-3082	30
Wihlborgs Våktaren 3 AB	556743-6109	173
Wihlborgs Zirkonen 2 AB	556788-4852	17
Wihlborgs Östersjön 1 AB	556637-7361	138
Wihlborgsporten AB	556630-3797	87
Wihlodia AB	556301-8109	2
WJ Bygg AB	556060-0529	5
		8,624

Participations in Group companies are impaired when the carrying amount in the Parent Company exceeds the fair value of an individual Group company. In cases where the impaired value of participations has risen and exceeds the carrying amount in the Parent Company, these impairments are reversed, wholly or in part.

Of the subsidiaries listed above, ten are Parent Companies of sub-groups. All subsidiaries are wholly owned and all have their registered office in Malmö, except Wihlborgs A/S, which has its registered office in Copenhagen, Denmark. There are a total of 155 (153) companies in the Group.

Note 38 - Deferred tax assets

	Parent Company	
	2015	2014
Deferred tax is calculated on:		
– Loss carryforwards	13	4
– Difference between carrying amount and taxable value related to derivatives	193	253
– Other temporary differences	7	11
	213	268

At year end, the Parent Company had unutilised loss carryforwards of SEK 60 million (18).

Note 39 – Fair value of financial assets and liabilities

Group

	Financial assets/ liabilities measured at fair value in profit or loss		Available-for-sale financial assets		Loan and accounts receivable		Financial liabilities measured at amortised cost	
	2015	2014	2015	2014	2015	2014	2015	2014
<i>Assets</i>								
Non-current receivables					212	183		
Financial investments			21	1				
Derivatives								
Accounts receivable					21	26		
Other receivables					31	17		
Cash and bank balances					75	71		
<i>Liabilities</i>								
Interest-bearing liabilities							-16,265	-14,148
Derivatives	-879	-1,148						
Accounts payable							-148	-96
Other liabilities							-157	-198

Parent Company

	Financial assets/ liabilities measured at fair value in profit or loss		Available-for-sale financial assets		Loan and accounts receivable		Other liabilities measured at cost	
	2015	2014	2015	2014	2015	2014	2015	2014
<i>Assets</i>								
Non-current receivables					11,178	9,249		
Financial investments			21	1				
Accounts receivable					1	1		
Other receivables					1	2		
Cash and bank balances					0	33		
<i>Liabilities</i>								
Interest-bearing liabilities							-16,255	-15,213
Derivatives	-879	-1,148						
Accounts payable							-3	-3
Other liabilities							-9	-60

Accounts receivable, other receivables, cash at bank and in hand, accounts payable and other liabilities are recognised at amortised cost less any impairment; as a result, the fair value is considered to be the same as the carrying amount. Interest-bearing liabilities are mainly subject to a short fixed-interest period, meaning that the amortised cost is the same as fair value.

Note 40 – Related parties

Joint arrangements

The Group and Parent Company have close relationships with joint venture companies and joint operations, refer to Note 18.

Group companies

The Parent Company has a close relationship with its subsidiaries, refer to Note 37.

Senior executives

For more information on salaries and other remuneration of the Board, CEO and other senior executives, as well as costs and commitments regarding pensions and similar benefits and agreements on severance pay, refer to Note 8. One Board member invoices Board fees via the company InPower AB.

All transactions with related parties are priced in line with market conditions.

Summary of related-party transactions

	Group	
TRANSACTIONS WITH JOINT ARRANGEMENTS	2015	2014
Sales to joint arrangements	1	2
Invoicing from joint arrangements	6	7
Acquisition of properties from joint arrangements	17	3
Interest income from joint arrangements	1	2
Interest expense to joint arrangements	2	37
Receivables from joint arrangements on 31 December	0	45
Liability to joint arrangements on 31 December	513	691
	Parent Company	
TRANSACTIONS WITH JOINT VENTURES	2015	2014
Sales to joint arrangements	1	0
Invoicing from joint arrangements	–	0
Interest income from joint arrangements	1	2
Receivables from joint arrangements on 31 December	–	45
Liability to joint arrangements on 31 December	–	–
TRANSACTIONS WITH GROUP COMPANIES		
Sales to Group companies	114	105
Purchases from Group companies	5	5
Interest income from Group companies	333	333
Dividend from Group companies	1,506	793
Interest expense to Group companies	114	123
Receivables from Group companies on 31 December	10,954	9,028
Liabilities to Group companies on 31 December	3,196	3,060

Signatures

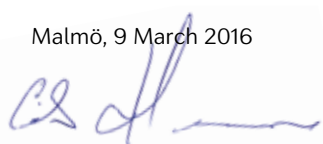
The consolidated statement of income and consolidated statement of financial position, together with the Parent Company income statement and balance sheet are subject to approval by the Annual General Meeting on 28 April 2016.

The Board of Directors and the Chief Executive Officer hereby certify that the annual accounts have been prepared in accordance with generally accepted accounting practice in Sweden and that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards as referred to in Regulation No. 1606/2002/EC of the European Parliament and of the Council dated 19 July 2002 on the application of international accounting standards.

The annual accounts and the consolidated accounts provide a true and fair view of the financial position and results of the Parent Company and the Group.

The administration report for the Parent Company and the Group provides a true and fair view of the development of the operations, financial position and performance of the Parent Company and the Group and also describes the material risks and uncertainties facing the Parent Company and the other companies in the Group.

Malmö, 9 March 2016



Erik Paulsson
Chairman



Per-Ingemar Persson
Deputy Chairman



Anders Jarl
CEO

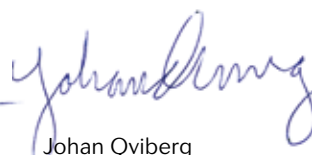
Tina Andersson
Board member



Helen Olausson
Board Member



Sara Karlsson
Board member



Johan Qviberg
Board member

Our Audit Report was submitted on 10 March 2016
Deloitte AB



Torbjörn Svensson
Authorised Public Accountant

Audit Report

Audit Report to the Annual General Meeting of Wihlborgs Fastigheter AB, corporate registration number 556367-0230

Report on the annual accounts and consolidated accounts

We have conducted an audit of the annual accounts and the consolidated accounts of Wihlborgs Fastigheter AB (publ) for the financial year from 1 January 2015 to 31 December 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 85-123.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts

The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in

Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing various procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and pres-

ent fairly, in all material respects, the financial position of the Group as of 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Wihlborgs Fastigheter AB (publ) for the financial year from 1 January 2015 to 31 December 2015.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we

examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and the consolidated accounts, we examined significant decisions, actions taken and the circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Malmö, 10 March 2016



Torbjörn Svensson
Authorised Public Accountant

Corporate Governance Report

Wihlborgs is a Swedish public limited company that is listed on Nasdaq Stockholm and applies the Swedish Corporate Governance Code (the Code). This is a separate report and does not form part of the formal Annual Report. Wihlborgs' Corporate Governance Report has been reviewed by the Company's auditors.

The shareholders influence the governance of the Company through participating in and exercising their voting rights at the Annual General Meeting (AGM), Wihlborgs' highest decision-making body.

The management and responsibilities of the Wihlborgs Group are allocated between the Board and the CEO in accordance with the Swedish Companies Act, other legislation and regulations, Nasdaq Stockholm's Rule Book for Issuers, the Code, the Articles of Association and internal governance instruments, such as the rules of procedure for the Board, instructions to the Chief Executive Officer and the financial policy.



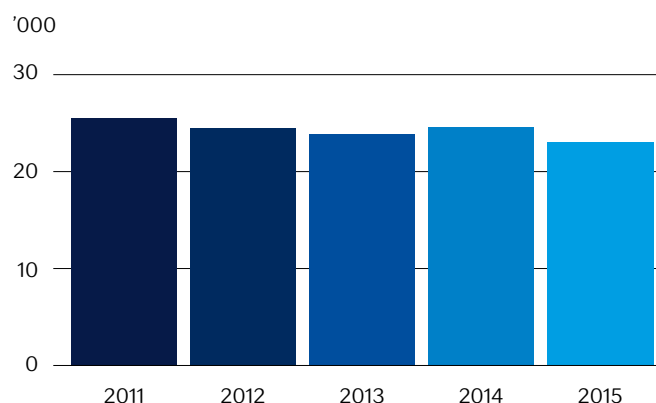
Shareholders

Wihlborgs' shares were listed on the Stockholm Stock Exchange on 23 May 2005. Since January 2016, Wihlborgs has been included in the Large Cap segment on the Nasdaq Nordic

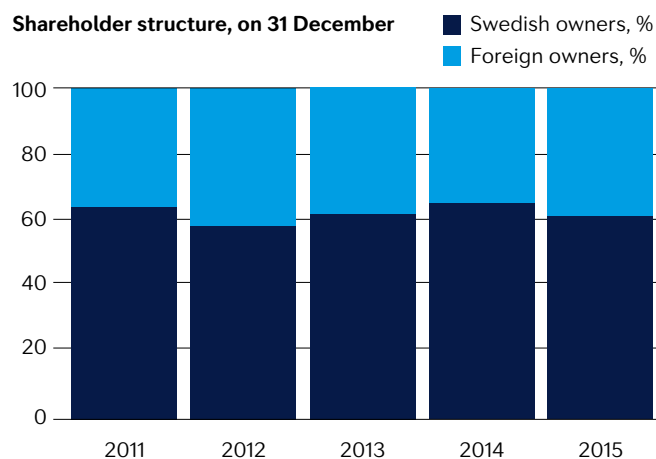
market. At year-end, the company's share capital totalled SEK 192 million. The number of shares registered and outstanding was 76,856,728 with a quotient value of SEK 2.50 per share. Each share entitles the holder to one vote and, at general meetings, each person entitled to vote may vote for the full number of shares held and represented by that individual. All shares are entitled to an equal share in Wihlborgs' profits.

With 10.1 percent of the shares outstanding, the largest shareholder in Wihlborgs is Erik Paulsson and family. At the end of December 2015, the ten largest shareholders owned 30.7 percent of the shares. The number of shareholders was 23,458, down 1,000

Number of shareholders, on 31 December



Shareholder structure, on 31 December



year-on-year. Of total share ownership, 78 percent was represented by legal entities and 22 percent by natural persons.

At the end of December, foreign shareholders represented 39.4 percent of the total, up 3.9 percentage points year-on-year.

Further information on the share and shareholders is available on pages 29–31.

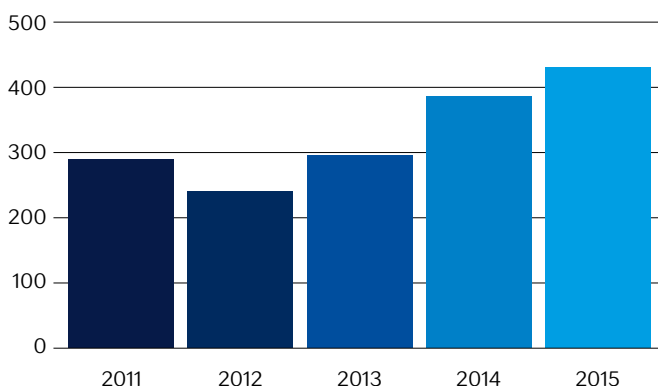
Articles of Association

Wihlborgs' Articles of Association were most recently amended at the 2011 AGM. The object of the company's operations is to acquire, manage, develop and sell properties, primarily in the Öresund region, and conduct associated operations. The company's registered address is in Malmö. The full text of the Articles of Association is available on page 137.

2015 Annual general meeting

Wihlborgs' AGM was held on 29 April 2015 and was attended by 430 shareholders who represented 46.2 percent of the shares outstanding. The AGM minutes are available on Wihlborgs' website at: www.wihlborgs.se

Numbers in attendance, AGMs, 2011–2015



In brief, the most significant resolutions were:

Election of Board members and auditors – It was resolved that the number of Board members should be seven. The following Board members were re-elected: Tina Andersson, Anders Jarl, Sara Karlsson, Helen Olausson, Erik Paulsson, Per-Ingemar Persson and Johan Qviberg. Erik Paulsson was appointed Chairman. It was resolved to appoint Deloitte AB as auditors, with Torbjörn Svensson as Auditor-in-Charge.

Nomination Committee – A Nomination Committee is to be formed by the three largest shareholders each appointing a representative not less than six months prior to the AGM. Should any of the three largest shareholders abstain from appointing a member, the next largest shareholder will instead be entitled to appoint a member. The Nomination Committee should also include one member to represent the smaller shareholders.

The Nomination Committee may also decide to include the Chairman of the Board as a member of the Nomination Committee. The names of the Nomination Committee's members and the owners they represent is to be announced not later than six months before the AGM and are to be based on the known ownership at the end of August of the respective year. The Committee's term of office extends until such time as a new Nomination Committee has been appointed. The Committee's Chairman should be the member appointed by the largest shareholder unless agreed otherwise by the Committee.

Acquisition and transfer of treasury shares – A resolution was passed to authorise the Board, for the period until the next AGM, to buy back and transfer Wihlborgs shares corresponding to a maximum of 10 percent of the shares outstanding.

New share issue – A resolution was passed to authorise the Board, for the period until the next AGM, to approve a new share issue corresponding to no more than 10 percent of the shares outstanding.

The Nomination Committee and proposals for the 2016 AGM

The Code states that AGM resolutions on nominations for the Board and auditors should be prepared through a structured and transparent process, managed by the shareholders, that provides all shareholders with the opportunity to present their views on and proposals for each individual issue and to create the requisite conditions for well-prepared decisions. The Nomination Committee is the AGM's body for preparing decisions relating to appointments. Wihlborgs' Nomination Committee has therefore prepared proposals for the Chairman of the AGM, Chairman of the Board, Board members, Directors' fees, and auditors and their fees.

In accordance with the AGM's resolution, the names of the Nomination Committee members were published in October 2015. The Nomination Committee comprises Bo Forsén representing Erik Paulsson, Anna Ohlsson-Leijon from SEB Funds, Eva Gottfridsdotter-Nilsson from Länsförsäkringar Funds and Krister Eurén representing minor shareholders.

The representatives of the three largest shareholders on the Committee account for 19 percent of the votes in Wihlborgs. Bo Forsén was appointed Chairman of the Committee.

The Nomination Committee has met twice, and to support its work, the Committee has held dialogues with the Board members and held meetings with the Chairman and CEO. The Committee was notified of the company's strategy, risk management and control functions. It has also studied the Board's self-evaluation, which comprised a questionnaire that was answered by all of the Board members.

Ahead of the AGM on 28 April 2016, the Nomination Committee proposes that the Board consist of seven members. The Committee also proposes re-election of the following Board members: Tina Andersson, Anders Jarl, Sara Karlsson, Hel-

en Olausson, Erik Paulsson, Per-Ingemar Persson and Johan Qviberg. Erik Paulsson has been nominated for Chairman of the Board. It is proposed that total fees of SEK 905,000 (905,000) be paid to the Board. It is proposed that a fee of SEK 230,000 (230,000) be paid to the Chairman and SEK 135,000 (135,000) be paid to the other Board members with the exception of the CEO Anders Jarl.

The Nomination Committee proposes that Deloitte AB be re-elected as auditor, with Torbjörn Svensson as Auditor-in-Charge.

The Nomination Committee until the 2016 AGM

Name	Representing	Percent of votes, 31 Aug. 2015	Percent of votes, 31 Dec. 2015
Bo Forsén	Erik Paulsson and family, privately and through companies	10.1	10.1
Eva Gottfridsdotter-Nilsson	Länsförsäkringar Funds	4.4	4.7
Anna Ohlsson-Leijon	SEB Funds	4.1	4.4

Other resolutions for the 2016 AGM

The Board has submitted the following proposals ahead of the AGM on 28 April:

- A dividend of SEK 5.25 per share, with the record date 2 May
- Guidelines on remuneration principles for Group Management
- Authorisation of the Board, for the period until the next AGM, to acquire and transfer Wihlborgs shares corresponding to no more than 10 percent of the shares outstanding
- Authorisation of the Board, for the period until the next AGM, to approve a new share issue corresponding to a maximum of 10 percent of the shares outstanding.

Board of Directors

The overriding duty of the Board is, on behalf of the owners, to administer the company's affairs in a way that optimally secures the owners' interests in a healthy long-term return on capital, in accordance with set rules of procedure. According to Wihlborgs' Articles of Association, the Board may consist of no fewer than four and no more than eight members. At the April 2015 AGM, Erik Paulsson was re-elected Chairman of the Board and Per-Ingemar Persson was appointed Deputy Chairman at the subsequent Board meeting. The company's Chief Financial Officer, Arvid Liepe, served as Secretary to the Board.

Wihlborgs' Board possesses skills and experience in areas that are of major importance in terms of being able to support, monitor and control the activities of a leading property company in Sweden. The various Board members possess in-depth knowledge of property, the property market, financing and business development.

The Board meets the requirement of the Code and the listing requirement of the Stockholm Stock Exchange that not more than one board member has an operational role in day-to-day business. CEO Anders Jarl is a member of the Board. The majority of Board members are independent in relation to the company and its executive management. In 2015, the Board held eight meetings, including the statutory and per capsulam meetings. Seven of these eight meetings were scheduled Board meetings.

Members of the Board, independence, number of meetings and attendance

	Indep. of company	Indep. of major owners	No. of meetings/attendance
Erik Paulsson, Chairman	no	no	8 of 8
Per-Ingemar Persson, Deputy Chairman	yes	yes	8 of 8
Tina Andersson	yes	yes	8 of 8
Anders Jarl	no	yes	8 of 8
Sara Karlsson	yes	yes	7 of 8
Helen Olausson	yes	yes	8 of 8
Johan Qviberg	yes	yes	8 of 8

The work of the Board of Directors

February	No. 1	Bond loan
February	No. 2	Year-end report, final audit, financial report, projects, resolutions for the AGM, evaluations of completed projects, and the employment terms for the CEO and executive management.
April	No. 3	Q1 interim report, financial report, projects and acquisitions
April	No. 4	Statutory meeting
June	No. 5	Projects, acquisitions and sales, financial report and market analysis
August	No. 6	Q 2 interim report, projects, acquisitions and sales, financial report, review of rules of procedure and ethical guidelines.
November	No. 7	Q 3 interim report, acquisitions, financial report, evaluation of the CEO's performance, audit planning and evaluation of the Board's work.
December	No. 8	Budget, strategy, financial and environmental goals, market, financial report, interim audit, acquisitions and sales, and review of financial policy.

Committees

Wihlborgs has no separate audit or remuneration committees as this allows the full competence of the Board to be utilised for these issues and makes the meetings more efficient. To monitor developments in the credit market, Wihlborgs has an Interest Rate Committee. This Committee meets every other month and

regularly presents proposals and reports to the Board. The Interest Rate Committee comprises Tina Andersson, Per-Ingemar Persson, Anders Jarl and CFO Arvid Liepe. The Committee is not empowered to make decisions on financial issues.

Rules of procedure and instructions

The Board observes Rules of Procedure comprising instructions for the delegation of work and financial reporting. The Rules of Procedure, which supplement the provisions of the Swedish Companies Act and Wihlborgs' Articles of Association, are reviewed annually.

Under the above rules, the Board is also required to ensure that the CEO discharges his obligations. The performance of the CEO is evaluated each year against set long and short-term targets.

The Board is further required, on an ongoing basis, to evaluate Wihlborgs' administrative procedures, and guidelines on property management and investment of the company's assets. The Board is required to establish goals, major policies and strategic plans for Wihlborgs and to continuously monitor not only compliance with the same, but also that they are updated and reviewed following reports from the CEO. In addition to the statutory meeting, five scheduled Board meetings are normally held each calendar year. The meetings address issues including economic and financial reports, sales and investments, and current market and personnel issues. Extraordinary meetings may be held to discuss and resolve issues that cannot be referred to scheduled Board meetings.

According to the Rules of Procedure, the Chairman is required, through contact with the CEO, to monitor developments at Wihlborgs and to ensure that the Board members receive the information they need through the agency of the CEO. The Chairman is also required to consult with the CEO on strategic issues and ensure that the conduct of business does not conflict with the provisions of the Swedish Companies Act, the Articles of Association or the Code.

Group Management

The CEO is responsible for the company's day-to-day management and for leading the organisation in accordance with the Board's guidelines, instructions and directions. Wihlborgs' rules of procedure for the Board include instructions to the CEO, who is required to ensure that the Board receives the necessary information and decision data ahead of Board meetings, that the Board is kept informed between its meetings and that financial reporting is conducted in such a way that the Board can make well-founded decisions. This also includes separate reporting instructions specifying timetables.

The Group Management consists of:
Anders Jarl, Chief Executive Officer
Ulrika Hallengren, Director of Projects & Developments
Margareta Lantz, Director of Corporate Communication
Arvid Liepe, Chief Financial Officer
Anna Nambord, Director of HR and CSR

In 2015, Iréne Johansson was a member of Group Management in her capacity as Director of Corporate Communication. On her retirement in 2016, she was replaced by Margareta Lantz as Director of Corporate Communication.

Principles for employment terms and conditions for the CEO and Group Management

Under the Swedish Corporate Governance Code, the Board is tasked with presenting proposals to the AGM on the principles for remuneration and other terms and conditions of employment for the Group Management. Wihlborgs' Board of Directors proposes that remuneration and other employment terms and conditions should be competitive and on market terms. Remuneration is paid in the form of fixed salary to all members of Group Management. Any remuneration over and above the fixed salary is subject to a cap and related to the fixed salary, and is to be paid in the form of cash. Where appropriate, remuneration in addition to the fixed salary is based on outcomes relative to set targets and must accord with the interests of the shareholders. The conditions for other benefits, if such funds are provided, represent a limited part of total remuneration and mainly consist of company car benefits.

Wihlborgs has a profit-sharing fund for which all employees are eligible, apart from the CEO. Allocations to the fund are based on the return on equity and are limited to a maximum of one basic amount (as defined by Statistics Sweden) per year for each employee.

The retirement age is 65 for all members of Group Management. The cost of the CEO's pension comprises a premium amounting to 35 percent of the pensionable salary per year during the CEO's period of service. Other members of Group Management are covered by an ITP plan or equivalent. The notice of termination of employment, on either side, for the CEO and other members of Group Management is four to six months. Severance pay for the CEO consists of 18 month's salary and for other members of Group Management up to 12 month's salary. Severance pay is to be offset against other sources of income.

The principles governing remuneration and terms and conditions of employment for the Group Management and remuneration and terms and conditions of employment for the CEO are decided by the entire Board except the CEO. The principles for the conditions of employment are unchanged.

Remuneration and other benefits 2015 SEK thousand

	Salary	Other benefits	Pension	Total
Chief Executive Officer	4,161	72	1,452	5,691
Other members of Group Management	4,015	131	1,556	5,702

Other benefits consist of company car and fuel.

Board of Directors



Erik Paulsson

Chairman of the Board
Båstad, born 1942
Elected to the Board in 2004

Other Board assignments:
Chairman of the Board for Backahill AB, Fabega AB and SkiStar AB.

Board Member of Catena AB.

No. of Wihlborgs shares:
7,768,058 shares held privately and through companies.



Helen Olausson

Board Member
Stockholm, born 1968
Elected to the Board in 2007

Principal employment:
CEO of EkoNord Invest AB and CEO of Årehus AB.

Other Board assignments:
Chairman of AB Jämtsol.
Board member of Lantmäteriet, Skärvångens Bymjeri AB, Böle Garveri AB and others.

No. of Wihlborgs shares:
1,000 shares.



Tina Andersson

Board Member
Malmö, born 1969
Elected to the Board in 2014

Principal employment:
Marketing and Communications
Director Duni AB.

Other Board assignments:
Board member of Midsona AB.

No. of Wihlborgs shares:
1,000 shares through companies.



Per-Ingemar Persson

Deputy Chairman
Lund, born 1956
Elected to the Board in 2010

Principal employment:
Group Director, Veidekke ASA (until 31 Dec. 2015), own consultancy business.

Other Board assignments:
Chairman of Northern Environmental and Water Solutions
Board member of ELUKonsult AB.

No. of Wihlborgs shares:
2,000 shares in a personal endowment insurance.



Anders Jarl

Board Member
Malmö, born 1956
Elected to the Board in 2004

Principal employment:
Chief Executive Officer of Wihlborgs AB.

Other Board assignments:
Board member of Platzer Fastigheter AB.

No. of Wihlborgs shares:
468,180 shares held privately and through companies.



Johan Qviberg

Board Member
Stockholm, born 1981
Elected to the Board in 2004

Principal employment:
CEO of Quinary Investment AB.

Other Board assignments:
Chairman of the Board in Ingager AB
Board member of eWork AB, Nattaro Labs AB and Svalder AB.

No. of Wihlborgs shares:
780,000 shares.



Sara Karlsson

Board Member
Båstad, born 1969
Elected to the Board in 2007

Principal employment:
Entrepreneur in Båstads Företagsby.

Other Board assignments:
Director of Topeja Holding AB, Scandinavian Resort AB and Backahill AB.

No. of Wihlborgs shares:
21,880 shares with family.

Auditing

Under the Swedish Companies Act, the company's auditor is required to examine the company's annual accounts and day-to-day accounting records, as well as the administration of the company by the Board of Directors and the CEO. This examination results in an audit report that is presented to the AGM after the end of the financial year.

The Nomination Committee proposes auditors to the AGM.

At the 2015 AGM, Deloitte AB was re-elected as the company's auditor, with Torbjörn Svensson as the Auditor-in-Charge, for a period of one year and, accordingly, the next election of auditors will be at the 2016 AGM. He has no assignments with any companies that are closely related to Wihlborgs' major owners or to the CEO. Alongside the auditing assignment on behalf of Wihlborgs, Torbjörn Svensson is also responsible for the following major auditing assignments: Mellby Gård, Braganza, Fairford and Copenhagen Malmö Port.

Torbjörn Svensson attends the meeting in person to discuss the year-end accounts and delivers a report on the final examination of the company's accounts. The auditor also provides information to the Board on a regular basis regarding the examinations conducted during the year.

In addition to its auditing services, Deloitte has also advised Wihlborgs in areas related to tax and accounting issues.

As a resolution for the 2016 AGM, the Nomination Committee has proposed re-election of Deloitte AB as the company's auditors, with Torbjörn Svensson as the Auditor-in-Charge.

Fees and reimbursement of expenses to auditors, SEK thousand

Group	2015	2014
Deloitte AB		
Audit engagement	2,250	2,200
Audit activities other than the audit engagement	420	435
Tax advice	157	141
Other services	106	–
Aaen & Co. statsautoriserede revisorer p/s		
Audit engagement	67	64
Audit activities other than the audit engagement	29	102
Tax advice	32	70
Other services	133	158

Swedish Corporate Governance Code

The overall aim of the Code is to promote positive development of governance in Swedish companies so that they meet their owners' requirements for return on the capital invested. Any deviations from the rules of the Code must be described and justified in accordance with the comply or explain principle. The reasons for each deviation must be clearly presented. Wihlborgs' deviations from the Code are presented below:

No separate audit committee has been established and,

instead, the functions of an audit committee were performed by the entire Board excluding the CEO.

No separate remuneration committee has been established and, instead, the functions of a remuneration committee were carried out by the entire Board excluding the CEO. During discussions of these matters, no member of Group Management was present.

The Board's motivation for not establishing any separate audit or remuneration committees is that this allows the full competence of the Board to be utilised and makes the meetings more efficient.

Internal controls related to financial reporting

Under the Swedish Companies Act and the Swedish Corporate Governance Code, the Board is responsible for internal control. Wihlborgs applies the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) framework for internal control, which is an internationally recognised and widely accepted system, to describe the company's control structure. COSO describes internal control as being divided into five components: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities.

The control environment is designed by the Board, Group Management and the company's personnel to ensure that the company observes laws and regulations, has an efficient organisation and that the company operates an effective system of financial reporting.

Control environment – has key significance for the organisation and provides the foundation for effective internal control.

Rules of procedure have been established to ensure adequate internal control and to perform accurate risk assessment. These describe the allocation of responsibilities between the Board and the CEO to provide for an effective assessment of risks in the organisation and its financial reporting. The rules of procedures and the ethical guidelines that apply to the Board and the company's employees are updated each year.

In its rules of procedure, the Board has clearly set out its delegation of decision-making to management for financial reporting. The organisational structure at Wihlborgs enables effective internal control. The company's organisation into management areas led by a property director shows defined responsibilities together with authorities. This has been described in an instruction governing the signing of leases, authorisation rules and project applications. Consolidated reporting for Wihlborgs' approximately 150 subsidiaries is standardised. Internal accounting is reconciled with external accounting on each reporting occasion. In accordance with Wihlborgs' personnel policy, employees working with financial issues have individual training plans to ensure competence in the field.

Overall policies are in place for finance, IT, communication, purchasing, equal opportunities and personnel.

Wihlborgs has signed up to the UN's Global Compact, which means that the company has committed itself to supporting the ten principles in the areas of human rights, labour law, the environment and anti-corruption. As a result, the company will

be reporting annually on the current status in its "Communication On Progress". Wihlborgs has decided to report on sustainability in accordance with the Global Reporting Initiative (GRI). Sustainability reporting for the 2015 financial year follows the new GRI guidelines (G4) in accordance with the Core option. This reporting is integrated with the reporting required for the Global Compact.

Risk assessment – Wihlborgs continuously conducts risk assessment in respect of its financial reporting. A risk analysis indicates that internal control is especially important regarding:

- Procedures for rent invoicing, including supplementary billing to tenants
- Buying and selling properties, individually and as companies
- Property costs, primarily energy
- Financing, interest rates and derivatives
- the IT system
- Property valuation
- Project activities
- Taxes

These risks are assessed each year in consultation with the management and the auditors.

Control activities – are intended to create methods that enable the company to manage risks. Such activities are designed to prevent, record and correct any errors that may arise. The aim of control activities is to secure the company's income and assets, to check the accuracy and reliability of its financial reports and also to ensure that established systems of rules are complied with.

Quarterly reports are submitted by operations. Monitoring takes the form of measuring the financial outcome against budget. Once each quarter, project managers and the property management organisation meet to coordinate redevelopment and new-build issues with day-to-day management. Group Management and property management meet regularly during the quarter to report deviations, major new lets and lease terminations.

A central unit prepares consolidated accounts and financial reporting on a quarterly basis. On these occasions, a property table is also drawn up showing details, at that date, of: rental value, current rental income, vacancies, operating surplus, property value and yield.

Information and communication – The Communications Department is responsible for ensuring that external information is provided in accordance with the Nasdaq Stockholm agreement. The company's communication policy describes, for example, how financial reporting should be performed.

Group Management



Anders Jarl

Chief Executive Officer
Malmö, born 1956
Employed at Wihlborgs since 2001

No. of Wihlborgs shares:
468,180 held privately and through companies.



Ulrika Hallengren

Director of Projects & Developments
Lomma, born 1970
Employed at Wihlborgs since 2010

No. of Wihlborgs shares:
7,128 shares through companies.



Irène Johansson

Director of Corporate Communication
until 31 Dec. 2015
Malmö, born 1953
Employed at Wihlborgs since 1992

No. of Wihlborgs shares:
8,588 shares held privately and through companies.



Margareta Lantz

Director of Communications from 1 Dec. 2015
Lund, born 1964
Employed at Wihlborgs since 2015

No. of Wihlborgs shares:
7,128 shares through companies.



Arvid Liepe

Chief Financial Officer
Falsterbo, born 1967
Employed at Wihlborgs since 2013

No. of Wihlborgs shares:
14,256 shares through companies.



Anna Nambord

Director of HR and CSR
Lomma, born 1973
Employed at Wihlborgs since 2013

No. of Wihlborgs shares:
7,128 shares through companies.

The Board receives information about risks of error in the company's financial reporting and the internal control by the auditors in connection with the year-end accounts and their auditing of the interim reports.

Wihlborgs' employees receive continuous information on updated guidelines and policies via the company's intranet.

The Wihlborgs' website is continuously updated to adapt and improve the external disclosure in line with market requirements.

Monitoring activities – The control system is monitored and evaluated on an ongoing basis to guarantee its quality. Feedback on each sub-market is regularly communicated to management and any failings that have emerged in internal controls are rectified.

Group Management reports to the Board in accordance with the instructions for financial reporting. The company's auditors review the financial reports pertaining to the year-end accounts and carry out a review of the accounts for the third quarter. At least twice each year, the auditors present their assessment of the company's internal control to the Board.

Internal audit – To complement the external audit, internal assessments of internal control for the company's most important procedures are maintained continuously. Moreover, as the organisation is simple and the business is geographically limited in extent, the Board has concluded that the appointment of an internal auditor is not necessary.

Malmö, 9 March 2016

Erik Paulsson
Chairman

Anders Jarl
CEO

Sara Karlsson

Tina Andersson

Helen Olausson

Per-Ingemar Persson

Johan Qviberg

Auditors' Statement on the Corporate Governance Report

**To the Annual General Meeting of Wihlborgs Fastigheter AB,
Corp. Reg. No. 556367-0230**

The Board of Directors is responsible for the corporate governance report for 2015, which is included in the printed version of this document on pages 126-133, and for verifying that it has been prepared in accordance with the Swedish Annual Accounts Act.

We have read the corporate governance report and based on that reading and our knowledge of the company and the Group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance report is different and substantially more limited in scope

than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the corporate governance report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Malmö, 10 March 2016

Deloitte AB

Torbjörn Svensson
Authorised Public Accountant

	2015	2014	2013	2012	2011
Comprehensive income, SEK m					
Rental income	1,910	1,856	1,704	1,497	1,428
Operating surplus	1,445	1,406	1,238	1,099	1,042
Income from property management	975	888	749	685	656
Changes in value	1,884	-396	616	4	179
Tax	-581	-97	-302	134	-170
Profit for the year	2,278	395	1,063	823	665
Comprehensive income for the year	2,274	400	1,063	826	663
Financial position, SEK m					
Investment properties	28,623	24,299	22,584	19,876	18,046
Other non-current assets	247	197	469	382	234
Current receivables	88	111	126	89	97
Cash and cash equivalents	75	71	11	102	206
Total assets	29,033	24,678	23,190	20,449	18,583
Equity	8,876	6,967	6,894	6,138	5,600
Deferred tax liability	2,199	1,627	1,598	1,314	1,459
Other non-current liabilities	16,016	15,349	13,350	12,412	10,974
Current liabilities	1,942	735	1,348	585	550
Total equity and liabilities	29,033	24,678	23,190	20,449	18,583
Key financial ratios					
Return on equity, %	28.8	5.7	16.3	14.0	12.3
Return on total assets, %	11.3	8.4	6.4	6.2	8.6
Equity/assets ratio, %	30.6	28.2	29.7	30.0	30.1
Interest coverage ratio, multiple	3.2	2.8	2.6	2.7	2.8
Loan-to-value ratio, properties, %	56.8	58.2	60.8	59.3	58.1
Debt/equity ratio, multiple	1.8	2.0	2.0	1.9	1.9
Share-related key ratios					
Earnings per share, SEK	29.64	5.14	13.83	10.71	8.65
Earnings per share before tax, SEK	37.20	6.40	17.76	8.96	10.86
Income from property management per share, SEK	12.69	11.55	9.75	8.91	8.54
Cash flows from operating activities per share, SEK	13.32	12.30	10.02	9.72	8.94
Equity per share I, SEK	115.49	90.65	89.7	79.86	72.86
Equity per share II, SEK	144.10	111.82	110.49	96.96	91.85
EPRA NAV (long-term net asset value) per share, SEK	155.54	126.76	111.92	104.23	97.32
Market price per share, SEK	171	142.75	115.25	101.50	91.00
Dividend per share, SEK (2015 = proposed dividend)	5.25	4.75	4.25	4.00	3.75
Dividend yield per share, %	3.1	3.3	3.7	3.9	4.1
Total yield per share, %	23.1	27.5	17.5	15.7	-3.1
P/E ratio I, multiple	5.8	27.8	8.3	9.5	10.5
P/E ratio II, multiple	17.3	15.8	15.2	15.5	14.5
Number of shares at year-end, thousands	76,857	76,857	76,857	76,857	76,857
Average number of shares, thousands	76,857	76,857	76,857	76,857	76,857
Property-related key figures					
Number of properties	276	269	264	253	247
Carrying amount for properties, SEK m	28,623	24,299	22,584	19,876	18,046
Investment yield, % – all properties	5.1	5.6	5.9	5.6	5.8
Investment yield, % – excl. project properties	5.5	5.9	6.0	6.1	6.2
Lettable area, m ²	1,745,992	1,551,666	1,523,125	1,425,072	1,365,170
Rental income, SEK per m ²	1,136	1,201	1,199	1,085	1,057
Operating surplus, SEK per m ²	832	876	876	786	760
Economic occupancy rate, % – all properties	88	91	91	92	91
Economic occupancy rate, % – excl. project properties	91	91	91	92	92
Surplus ratio, %	73	73	73	72	72
Employees					
No. of employees at end of period	122	113	111	87	87

Turn to page 135 for definitions of key ratios

Definitions

Key financial ratios

When profit for the year or equity is included in key ratios, profit and equity are stated including non-controlling interests unless otherwise indicated.

Return on equity

Profit as a percentage of average equity, excluding non-controlling interests.

Return on total assets

Earnings before interest, value changes in derivatives and taxes (EBIT) as a percentage of average total assets.

Equity/assets ratio

Equity as a percentage of total assets.

Interest coverage ratio

Income from property management, plus interest expense, divided by interest expense.

Loan-to-value ratio, properties

Interest-bearing liabilities as a percentage of the properties' carrying amounts.

Debt/equity ratio

Interest-bearing liabilities relative to equity.

Share-related key ratios

These key ratios are based on the share of equity and profit attributable to shareholders in the Parent Company. There is no dilution effect from potential shares to be taken into consideration. An adjustment has been made to reflect the two-for-one share split carried out in 2011.

Earnings per share

Earnings divided by the average number of shares outstanding.

Earnings per share before tax

Earnings per share before tax divided by the average number of shares outstanding.

Income from property management, per share

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

Cash flows from operating activities per share

Cash flows from operating activities (after changes in working capital) divided by the average number of shares outstanding.

Equity per share I

The relationship between the closing balances for equity and the number of shares.

Equity per share II

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

Long-term net asset value (EPRA NAV) per share

Equity per share following the reversal of interest-rate derivatives and deferred tax according to the balance sheet.

Dividend yield per share

Proposed dividend as a percentage of the year-end market price.

Total yield per share

Share price performance and actual dividend relative to the market price at the start of the year.

P/E ratio I, multiple

Market price per share divided by earnings per share.

P/E ratio II, multiple

Market price per share divided by income from property management, charged with tax at the nominal rate, per share.

Property-related key figures

These key ratios are based on the property portfolio as of 31 December of the year concerned. Rental income pertains to annual contractual rental income as per 1 January the following year. The operating surplus is based on the properties' earning capacity as per 1 January the following year.

Number of properties

The total number of properties in Wihlborgs' ownership at the end of the period.

Carrying amount for the properties

The carrying amount for the Group's property portfolio at the end of the period.

Rental value

Rental income plus estimated market-level rents for unlet space.

Investment yield:

Operating surplus as a percentage of the carrying amount for the properties at the end of the period.

Lettable area:

Total area available to let.

Rental income per m²

Rental income on an annualised basis divided by lettable area.

Operating surplus per m²

Operating surplus divided by lettable area.

Economic occupancy rate

Rental income as a percentage of rental value.

Surplus ratio

Operating surplus as a percentage of rental income.



Our friendly receptionist Helén Svensson greets visitors at Wihlborgs' head office.

Articles of association

- § 1 The registered name of the company is Wihlborgs Fastigheter AB, which is a public company (publ).
- § 2 The object of the company's operations is to acquire, manage, develop and sell properties, primarily in the Öresund region, and conduct associated operations.
- § 3 The registered office of the Board of Directors shall be Malmö, Sweden.
- § 4 The company's share capital shall amount to not less than SEK 155,000,000 and not more than SEK 620,000,000.
- § 5 The number of shares shall not be less than 21,500,000 and not more than 86,000,000.
- § 6 The Board of Directors shall consist of not fewer than four and not more than eight members.
- § 7 A minimum of one auditor and one deputy, of which at least one auditor and one deputy must be authorised public accountants, or an authorised accounting firm, is to be elected.
- § 8 The company's financial year shall be 1 January to 31 December.
- § 9 The Annual General Meeting of shareholders (AGM) shall be held annually within six months of the end of the financial year and in Malmö. The following items of business shall be addressed at the Annual General Meeting:
1. Election of the Chairman of the Meeting.
 2. Preparation and approval of the list of shareholders entitled to vote at the meeting.
 3. Election of one or two individuals to verify the minutes.
 4. Approval of the agenda.
 5. Determination of whether the Meeting has been duly convened.
 6. Presentation of the annual report and the auditors' report and, if applicable, of the consolidated financial accounts and the auditors' report for the Group.
 7. resolutions regarding:
 - a) the adoption of the income statement and balance sheet and, if applicable, of the consolidated income statement and consolidated balance sheet.
 - b) the disposition to be made of the company's profits or losses as shown in the balance sheet adopted by the Meeting.
 - c) the discharge of the members of the Board and the Chief Executive Officer from personal liability, and
 - d) the record date determined by the AGM for the payment of dividends.
 8. Resolution of the number of members of the Board and, where applicable, the number of auditors and deputy auditors.
 9. Determination of the fees to be paid to the Board members and, where applicable, the auditors.
 10. Election of the Board members.
 11. When required, election of the auditors and deputy auditors.
 12. Election of the Nomination committee.
 13. Other business that must be addressed by the Meeting in accordance with the Annual Accounts Act or the Articles of Association.
- § 10 Notice of the Annual General Meeting and of extraordinary general meetings convened to address amendments to the Articles of Association shall be issued not earlier than six weeks and not later than four weeks prior to the Meeting. Notice of other general meetings shall be issued not earlier than six weeks and not later than two weeks prior to the Meeting. Notice of a General Meeting of Shareholders shall be made in the form of an advertisement in the Official Gazette (Post- och Inrikes Tidningar) and on the company's website. The above notice must be published in Svenska Dagbladet and in Sydsvenska Dagbladet or other daily newspaper published in Skåne. If publication of Svenska Dagbladet ceases, notifications will be announced instead in Dagens Industri.
- § 11 Shareholders who would like to participate in the business of a general meeting must be registered in the transcript or otherwise of the share register confirming conditions five days prior to the meeting and must notify the company of their intention, and that of no more than two advisors, to attend the meeting not later than the day stipulated in the notice of the general meeting. This day must not be a Sunday, a public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the five weekdays before the Meeting.
- § 12 The company's shares will be recorded in a control register pursuant to the Swedish Financial Instruments Accounts Act (1998:1479).



Malmö – Head Office

Wihlborgs Fastigheter AB
Box 97, SE-201 20 Malmö,
Sweden
Visitors: Dockplatsen 16
Tel: +46 40 690 57 00
Fax: +46 40 690 57 01

Helsingborg until 31 May 2016

Wihlborgs Fastigheter AB
Garnisonsgatan 25 A
SE-254 66 Helsingborg,
Sweden
Tel: +46 42 490 46 00
Fax: +46 42 490 46 01

Helsingborg from 1 June 2016

Wihlborgs Fastigheter AB
Terminalgatan 1
SE-252 78 Helsingborg
Telefon: +46 42 490 46 00
Fax: +46 42 490 46 01

Lund

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

Denmark

Wihlborgs A/S
Hørkær 26, 1 sal
DK-2730 Herlev, Denmark
Tel: +45 396 161 57
Fax: +45 396 161 58

Where job satisfaction is key

With the commitment of our employees and the quality of our properties, we will create conditions for strong growth for business in the Öresund region.



wihlborgs.se