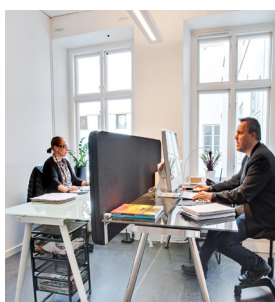


Fastighets AB Balder Year-end Report January–December 2014

- Profit from property management before tax amounted to SEK 1,275m (854), corresponding to SEK 6.64 per ordinary share (4.57)
- Rental income amounted to SEK 2,525m (1,884)
- Profit after tax amounted to SEK 3,128m (1,738), corresponding to SEK 18.10 per ordinary share (10.11)
- Shareholders' equity amounted to SEK 70.10 per ordinary share (52.14) and the net asset value amounted to SEK 86.33 per ordinary share (60.50)
- The board proposes that no dividend shall be declared for ordinary shares (–) and that a dividend of SEK 20 per share (20) shall be paid for preference shares

Fastighets AB Balder is a listed property company which shall meet the needs of different customer groups for premises and housing based on local support. Balder's real estate portfolio had a value of SEK 37.4 billion (27.5) as of 31 December 2014. The Balder share is listed on NASDAQ OMX Stockholm, Large Cap



Net profit for the year in brief

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

October–December 2014

- Rental income amounted to SEK 677m (520).
- Net operating income increased by 45 per cent to SEK 486m (336).
- Profit from property management increased by 65 per cent to SEK 378m (229), which corresponds to SEK 2.02 per ordinary share (1.23).
- Changes in value in respect of investment properties amounted to SEK 1,621m (397). The average yield requirement amounted to 5.5 per cent (5.9).
- Changes in value of interest rate derivatives have impacted the result by SEK –202m (4).
- Net profit after tax amounted to SEK 1,470m (556), which corresponds to SEK 8.74 per ordinary share (3.28).
- 5 properties (69) were acquired for a property value of SEK 1 163m with an area of 30,400 sq.m and ground for residential development in Copenhagen.
- 4 properties (2) was divested for a property value of SEK 175m with an area of 12,700 sq.m.

January–December 2014

- Rental income amounted to SEK 2,525m (1,884)
- Net operating income increased by 39 per cent to SEK 1,766m (1,274).
- Profit from property management increased by 49 per cent to SEK 1,275m (854), which corresponds to SEK 6.64 per ordinary share (4.57).
- The occupancy rate has increased to 95 per cent (94).
- Changes in value in respect of investment properties amounted to SEK 3,050m (854). The average yield requirement amounted to 5.5 per cent (5.9).
- Changes in value of interest rate derivatives have impacted the result by SEK –624m (433).
- Net profit after tax amounted to SEK 3,128m (1,738), which corresponds to SEK 18.10 per ordinary share (10.11).
- 42 properties (74) were acquired for a property value of SEK 7,059m and 45 properties (8) were sold for a value of SEK 1,114m.
- All repurchased shares were sold for SEK 220m (–).

	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec	2012 Jan-Dec	2011 Jan-Dec	2010 Jan-Dec	2009 Jan-Dec	2008 Jan-Dec	2007 Jan-Dec
Rental income, SEKm	677	520	2,525	1,884	1,701	1,466	1,333	854	633	678
Profit from property management before tax, SEKm	378	229	1,275	854	691	516	417	315	174	179
Changes in value of properties, SEKm	1,621	397	3,050	854	812	990	1,047	4	–201	642
Changes in value of derivatives, SEKm	–202	4	–624	433	–71	–520	148	–23	–333	7
Profit after tax, SEKm	1,470	556	3,128	1,738	1,162	812	1,338	248	–388	785
Carrying amount of properties, SEKm	37,382	27,532	37,382	27,532	22,278	17,556	14,389	12,669	7,086	6,758
Data per ordinary share										
Average number of shares, thousands	162,397	159,537	161,786	159,537	159,537	158,656	149,487	112,902	95,910	97,318
Profit after tax, SEK	8.74	3.28	18.10	10.11	6.69	4.87	8.95	2.20	–4.04	8.07
Profit from property management before tax, SEK	2.02	1.23	6.64	4.57	3.73	3.00	2.79	2.79	1.81	1.84
Outstanding number of shares, thousands	162,397	159,537	162,397	159,537	159,537	159,537	149,487	149,487	94,458	97,318
Carrying amount of properties, SEK	230.19	172.58	230.19	172.58	139.64	110.04	96.25	84.75	75.02	69.44
Shareholders' equity, SEK	70.10	52.14	70.10	52.14	42.15	35.57	31.13	22.19	19.63	23.49
Long-term net asset value (EPRA NAV), SEK	86.33	60.50	86.33	60.50	50.37	41.83	32.89	22.16	20.95	22.33
Share price on closing date, SEK	110.25	66.00	110.25	66.00	37.30	25.30	29.40	12.50	7.00	13.33

Comments by the CEO

Dear shareholder

The past year

For Balder, 2014 was an intensive year with a high level of activity on the property management and transaction side. We sold a number of properties and acquired buildings in central Stockholm and Gothenburg including hotels, land and development properties. We continued to invest in Denmark and also added Finland as a new market – so far on a small scale – but we see interesting opportunities there in the longer term.

Associated companies

There was also a high level of activity among our associated companies. It can be mentioned that when GE decided to no longer act as a direct investor in the Swedish property market, we agreed to acquire their participating interest in our jointly-owned company and this company is now wholly-owned by us. We gained two new jointly-owned companies in Gothenburg, with Elof Hansson as well as Coop. We look forward to many very good years and transactions with these new partners. Centur, which we own together with Peab, carried out large acquisitions during the year, laying the groundwork for interesting investment opportunities for a long time to come.

Aside from the fact that our associated companies are good transactions in themselves, involving companies and people that we value and like, I would also like to say that I personally, and no doubt many others, have always learned a lot from these transactions and other collaboration during the years. Luckily, I still have much to learn and hopefully many years of collaboration to look forward to.

The market

The generally cautious economic situation without inflation has currently resulted in interest rate levels for some borrowers and maturities, which are down in negative territory. Personally, I think that the negative interest rates are a bit difficult to relate to and in some way make it harder to estimate reasonable yield requirements on different classes of assets.

The low level of interest rates has still not led to inflation measured in terms of the CPI but probably has in the case of certain asset prices/classes (properties/shares). The stronger the market becomes for these classes of assets the more we need to think about financial strength and safety margins.

Results

However, the most important performance measurement for Balder – profit from property management/current earning capacity – is positively impacted by the low level of interest rates. The main explanatory factor behind the increased earning capacity over time is all our property acquisitions and investments and not least the whole Balder organisation, which manages these investments and the confidence of owners, financiers, suppliers and society in general so well!

2015

We enter 2015 with a strong earning capacity and with better possibilities as a company than previous years. Despite strong investor interest and competition, I still believe that we have good potential to find business opportunities that offer a reasonably good return in the longer term.

Erik Selin
Chief Executive Officer

Current earning capacity

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

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

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

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

Current earning capacity on a twelve-month basis

SEKm	2014 31 Dec	2014 30 Sep	2014 30 June	2014 31 Mar	2013 31 Dec	2013 30 Sep	2013 30 June	2013 31 Mar	2012 31 Dec	2012 30 Sep	2012 30 June
Rental income	2,730	2,650	2,600	2,310	2,260	1,885	1,865	1,800	1,800	1,790	1,710
Property costs	-800	-795	-785	-735	-735	-580	-575	-560	-560	-560	-530
Net operating income	1,930	1,855	1,815	1,575	1,525	1,305	1,290	1,240	1,240	1,230	1,180
Property and administrative expenses	-165	-165	-165	-165	-165	-125	-120	-120	-120	-115	-115
Profit from property management from associated companies	220	200	180	180	170	150	130	130	120	110	95
Operating profit	1,985	1,890	1,830	1,590	1,530	1,330	1,300	1,250	1,240	1,225	1,160
Net financial items	-585	-580	-580	-535	-535	-515	-510	-495	-495	-505	-500
Profit from property management	1,400	1,310	1,250	1,055	995	815	790	755	745	720	660
Taxes	-308	-288	-275	-232	-219	-179	-174	-166	-164	-189	-174
Profit after tax	1,092	1,021	975	823	776	636	616	589	581	531	486
Profit after tax attributable to											
Ordinary shareholders	892	821	775	623	576	506	486	469	461	411	386
Preference shareholders	200	200	200	200	200	130	130	120	120	120	100
Profit from property management before tax according to current earning capacity per ordinary share, SEK	7.39	6.83	6.47	5.26	4.99	4.29	4.14	3.98	3.92	3.76	3.51

Results, income and costs

Results

Profit from property management increased by 49 per cent during the year and amounted to SEK 1,275m (854), which corresponds to SEK 6.64 per ordinary share (4.57). Profit from property management includes SEK 195m (157) in respect of associated companies.

Net profit after tax amounted to SEK 3,128m (1,738), corresponding to SEK 18.10 per ordinary share (10.11). Profit before tax was affected by changes in value in respect of properties of SEK 3,050m (854), changes in value of interest rate derivatives of SEK –624m (433) and profit from participations in associated companies of SEK 317m (204).

Rental income

Rental income increased by 34 percent to SEK 2,525m (1,884). The increase was primarily due to a larger real estate portfolio. The leasing portfolio was estimated to have a rental value on 31 December of SEK 2,885m (2,394) on an annual basis. The average rental level for the entire real estate portfolio amounted to SEK 1,325/sq.m. (1,216).

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 31 December. The total rental value of unlet areas for the period amounted to SEK 155m (134) on an annual basis.

Property costs

Property costs amounted to SEK 760m (609) 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 39 per cent to SEK 1,766m (1,274), which implies a surplus ratio of 70 per cent (68). Operating costs normally vary with the seasons. The first and fourth quarters have higher costs than the other quarters, while the third quarter usually has the lowest cost level.

Changes in value of investment properties

Balder carried out an individual internal valuation on 31 December, based on a ten-year cash flow model, of the entire real estate portfolio. Unrealised changes in value during the year amounted to SEK 2,906m (839). Realised changes in value amounted to SEK 144m (16).

The average yield requirement as of 31 December amounted to 5.5 per cent (5.9). The change in value during the year was mainly attributable to a 0.4 percentage points lower yield requirement on average since the beginning of the year and improved net operating income.

Management and administrative costs

Management and administrative costs amounted to SEK 154m (121) during the year.

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 approximately 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 317m (204) during the year and Balder's participation in the associated companies' profit from property management amounted to SEK 195m (157).

Profit before tax was impacted by unrealised changes in value in respect of properties and interest rate derivatives of SEK 178m (100).

Net financial items and changes in value of derivatives

Net financial items amounted to SEK –531m (–456) and changes in value of interest rate derivatives amounted to SEK –624m (433). The negative change in value during the year 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 2.7 per cent (3.1) during the period, including the effect of accrued interest from interest rate derivatives

Taxes

Balder reported current tax expense for the period of SEK –11m (6) and a deferred tax expense of SEK –682m (–418).

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 1,549m (862). At year-end, the Group's overall tax deficit amounted to approximately SEK 1,700m (2,000).

The fourth quarter 2014

Profit from property management for the fourth quarter of 2014 increased by 65 per cent and amounted to SEK 378m (229), which corresponds to SEK 2.02 per share (1.23). Profit from property management included SEK 58m (44) in respect of associated companies. Rental income amounted to SEK 677m (520) and property costs amounted to SEK 191m (184), which meant that net operating income increased by 45 per cent and generated net operating income for the fourth quarter of SEK 486m (336). The surplus ratio amounted to 72 per cent (65).

Net profit after tax for the period amounted to SEK 1,470m (556), corresponding to SEK 8.74 per share (3.28). 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 1,621m (397), unrealised changes in value of interest rate derivatives of SEK –202m (4) and profit from participations in associated companies of SEK 92m (109).

Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 1,038m (708). Investing activities have burdened the cash flow by SEK 6,708m (4,593). During the year, acquisition of properties of SEK 6,835m (3,606), investments in existing properties and projects of SEK 700m (880) and investments in property, plant and equipment, financial investments and associated companies of SEK 570m (297) and dividends paid of SEK 200m (125) amounts to SEK 8,305m. These have been financed through cash flow from operating activities of SEK 1,340m (502), by property divestments of SEK 1,114m (145), financial investments of SEK 219m (7), disposal of own shares of SEK 220m (–), secured liquidity of SEK 19m (36), dividends from associated companies of SEK 45m (–) and net borrowings of SEK 5,338m (3,079).

Total cash flow for the period amounted to SEK –8m (160). The group's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 806m (1,004) on 31 December.

Employees and organisation

The number of employees on 31 December amounted to 313 persons (290), of whom 110 (102) 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 124m (99) during the period.

Net profit after tax amounted to SEK 302m (365). Dividend of SEK 714m (–) from subsidiaries and associated companies was included and changes in value of interest rate derivatives amounted to SEK –585m (374) and paid group contributions amounted to SEK –250m (–114).

Proposed dividend

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

Annual Report and Annual General Meeting

The annual report for 2014 will be available on Balder's website, www.balder.se, from week 15, 2015.

Fastighets AB Balder's annual general meeting will take place on Wednesday, 6 May 2015 at 3.00 p.m. at Radisson BLU Scandinavia Hotel Gothenburg, Södra Hamngatan 59-65 in Gothenburg.

Real estate holdings

On 31 December, Balder owned 494 properties (498) with a lettable area of approximately 2,177,000 sq.m. (1,969,000) to a value of SEK 37,382m (27,532). Balder's total rental value amounted to SEK 2,885m (2,394).

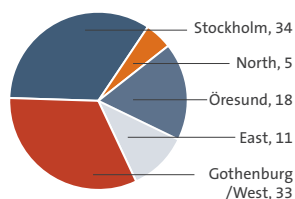
Balder's commercial properties are located in the centre and immediate suburbs of big cities and surrounding municipal areas. Balder's residential properties are located in places that are growing and developing positively. Balder's ambition is to continue growing in selected markets.

Balder's real estate holdings on 2014-12-31 ¹⁾

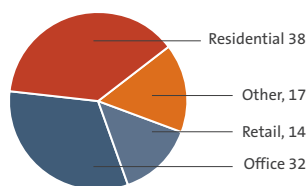
	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	62	502,827	927	1,844	862	93	12,548	34
Gothenburg								
/West	215	805,869	963	1,195	921	96	12,179	33
Öresund	51	298,155	437	1,466	415	95	6,659	18
East	84	403,010	392	973	372	95	4,010	11
North	82	167,026	166	993	161	97	1,986	5
Total	494	2,176,887	2,885	1,325	2,730	95	37,382	100
Distributed by property category								
Residential	319	1,148,320	1,141	994	1,113	98	14,113	38
Office	75	469,575	891	1,897	816	92	11,915	32
Retail	49	248,266	404	1,629	376	93	5,091	14
Other	51	310,726	449	1,445	425	95	6,263	17
Total	494	2,176,887	2,885	1,325	2,730	95	37,382	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 by region, %



Distributed by property category, %



Change in real estate portfolio

The value of Balder's real estate portfolio is based on internal valuations. All properties have been valued using the yield method, which means that each property is valued by discounting the estimated future cash flows. An estimate is also made of the future development of the immediate surroundings and the position of the property within its market segment. On 31 December, Balder's average yield requirement amounted to 5.5 per cent (5.9), excluding project real estate, which is 0.4 percentage points 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. During the fourth quarter Balder has externally valued over six per cent of the property portfolio. The properties which have been externally valued are located in Skåne, Copenhagen and Gothenburg and the external valuation exceeded Balder's internal valuation with approximately 8 per cent.

Project real estate

Earlier in the year, Balder took possession of the hotel Park Inn by Radisson in Lund and completed Skeppshandel 1 in Stockholm, which is let to tenants including ICA, Profil Hotels and Bengt Dahlgren AB and Rosvalla arena in Nyköping, with a lettable area of about 13,000 sq.m which is let to Nyköping municipality on a long lease agreement.

Balder had two projects under construction as of 31 December. The overall investment will amount to about SEK 1,100m on completion, of which about SEK 570m remains to be invested. Both projects refer to construction of residentials in Copenhagen. The first project consists of approximately 200 apartments and is located in Örestad Syd where Balder already owns residentials. The second project refers to construction of approximately 185 apartments on Havneholmen in central Copenhagen. Both projects are expected to be completed during the first half of 2016.

Unrealised changes in value

The overall carrying amount of Balder's 494 properties (498) amounted to SEK 37,382m (27,532) on 31 December. The unrealised change in value during the period amounted to SEK 2,906m (838) and was attributable to improved net operating income and a 0.4 percentage points lower yield requirement.

Investments, acquisitions and divestments

During the year, a total of SEK 7,759m (4,486) was invested, of which SEK 7,059m (3,606) related to acquisitions and SEK 700m (880) related to investments in existing properties and projects. Properties with a sales value of SEK 1,114m (145) were divested during the period. The change in the real estate portfolio during the year may be seen in the table below. The profit from property divestments amounted to SEK 144m (16), which exceeded the latest carrying amount by 15 per cent (12). 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	700		880	
Acquisitions	7,059	41	3,606	74
Sales	-971	-45	-129	-8
Change in value of investment properties, unrealised	2,906		839	
Currency changes	157		59	
Real estate portfolio, 31 December	37,382	494	27,532	498

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
Four	1	Inom Vallgraven 22:6	Gothenburg	Office	1,110
Four	1	Inom Vallgraven 2:2	Gothenburg	Office	1,292
Four	1	Inom Vallgraven 8:19	Gothenburg	Office	1,365
Four	1	Inom Vallgraven 1:13	Gothenburg	Hotel	26,656
Four	0	Udenbys Vester Kvarter	Copenhagen	Ground for residential development	0
Total	41				330,334

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	Ätvidaberg	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 & Generatoren 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	Köpmannen 3	Finspång	Retail	1,291
Two	1	Köpmannen 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
Four	1	Bonden 5	Halmstad	Other	7,617
Four	1	Flygaren 17	Halmstad	Other	600
Four	1	Hjärtat 4	Halmstad	Retail	2,313
Four	1	Makrillen 8	Halmstad	Hotel	2,145
Total	45				139,462

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 largest property-managing associated companies are Centur and Tulia. Bovieran and Fix Holding work with project development.

During the year, property-managing associated compa-

nies acquired properties for SEK 2 121m (406).

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.

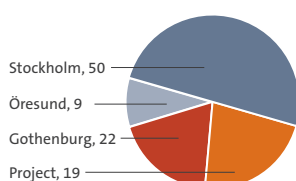
Balder's participation in the real estate portfolio of associated companies on 2014-12-31

	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	32	86,815	125	1,441	123	98	1,685	50
Gothenburg	12	47,401	50	1,051	47	95	735	22
Öresund	7	24,282	25	1,049	24	93	317	9
Total	51	158,498	200	1,264	194	97	2,737	81
Project	6	–	–	–	–	–	658	19
Total	57	158,498	200	1,264	194	97	3,396	100

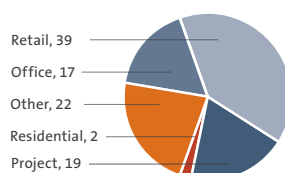
Distributed by property category

Residential	4	3,461	4	1,297	4	98	84	2
Office	7	25,198	38	1,506	34	89	572	17
Retail	32	94,448	102	1,079	100	98	1,337	39
Other	8	35,391	56	1,583	56	100	744	22
Total	51	158,498	200	1,264	194	97	2,737	81
Project	6	–	–	–	–	–	658	19
Total	57	158,498	200	1,264	194	97	3,396	100

Distributed by region, %



Distributed by property category, %



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

SEKm	2014 31 Dec	2013 31 Dec
Assets		
Properties	3,396	2,543
Other assets	27	34
Cash and cash equivalents	24	40
Total assets	3,447	2,617
Shareholders' equity and liabilities		
Equity/shareholder loan	1,230	990
Interest-bearing liabilities	2,032	1,454
Other liabilities	185	173
Total equity and liabilities	3,447	2,617

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.

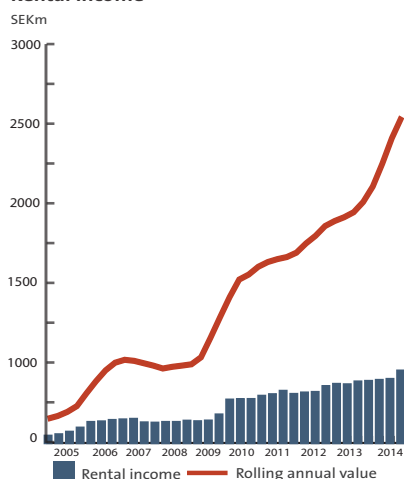
Balder's commercial leases have an average lease term of 5.9 years (4.9). Balder's 10 largest leases represent 9.4 per cent (9.1) of total rental income and the average lease term amounts to 11.1 years (9.9). No individual lease accounts for more than 1.5 per cent (1.7) of Balder's total rental income and no individual customer accounts for more than 4.8 per cent (1.7) of total rental income.

Lease maturity structure 2014-12-31

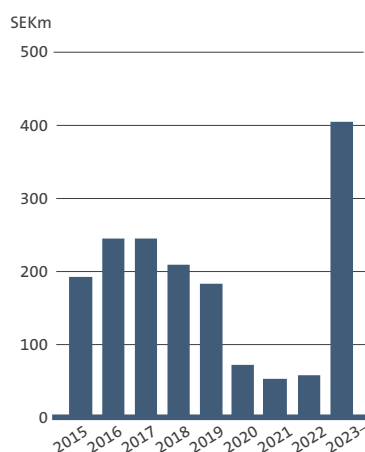
Maturity date	Number of leases	Proportion, %	Contracted rent, SEKm	Proportion, %
2015	944	34	194	7
2016	667	24	246	9
2017	541	20	245	9
2018	347	13	209	8
2019–	250	9	742	27
Total	2,750	100	1,636	60
Residential ¹⁾	14,380		1,032	38
Car park ¹⁾	5,248		17	1
Garage ¹⁾	4,877		45	2
Total	27,255		2,730	100

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

2014-12-31

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

Financing

Equity

Consolidated equity amounted to SEK 14,261m (11,196) on 31 December and the equity/assets ratio amounted to 35.5 per cent (37.3). During the period, equity increased by comprehensive income for the period of SEK 3,145m (1,735), the disposal of all repurchased shares of SEK 220m (–) and decreased by SEK 200m (125) on account of dividends paid to the preference shareholders and dividends entered as a liability but still unpaid to the preference shareholders of SEK 100m, 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 20,317m (15,703) on 31 December, corresponding to a loan-to-value ratio of 54,3 per cent (57,0). 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 675m (685) on 31 December. On 31 December, Balder's average interest rate refixing period amounted to 2.3 years (3.5).

The fixed credit term amounted to 4.3 years (5.4) and the average interest rate amounted to 2.6 per cent (3.2), 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 –624m (433) during the year. The remaining deficit on derivatives, SEK 1,086m (472), will be released during the remainder of the term and recognised as income. This means that Balder has a reserve of SEK 1,086m 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 806m (1,004) 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 31 December, the equity/assets ratio was 35.5 per cent (37.3) and the interest coverage ratio was 3.4 times (2.9).

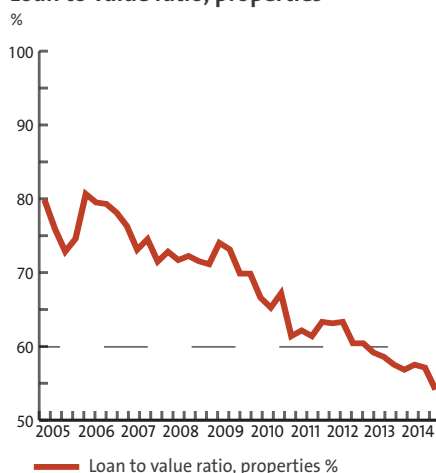
Financial targets

	Target	Outcome
Equity/assets ratio, %	35,0	35,5
Interest coverage ratio, times	1,5	3,4

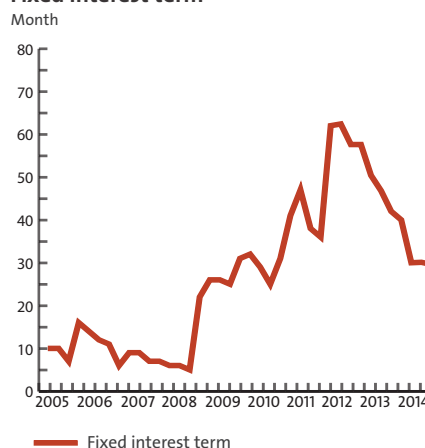
Interest maturity structure on 2014-12-31

Year	Fixed interest term		Proportion, %
	SEKm	Interest, %	
Within one year	13,960	1,8	62,4
1–2 years	500	4,3	2,2
2–3 years	–	–	–
3–4 years	3,000	4,7	13,4
4–5 years	–	–	–
> 5 years	4,918	3,6	22,0
Total	22,378	2,6	100

Loan to value ratio, properties



Fixed interest term



Other disclosures

Events after the end of the period

In the beginning of January 50 per cent of the property Stockholm Murmästaren 3 was 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, after the period, Balder has acquired the hotel property Stockholm Snöflingan 3, for approximately SEK 670m. The property was completed in 2009, and has a lettable area of approximately 22,000 square meters. The hotel business is operated by Courtyard by Marriott Stockholm.

Related party transactions

Balder receives fees from associated companies and Erik Selin Fastigheter AB for property and company management services. These fees amounted to SEK 25m (16) 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. Since year-end acquisitions were made in Finland, which means that a limited currency exposure has occurred. Otherwise, no significant changes noted.

Accounting policies

Balder applies IFRS (International Financial Reporting Standards) as adopted by the European Union in its consolidated accounts and the interpretations of these (IFRIC). This interim report is prepared in accordance with IAS 34, Interim Financial Reporting. In addition, relevant provisions of

the Swedish Annual Accounts Act and the Swedish Securities Markets Act have also been applied. The parent company has prepared its financial statements in accordance with the Annual Accounts Act, the Securities Markets Act and RFR 2, Accounting for Legal Entities.

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

The Board's proposals to the Annual General Meeting

Ahead of the annual general meeting on 6 May 2015, the board intends to propose that the meeting should pass resolutions regarding the following matters:

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

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

Gothenburg 18 February 2015

Erik Selin
Chief Executive Officer

Consolidated statement of comprehensive income

SEKm	2014 Oct–Dec	2013 Oct–Dec	2014 Jan–Dec	2013 Jan–Dec
Rental income	677	520	2,525	1,884
Property costs	–191	–184	–760	–609
Net operating income	486	336	1,766	1,274
Changes in value of properties, realised	33	6	144	16
Changes in value of properties and wind turbines, unrealised ¹⁾	1,588	354	2,906	801
Property and administrative costs	–38	–33	–154	–121
Participations in the profits of associated companies	92	109	317	204
Operating profit	2,161	772	4,977	2,174
Net financial items	–128	–118	–531	–456
Changes in value of derivatives	–202	4	–624	433
Profit before tax	1,831	658	3,822	2,151
Current taxes	–8	6	–11	6
Deferred tax	–353	–109	–682	–418
Net profit for the period/year	1,470	556	3,128	1,738
Other comprehensive income				
Translation difference	10	9	16	8
Participation in other comprehensive income of associated companies	0	–11	1	–12
Total comprehensive income for the period/year	1,480	554	3,145	1,735
Profit from property management before tax, SEKm	378	229	1,275	854
Profit from property management before tax per ordinary share, SEK	2.02	1.23	6.64	4.57
Profit after tax per ordinary share, SEK	8.74	3.28	18.10	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 Oct–Dec	2013 Oct–Dec	2014 Jan–Dec	2013 Jan–Dec
1) Unrealised changes in value in respect of properties	1,588	391	2,906	838
Unrealised changes in value in respect of wind turbines	–	–37	–	–37
Total	1,588	354	2,906	801

Consolidated statement of financial position

SEKm	2014 31 Dec	2013 31 Dec
Assets		
Investment properties	37,382	27,532
Other fixed assets	96	108
Participations in associated companies	1,489	1,020
Other receivables ¹⁾	760	867
Cash and cash equivalents and financial investments	456	513
Total assets	40,185	30,041
Shareholders' equity and liabilities		
Shareholders' equity	14,261	11,196
Deferred tax liability	1,549	862
Interest-bearing liabilities ²⁾	22,378	16,521
Derivatives	1,086	472
Other liabilities	910	990
Total equity and liabilities	40,185	30,041
1) Of which most part refers to receivables in associated companies		
2) Of which interest-bearing liabilities in respect of properties	20,317	15,703

Consolidated statement of changes in equity

Attributable to the Parent Company's shareholders, SEKm	2014 31 Dec	2013 31 Dec
Opening equity	11,196	8,289
New issue	–	1,297
Dividend for preference shares ¹⁾	–300	–125
Disposal of treasury shares	220	–
Net profit for the period/year	3,145	1,735
Closing equity	14,261	11,196

1) Of which paid SEK 200m.

Consolidated statement of cash flows

SEKm	2014 Oct–Dec	2013 Oct–Dec	2014 Jan–Dec	2013 Jan–Dec
Net operating income	486	336	1,766	1,274
Management and administrative expenses	–38	–33	–154	–121
Reversal of depreciation	6	5	18	17
Adjustment item	8	5	11	3
Net financial items paid	–154	–126	–591	–465
Taxes paid	–8	0	–11	0
Cash flow from operating activities before change in working capital	301	187	1,038	708
Change in operating receivables	389	17	148	–332
Change in operating liabilities	38	–78	155	126
Cash flow from operating activities	728	126	1,340	502
Acquisition of properties	–1,163	–2,578	–6,835	–3,606
Acquisition of property, plant and equipment	–5	–6	–6	–12
Purchase of financial investments	–2	–211	–144	–218
Investment in existing properties	–163	–387	–700	–880
Acquisition, liquidity	0	36	19	36
Sale of properties	175	55	1,114	145
Sale of financial investments	0	1	219	7
Acquisition of shares in associated companies	–228	0	–420	–67
Dividend paid from associated companies	0	–	45	–
Cash flow from investing activities	–1,385	–3,090	–6,708	–4,593
New issue	–	1,137	–	1,297
Dividend paid for preference shares	–50	–33	–200	–125
Loans raised	969	2,485	6,575	3,865
Disposal of treasury shares	–	–	220	–
Amortisation/redemption of loans sold properties/changes in overdraft facilities	–265	–467	–1,237	–786
Cash flow from financing activities	655	3,123	5,359	4,252
Cash flow for the period/year	–2	158	–8	160
Cash and cash equivalents at the start of the period/year	202	49	208	47
Cash and cash equivalents at the end of the period/year	199	208	199	208
Unutilised credit facilities	350	491	350	491
Financial investments	257	305	257	305

Segment information

SEKm	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Rental income				
Stockholm	219	148	765	584
Gothenburg/West	221	182	857	624
Öresund	108	89	402	346
East	88	67	345	192
North	41	34	156	137
Total	677	520	2,525	1,884
Net operating income				
Stockholm	167	105	574	420
Gothenburg/West	151	119	582	425
Öresund	83	61	294	240
East	59	32	219	109
North	26	20	97	81
Total	486	336	1,766	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 1,766m (1,274) and profit before tax of SEK 3,822m (2,151) consists of changes in value of properties of SEK 3,050m (817), management and administrative costs of SEK -154m (-121), participations in profits of associated companies of SEK 317m (204), net financial items of SEK -531m (-456) and changes in value of derivatives of SEK -624m (443).

The carrying amounts of properties increased during the period by SEK 3,585m in the Stockholm region, SEK 3,545m in the Gothenburg/West region, SEK 1,478m in the Öresund region, SEK 818m in the East region and by SEK 424m in the North region. The property holdings in Finland are reported in East region.

Key ratios

SEKm	2014 Oct–Dec	2013 Oct–Dec	2014 Jan–Dec	2013 Jan–Dec
Share-related, ordinary shares ¹⁾				
<i>Average number of shares, thousands</i>	162,397	159,537	161,786	159,537
Profit after tax, SEK	8.74	3.28	18.10	10.11
Profit after tax excluding unrealised changes in value, SEK	1.79	1.07	6.19	3.77
Profit from property management before tax, SEK	2.02	1.23	6.64	4.57
Net operating income, SEK	3.00	2.11	10.91	7.99
<i>Outstanding number of shares, thousands</i>	162,397	159,537	162,397	159,537
Carrying amount of properties, SEK	230.19	172.58	230.19	172.58
Shareholders' equity, SEK	70.10	52.14	70.10	52.14
Long-term net asset value (EPRA NAV), SEK	86.33	60.50	86.33	60.50
Share price on the closing date, SEK	110.25	66.00	110.25	66.00
1) There is no dilutive effect as no potential shares arise.				
Property-related				
Rental value full-year, SEK/sq.m.	1,325	1,216	1,325	1,216
Rental income full-year, SEK/sq.m.	1,254	1,148	1,254	1,148
Economic occupancy rate, %	95	94	95	94
Surplus ratio, %	72	65	70	68
Carrying amount, SEK/sq.m.	17,172	13,985	17,172	13,985
Number of properties	494	498	494	498
Lettable area, sq.m. thousands	2,177	1,969	2,177	1,969
Profit from property management before tax, SEKm	378	229	1,275	854
Financial				
Return on equity, ordinary share, %	20.8	12.6	29.7	21.5
Return on total assets, %	8.8	6.1	12.4	9.7
Interest coverage ratio, times	3.9	2.9	3.4	2.9
Equity/assets ratio, %	35.5	37.3	35.5	37.3
Debt/equity ratio, times	1.6	1.5	1.6	1.5
Loan-to-value ratio, %	55.7	55.0	55.7	55.0
Loan-to-value ratio properties, %	54.3	57.0	54.3	57.0

Condensed parent company income statement

SEKm	2014 Oct–Dec	2013 Oct–Dec	2014 Jan–Dec	2013 Jan–Dec
Net sales	39	29	124	99
Administrative expenses	–39	–31	–139	–113
Operating profit	0	–2	–16	–14
Profit from financial items				
Impairment of subsidiaries	–	–2	–	–2
Dividends from subsidiaries	–	–	700	–
Other net financial items	114	65	338	220
Changes in value of derivatives	–195	6	–585	374
Profit before appropriations and taxes	–81	67	438	578
Appropriations				
Group contributions paid/received	–250	–114	–250	–114
Profit before tax	–331	–47	188	464
Deferred tax	72	13	115	–99
Net profit for the period/year	–259	–34	302	365

Condensed parent company balance sheet

Mkr	2014 31 Dec	2013 31 Dec
Assets		
Property, plant and equipment	22	24
Financial non-current assets	3,193	3,160
Receivables from group companies	15,777	11,506
Current receivables	8	21
Cash and cash equivalents and financial investments	422	450
Total assets	19,422	15,161
Shareholders' equity and liabilities		
Shareholders' equity	6,497	6,274
Interest-bearing liabilities	7,843	5,690
Liabilities to group companies	3,952	2,782
Derivatives	936	361
Other liabilities	194	54
Total equity and liabilities	19,422	15,161

The share and owners

Balder's shares are listed on NASDAQ OMX Stockholm, Large Cap segment. Balder has two listed classes of shares, an ordinary Class B share and a preference share, which pays a dividend of SEK 5 per quarter. The company's market capitalisation as of 31 December amounted to SEK 21,404m (13,889).

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 16 per cent of the outstanding shares.

Ordinary shares

At the end of the period, approximately 8,900 shareholders (9,000) held ordinary shares. During the period, 62,8 million shares were traded (56,7), which corresponds to an average of about 252,000 shares per trading day (227,000). The annual turnover rate amounted to 39 per cent (36) during the period. The price of the ordinary share was SEK 110.25 (66.00) on 31 December, corresponding to an increase of 67 per cent since year-end.

During the year, 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.

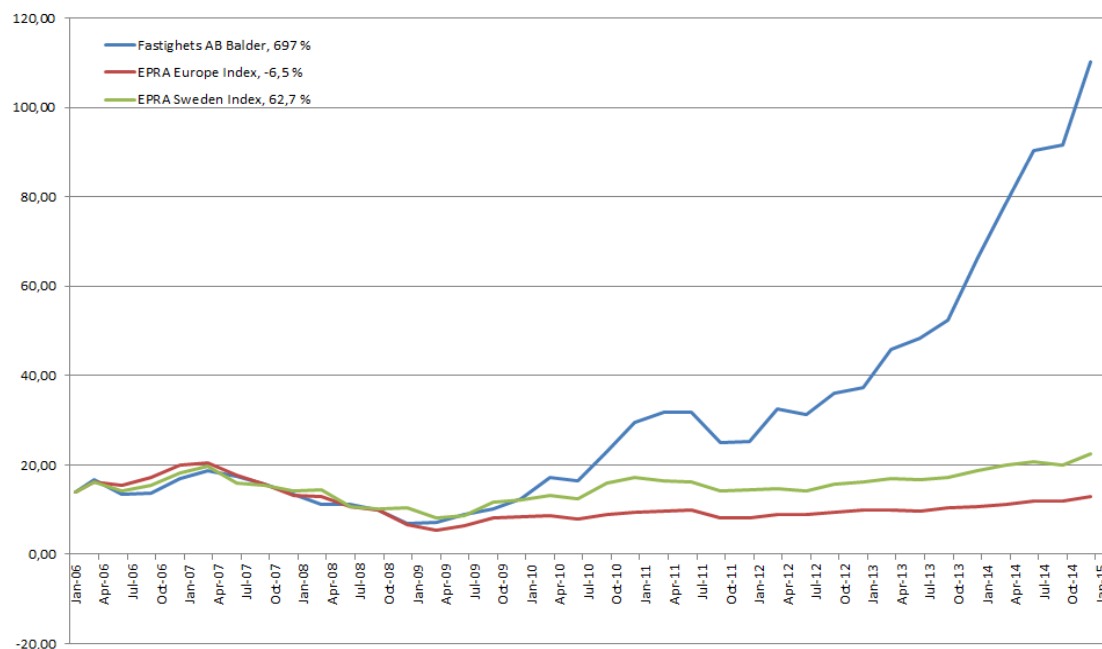
Preference shares

At the end of the period, approximately 8,400 (8,100) shareholders held preference shares. During the period, about 3.3 million shares were traded (3.1), which corresponds to an average of 13,000 shares per trading day (12,200). The annual turnover rate amounted to 33 per cent (43). On 31 December, the market value of the preference share was SEK 350 (336), corresponding to a rise of 4 per cent since year-end and a total yield of 10.1 per cent since year-end.

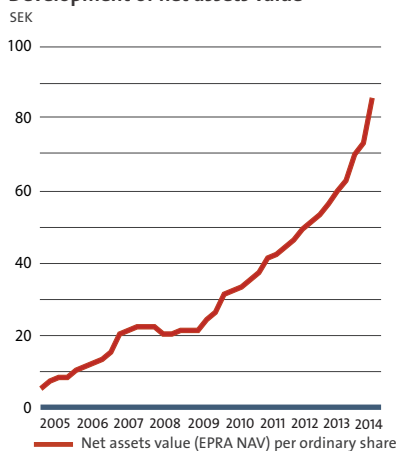
Share capital

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

Share Price



Development of net assets value



Share price/Net assets value (EPRA NAV)



Ownership list as of 2014-12-31

Owner	A ordinary shares	B ordinary shares	Preference shares	Total number of shares	Capital, %	Votes, %
Erik Selin Fastigheter AB	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	—	10 981 146	—	10 981 146	6,4	4,0
Länsförsäkringar fondförvaltning AB	—	8 389 417	—	8 389 417	4,9	3,1
AMF - Försäkring och Fonder	—	7 323 385	—	7 323 385	4,3	2,7
Handelsbanken Fonder AB	—	4 881 493	—	4 881 493	2,8	1,8
CBNY Norges Bank	—	3 708 398	—	3 708 398	2,1	1,4
Lannebo fonder	—	2 600 000	—	2 600 000	1,5	1,0
SEB Investment Management	—	2 572 767	—	2 572 767	1,4	0,9
JPM Chase	—	2 420 094	149 938	2 570 032	1,4	0,9
Rahi, Sharam via company	—	1 516 300	20 000	1 536 300	0,9	0,6
Other	11 610	36 013 582	9 829 562	45 854 754	26,8	16,7
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	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 18 February 2015.

This report is a translation of the Swedish Year-end Report January–December 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

Annual Report 2014	Week 15, 2015
Annual General Meeting	6 May 2015
Interim report January-March	6 May 2015
Interim report January-June	21 August 2015
Interim report January-September	4 November 2015
Year-end report 2015	18 February 2016

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