

## Wihlborgs posts a strong start to the year

**Rental income increased by 6 percent to SEK 497 million (470)**

**Operating surplus\* increased by 7 percent to SEK 354 million (332)**

**Income from property management\* increased by 12 percent to SEK 237 million (212)**

**Result for the period amounts to SEK 202 million (315), corresponding to earnings per share of SEK 2.63 (4.10)**

Group key figures, SEKm	2016	2015
	Jan–Mar	Jan–Mar
Rental income	497	470
Operating surplus*	354	332
Income property management*	237	212
Changes in value of properties	303	378
Changes in value of derivatives	-300	-196
Result for the period	202	315
Earnings per share, SEK	2.63	4.10
Surplus ratio, %*	71	71
Equity/assets ratio, %	30.5	28.5
Occupancy rate, %**	91	91

\* Excluding payments for early lease termination.

\*\* Excluding Projects & Land.



The Postterminalen 1 property in Lund consists of two separate buildings; Posthornet and Frimärket. The names inspired the design of the facades, which were designed by architect Charlotte Von Brömssen at Tengbom.

Wihlborgs Fastigheter AB (publ) is a property company that focuses on commercial properties in the Öresund region. Its property portfolio is located in Malmö, Lund, Helsingborg and Copenhagen. In Malmö, Lund and Helsingborg Wihlborgs is the leading property company.

The book value for the Company's properties totals SEK 29 billion. The annual rental value of the properties is SEK 2.3 billion.

Wihlborgs shares are quoted on the Large Cap List of NASDAQ Stockholm.

## Business concept

Focusing on selected sub-markets in the Öresund region, Wihlborgs will own, manage in-house and develop commercial properties.

## Objective

Wihlborgs will operate according to a business model for growth and will be one of the leading and most profitable property companies on the Stockholm Stock Exchange.

## Financial targets

- A return on equity that exceeds the risk-free interest rate by no less than six percentage points
- An equity/assets ratio of no less than 30 percent
- An interest coverage ratio of no less than 2.0
- The loan-to-value ratio is not to exceed 60 percent

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## Financial information 2016

Wihlborgs' interim reports are distributed electronically. The Annual Report is printed in Swedish and English and will be sent to any shareholders notifying the Company that they wish to receive it in printed form.

Interim report Jan–Jun  
Interim report Jan–Sep

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Production Wihlborgs.  
Photographer Peter Westrup, Felix Gerlach, Wihlborgs

# CEO's comments

2016 was another year that started strongly.

Rental income increased 6 percent to SEK 497 million in the first quarter. Acquisitions were largely responsible for the increase in this quarter, although we also achieved net lettings of SEK 13 million, which will have a gradual effect over the coming quarters. The extension of the Knutpunkten property in Helsingborg was fully let during the quarter. There is consistently positive activity in the rental market, particularly in Malmö.

The operating surplus amounted to SEK 354 million excluding payments for early lease termination, corresponding to a growth rate of 7 percent. In other words, we are continuing to increase revenue at a higher rate than costs, leading to a surplus ratio of 71.2 percent for the quarter, up from 70.6 percent in the corresponding year-earlier period.

Excluding payments for early lease termination, income from property management amounted to SEK 237 million, up 12 percent. Accordingly, this is the best first quarter we have reported to date.

Net interest expense was SEK 105 million, compared to SEK 109 million during the same period last year. We completed our first issue of green bonds via Nya Svensk FastighetsFinansiering during the quarter. The transaction amounted to SEK 420 million and we pay an interest rate of 90 basis points over 3-month STIBOR over the bond's remaining term of just less than two years. Collateral for the bond has been provided in the form of our Ideon Gateway property, which is environmentally certified in accordance with both Leadership in Energy and Environmental Design (LEED) (Platinum level), Sweden Green Building Council (SGBC) (Gold level) and the EU



### Green Building.

As a long-term property manager and property developer, sustainability is an important part of our daily work and is now also influencing the way we finance our operations. Our sustainability efforts have been developed and clarified, and are based on four areas: sustainable properties, attractive employer, responsible business and commitment to the region and its community. Please read our Sustainability Report for more information.

Some of our larger projects are nearing completion. In Malmö, we have the Ubåtshallen and Gängtappen properties, which will be occupied this summer by Försäkringskassan (the Swedish Social Insurance Agency) and Länsförsäkringar respectively. In Helsingborg, tenants have started to move into the extension of the Knutpunkten property. Looking ahead, we have started two new office projects during the quarter: the 11,000 m<sup>2</sup> Postterminalen 1 in Lund and the 7,000 m<sup>2</sup> Sirius 3 in Malmö. Demand is high in these locations due to their good transport links, and we are pleased to have been

able to start both of these projects.

Wihlborgs is continuing to grow with a focus on increasing income from property management, while our strong earnings are generating a solid balance sheet as a basis for future development. The value of our properties is also rising. Altogether, this means that our long-term net asset value (EPRA NAV) grew by over four percent, or around SEK 7 per share, during the quarter.

We will continue to offer our tenants the best premises in our market. In doing so, we can contribute to the development of both these tenants and the region while continuing to grow ourselves, both this year and for many years to come.

### Market comments

Following the unexpected and pronounced slow-down in the global economy at the end of 2015, Swedbank expects the global economy to start recovering, according to the Swedbank Economic Outlook for April 2016. Increased growth will be supported by expansionary central banks, who will wind down intervention in pace with increasing inflationary pressure. There is no shortage of risks, however, not least political ones. China continues to pose the greatest risk, with uncertainty regarding the true state of the Chinese economy being reinforced by the devaluations against the US dollar. Once the risk of a hard landing in China has faded, global growth is expected to rise, not least in the US, but the euro area will also see stronger growth. A weak upturn is already visible in the global Purchasing Managers' Index. Global growth is expected to reach 3.2 percent for 2016 and 3.7 percent for 2017.

Sweden's economy is driven by strong domestic demand and favourable trends apply to household consumption, public consumption and investment. GDP growth was 3.8 percent in 2015, but this is expected to decline during 2016 and 2017 to 3.0 and 2.6 percent respectively. Sweden's high growth and strong labour market is leading to a gradual normalisation of inflationary pressure. The underlying inflation rate, or CPIX, had risen at the last measurement and was 1.5 percent at an annual rate. Accordingly, Swedbank's assessment is that Sweden's central

bank, the Riksbank, will cease stimulating growth via a low interest rate. However, the assessment is that the interest rate will not begin to be raised before the beginning of 2017, reaching zero for the first time at the end of 2017 or beginning of 2018. The focus is being redirected from monetary policy to fiscal policy which, as a result of the influx of refugees that has led to higher costs for immigration and integration, will boost growth to a certain extent in 2016-2017.

Growth also slowed in Denmark during the second half of 2015 due to a sharp decline in exports. As a result, Nordea has lowered its forecasts for economic growth to 1.3 percent for 2016, 1.7 percent for 2017 and 1.8 percent for 2018. Private consumption is increasing by approximately 2 percent per year. Since mid 2013, almost 90,000 new jobs have been created in Denmark and employment levels are continuing to climb.

According to CBRE's Sweden Property Market View for Q1 2016, activity was high in the Swedish property transaction market during the first quarter. Substantial capital is waiting for investment in the market and interest rates remain low. There is a high level of interest from both domestic and international investors. Transaction volume increased 27 percent compared with the same period in 2015. The volume in the first quarter of 2016 was the second-highest for the last 10 years, with only the first quarter of 2014 noting a higher transaction volume.

# Income, expenses and profits, Jan-Mar 2016

Comparative figures for income statement items relate to values for the corresponding period 2015 and balance sheet items as of 31-12-2015.

## Rental income

Rental income was SEK 497 million (470). Other revenues from property management was SEK 1 million (13) relating to payments for early lease termination.

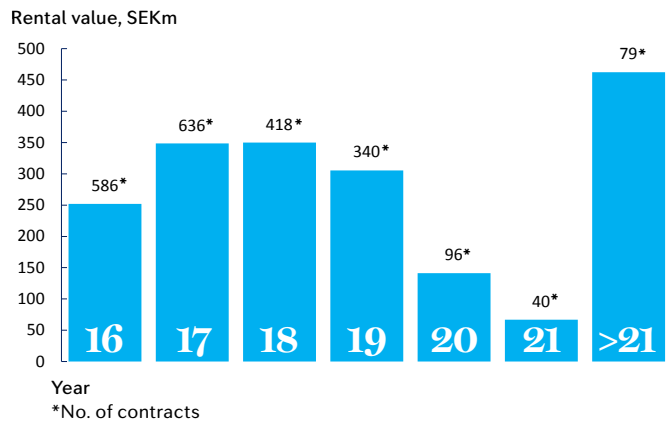
The increase in rental income is attributable to property acquisitions, renegotiations, new lettings and indexation in contracts.

The total growth in rental income was 6 percent compared with the corresponding period 2015.

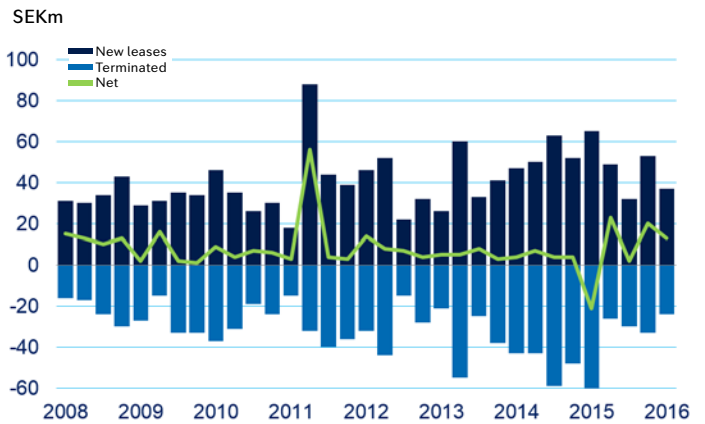
The occupancy rate for managed properties, remains unchanged compared with previous year-end, 91 percent (91).

During the period new leases were signed to a value of SEK 37 million (65) on an annualized basis. Lease terminations totalled SEK 24 million (86). This represents a net letting income of SEK 13 million (-21).

Terms of Wihlborgs' rental contracts per 31 March 2016



Net letting



Our new extension to Knutpunkten is rising in Helsingborg's harbour area. The redevelopment and extension of the property is fully let and our Helsingborg office will move in during the summer.



In March, Wihlborgs took part in a student recruitment fair at Malmö University, at which we advertised our trainee position starting in the autumn.

## Property costs

Total property costs amounted to SEK 143 (138) million. The year's first quarter is the most expensive. This is because the cost of snow clearance, electricity and heating is at its highest during the winter.

The historical summary at the bottom of page 16 illustrates how costs vary over the different quarters of the year.

## Operating surplus

The operating surplus including other income amounted to SEK 355 million (345). Excluding payments for early lease termination, the operating surplus totalled SEK 354 million (332), representing a surplus ratio of 71 percent (71).

## Central administration

The costs for central administration were SEK 12 million (11).

## Financial income and expense

Net interest totalled SEK -105 million (-109), of which interest income accounted for SEK 4 million (3).

The interest expense for the period was SEK 109 million (112).

Accordingly, interest expenses were lower year-on-year despite higher borrowings. At the end of the period, the average interest rate, including the cost of credit agreements, was 2.79 percent, compared with 2.76 percent at year-end.

## Income from property management

Income from property management including other income amounted to SEK 238 million (225). Excluding payments for early lease termination, the income from property management amounted to SEK 237 million (212).

## Pre-tax profit

The pre-tax profit, i.e. after value changes on properties and derivatives, was SEK 241 million (407). During the period value changes on properties amounted to SEK 303 million (378) and value changes on derivatives amounted to SEK -300 million (-196).

## Profit after taxes

The profit after taxes was SEK 202 million (315).

# Assets

## Property portfolio as of 31 March 2016

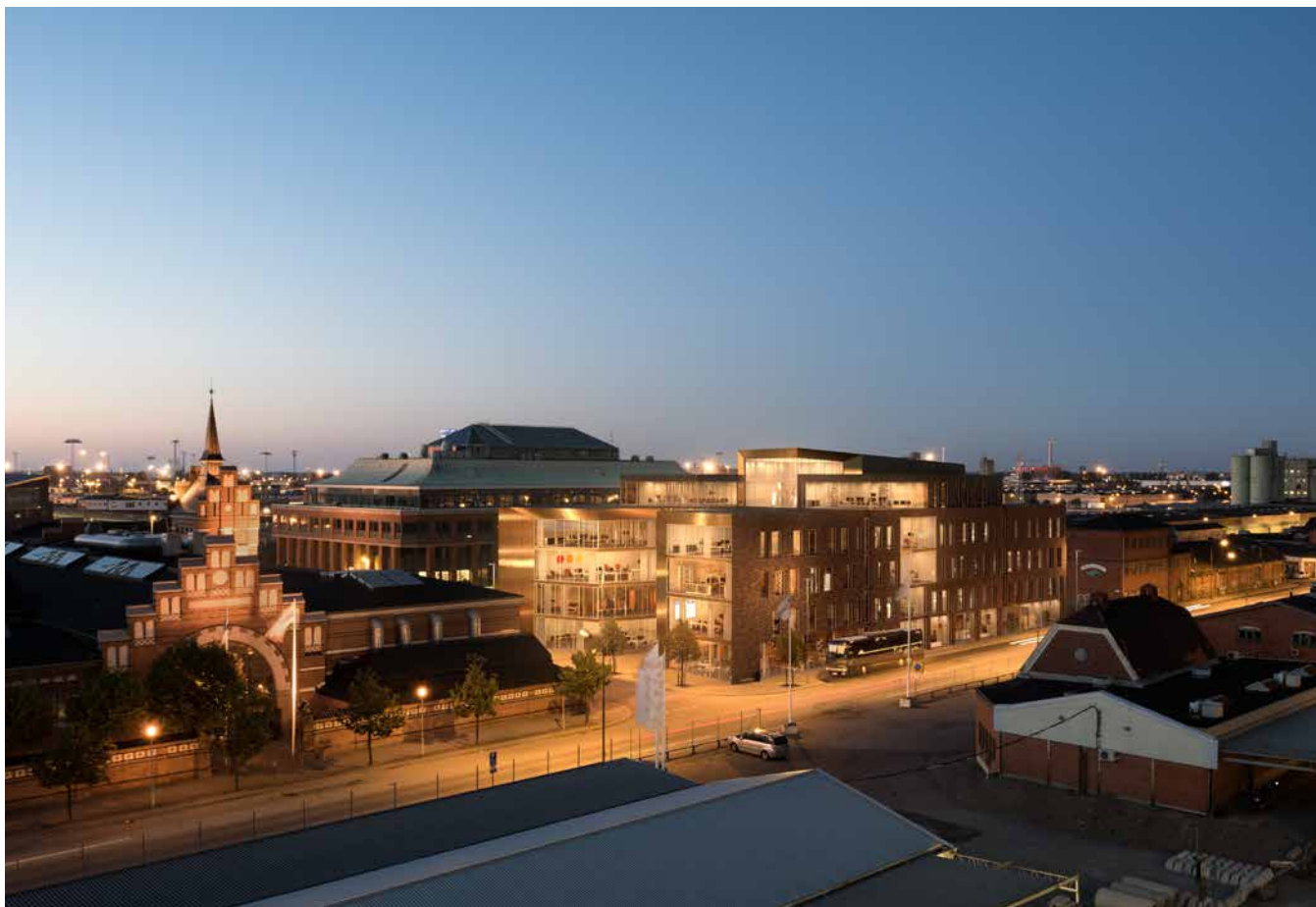
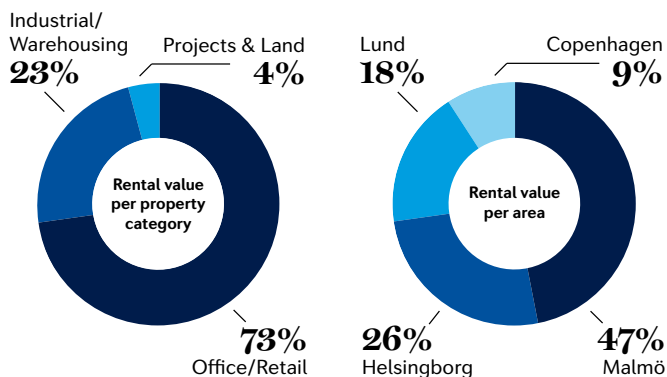
The summaries below are based on Wihlborgs' property portfolio as of 31 March 2016. Rental income relates to contracted rental income on an annual basis as of 1 April 2016.

The surplus ratio is based on the properties' earning capacity on an annual basis based on rental income for April 2016, operating and maintenance costs, property administration on a rolling twelve-month basis, property tax and leasehold rent.

Wihlborgs' property portfolio consists of commercial properties in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. The property portfolio 31 March 2016 consisted of 272 properties (276) with a lettable area of 1,753,000 m<sup>2</sup> (1,746,000). Ten of the properties (11) are leasehold rights. The properties' carrying amount was SEK 29,196 million (28,623), which corresponds to the estimated market value. The total rental value was SEK 2,263 million (2,259) and the contracted rental income on annual basis SEK 1,991 million (1,983). The economic occupancy rate for Office/Retail properties was 91 percent (93) and for Industrial/Warehou-

sing properties 88 percent (87). The rental value for Office/Retail properties represented 73 percent and Industrial/Warehousing properties 23 percent of the total rental value.

The operating surplus from managed properties, excluding property administration and Projects & Land, is SEK 1,545 million (1,533) which with a carrying amount of SEK 26,850 million (26,236) corresponds to a direct return of 5.8 percent (5.8). Broken down by property category, this is 5.4 percent (5.5) for Office/Retail and 7.5 percent (7.5) for Industrial/Warehousing.



We are building a new 7,000 m<sup>2</sup> city block, Sirius 3, in the top location on Carlsgatan, which is adjacent to Malmö central station.



## Changes in values of properties

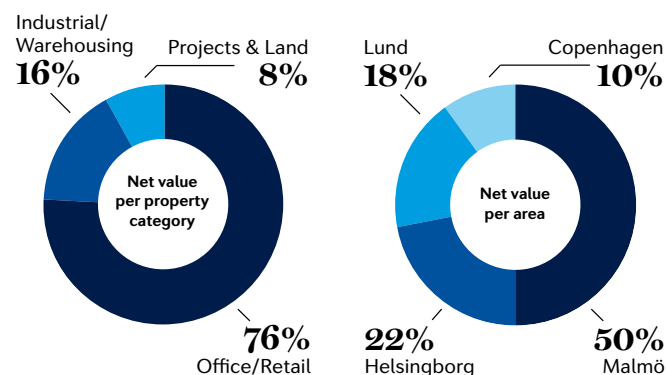
According to an internal valuation, with external support from Malmöbryggan Fastighetsekonomi, of the properties on 31 March 2016, their value had risen by SEK 303 million (378).

Fair value is determined by a combination of a yield-based and a comparable sales method. The value is considered to correspond to the yield value that is calculated from normally five-year cash flow analyses. The value of newbuild projects in progress is determined as the value as if the project were complete, less deduction of the remaining cost.

As of 31 March 2016, the carrying amount for the properties was SEK 29,196 million.

### CHANGES IN CARRYING AMOUNT OF PROPERTIES

Changes	Group total, SEKm
Carrying amount 1 January 2016	28,623
Acquisitions	78
Investments	268
Properties sold	-110
Change in value	303
Currency translations	34
Carrying amount 31 March 2016	29,196



## Investments and ongoing projects

Investments in the property portfolio totalled SEK 268 million (252).

Approved investments in ongoing projects amounted to SEK 1,757 million, of which SEK 941 million had been invested at the end of the period. During the first quarter, decisions were taken on the new build of 11,000 m<sup>2</sup> of office space at the Postterminalen 1 property in Lund, as well as 7,000 m<sup>2</sup> of office space at the Sirius 3 property in Malmö.

## Liquid assets

The Groups liquid assets totalled SEK 212 million (201) including unutilised overdraft facilities.



The printing office of the Sydsvenskan newspaper is located in the newly acquired Stendåldern 1 property in Fösie, Malmö.

### INVESTMENTS IN PROGRESS >SEK 50 MILLION, 31 MARCH 2016

Property	Category of use	Municipality	Completion date	Lettable area, m <sup>2</sup>	Occupancy rate, %	Estimated investment, SEKm	Expended 160331, SEKm
Gångtappen 1	Office/Retail	Malmö	Q2 2016	14,000	40	242	164
Kranen 8	Office/Retail	Malmö	Q2 2016	12,300	100	127	90
Nora 11	Office/Retail	Malmö	Q3 2016	12,000	90	142	91
Postterminalen 1	Office/Retail	Lund	Q1 2018	11,000	0	347	14
Sirius 3	Office/Retail	Malmö	Q4 2017	7,000	0	250	20
Terminalen 1	Office/Retail	Helsingborg	Q2 2016	9,000	100	436	406
<b>Total</b>				<b>65,300</b>		<b>1,544</b>	<b>785</b>

**544 000 m<sup>2</sup>**

**29**

Office/Retail

**59**

Industrial/  
Warehousing

**12**

Projects &  
Land

**205 000 m<sup>2</sup>**

**21**

Office/Retail

**4**

Industrial/  
Warehousing

**2**

Projects &  
Land



**287 000 m<sup>2</sup>**

**18**

Office/Retail

**3**

Industrial/  
Warehousing

**1**

Projects &  
Land

**715 000 m<sup>2</sup>**

**45**

Office/Retail

**49**

Industrial/  
Warehousing

**29**

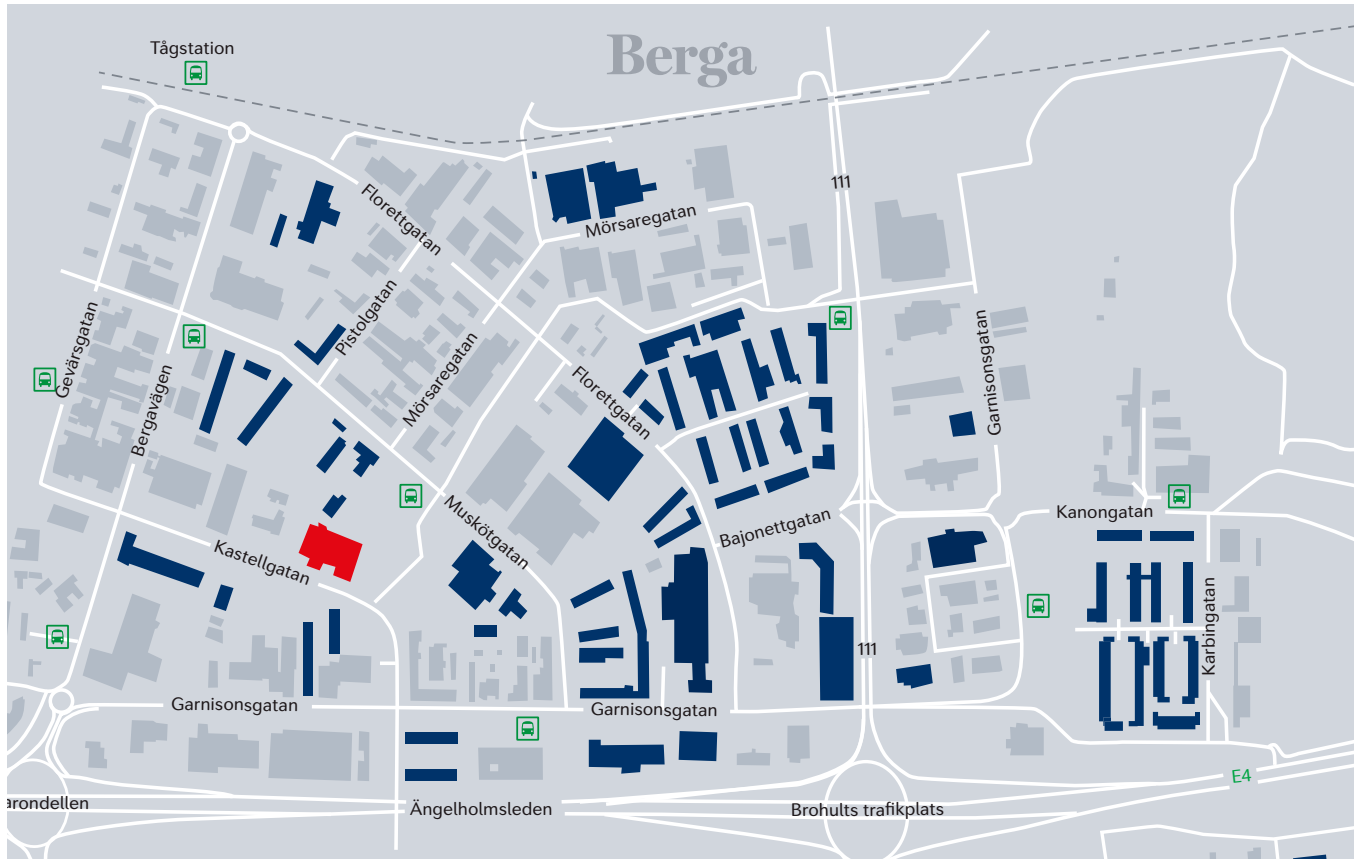
Projects &  
Land

**ANALYSIS OF LETTABLE SPACE PER AREA AND CATEGORY OF USE**

Area	Office, m <sup>2</sup>	Retail, m <sup>2</sup>	Ind./Ware- housing, m <sup>2</sup>	Education/ Health care, m <sup>2</sup>	Misc., m <sup>2</sup>	Total, m <sup>2</sup>	Share, %
Malmö	354,713	47,587	261,535	36,437	15,175 <sup>1</sup>	715,447	41
Helsingborg	159,059	63,379	284,298	22,541	15,121 <sup>2</sup>	544,398	31
Lund	124,035	11,161	29,632	31,924	8,619 <sup>3</sup>	205,371	12
Copenhagen	183,540	914	44,743	2,781	55,338	287,316	16
<b>Total</b>	<b>821,347</b>	<b>123,041</b>	<b>620,208</b>	<b>93,683</b>	<b>94,253</b>	<b>1,752,532</b>	<b>100</b>
<b>Share, %</b>	<b>47</b>	<b>7</b>	<b>36</b>	<b>5</b>	<b>5</b>	<b>100</b>	

1) Includes 10,275 m<sup>2</sup> hotel.2) Includes 5,260 m<sup>2</sup> residential.3) Includes ingår 8,215 m<sup>2</sup> hotel.**ANALYSIS PER PROPERTY CATEGORY IN EACH MANAGEMENT AREA**

Area/ property category	Number of properties thousand	Area, m <sup>2</sup>	Carrying amount, SEKm	Rental value, SEKm	Rental value SEK/m <sup>2</sup>	Economic occupancy rate, %	Rental income, SEKm	Operating surplus incl. property mgmt., SEKm	Surplus ratio, %	Operating surplus excl. property mgmt., SEKm	Direct return, excl. property admin., %
<b>MALMÖ</b>											
Office/Retail	45	399	10,946	775	1,943	92	710	536	75	558	5.1
Industrial/Warehousing	49	250	1,868	202	806	90	182	133	73	141	7.6
Projects & Land	29	66	1,685	78	1,184	-	12	0	-	2	-
<b>Total Malmö</b>	<b>123</b>	<b>715</b>	<b>14,499</b>	<b>1,055</b>	<b>1,475</b>	<b>86</b>	<b>905</b>	<b>669</b>	<b>74</b>	<b>701</b>	<b>4.8</b>
<b>HELSINGBORG</b>											
Office/Retail	29	169	3,501	287	1,701	92	265	189	71	198	5.7
Industrial/Warehousing	59	363	2,465	287	792	86	248	173	70	187	7.6
Projects & Land	12	13	509	9	700	-	4	2	-	3	-
<b>Total Helsingborg</b>	<b>100</b>	<b>544</b>	<b>6,474</b>	<b>583</b>	<b>1,071</b>	<b>89</b>	<b>518</b>	<b>365</b>	<b>70</b>	<b>387</b>	<b>6.0</b>
<b>LUND</b>											
Office/Retail	21	186	5,079	401	2,162	90	361	265	73	284	5.6
Industrial/Warehousing	4	20	127	14	697	95	13	10	79	11	8.6
Projects & Land	2	-	116	-	-	-	-	0	-	0	-
<b>Total Lund</b>	<b>27</b>	<b>205</b>	<b>5,322</b>	<b>415</b>	<b>2,021</b>	<b>90</b>	<b>374</b>	<b>275</b>	<b>74</b>	<b>295</b>	<b>5.5</b>
<b>COPENHAGEN</b>											
Office/Retail	18	267	2,741	201	753	93	186	149	80	158	5.8
Industrial/Warehousing	3	20	123	9	422	96	8	6	74	7	5.8
Projects & Land	1	-	37	-	-	-	-	-	-	-	-
<b>Total Copenhagen</b>	<b>22</b>	<b>287</b>	<b>2,901</b>	<b>210</b>	<b>729</b>	<b>93</b>	<b>194</b>	<b>155</b>	<b>80</b>	<b>165</b>	<b>5.7</b>
<b>Total Wihlborgs</b>	<b>272</b>	<b>1,753</b>	<b>29,196</b>	<b>2,263</b>	<b>1,291</b>	<b>88</b>	<b>1,991</b>	<b>1,464</b>	<b>74</b>	<b>1,549</b>	<b>5.3</b>
<b>Total excluding Projects &amp; Land</b>	<b>228</b>	<b>1,674</b>	<b>26,850</b>	<b>2,176</b>	<b>1,300</b>	<b>91</b>	<b>1,974</b>	<b>1,462</b>	<b>74</b>	<b>1,545</b>	<b>5.8</b>



Map of the Berga area in Helsingborg. The dark blue properties are those we own today, while the red property is our most recent acquisition from 30-12-2015, Musköten 17.

## Property transactions

Two properties were acquired and three divested in the first quarter. The acquisitions of the Stenåldern 7 property in Malmö and the divestment of the Bensinpumpen 1 property in Malmö agreed in 2015 were completed during the quarter. One project property, Hordaland 1 in Malmö, was acquired and the Arlöw 19:58 property was divested. The industrial/warehouse property, Vinkeln 8 in Malmö, was also divested. Additionally, agreements were concluded regarding the divestment of the Malmen 12 property in Malmö. The property comprises 7,500 m<sup>2</sup> and the agreed price is SEK 125 million. The property will be vacated on 2 May.

### PROPERTY ACQUISITIONS AND SALES JANUARY–MARCH 2016

Quarter	Property	Municipality	Management area	Category	Area, m <sup>2</sup>	Price, SEKm	Operating surplus 2016, SEKm <sup>1</sup>
1	Stenåldern 7, part of Hordaland 1	Malmö	Fosie	Ind/Warehousing	9,713	-	-
		Malmö	Västra Hamnen	Projects & Land	-	-	-
<b>Total acquisitions 2016</b>					<b>9,713</b>	<b>78</b>	<b>0</b>
1	Arlöw 19:58	Burlöv	Arlöw	Projects & Land	2,372	-	-
	Bensinpumpen 1	Malmö	Limhamn	Projects & Land	-	-	-
	Vinkeln 8	Malmö	Arlöw	Ind/Warehousing	8,026	-	-
<b>Total sales 2016</b>					<b>10,398</b>	<b>110</b>	<b>0</b>

1) Operating surplus from properties acquired and sold that are included in the results for the period.

# Liabilities and equity

As of 31 March 2016, equity totalled SEK 9,081 million (8,876) and the equity/assets ratio 30.5 percent (30.6).

## Interest-bearing liabilities

The group's interest-bearing liabilities as of 31 March amounted to SEK 16,376 million (16,265) with an average interest rate including costs for credit agreements of 2.79 percent (2.76).

With consideration to the company's net debt of SEK 16.4 billion, as a percentage of property values, the loan-to-value ratio is 56.1 percent (56.8).

The loans' average fixed interest period including effects of derivatives on 31 March 2016, amounted to 5.0 years (4.8). The average loan maturity, including committed credit facilities, amounted to 4.2 years (4.1).

### STRUCTURE OF INTEREST AND LOAN MATURITIES AS OF 31 MARCH 2016

Matures, year	Interest maturity		Loan maturity	
	Loan amount, SEKm	Av. interest rate, %	Credit ag, SEKm	Utilised, SEKm
2016	5,958	1.15	2,000	1,608
2017	300	0.80	5,384	5,236
2018	0	0.00	3,268	3,268
2019	0	0.00	4,796	4,096
2020	0	0.00	0	0
>2020	10,119	3.75	2,168	2,168
<b>Total</b>	<b>16,376</b>	<b>2.75</b>	<b>17,616</b>	<b>16,376</b>

Wihlborgs use interest rate derivatives in order to reduce the risk level in the loan portfolio. A summary of the terms is shown below.

### INTEREST RATE DERIVATIVES PORTFOLIO 31 MARCH 2016

Amount, SEKm	Interest, %	Can be closed	End date
<b>Cancellable swaps*</b>			
500	2.63	quarterly	2026
500	2.72	quarterly	2026
500	2.34	quarterly	2026
500	2.58	quarterly	2027
1,000	1.96	quarterly	2021
<b>Interest-rate swaps</b>			
2,000	2.70		2021
1,000	2.04		2022
1,000	2.01		2022
1,000	3.40		2024
500	3.32		2024
<b>Threshold swap</b>			
1,000	3.07	Threshold 4.75	2021

\* Cancellable at the initiative of the counterpart.

As a result of lower market rates, the deficit in Wihlborgs' interest rate derivative portfolio rose to SEK 1,179 million, a negative change during the year totalling SEK 300 million. The change in value for the interest rate derivatives does not affect the cash flow. When the term of the derivative expires, the value is always zero.

Wihlborgs' interest derivatives are recognized at fair value in accordance with IAS 39. The cancellable swaps are classified at level 3 in accordance with IFRS 13. The change during year for these swaps amounts to SEK -108 million. The remaining swaps are classified at level 2 in accordance with IFRS 13.

During the first quarter, Wihlborgs borrowed SEK 420 million via Svensk FastighetsFinansiering by issuing green bonds with final maturity in November 2017.



Orkla Foods Sverige recently moved into its new head office in Dockan, Malmö. Offices, a showroom, a shop and a restaurant with lunch options are all housed in the 5,000 m<sup>2</sup> location.

# Miscellaneous

## Employees

At the year end Wihlborgs' number of full-time employees was 120 (122), 43 of whom are property caretakers.

There were 58 employees in Malmö, 25 in Helsingborg, 16 in Lund and 21 in Copenhagen. The average age was 45 and the proportion of women was 39 percent.

## Parent company

The parent company owns no properties, but deals with questions relating to the stock market and joint Group functions for administration, management and borrowing. The parent company's turnover is mostly related to the billing of services to Group companies.

The parent company has invested SEK 48 (251) in shares in subsidiaries, including shareholders' contributions, during the period.

The parent company's income statement and balance sheet are found on page 19.

## Participations in other companies

A description of all participations held by Wihlborgs in other companies will be found on pages 119-120 in the Company's 2015 annual report.

## Largest shareholders 31 March 2016

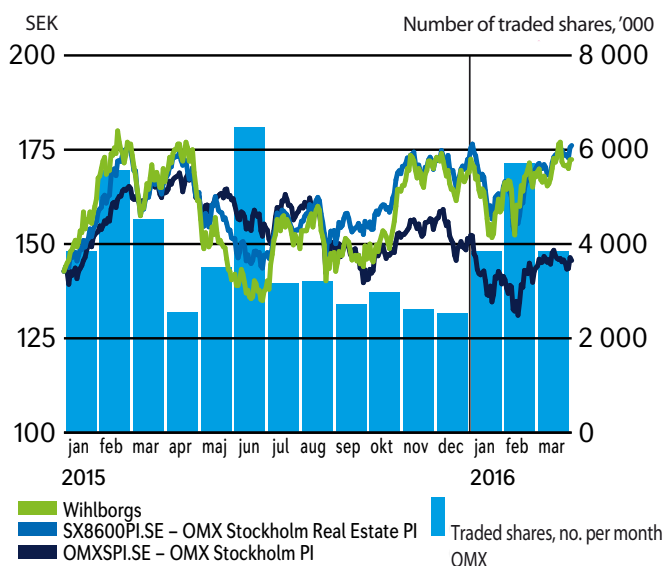
The largest shareholder in Wihlborgs is Erik Paulsson with family, with 10.3 per cent of the shares outstanding.

Shares held by owners registered abroad accounted for 40 percent of the total. The number of shareholders was 23,503.

### LARGEST SHAREHOLDERS IN WIHLBORGS 31 MARCH 2016

	Number of shares, thousands	Proportion of equity and votes, %
Erik Paulsson with family, privately and via company	7,884	10.3
SEB funds	3,472	4.5
Länsförsäkringar funds	3,429	4.4
SHB funds	2,244	2.9
Qviberg family	2,162	2.8
Bank of Norway	1,747	2.3
Tibia Konsult AB	813	1.1
DnB Carlson funds	751	1.0
Avanza Pension	598	0.8
Folketstrygdfondet	595	0.8
Other shareholders reg. in Sweden	24,001	31.2
Other shareholders reg. abroad	29,161	37.9
<b>Total outstanding shares</b>	<b>76,857</b>	<b>100.0</b>

### DEVELOPMENT OF SHARE PRICE 01-01-2015 – 31-03-2016



## Significant risks and uncertainty factors

Wihlborgs operations, financial status and profit are affected by a number of risk factors. Risks that have a decisive influence on the Group's profit trend are variations in rental income, interest rate changes, costs, property valuations and taxes. There are also risks relating to cash flow and borrowing.

There is a comprehensive description of the risks facing the Group on pages 88–92 and 105–107 in the Company's 2015 Annual Report.

## Accounting policies

Wihlborgs complies with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), as well as interpretations issued by the IFRS and approved by the European Union. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Information in accordance with IAS 34 Interim Financial Reporting are submitted both in notes and elsewhere in the interim report.

Accounting policies and calculation methods are identical to those applied in Wihlborgs' latest Annual Report.

Furthermore, the Group applies the Swedish Financial Accounting Standards Council's recommendation RFR 1, Supplementary Rules for Consolidated Financial Statements. The Parent Company applies RFR 2.

## Events after the reporting period

In April, Wihlborgs signed an agreement regarding the divestment of the Belgien Norra 19 property in Helsingborg, which comprises 9,000 m<sup>2</sup> and contains offices, shops, care facilities and housing units. The agreed price is SEK 187.5 million and the property will be vacated on 2 May 2016.

## Forthcoming reports

**11 Jul 2016**

Interim report Jan–Jun

**20 Oct 2016**

Interim report Jan–Sep

*Malmö 28 April 2016*

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*This Interim Report has not been reviewed by the company's auditors.*



The AllBright foundation's list of Swedish listed companies with the best equal opportunities was published at the start of the year. Wihlborgs took fifth place and was the best company in the Large Cap segment.

## CONSOLIDATED INCOME STATEMENT Summary

SEKm	2016 Jan–Mar 3 months	2015 Jan–Mar 3 months	2015/16 Apr–Mar 12 months	2015 Jan–Dec 12 months
Rental income	497	470	1,937	1,910
Other revenues	1	13	31	43
<b>Total income</b>	<b>498</b>	<b>483</b>	<b>1,968</b>	<b>1,953</b>
Operating costs	-79	-73	-241	-235
Repairs and maintenance	-16	-17	-77	-78
Property tax	-25	-22	-97	-94
Leasehold rent	-1	-1	-5	-5
Property administration	-22	-25	-93	-96
<b>Total property costs</b>	<b>-143</b>	<b>-138</b>	<b>-513</b>	<b>-508</b>
<b>Operating surplus</b>	<b>355</b>	<b>345</b>	<b>1,455</b>	<b>1,445</b>
Central administration	-12	-11	-44	-43
Net interest	-105	-109	-423	-427
<b>Income from property management</b>	<b>238</b>	<b>225</b>	<b>988</b>	<b>975</b>
Change in value of properties	303	378	1,540	1,615
Change in value of derivatives	-300	-196	165	269
<b>Pre-tax profit</b>	<b>241</b>	<b>407</b>	<b>2,693</b>	<b>2,859</b>
Current tax	-5	-2	-7	-4
Deferred tax	-34	-90	-521	-577
<b>Profit for the period<sup>1</sup></b>	<b>202</b>	<b>315</b>	<b>2,165</b>	<b>2,278</b>
OTHER TOTAL PROFIT/LOSS <sup>2</sup>				
Translation differences and hedging for international activities, including tax	3	-1	0	-4
<b>Total comprehensive income for the period<sup>1</sup></b>	<b>205</b>	<b>314</b>	<b>2,165</b>	<b>2,274</b>
Earning per share <sup>3</sup>	2.63	4.10	28.17	29.64
No. of shares at end of the period, thousands	76,857	76,857	76,857	76,857
Average no. of shares, thousands	76,857	76,857	76,857	76,857

1) The entire profit/income is attributable to the parent company's shareholders.

2) Refers to records that can be transferred to the result for the period.

3) Key ratios per share have been calculated based on a weighted average number of shares during the period.

There are no outstanding subscription options, convertibles or other potential ordinary shares to take into consideration.

## HISTORICAL SUMMARY OF LAST EIGHT QUARTERS

SEKm	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Rental income	497	475	485	480	470	468	458	468
Other revenues	1	11	12	7	13	0	0	0
Operating costs	-79	-66	-43	-53	-73	-68	-40	-52
Repairs and maintenance	-16	-22	-19	-20	-17	-21	-18	-20
Property tax	-25	-24	-23	-25	-22	-22	-21	-22
Leasehold rent	-1	-1	-1	-2	-1	-1	-2	-1
Property administration	-22	-25	-23	-23	-25	-24	-23	-22
<b>Operating surplus</b>	<b>355</b>	<b>348</b>	<b>388</b>	<b>364</b>	<b>345</b>	<b>332</b>	<b>354</b>	<b>351</b>
Income from property management	238	232	271	247	225	200	224	223
Surplus ratio, % *	71.2	70.9	77.5	74.4	70.6	70.9	77.3	75.0
Investment yield, % *	4.9	4.9	5.8	5.7	5.4	5.6	6.1	6.1
Equity/assets ratio, %	30.5	30.6	29.3	29.3	28.5	28.2	28.2	28.3
Return on equity, %	9.0	44.5	19.7	34.8	17.7	11.9	4.6	2.3
Earnings per share, SEK	2.63	12.17	4.97	8.41	4.10	2.67	1.01	0.51
Income property management per share, SEK	3.10	3.02	3.53	3.21	2.93	2.60	2.91	2.90
Cash flow per share, SEK	2.67	3.08	3.85	2.94	3.45	2.62	3.23	2.37
EPRA net asset value, SEK	162.52	155.54	142.98	134.47	134.59	126.76	118.12	114.34
Market value as % of Equity II	106.1	109.9	104.9	100.4	123.7	112.6	105.0	111.9

The above key ratios are based on the results for each quarter. The investment yield and the return on equity have been converted into annual figures without taking seasonal variations into account.

\* Excluding payments for early lease termination.



**CONSOLIDATED BALANCE SHEET summary**

SEKm	31-03-2016	31-03-2015	31-12-2015
<b>ASSETS</b>			
Managed properties	29,196	24,998	28,623
Other fixed assets	249	201	247
Current receivables	176	170	88
Liquid assets	120	221	75
<b>Total assets</b>	<b>29,741</b>	<b>25,590</b>	<b>29,033</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	9,081	7,281	8,876
Deferred tax liability	2,231	1,719	2,199
Borrowings	16,376	14,359	16,265
Derivatives	1,179	1,344	879
Other long-term liabilities	52	53	54
Current liabilities	822	834	760
<b>Total equity &amp; liabilities</b>	<b>29,741</b>	<b>25,590</b>	<b>29,033</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

SEKm	Jan–Mar 2016	Jan–Mar 2015	Jan–Dec 2015
<b>Total equity at beginning of period</b>	<b>8,876</b>	<b>6,967</b>	<b>6,967</b>
<i>Equity attributable to parent company's shareholders</i>			
Opening amount	8,876	6,967	6,967
Dividend paid	-	-	-365
Profit for the period	202	315	2,278
Other comprehensive income	3	-1	-4
<b>Closing amount</b>	<b>9,081</b>	<b>7,281</b>	<b>8,876</b>
<i>Equity attributable to minority shares</i>			
	-	-	-
<b>Total equity at end of period</b>	<b>9,081</b>	<b>7,281</b>	<b>8,876</b>

**CONSOLIDATED CASH FLOW STATEMENT summary**

SEKm	Jan–Mar 2016	Jan–Mar 2015	Jan–Dec 2015
<b>Operating activities</b>			
Operating surplus	355	345	1,445
Central administration	-12	-11	-43
Depreciation	0	0	1
Net financial items paid	-107	-109	-421
Income tax paid	-2	-2	-5
Change in other working capital	-29	42	47
<b>Cashflow from operating activities</b>	<b>205</b>	<b>265</b>	<b>1,024</b>
<b>Investment activities</b>			
Investments in and acquisitions of properties	-78	-198	-2,155
Investments in existing properties	-268	-252	-1,047
Sales of properties	110	78	411
Change in other non-current assets	0	-4	-52
<b>Cash flow from investment activities</b>	<b>-236</b>	<b>-376</b>	<b>-2,843</b>
<b>Financing activities</b>			
Dividend paid	-	-	-365
Change in borrowing	79	261	2,188
Change in other long-term liabilities	-3	-	-
<b>Cash flow from financing activities</b>	<b>76</b>	<b>261</b>	<b>1,823</b>
<b>Cash flow for the year</b>	<b>45</b>	<b>150</b>	<b>4</b>
<b>Opening cash flow</b>	<b>75</b>	<b>71</b>	<b>71</b>
<b>Closing cash flow</b>	<b>120</b>	<b>221</b>	<b>75</b>

## CONSOLIDATED SEGMENT REPORTING JAN–MAR

Property management SEKm	Malmö		Helsingborg		Lund		Copenhagen		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues	224	223	131	125	93	92	49	30	497	470
Other revenues	1	13	0	0	0	0	0	0	1	13
Costs	-64	-62	-45	-42	-24	-26	-10	-8	-143	-138
Operating surplus	161	174	86	83	69	66	39	22	355	345

In the Group's internal reporting, activities are divided into the above segments, which are the same as described in the latest annual report. The total operating surplus shown above corresponds with the operating surplus recorded in the income statement. Revenues includes both rental income and payments for early lease termination.

The difference between the operating surplus of SEK 335 million (345) and the pre-tax profit of SEK 241 million (407) consists of central administration SEK -12 million (-11), net interest SEK -105 million (-109) and changes in value of properties and derivatives SEK 3 million (182).

## Definitions

### Financial

#### Return on equity

Profit for the period as a percentage of average shareholders' equity excluding minority shares. In interim reports the return is converted to its annualised value without taking account of seasonal variations.

#### Return on total capital

Profit before tax plus interest expenses and value changes of derivatives as a percentage of average balance sheet total. In interim reports the return is converted to its annualised value without taking account of seasonal variations.

#### Equity/assets ratio

Shareholders' equity as a percentage of balance sheet total.

#### Interest coverage ratio

Income from property management increased by interest expenses divided by interest expenses.

#### Leverage of properties

Borrowings as a percentage of the carrying amount for the properties.

#### Debt/equity ratio

Interest-bearing liabilities divided by shareholders' equity.

### Share-related

#### Earnings per share

Profit for the period divided by average number of outstanding shares.

#### Earnings per share before tax

Profit before tax divided by the average number of outstanding shares.

#### Income from property management/share

Income from property management divided by the average number of outstanding shares.

#### Cash flow from operations per share

Cash flow from operations divided by the average number of outstanding shares.

#### Equity per share I

The parent company's shareholders' share of the equity at the end of year in relation to the number of shares at period end.

#### Equity per share II

Calculated as Equity per share I, but not charged with deferred tax. Equity is increased by the addition of the carrying amount for deferred tax.

#### EPRA NAV

Equity per share, including reversal of interest rate derivatives and deferred tax, as shown on the balance sheet.

#### Dividend yield from shares

Proposed dividend as a percentage of the stock exchange market value at the year end.

#### The share's total return

The share price growth and actual dividend in relation to the market value at the beginning of the year.

#### P/E-ratio I, times

The market value per share divided by the profit per share. The conversion has been carried out to full-year basis without taking account of seasonal variations.

#### P/E-ratio II, times

The market value divided by the income from property management charged with nominal

tax, per share. The conversion has been carried out to full-year basis without taking account of seasonal variations.

### Property related

The key figures are based on property stocks at the end of each quarter.

#### No. of properties

Total number of properties owned by Wihlborgs at the end of the period.

#### Carrying amount of properties

Carrying amount of the Group's property portfolio at the end of the period.

#### Lease value

Lease income plus estimated market rent on unrented areas.

#### Investment yield

Net operating income as a percentage of the book value of the properties at period end.

#### Lettable area

Total area that is available to let.

#### Rental income per m<sup>2</sup>

Annualized rental income divided by lettable area.

#### Net operating income per m<sup>2</sup>

Net operating income divided by lettable area.

#### Financial occupancy rate

Rental income as a percentage of rental value.

#### Surplus ratio

Net operating income as a percentage of rental income.

**KEY FIGURES FOR THE GROUP**

SEKm	Jan-Mar 2016	Jan-Mar 2015	Apr/Mar 2015/16	Jan-Dec 2015
<b>FINANCIAL</b>				
Return on equity, %	9.0	17.7	26.5	28.8
Return on total capital, %	8.8	11.4	10.7	11.3
Equity/assets ratio, %	30.5	28.5	30.5	30.6
Interest coverage ratio, multiple	3.2	3.0	3.3	3.2
Leverage properties, %	56.1	57.4	56.1	56.8
Debt/equity ratio, multiple	1.8	2.0	1.8	1.8
<b>SHARE-RELATED</b>				
Earnings per share, SEK	2.63	4.10	28.17	29.64
Earnings per share before tax, SEK	3.14	5.30	35.04	37.20
Income from property management per share, SEK	3.10	2.93	12.86	12.69
Cashflow from operations per share, SEK	2.67	3.45	12.54	13.32
Equity per share I, SEK	118.15	94.73	118.15	115.49
Equity per share II, SEK	147.18	117.10	147.18	144.10
EPRA net asset value per share, SEK	162.52	134.59	162.52	155.54
Market value per share, SEK	172.40	166.50	172.40	171.00
Dividend per share, SEK	-	-	-	5.25
Dividend yield, % <sup>1</sup>	-	-	-	3.1
Total return from share, % <sup>1</sup>	-	-	-	23.1
P/E-ratio I, multiple	16.4	10.2	6.1	5.8
P/E-ratio II, multiple	17.8	18.2	17.2	17.3
Number of shares at the end of period, thousands	76,857	76,857	76,857	76,857
Average number of shares, thousands	76,857	76,857	76,857	76,857
<b>PROPERTY-RELATED</b>				
Number of properties	272	270	272	276
Carrying amount of properties, SEKm	29,196	24,998	29,196	28,623
Investment yield, % – all properties	5.0	5.6	5.0	5.1
Direct return, % – excl project properties	5.4	5.8	5.4	5.5
Lettable area, m <sup>2</sup>	1,752,532	1,570,819	1,752,532	1,745,992
Rental income, SEK per m <sup>2</sup>	1,136	1,211	1,136	1,136
Operating surplus, SEK per m <sup>2</sup>	835	889	835	832
Financial occupancy rate, % – all properties	88	91	88	88
Financial occupancy rate, % – excl project properties	91	91	91	91
Surplus ratio, %	74	73	74	73
<b>EMPLOYEES</b>				
Number of employees at period end	120	113	120	122

1) Calculated only for the calendar year.

**PARENT COMPANY'S INCOME STATEMENT summary**

SEKm	Jan-Mar 2016	Jan-Mar 2015	Jan-Dec 2015
Income	32	29	147
Expenses	-32	-30	-127
<b>Operating profits</b>	<b>0</b>	<b>-1</b>	<b>20</b>
Financial income	164	146	1 894
Financial expenses	-434	-317	-504
<b>Pre-tax profit</b>	<b>-270</b>	<b>-172</b>	<b>1 410</b>
Appropriations	0	0	119
Tax	76	52	-55
<b>Profit for the year</b>	<b>-194</b>	<b>-120</b>	<b>1 474</b>
Other comprehensive income	0	0	0
<b>Comprehensive income for the year</b>	<b>-194</b>	<b>-120</b>	<b>1 474</b>

**PARENT COMPANY'S BALANCE SHEET summary**

SEKm	31-03-2016	31-03-2015	31-12-2015
Participations in Group companies	8,670	8,280	8,624
Receivables from Group companies	10,018	10,030	10,954
Other assets	586	569	506
Cash and bank balances	28	137	0
<b>Total assets</b>	<b>19,302</b>	<b>19,016</b>	<b>20,084</b>
Equity	2,632	1,597	2,825
Liabilities to credit institutions	12,753	11,639	13,059
Derivatives	1,179	1,344	879
Liabilities to Group companies	2,573	4,286	3,196
Other liabilities	165	150	125
<b>Total equity and liabilities</b>	<b>19,302</b>	<b>19,016</b>	<b>20,084</b>

# Where job satisfaction is key

Through our commitment and our properties  
we create conditions for strong growth for business  
in the Öresund region.



wihlborgs.se

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