

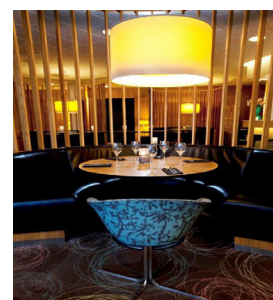
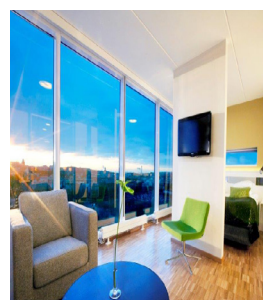
Fastighets AB Balder Interim report January–September 2014

- Profit from property management before tax amounted to SEK 897m (624), corresponding to SEK 4.62 per ordinary share (3.33)
- Rental income amounted to SEK 1,848m (1,363)
- Profit after tax amounted to SEK 1,658m (1,183), corresponding to SEK 9.34 per ordinary share (6.83)
- Shareholders' equity amounted to SEK 60.99 per ordinary share (48.96) and the net asset value amounted to SEK 73.78 per ordinary share (56.66)

Fastighets AB Balder is a listed property company which shall meet the needs of different customer groups for premises and housing based on local support. Balder's real estate portfolio had a value of SEK 34.5 billion (24.2) as of 30 September 2014. The Balder share is listed on NASDAQ OMX Stockholm, Mid Cap segment



Heden 24:11, Gothenburg



Net profit for the year in brief

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

July–September 2014

- Rental income amounted to SEK 655m (461).
- Net operating income increased by 43 per cent to SEK 494m (345).
- Profit from property management increased by 46 per cent to SEK 360m (246), which corresponds to SEK 1.91 per ordinary share (1.34).
- Changes in value in respect of investment properties amounted to SEK 129m (120). The average yield requirement amounted to 5.8 per cent (5.9).
- Changes in value of interest rate derivatives have impacted the result by SEK –119m (55).
- Net profit after tax amounted to SEK 289m (332), which corresponds to SEK 1.47 per ordinary share (1.87).
- Five properties (1) were acquired for a property value of SEK 544m with an area of 19,900 sq.m.
- One property (1) was divested for a property value of SEK 19m with an area of 4,400 sq.m.

January–September 2014

- Rental income amounted to SEK 1,848m (1,363)
- Net operating income increased by 36 per cent to SEK 1,279m (938).
- Profit from property management increased by 44 per cent to SEK 897m (624), which corresponds to SEK 4.62 per ordinary share (3.33).
- The occupancy rate has increased to 95 per cent (94).
- Changes in value in respect of investment properties amounted to SEK 1,428m (457). The average yield requirement amounted to 5.8 per cent (5.9).
- Changes in value of interest rate derivatives have impacted the result by SEK –422m (429).
- Net profit after tax amounted to SEK 1,658m (1,183), which corresponds to SEK 9.34 per ordinary share (6.83).
- 37 properties (5) were acquired for a property value of SEK 5,672m and 41 properties (6) were sold for a value of SEK 944m.
- All repurchased shares were sold for SEK 220m (–).

	2014 Jan-Sep	2013 Jan-Sep	2013 Jan-Dec	2012 Jan-Dec	2011 Jan-Dec	2010 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec	2007 Jan-Dec	2006 Jan-Dec
Rental income, SEKm	1,848	1,363	1,884	1,701	1,466	1,333	854	633	678	524
Profit from property management before tax, SEKm	897	624	854	691	516	417	315	174	179	160
Changes in value of properties, SEKm	1,428	457	854	812	990	1,047	4	–201	642	212
Changes in value of derivatives, SEKm	–422	429	433	–71	–520	148	–23	–333	7	–
Profit after tax, SEKm	1,658	1,183	1,738	1,162	812	1,338	248	–388	785	441
Carrying amount of properties, SEKm	34,506	24,176	27,532	22,278	17,556	14,389	12,669	7,086	6,758	6,997
Data per ordinary share										
Average number of shares, thousands	161,580	159,537	159,537	159,537	158,656	149,487	112,902	95,910	97,318	94,050
Profit after tax, SEK	9.34	6.83	10.11	6.69	4.87	8.95	2.20	–4.04	8.07	4.69
Profit from property management before tax, SEK	4.62	3.33	4.57	3.73	3.00	2.79	2.79	1.81	1.84	1.70
Outstanding number of shares, thousands	162,397	159,537	159,537	159,537	159,537	149,487	149,487	94,458	97,318	97,318
Carrying amount of properties, SEK	212.48	151.54	172.58	139.64	110.04	96.25	84.75	75.02	69.44	71.90
Shareholders' equity, SEK	60.99	48.96	52.14	42.15	35.57	31.13	22.19	19.63	23.49	15.42
Long-term net asset value (EPRA NAV), SEK	73.78	56.66	60.50	50.37	41.83	32.89	22.16	20.95	22.33	13.06
Share price on closing date, SEK	91.75	52.50	66.0	37.30	25.30	29.40	12.50	7.00	13.33	17.00

Comments by the CEO

Dear shareholder

During the third quarter of 2014, the trend of an increasing profit from property management continued and strengthened further. The result up to and including Q3 of SEK 4.62 per ordinary share compared to SEK 3.33 per ordinary share in the previous year, represents an increase of 39 per cent. The fast growth rate is mainly due to net investments in properties and the continued decreasingly level of interest rates. The repo rate is now down to zero per cent and is expected to remain at this level for the next 1.5 – 2 years. This means that 2015 is also likely to be a year with very good profit from property management, which will unfortunately also result in continued increasing interest in properties, leading to greater competition and a lower yield for the objects offered for sale.

Over the course of the year, it was net investments and not lower interest rates, which made the largest contribution by far to the increase in our profit from property management. At the time of the establishment of the company, Balder had an average interest expense of 3 per cent compared to the current level of 2.7 per cent. The fact that we have such a high average interest rate as 2.7 per cent is due to poor decisions on my part with regard to interest rate fixing periods, i.e. our derivative positions. If you learn some time that I am fixing interest rates, it can definitely be a good idea to do the opposite.

Apart from this, we have a lot to be pleased about at Balder. Management and letting developed positively and so did our investments in project development. Even our associated companies, lead by Collector, are performing really well and still have huge potential. We also have a fantastic accounting and finance department, which makes life easy for me – thanks to all of you!

Outlook

Despite increased interest in property investments, I believe that we have good potential to develop Balder for a long time to come and generate a good return for our long-term shareholders.

Erik Selin
Chief Executive Officer

Current earning capacity

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

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

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

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

Current earning capacity on a twelve-months basis

SEKm	2014 30 Sep	2014 30 Jun	2014 31 Mar	2013 31 Dec	2013 30 Sep	2013 30 Jun	2013 31 Mar	2012 31 Dec	2012 30 Sep	2012 30 Jun	2012 31 Mar
Rental income	2,650	2,600	2,310	2,260	1,885	1,865	1,800	1,800	1,790	1,710	1,685
Property costs	-795	-785	-735	-735	-580	-575	-560	-560	-560	-530	-525
Net operating income	1,855	1,815	1,575	1,525	1,305	1,290	1,240	1,240	1,230	1,180	1,160
Property and administrative expenses	-165	-165	-165	-165	-125	-120	-120	-120	-115	-115	-110
Profit from property management from associated companies	200	180	180	170	150	130	130	120	110	95	95
Operating profit	1,890	1,830	1,590	1,530	1,330	1,300	1,250	1,240	1,225	1,160	1,145
Net financial items	-580	-580	-535	-535	-515	-510	-495	-495	-505	-500	-505
Profit from property management	1,310	1,250	1,055	995	815	790	755	745	720	660	640
Taxes	-288	-275	-232	-219	-179	-174	-166	-164	-189	-174	-168
Profit after tax	1,021	975	823	776	636	616	589	581	531	486	472
Profit after tax attributable to											
Ordinary shareholders	821	775	623	576	506	486	469	461	411	386	372
Preference shareholders	200	200	200	200	130	130	120	120	120	100	100
Profit from property management before tax according to current earning capacity per ordinary share, SEK	6.83	6.47	5.26	4.99	4.29	4.14	3.98	3.92	3.76	3.51	3.38

Results, income and costs

Results

Profit from property management increased by 44 per cent during the period and amounted to SEK 897m (624), which corresponds to SEK 4.62 per ordinary share (3.33). Profit from property management includes SEK 137m (112) in respect of associated companies.

Net profit after tax amounted to SEK 1,658m (1,183), corresponding to SEK 9.34 per ordinary share (6.83). Profit before tax was affected by changes in value in respect of properties of SEK 1,428m (457), changes in value of interest rate derivatives of SEK –422m (429) and profit from participations in associated companies of SEK 225m (95).

Rental income

Rental income increased by 36 percent to SEK 1,848m (1,363). The increase was primarily due to a larger real estate portfolio. The leasing portfolio was estimated to have a rental value on 30 September of SEK 2,795m (2,007) on an annual basis. The average rental level for the entire real estate portfolio amounted to SEK 1,296/sq.m. (1,268).

Rental income shows a considerable diversification of risks as regards tenants, sectors and locations. The economic occupancy rate amounted to 95 per cent (94) on 30 September. The total rental value of unlet areas for the period amounted to SEK 145m (122) on an annual basis.

Property costs

Property costs amounted to SEK 569m (425) during the year. The increase in property costs was mainly due to the change in the property portfolio but these costs were also positively impacted by a mild winter with very little snow.

Net operating income increased by 36 per cent to SEK 1,279m (938), which implies a surplus ratio of 69 per cent (69).

Operating costs normally vary with the seasons. The first and fourth quarters have higher costs than the other quarters, while the third quarter usually has the lowest cost level.

Changes in value of investment properties

Balder carried out an individual internal valuation on 30 September, based on a ten-year cash flow model, of the entire real estate portfolio. Unrealised changes in value during the period amounted to SEK 1,318m (447). Realised changes in value amounted to SEK 110m (10).

The average yield requirement as of 30 September amounted to 5.8 per cent (5.9). The change in value during the period was attributable to improved net operating income and a 0.1 percent lower average yield requirement.

Management and administrative costs

Management and administrative costs amounted to SEK 117m (88) during the period. The increase was mainly due to a significantly larger property portfolio.

Participations in the profit of associated companies

Balder owns 50 per cent of the property-managing associated companies and project development companies Bovie-ran and Fix Holding. The participating interest in the finance and credit management company Collector amounts to 48 per cent.

On 30 June, Balder acquired the remaining 50 per cent of the shares in Akroterion AB, which means that the company is now a wholly-owned subsidiary.

Profit from participations in associated companies amounted to SEK 225m (95) during the period and Balder's participation in the associated companies' profit from property management amounted to SEK 137m (112). Profit before tax was impacted by unrealised changes in value in respect of properties and interest rate derivatives of SEK 116m (6).

Net financial items and changes in value of derivatives

Net financial items amounted to SEK –403m (–338) and changes in value of interest rate derivatives amounted to SEK –422m (429). The negative change in value during the period was due to a decrease in the level of interest rates since year-end. Unrealised changes in value do not affect the cash flow.

Net financial items are equivalent to borrowing at an average interest rate of 2.8 per cent (3.2) during the period, including the effect of accrued interest from interest rate derivatives.

Taxes

Balder reported current tax expense for the period of SEK 3m (–) and a deferred tax expense of SEK 330m (309).

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

The group's deferred tax liability has been calculated as the value of the net of fiscal deficits and the temporary differences between the carrying amounts and values for tax purposes of properties and interest rate derivatives. Deferred tax liabilities amounted to SEK 1,194m (752). At year-end, the Group's overall tax deficit amounted to approximately SEK 2,000m.

The third quarter 2014

Profit from property management for the third quarter of 2014 increased by 46 per cent and amounted to SEK 360m (246), which corresponds to SEK 1.91 per share (1.34). Profit from property management included SEK 51m (42) in respect of associated companies. Rental income amounted to SEK 655m (461) and property costs amounted to SEK 161m (116), which meant that net operating income increased by 43 per cent and generated net operating income for the third quarter of SEK 494m (345). The surplus ratio amounted to 75 per cent (75).

Net profit after tax for the period amounted to SEK 289m (332), corresponding to SEK 1.47 per share (1.87). The change in profit was mainly due to changes in value in respect of derivatives.

The result was affected by changes in value in respect of properties of SEK 129m (120), unrealised changes in value of interest rate derivatives of SEK -119m (55) and profit from participations in associated companies of SEK 36m (35).

Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 740m (521). Investing activities have burdened the cash flow by SEK 5,323m (1,504). During the period, acquisition of properties of SEK 5,672m (1,027), investments in existing properties and projects of SEK 537m (493) and investments in property, plant and equipment, financial investments and associated companies of SEK 335m (81) and dividends paid of SEK 150m (93) have been financed through cash flow from operating activities of SEK 613m (376), by property divestments of SEK 938m (90), financial investments of SEK 219m (7), disposal of own shares of SEK 220m (-), secured liquidity of SEK 19m (-), dividends from associated companies of SEK 45m (-) and net borrowings of SEK 4,634m (1,062).

Total cash flow for the period amounted to SEK -6m (2). The group's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 779m (336) on 30 September.

Employees and organisation

The number of employees on 30 September amounted to 283 persons (230), of whom 97 (73) were women. Balder is organised into five regions with 16 areas in total. The head office with group-wide functions is located in Gothenburg.

Parent Company

The parent company's operations mainly consist of performing group-wide services but an important part also relates to sales of services, principally to associated companies. Sales in the parent company amounted to SEK 85m (70) during the period.

Net profit after tax amounted to SEK 561m (399). Dividend of SEK 714m (-) from subsidiaries and associated companies was included and changes in value of interest rate derivatives amounted to SEK -390m (368).

Real estate holdings

On 30 September, Balder owned 494 properties (431) with a lettable area of approximately 2,157,000 sq.m. (1,582,000) to a value of SEK 34,506m (24,176). Balder's total rental value amounted to SEK 2,795m (2,007).

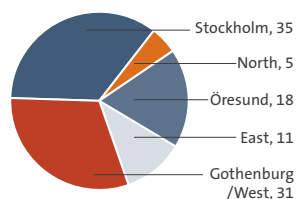
Balder's commercial properties are located in the centre and immediate suburbs of big cities and surrounding municipal areas. Balder's residential properties are located in places that are growing and developing positively. Balder's ambition is to continue growing in selected markets.

Balder's real estate holdings on 2014-09-30 ¹⁾

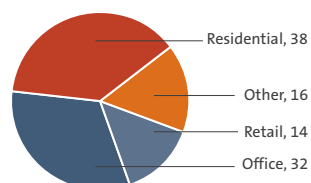
	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	62	502,625	898	1,786	836	93	11,955	35
Gothenburg/ West	211	774,457	902	1,165	863	96	10,715	31
Öresund	55	310,447	448	1,442	420	94	6,151	18
East	84	402,379	381	948	370	97	3,800	11
North	82	167,026	165	991	161	97	1,885	5
Total	494	2,156,934	2,795	1,296	2,650	95	34,506	100
Distributed by property category								
Residential	319	1,148,103	1,130	985	1,100	97	12,994	38
Office	72	465,809	849	1,822	785	93	11,057	32
Retail	50	248,990	386	1,551	360	93	4,959	14
Other	53	294,032	429	1,459	405	94	5,496	16
Total	494	2,156,934	2,795	1,296	2,650	95	34,506	100

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

Distributed per region, %



Distributed per property category, %



Change in real estate portfolio

The value of Balder's real estate portfolio is based on internal valuations. All properties have been valued using the yield method, which means that each property is valued by discounting the estimated future cash flows. An estimate is also made of the future development of the immediate surroundings and the position of the property within its market segment. On 30 September, Balder's average yield requirement amounted to 5.8 per cent (5.9), excluding project real estate, which is 0.1 per cent lower than at the start of the year. The reduction in the yield requirement is attributable to the strong prevailing demand for properties. Our assessment is that the new yield requirement better reflects the market's determination of prices.

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

Project real estate

Earlier in the year, we took possession of the hotel Park Inn by Radisson in Lund and completed Skeppshandel 1 in Stockholm, which is 98 per cent let to tenants including ICA, Profil Hotels and Bengt Dahlgren AB. During the third quarter, Rosvalla arena, Brandholmen 1:72 was completed in Nyköping, with a lettable area of about 13,000 sq.m.

Balder had one property under construction as of 30 September. The overall investment will amount to about SEK 500m on completion, of which about SEK 255m remains to be invested. The project is a turnkey agreement for con-

struction of approximately 200 apartments in Örestad Syd in Copenhagen. The lettable area will amount to about 18,000 sq.m. The project is expected to be completed during the first quarter of 2016, and will be let in three phases.

Unrealised changes in value

The overall carrying amount of Balder's 494 properties (431) amounted to SEK 34,506m (24,176) on 30 September. The unrealised change in value during the period amounted to SEK 1,318m (447) and was attributable to improved net operating income and a 0.1 percent lower yield requirement.

Investments, acquisitions and divestments

During the year, a total of SEK 6,433m (1,520) was invested, of which SEK 5,895m (1,027) related to acquisitions and SEK 537m (493) related to investments in existing properties and projects. Properties with a sales value of SEK 938m (90) were divested during the period. The change in the real estate portfolio during the year may be seen in the table below.

Change in carrying amount of properties

	2014		2013	
	SEKm	Number	SEKm	Number
Real estate portfolio, 1 January	27,532	498	22,278	432
Investments in existing properties	537		493	
Acquisitions	5,895	37	1,027	5
Sales	-828	-41	-80	-6
Change in value of investment properties, unrealised	1,318		447	
Currency changes	51		11	
Real estate portfolio, 30 September	34,506	494	24,176	431

Property transactions 2014

Quarter	Number	Name of property	Municipality	Property category	Lettable area, sq.m.
Acquisitions					
One	1	Nordstaden 10:15	Gothenburg	Office	2,529
One	1	Backa 170:1	Gothenburg	Other	3,500
One	1	Tingstadsvassen 3:7	Gothenburg	Retail	5,243
One	1	Backa 169:3	Gothenburg	Retail	1,975
One	1	Jöns Petter Borg 14	Lund	Hotel	8,462
One	1	Heden 24:11	Gothenburg	Hotel	17,875
Two	1	Porfyren 2	Lund	Hotel	15,711
Two	1	Banken 14	Solna	Hotel	11,537
Two	1	Hovrätten 41	Kristianstad	Hotel	7,524
Two	1	Kocken 3	Växjö	Hotel	3,982
Two	1	Elden Södra 17	Växjö	Hotel	7,112
Two	1	Dragarbrunn 16:4	Uppsala	Hotel	5,402
Two	1	Vilunda 6:48	Upplands Väsby	Hotel	6,955
Two	1	Sicklaön 363:2	Nacka	Hotel	10,840
Two	1	Yxan 8	Södertälje	Hotel	14,115
Two	1	Höken 1	Karlstad	Hotel	5,890
Two	1	Svan 7	Trollhättan	Hotel	11,632
Two	1	Kvarngärdet 3:2	Uppsala	Hotel	7,518
Two	1	Sågen 1	Västerås	Hotel	8,317
Two	1	Valbo-backa 6:12	Gävle	Hotel	7,382
Two	1	Inom Vallgraven 16:21	Gothenburg	Retail	2,972
Two	1	Göta Ark 18	Stockholm	Office	18,775
Two	1	Årstaäng 4 & 6	Stockholm	Office	24,588
Two	1	Vestervold Kvarter	Copenhagen	Retail	5,300
Two	1	Leväsentie 2B	Koupio	Retail	19,473
Two	1	Ouluntaival 1	Kuusamo	Retail	3,718
Two	1	Loumantie 1-3	Kuusamo	Retail	12,623
Two	1	Joulantie 1-3	Keminmaa	Retail	12,337
Two	1	Isoseppäla 14	Klaukkala	Retail	2,742
Two	1	Mäntsäläntie 1	Mäntsälä	Retail	3,573
Two	1	Kauppakaju 2	Raisio	Retail	5,856
Two	1	Kauppakatu 4	Seinäjoki	Retail	4,591
Three	1	Nordstan 10:16 -17	Gothenburg	Hotel	7,866
Three	1	Havsfrun 26	Stockholm	Office	3,506
Three	1	Kalkstenen 1	Lund	Retail	2,180
Three	1	Lavetten 41	Trelleborg	Retail	990
Three	1	Spännbucklan 12 and 13	Malmö	Retail	5,320
Total	37				299,911

Property transactions 2014 (continued)

Quarter	Number	Name of property	Municipality	Property category	Lettable area, sq.m.
Divestments					
One	1	Rivan 4	Lund	Retail	1,231
One	1	Edberga 1	Åtvidaberg	Residential	5,572
One	1	Norr 5:8	Hjo	Residential	3,270
Two	1	Banér 13	Landskrona	Residential	1,615
Two	1	Berzelius 12	Landskrona	Residential	840
Two	1	Delfinen 25	Landskrona	Residential	868
Two	1	Erik Dahlberg 3	Landskrona	Residential	775
Two	1	Juno 3	Landskrona	Residential	1,302
Two	1	Juno 37	Landskrona	Residential	2,214
Two	1	Lyckan 1	Landskrona	Residential	866
Two	1	Sankt Göran 12	Landskrona	Residential	1,145
Two	1	Vildanden 6	Landskrona	Residential	446
Two	2	Klubben 5 & Generatorn 2	Finspång	Residential	4,723
Two	1	Kjusorna 12	Finspång	Residential	3,689
Two	1	Klubben 6	Finspång	Residential	3,448
Two	2	Kuggväxeln 7 & 8	Finspång	Residential	11,114
Two	2	Ringugnen 1 & Lervagnen 1	Finspång	Residential	9,027
Two	1	Lodet 1	Finspång	Residential	1,728
Two	2	Manan 1 & 2	Finspång	Residential	3,152
Two	1	Manteln 9	Finspång	Residential	1,719
Two	1	Murklan 1	Finspång	Residential	3,720
Two	1	Soldaten 10	Finspång	Residential	3,108
Two	1	Luntan 1	Finspång	Residential	1,378
Two	1	Trasten 7	Finspång	Residential	3,880
Two	1	Kalkugnen 3	Finspång	Retail	3,359
Two	1	Köpmanen 3	Finspång	Retail	1,291
Two	1	Köpmanen 6	Finspång	Office	4,821
Two	1	Vinkelhaken 4	Finspång	Retail	3,857
Two	1	Hårstorp 4:7	Finspång	Office	1,962
Two	1	Kullerstads- Åby 3:7	Norrköping	Residential	662
Two	1	Kullerstads- Åby 2:48	Norrköping	Residential	1,406
Two	1	Magneten 19	Stockholm	Office	9,325
Two	1	Eketånga 24:45	Halmstad	Office	3,522
Two	–	Eketånga 24:72	Halmstad	Other	–
Two	1	Magneten 25	Stockholm	Office	4,782
Two	1	Motståndet 7 & 9	Stockholm	Office	4,253
Two	1	Sparrisen 2	Solna	Office	12,322
Three	1	Faktorn 6	Falkenberg	Office	4,395
Total	41				126,787

Associated companies

Balder owns 50 per cent of property-managing associated companies and associated companies which conduct project development. In addition, Balder owns 48 per cent (44) of the finance and credit management company Collector. The property-managing associated companies include Centur and Tulia. Bovieran and Fix Holding work with project development.

During the year, property-managing associated compa-

nies acquired properties for SEK 1,454m (330).

On 30 June, Balder acquired the remaining 50 per of the shares in Akroterion.

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

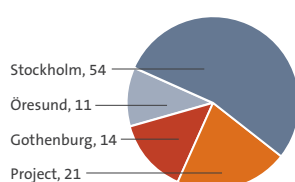
Balder's participation in the real estate portfolio of associated companies on 2014-09-30

	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	31	86,084	121	1,402	119	99	1,611	54
Gothenburg	10	29,992	29	970	29	99	419	14
Öresund	7	24,282	26	1,053	24	92	316	11
Total	48	140,358	175	1,249	171	98	2,346	79
Project	5	–	–	–	–	–	620	21
Total	53	140,358	175	1,249	171	98	2,966	100

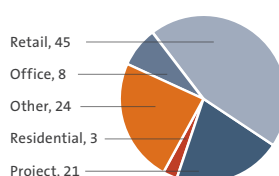
Distributed by property category

Residential	4	3,461	4	1,280	4	99	82	3
Office	5	8,290	16	1,958	15	92	234	8
Retail	32	94,448	101	1,073	99	97	1,331	45
Other	7	34,159	53	1,560	53	100	699	24
Total	48	140,358	175	1,249	171	98	2,346	79
Project	5	–	–	–	–	–	620	21
Total	53	140,358	175	1,249	171	98	2,966	100

Distributed by region, %



Distributed by property category, %



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

SEKm	2014 30 Sep	2013 30 Sep
Assets		
Properties	2,966	2,374
Other assets	23	21
Cash and cash equivalents	50	34
Total assets	3,039	2,429
Shareholders' equity and liabilities		
Equity/shareholder loan	1,279	832
Interest-bearing liabilities	1,585	1,457
Other liabilities	175	140
Total equity and liabilities	3,039	2,429

Customers

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

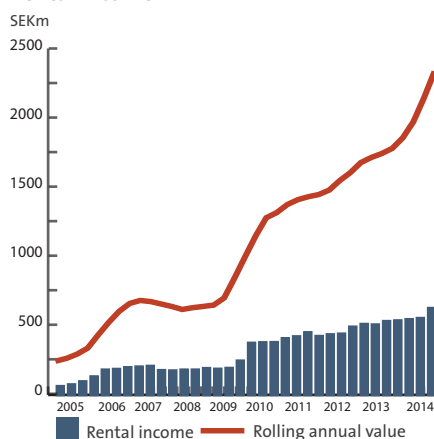
Balder's commercial leases have an average lease term of 5.7 years (4.8). Balder's 10 largest leases represent 8.7 per cent (9.1) of total rental income and the average lease term amounts to 11.7 years (12.2). No individual lease accounts for more than 1.5 per cent (1.5) of Balder's total rental income and no individual customer accounts for more than 5.5 per cent (2.5) of total rental income.

Lease maturity structure 2014-09-30

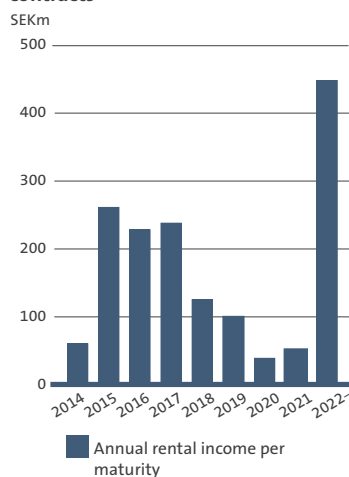
Maturity date	Number of leases	Proportion, %	Contracted rent, SEKm	Proportion, %
2014	168	6	73	3
2015	997	37	277	10
2016	575	21	239	9
2017	505	19	254	10
2018–	434	16	734	28
Total	2,679	100	1,577	59
Residential ¹⁾	14,383		1,015	38
Car park ¹⁾	5,164		17	1
Garage ¹⁾	4,776		42	2
Total	27,002		2,650	100

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

Rental income



Maturity structure of commercial lease contracts



Balder's ten largest customers

2014-09-30

- ICA Sverige AB
- Kopparbergs Bryggerier
- Länsstyrelsen i Stockholms län
- Profil Hotels
- Scandic Hotels AB
- Sirius International Försäkring AB
- Stockholms Kommun
- Stureplansgruppen
- Västra Götalands Läns Landsting
- Winn Hotel Group

Financing

Equity

Consolidated equity amounted to SEK 12,782m (9,537) on 30 September and the equity/assets ratio amounted to 34.2 per cent (36.3). During the period, equity increased by comprehensive income for the period of SEK 1,665m (1,180), the disposal of all repurchased shares of SEK 220m (–) and decreased by SEK 150m (93) on account of dividends paid to the preference shareholders and dividends entered as a liability but still unpaid to the preference shareholders of SEK 150m, according to the resolution of the Annual General Meeting 2014. The dividend is paid out quarterly.

Interest-bearing liabilities

The group's interest-bearing liabilities in respect of properties amounted to SEK 19,527m (14,040) on 30 September, corresponding to a loan-to-value ratio of 56.6 per cent (58.1). The interest-bearing liabilities consist of bonds of SEK 1,950m in total (750), a certificate programme with a framework amount of SEK 1,500m (1,000) and bilateral bank loans with Nordic banks. Balder's certificate programme had an outstanding volume of SEK 750m (730) on 30 September. On 30 September, Balder's average interest rate refixing period amounted to 2.5 years (3.9).

The fixed credit term amounted to 4.4 years (5.6) and the average interest rate amounted to 2.7 per cent (3.5), including the effect of accrued interest from the interest rate derivative instruments which are recognised as fixed interest borrowing in the table.

Interest rate derivative instruments are deployed in order to obtain preferred interest rate refixing targets. Derivatives are continually recognised at fair value in the balance sheet with changes in value recognised in the income statement without using hedge accounting. Changes in value amounted to SEK –422m (429) during the period. The remaining deficit on derivatives, SEK 884m (477), will be released during the remainder of the term and recognised as income. This means that Balder has a reserve of SEK 884m which will be reversed in its entirety to equity, adjusted by deferred tax, concurrently with the expiry of interest rate derivatives. All derivatives are classified as Level 2 according to IFRS 13.

Liquidity

The group's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 779m (336) at the end of the accounting period.

Financial goals

The proportion of equity is impacted by the chosen level of financial risk which in turn is impacted by lenders' equity requirements for offering market-based financing. Balder's financial goals are that the equity/assets ratio shall not be less than 35 per cent over time and that the interest coverage ratio should not be less than 1.5 times. As of 30 September, the equity/assets ratio was 34.2 per cent (36.3) and the interest coverage ratio was 3.2 times (2.8).

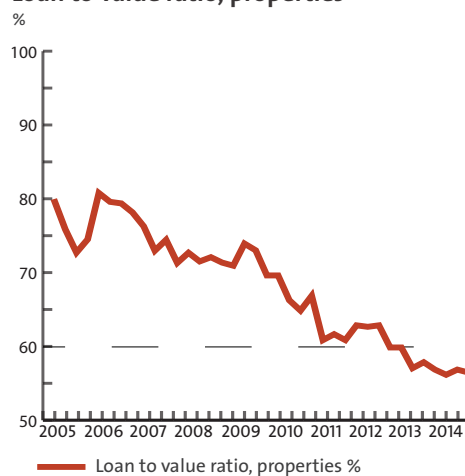
Financial targets

	Target	Outcome
Equity/assets ratio, %	35,0	34,2
Interest coverage ratio, times	1,5	3,2

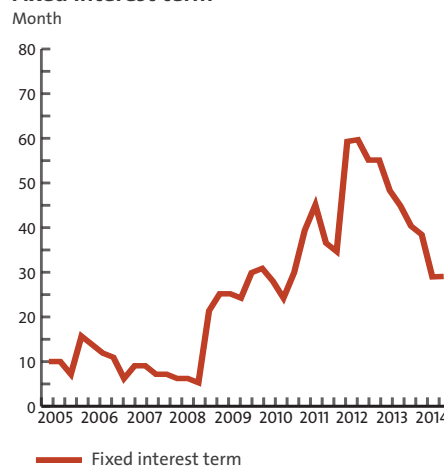
Interest maturity structure on 2014-09-30

Year	SEKm	Interest, %	Proportion, %
Within one year	13,148	1.8	60.9
1–2 years	546	4.3	2.5
2–3 years	–	–	–
3–4 years	3,000	4.7	13.9
4–5 years	–	–	–
> 5 years	4,904	3.6	22.7
Total	21,598	2.7	100

Loan to value ratio, properties



Fixed interest term



Other disclosures

Events after the end of the period

After the end of the period, Balder signed an agreement with Skanska regarding construction of 184 apartments at Havneholmen, centrally located in Copenhagen harbour. The lettable area is approximately 17,574 sq.m. and the investment amounts to approximately SEK 575m. Construction has begun and will be completed during the first quarter of 2016.

Balder has also, in two different transactions, agreed to sell properties through a transfer of company ownership with an agreed real estate value of about SEK 800m.

The first transaction concerns commercial premises of approximately 44,000 sq.m., which are being sold to Header Compression Sweden Holding AB while carrying out a change of name to Stendörren Properties AB. As partial payment, Balder will subscribe for shares equivalent to SEK 100m.

In the other transaction, 50 per cent of the property Murmästaren 3 is being sold to Oscar Properties Holding AB. Balder will continue to own 50 per cent of the property and will develop the property together with Oscar Properties.

In addition, an agreement has been signed to sell part of the site leasehold right Stockholm Årstaäng 4 to JM AB. The sales price amounted to SEK 198m and JM will take possession during the third quarter of 2015.

Balder also sold all of its properties in Halmstad. The divested properties include Hjärtat 4, Bonden 5, Flygaren 17 and Makrillen 8. The total sales value amounted to SEK 177m.

Related party transactions

Balder receives fees from associated companies and Erik Selin Fastigheter AB for property and company management services. These fees amounted to SEK 16m (12) during the period and are reported in management and administrative costs.

Risks and uncertainties

Balder's operations, financial position and results may be affected by a number of risks and uncertainty factors. These are described in the Annual Report for 2013, on pages 42-45.

Accounting policies

Balder applies IFRS (International Financial Reporting Standards) as adopted by the European Union in its consolidated accounts and the interpretations of these (IFRIC). This interim report is prepared in accordance with IAS 34, Interim Financial Reporting. In addition, relevant provisions of the Swedish Annual Accounts Act and the Swedish Securities Markets Act have also been applied. The parent com-

pany has prepared its financial statements in accordance with the Annual Accounts Act, the Securities Markets Act and RFR 2, Accounting for Legal Entities.

The accounting policies and calculation methods applied are unchanged compared with the Annual Report for 2013

The interpretation IFRIC 21 Levies described in the Annual Report for 2013 has still not been adopted by the EU. It therefore has not been applied by the group in this interim report. When the interpretation has been fully adopted, Balder will apply it, which will result in reporting of the entire remaining property tax for 2014 as a liability.

Nomination Committee

The Annual General Meeting on Thursday 7 May 2014 resolved that the nomination committee shall be composed of one representative for each of the two largest shareholders or ownership spheres in addition to Lars Rasin, who represents the other shareholders. The names of the other two members and the owners they represent shall be announced not later than six months before the Annual General Meeting and shall be based on known ownership immediately prior to publication.

In accordance with this resolution, Balder's nomination committee, based on ownership as of 30 September 2014 and known changes subsequently, is composed of Christian Hahne, representing Erik Selin Fastigheter AB and Rikard Svensson, representing Arvid Svensson Invest AB.

The Annual General Meeting will be held in Gothenburg on Wednesday 6 May 2015. Shareholders who wish to contact the nomination committee can do so via e-mail to eve.knight@balder.se

Gothenburg 4 November 2014

Erik Selin
Chief Executive Officer

Review report of condensed interim financial information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

Introduction

We have reviewed the condensed interim financial information (interim report) for Fastighets AB Balder (publ), corp. id. no. 556525-6905 as of 30 September 2014 and for the nine-month period that ended on this date. The Board of Directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially smaller in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared for the Group in compliance with IAS 34 and the Swedish Annual Accounts Act and for the Parent Company in compliance with the Swedish Annual Accounts Act.

Gothenburg, 4 November 2014
Öhrlings PricewaterhouseCoopers

Bengt Kron
Authorised Public Accountant

Consolidated statement of comprehensive income

SEKm	2014 Jul-Sep	2013 Jul-Sep	2014 Jan-Sep	2013 Jan-Sep	2013/2014 Oct-Sep	2013 Jan-Dec
Rental income	655	461	1,848	1,363	2,368	1,884
Property costs	-161	-116	-569	-425	-753	-609
Net operating income	494	345	1,279	938	1,615	1,274
Changes in value of properties, realised	-1	2	110	10	117	16
Changes in value of properties and wind turbines, unrealised ¹⁾	130	118	1,318	447	1,672	801
Property and administrative costs	-39	-26	-117	-88	-150	-121
Participations in the profits of associated companies	36	35	225	95	334	204
Operating profit	619	474	2,816	1,402	3,588	2,174
Net financial items	-146	-114	-403	-338	-521	-456
Changes in value of derivatives	-119	55	-422	429	-417	433
Profit before tax	354	415	1,991	1,492	2,650	2,151
Current taxes	-1	-	-3	0	3	6
Deferred tax	-64	-84	-330	-309	-438	-418
Net profit for the period/year	289	332	1,658	1,183	2,214	1,738
Other comprehensive income						
Translation difference	6	-5	6	-3	17	8
Participation in other comprehensive income of associated companies	1	0	1	0	-11	-12
Total comprehensive income for the period/year	296	327	1,665	1,180	2,220	1,735
Profit from property management before tax, SEKm	360	246	897	624	1,126	854
Profit from property management before tax per ordinary share, SEK	1,91	1,34	4,62	3,33	5,86	4,57
Profit after tax per ordinary share, SEK	1,47	1,87	9,34	6,83	12,61	10,11

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

SEKm	2014 Jul-Sep	2013 Jul-Sep	2014 Jan-Sep	2013 Jan-Sep	2013/2014 Oct-Sep	2013 Jan-Dec
1) Unrealised changes in value in respect of properties	130	118	1,318	447	1,709	838
Unrealised changes in value in respect of wind turbines	-	-	-	-	-37	-37
Total	130	118	1,318	447	1,672	801

Consolidated statement of financial position

SEKm	2014 30 Sep	2013 30 Sep	2013 31 Dec
Assets			
Investment properties	34,506	24,176	27,532
Other fixed assets	98	144	108
Participations in associated companies	1,170	922	1,020
Other receivables ¹⁾	1,134	905	867
Cash and cash equivalents and financial investments	430	140	513
Total assets	37,338	26,287	30,041
Shareholders' equity and liabilities			
Shareholders' equity	12,782	9,537	11,196
Deferred tax liability	1,194	752	862
Interest-bearing liabilities ²⁾	21,598	14,861	16,521
Derivatives	884	477	472
Other liabilities	881	660	990
Total equity and liabilities	37,338	26,287	30,041
1) Of which most part refers to receivables in associated companies			
2) Of which interest-bearing liabilities in respect of properties	19,527	14,040	15,703

Consolidated statement of changes in equity

Attributable to the Parent Company's shareholders, SEKm	2014 30 Sep	2013 30 Sep	2013 31 Dec
Opening equity	11,196	8,289	8,289
New issue	–	160	1,297
Dividend for preference shares ¹⁾	–300	–93	–125
Disposal of treasury shares	220	–	–
Net profit for the period/year	1,665	1,180	1,735
Closing equity	12,782	9,537	11,196

1) Of which paid SEK 150m.

Consolidated statement of cash flows

SEKm	2014 Jul-Sep	2013 Jul-Sep	2014 Jan-Sep	2013 Jan-Sep	2013 Jan-Dec
Net operating income	494	345	1,279	938	1,274
Management and administrative expenses	-39	-26	-117	-88	-121
Reversal of depreciation	3	4	12	12	17
Adjustment item	4	0	3	-2	3
Net financial items paid	-150	-92	-436	-339	-465
Taxes paid	-1	0	-3	0	0
Cash flow from operating activities before change in working capital	310	230	737	521	708
Change in operating receivables	-162	-74	-241	-350	-332
Change in operating liabilities	27	83	117	205	126
Cash flow from operating activities	175	240	613	376	502
Acquisition of properties	-544	-190	-5,672	-1,027	-3,606
Acquisition of property, plant and equipment	-0	-1	-1	-6	-12
Purchase of financial investments	-98	-6	-142	-8	-218
Investment in existing properties	-134	-280	-537	-493	-880
Acquisition, liquidity	-	-	19	-	36,
Sale of properties	16	12	938	90	145
Sale of financial investments	7	4	219	7	7
Acquisition of shares in associated companies	-101	0	-193	-67,	-67
Dividend paid from associated companies	-	-	45	-,	-
Cash flow from investing activities	-853	-461	-5,323	-1,504	-4,593
New issue	-	-	-	160	1,297
Dividend paid for preference shares	-50	-33	-150	-93	-125
Loans raised	492	195	5,606	1,380	3,865
Disposal of treasury shares	-	-	220	-	-
Amortisation/redemption of loans sold properties/changes in overdraft facilities	-71	-10	-972	-318	-786
Cash flow from financing activities	371	152	4,704	1,129	4,252
Cash flow for the period/year	-307	-69	-6	2	160
Cash and cash equivalents at the start of the period/year	509	118	208	47	47
Cash and cash equivalents at the end of the period/year	202	49	202	49	208
Unutilised credit facilities	350	196	350	196	491
Financial investments	228	91	228	91	305

Segment information

SEKm	2014 Jul-Sep	2013 Jul-Sep	2014 Jan-Sep	2013 Jan-Sep	2013/2014 Oct-Sep	2013 Jan-Dec
Rental income						
Stockholm	205	148	546	436	694	584
Gothenburg/West	219	152	636	442	818	624
Öresund	105	85	294	257	383	346
East	85	42	257	125	324	192
North	41	34	115	103	149	137
Total	655	461	1,848	1,363	2,368	1,884
Net operating income						
Stockholm	162	115	405	315	510	420
Gothenburg/West	160	114	431	307	549	425
Öresund	82	62	212	179	273	240
East	61	30	160	76	192	109
North	29	24	71	61	91	81
Total	494	345	1,279	938	1,615	1,274

The group's internal reporting of operations is divided into the above segments. Total net operating income corresponds with reported net operating income in the income statement. The difference between net operating income of SEK 1,279m (938) and profit before tax of SEK 1,991m (1,492) consists of changes in value of properties of SEK 1,428m (457), management and administrative costs of SEK -117m (-88), participations in profits of associated companies of SEK 225m (95), net financial items of SEK -403m (-338) and changes in value of derivatives of SEK -422m (429).

The carrying amounts of properties increased during the period by SEK 2,992m in the Stockholm region, SEK 2,081m in the Gothenburg/West region, SEK 970m in the Öresund region, SEK 607m in the East region and by SEK 324m in the North region.

Key ratios

SEKm	2014 Jul-Sep	2013 Jul-Sep	2014 Jan-Sep	2013 Jan-Sep	2013/2014 Oct-Sep	2013 Jan-Dec
Share-related, ordinary shares ¹⁾						
<i>Average number of shares, thousands</i>	162,397	159,537	161,580	159,537	161,069	159,537
Profit after tax, SEK	1.47	1.87	9.34	6.83	12.61	10.11
Profit after tax excluding unrealised changes in value, SEK	1.45	1.19	4.40	2.70	5.47	3.77
Profit from property management before tax, SEK	1.91	1.34	4.62	3.33	5.86	4.57
Net operating income, SEK	3.04	2.16	7.92	5.88	10.03	7.99
<i>Outstanding number of shares, thousands</i>	162,397	159,537	162,397	159,537	162,397	159,537
Carrying amount of properties, SEK	212.48	151.54	212.48	151.54	212.48	172.58
Shareholders' equity, SEK	60.99	48.96	60.99	48.96	60.99	52.14
Long-term net asset value (EPRA NAV), SEK	73.78	56.66	73.78	56.66	73.78	60.50
Share price on the closing date, SEK	91.75	52.50	91.75	52.50	91.75	66.00
1) There is no dilutive effect as no potential shares arise.						
Property-related						
Rental value full-year, SEK/sq.m.	1,296	1,268	1,296	1,268	1,296	1,216
Rental income full-year, SEK/sq.m.	1,229	1,191	1,229	1,191	1,229	1,148
Economic occupancy rate, %	95	94	95	94	95	94
Surplus ratio, %	75	75	69	69	68	68
Carrying amount, SEK/sq.m.	15,998	15,278	15,998	15,278	15,998	13,985
Number of properties	494	431	494	431	494	498
Lettable area, sq.m. thousands	2,157	1,582	2,157	1,582	2,157	1,969
Profit from property management before tax, SEKm	360	246	897	624	1,126	854
Financial						
Return on equity, ordinary share, %	9.7	11.4	18.9	16.8	22.9	21.5
Return on total assets, %	5.4	6.1	8.4	8.6	10.0	9.7
Interest coverage ratio, times	3.5	3.2	3.2	2.8	3.2	2.9
Equity/assets ratio, %	34.2	36.3	34.2	36.3	34.2	37.3
Debt/equity ratio, times	1.7	1.6	1.7	1.6	1.7	1.5
Loan-to-value ratio, %	57.8	56.5	57.8	56.5	57.8	55.0
Loan-to-value ratio properties, %	56.6	58.1	56.6	58.1	56.6	57.0

Condensed parent company income statement

SEKm	2014 Jul-Sep	2013 Jul-Sep	2014 Jan-Sep	2013 Jan-Sep	2013/2014 Oct-Sep	2013 Jan-Dec
Net sales	33	22	85	70	114	99
Administrative expenses	-39	-26	-101	-82	-132	-113
Operating profit	-6	-4	-16	-12	-18	-14
Profit from financial items						
Impairment of subsidiaries	-	-	-	-	-2	-2
Dividends from subsidiaries	-	-	700	-	700	-
Other net financial items	67	51	224	155	175	106
Changes in value of derivatives	-114	47	-390	368	-384	374
Profit before tax	-53	94	518	511	471	464
Deferred tax	12	-20	43	-112	56	-99
Net profit for the period/year	-41	74	561	399	527	365

Condensed parent company balance sheet

SEKm	2014 30 Sep	2013 30 Sep	2013 31 Dec
Assets			
Property, plant and equipment	22	25	24
Financial non-current assets	3,316	3,172	3,160
Receivables from group companies	14,956	10,891	11,506
Current receivables	14	29	21
Cash and cash equivalents and financial investments	314	100	450
Total assets	18,622	14,217	15,161
Shareholders' equity and liabilities			
Shareholders' equity	6,756	5,204	6,274
Interest-bearing liabilities	7,890	5,896	5,690
Liabilities to group companies	3,030	2,701	2,782
Derivatives	740	367	361
Other liabilities	206	49	54
Total equity and liabilities	18,622	14,217	15,161

The share and owners

Balder's shares are listed on NASDAQ OMX Stockholm, Mid Cap segment. Balder has two listed classes of shares, an ordinary Class B share and a preference share, which pays a dividend of SEK 5 per quarter. The company's market capitalisation as of 30 September amounted to SEK 18,430m (10,573).

The principal owner in Fastighets AB Balder is Erik Selin Fastigheter AB, which owns 38.0 per cent of the capital and 51.3 per cent of the votes. Foreign ownership amounts to approximately 18 percent of the outstanding shares.

Ordinary shares

At the end of the period, approximately 9,504 shareholders (8,678) held ordinary shares. During the period, 48 million shares were traded (41), which corresponds to an average of about 257,000 shares per trading day (220,000). The annual turnover rate amounted to 39 per cent (35) during the period. The price of the ordinary share was SEK 91.75 (52.50) on 30 September, corresponding to an increase of 39 per cent since year-end.

During the period, the company sold 2,859,600 repurchased Class B shares at a price of SEK 77.25 per ordinary share, amounting to approximately SEK 220m in total. After the

disposal, Balder no longer holds any repurchased ordinary shares. The entire proceeds have been recognised directly against equity.

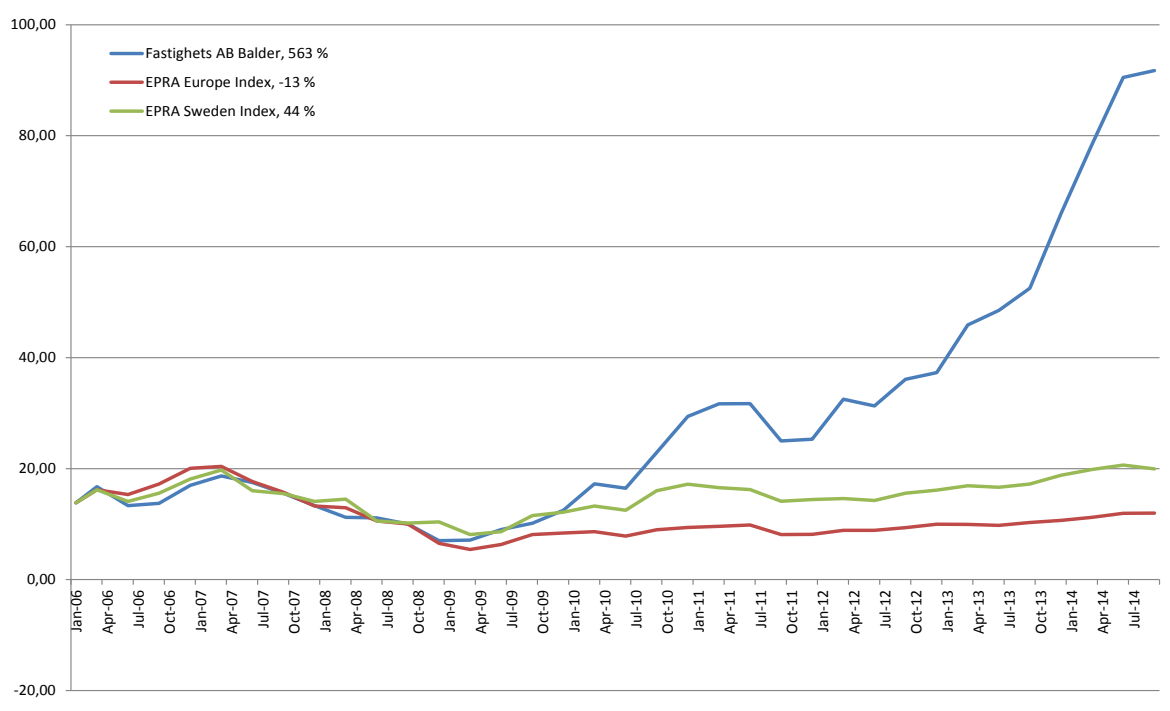
Preference shares

At the end of the period, approximately 8,285 (6,527) shareholders held preference shares. During the period, about 2.3 million shares were traded (2.1), which corresponds to an average of 12,331 shares per trading day (11,335). The annual turnover rate amounted to 31 per cent (45). On 30 September, the market value of the preference share was SEK 353 (338), corresponding to a rise of 5 per cent since year-end and a total yield of 9.5 per cent since year-end.

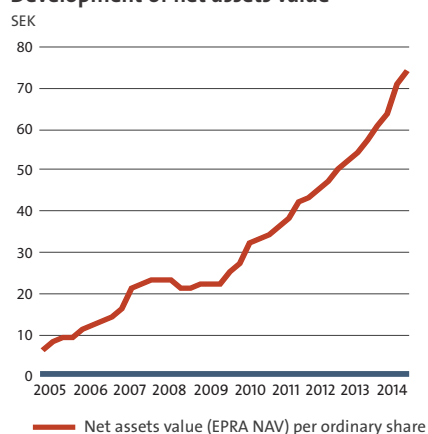
Share capital

On 30 September, the share capital in Balder amounted to SEK 172,396,852 distributed among 172,396,852 shares. Each share has a quota value of SEK 1.00, whereof 11,229,432 shares are of Class A, 151,167,420 of Class B and 10,000,000 preference shares. The total number of outstanding shares amounts to 172,396,852. Each Class A share carries one vote and each Class B share and preference share carries one tenth of one vote.

Share price



Development of net assets value



Share price/Net asset value (EPRA NAV)



Ownership list as of 2014-09-30

Owner	A ordinary shares	B ordinary shares	Preference shares	Total number of shares	Capital, %	Votes, %
Selin, Erik via company	8,301,930	57,218,298	500	65,520,728	38.0	51.3
Arvid Svensson Invest AB	2,915,892	13,542,540	–	16,458,432	9.5	15.6
Swedbank Robur fonder	–	11,248,428	–	11,248,428	6.5	4.1
Länsförsäkringar fondförvaltning AB	–	8,321,463	–	8,321,463	4.8	3.0
JP Morgan Chase	–	6,369,325	129,065	6,498,390	3.8	2.4
AMF - Försäkring och Fonder	–	6,341,037	–	6,341,037	3.7	2.3
Handelsbanken fonder	–	4,899,018	–	4,899,018	2.8	1.8
Lannebo fonder	–	2,700,000	–	2,700,000	1.6	1.0
SEB Investment Management	–	1,790,100	–	1,790,100	1.0	0.7
Rahi, Sharam via company	–	1,516,300	20,000	1,536,300	0.9	0.6
Other	11,610	37,220,911	9,850,435	47,082,956	27.4	17.2
Total registered shares	11,229,432	151,167,420	10,000,000	172,396,852	100	100

Preference share calendar

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

Definitions

FINANCIALS

Return on equity, ordinary share, %

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

Return on total assets, %

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

Loan-to-value ratio, %

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

Loan-to-value ratio properties, %

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

Profit from property management before tax, SEKm

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

Interest coverage ratio, times

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

Debt/equity ratio, times

Interest-bearing liabilities in relation to shareholders' equity.

Equity/assets ratio, %

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

SHARE RELATED

Equity per ordinary share, SEK

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

Equity per preference share, SEK

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

Profit from property management per ordinary share, SEK

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

Average number of shares

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

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

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

Profit after tax per ordinary share, SEK

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

PROPERTY RELATED

Yield, %

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

Net operating income, SEKm

Rental income less property costs.

Economic occupancy rate, %

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

Property category

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

Property costs, SEKm

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

Rental value, SEKm

Contracted rent and estimated market rent for vacant premises.

Surplus ratio, %

Net operating income in relation to rental income

The information in this report is such that Fastighets AB Balder (publ) is obliged to disclose according to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. This information has been published at 2.00 p.m. on 4 November 2014.

This report is a translation of the Swedish Interim report January–September 2014. In the event of any disparities between this report and the Swedish version, the latter will have priority.

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Financial information

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

Calendar

Year-end report 2014	18 February 2015
Annual General Meeting	6 May 2015
Interim report January-March	6 May 2015
Interim report januar-juni	21 August 2015
Interim report januari-september	4 November 2015
Year-end report 2015	18 February 2016

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