

Interim report

January to June 2017

Summary	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Rental income, SEK million	1,019	1,030	2,035	2,055	4,109
Growth rental income comparable properties, percent	5.1	4.5	5.3	4.1	4.1
Net operating income, SEK million	598	597	1,170	1,144	2,311
Growth net operating income comparable properties, percent	8.5	9.9	9.9	8.7	8.0
EBITDA, SEK million	557	565	1,100	1,092	2,208
Profit before tax, SEK million	2,615	3,595	5,588	5,039	13,320
Property fair value, SEK million	-	-	94,170	80,187	87,739
Change property fair value, percent	2.6	4.8	5.8	7.1	17.5
Number of apartments	-	-	46,159	49,942	46,516
Real vacancy residential, percent	-	-	0.9	0.9	1.1
Rent level increase comparable properties, percent	1.2	1.1	2.5	1.9	4.5
Loan-to-value ratio, percent	-	-	42	47	43
Interest coverage ratio	1.6	2.3	3.8	3.0	4.5
Interest coverage ratio, excluding realized value growth	2.0	1.9	2.1	1.7	1.9



Hans Albers Platz 3, Hamburg

Clean the map concluded

The sale of Helsingborg concludes our cleaning of the map. The SEK 3.8 billion sales price is 12 percent above fair value at the beginning of the year. 85 percent of our portfolio is situated in metropolitan cities with more than one million inhabitants. We believe this is the best insurance against vacancies.

Acquisitions SEK 1 billion in the second quarter

During the second quarter, we acquired properties in London, Paris, Toronto, Montreal, Hamburg, Berlin and Malmö. After the period, we acquired properties in London, Toronto, Washington and Copenhagen for SEK 2.2 billion.

Net lettings SEK 68 million

We had 61 more move-ins than move-outs. Real vacancy was 1 percent.

Net operating income increased 10 percent

Positive net lettings, renewals and renegotiations increased rental income for comparable properties by 5 percent. At the same time, costs for comparable properties decreased, resulting in a 10 percent increase of net operating income.

EUR 600 million bond issue

Demand was three times higher than the issued amount. Duration 7.8 years, coupon 1.75 percent. This issue means that we have more unsecured than secured funding. Loan-to-value was 42 percent.

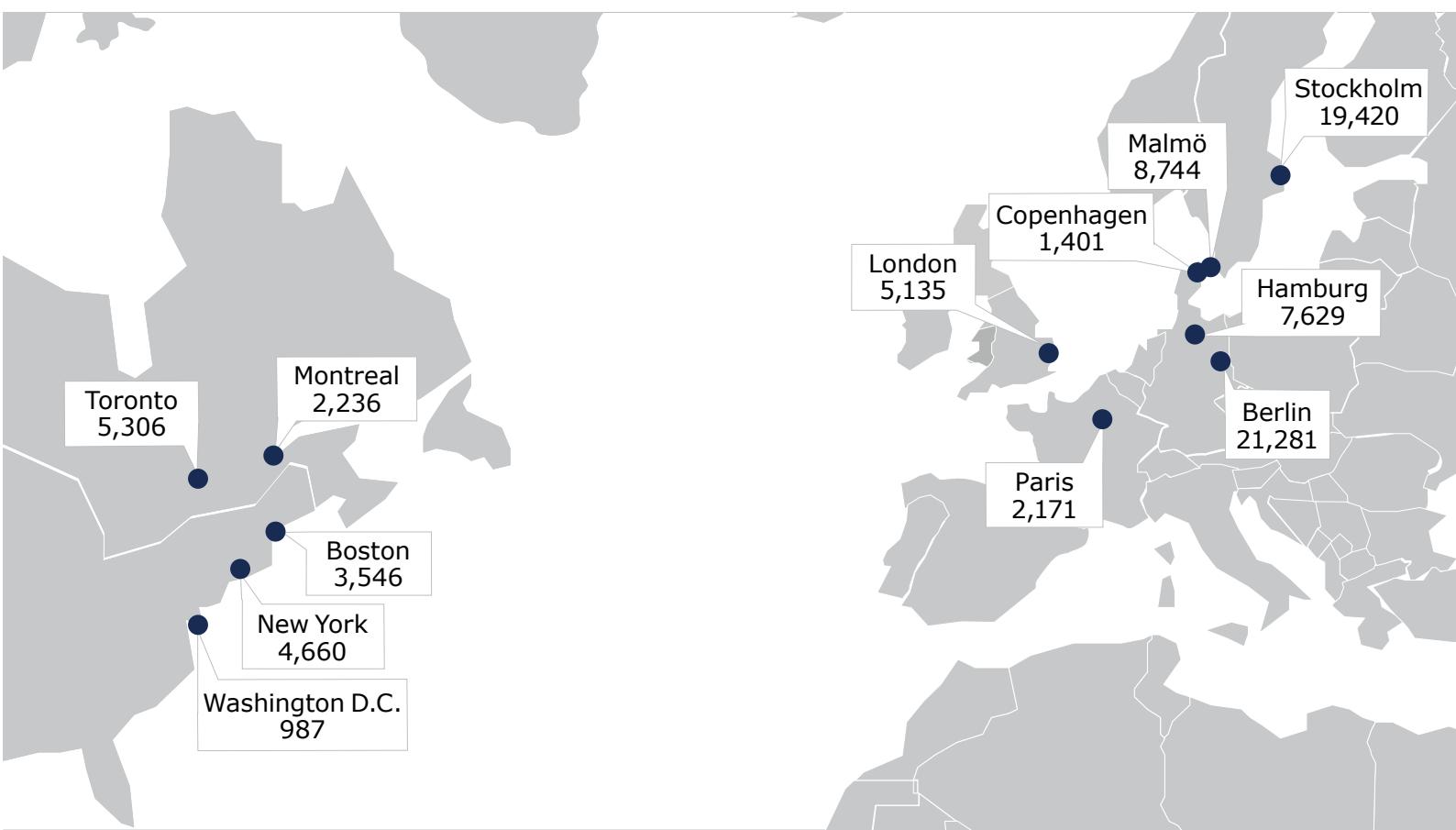
Liquidity SEK 8.9 billion

Short-term loans were SEK 6.5 billion, including SEK 2.6 billion in commercial papers with long-term back-up credit facilities. In September, the closing of Helsingborg will add SEK 3.8 billion in cash.

Pål Ahlsén
CEO, Managing Director

Property portfolio June 30, 2017

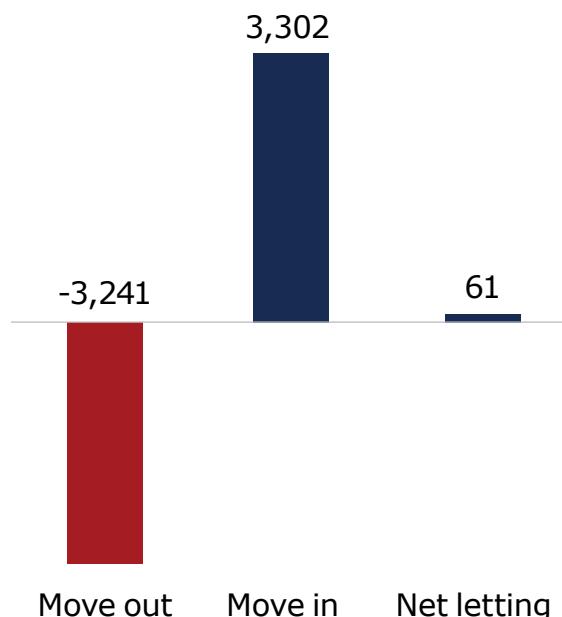
Fair value, SEK million



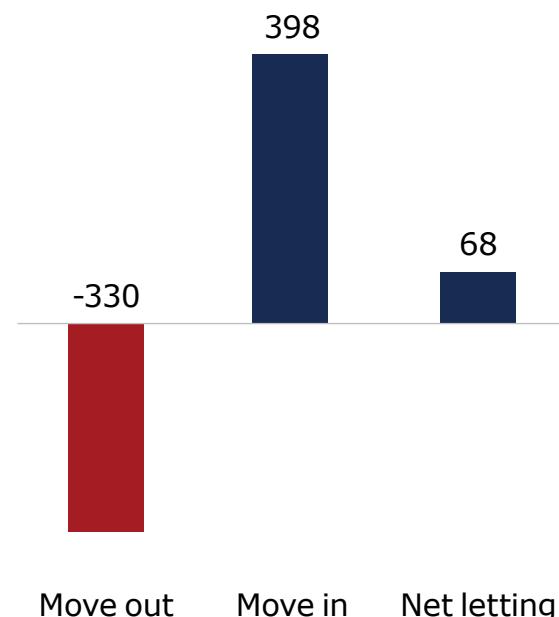
City	Residential units	Lettable space, thousand sqm			Fair value	
		Residential	Commercial	Total	SEK million	SEK/sqm
Berlin	12,388	781	64	845	21,281	25,182
Stockholm	9,195	664	46	710	19,420	27,352
Malmö	4,063	266	84	350	8,744	25,013
Hamburg	4,163	235	11	246	7,629	31,051
Toronto	3,164	166	4	170	5,306	31,143
London	1,362	61	3	64	5,135	80,078
New York	1,044	77	1	78	4,660	59,939
Boston	862	57	-	57	3,546	62,402
Montreal	1,446	106	-	106	2,236	21,050
Paris	1,041	31	4	35	2,171	62,495
Copenhagen	720	52	-	52	1,401	26,744
Washington D.C.	484	36	-	36	987	27,715
Other	6,227	394	70	464	11,654	25,068
Total	46,159	2,926	287	3,213	94,170	29,306

SEK 68 million in net letting Jan–June 2017

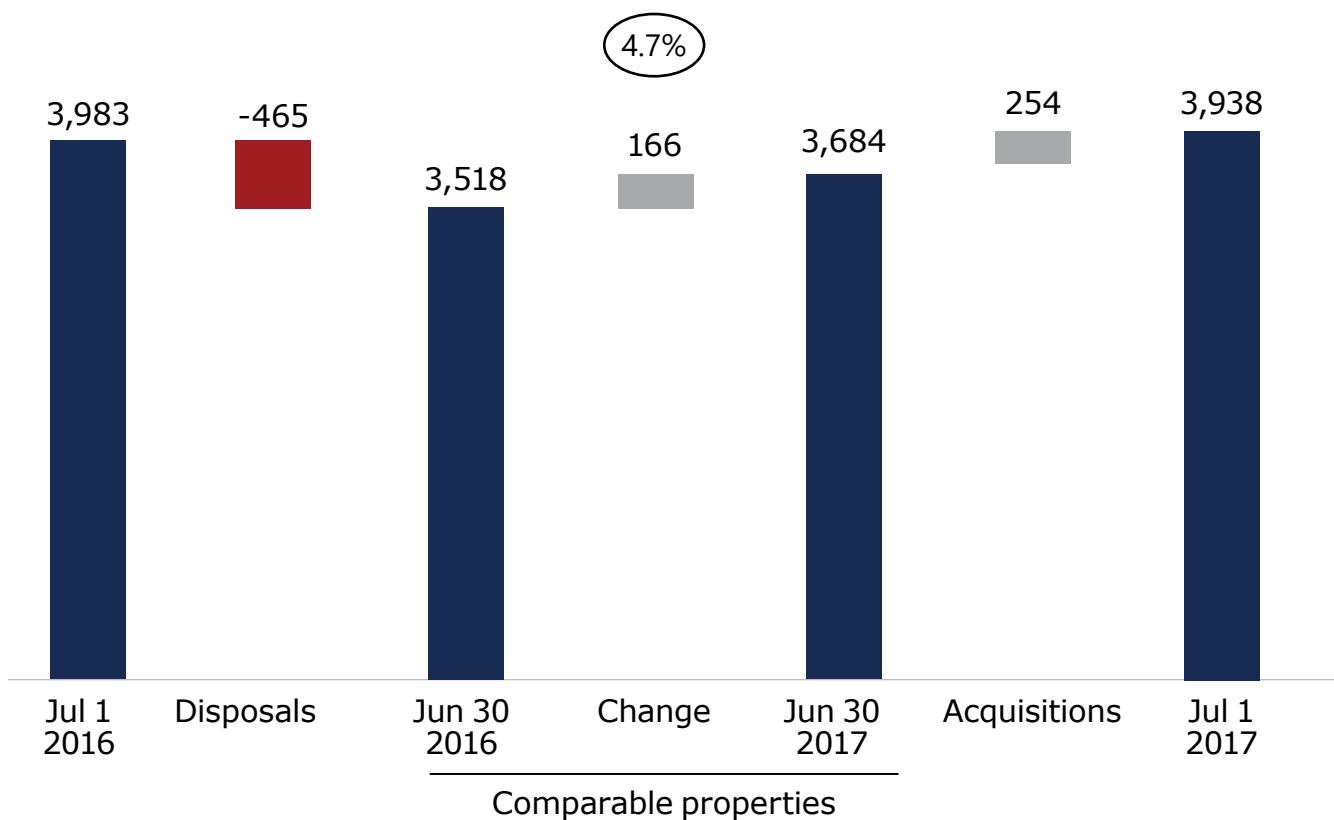
Net letting 61 residential units



Yearly in-place residential rent
SEK million



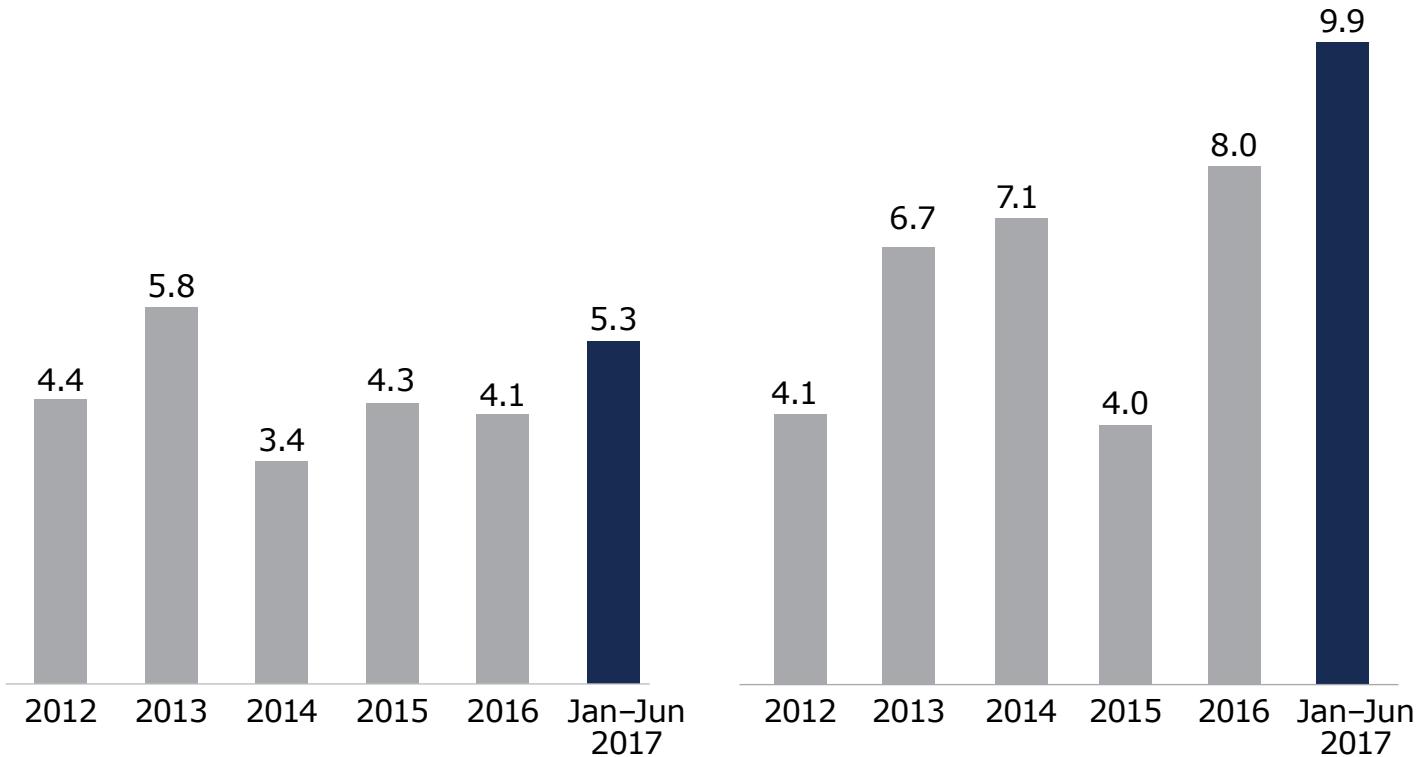
4.7 percent increase in yearly in-place residential rent



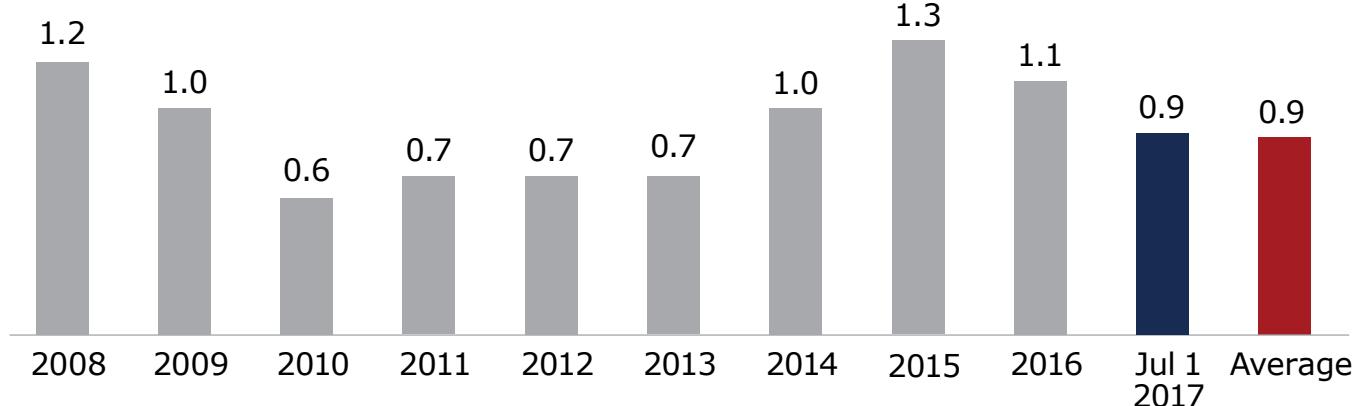
Growth comparable properties

Rental income 5.3 percent

Net operating income 9.9 percent



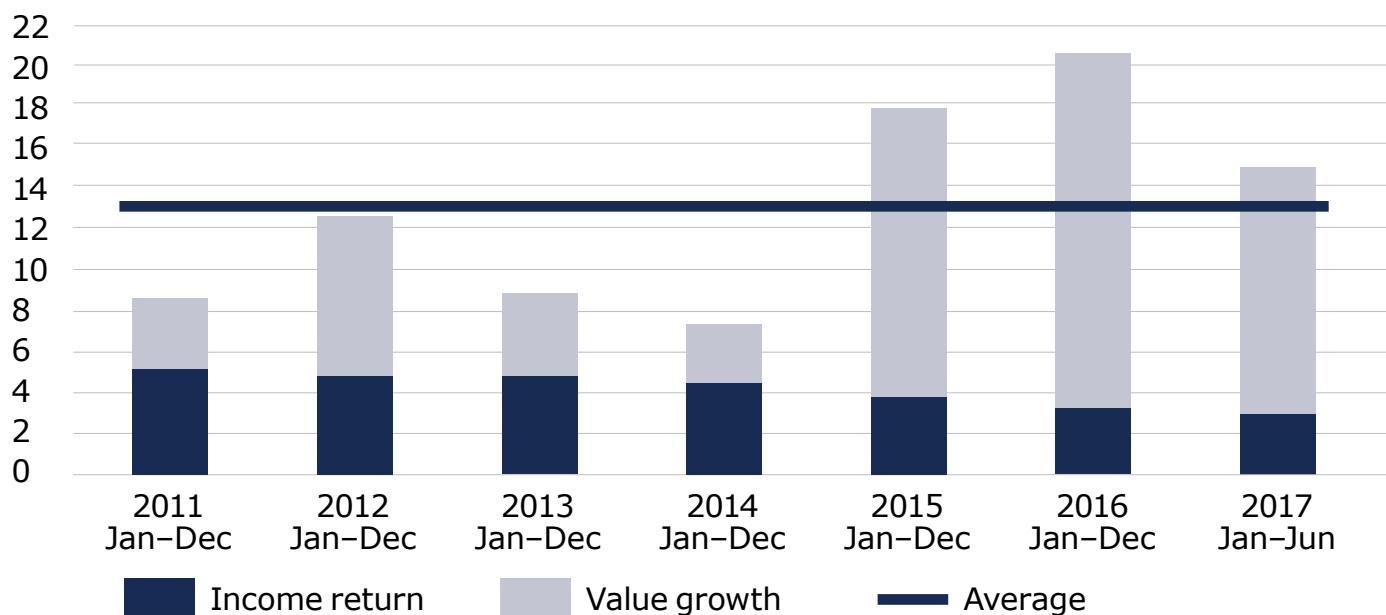
0.9 percent real vacancy



14.7 percent property return

Annual property return

Percent



Fair value SEK 94,170 million

Fair value, Jan 1, 2017

Revaluations

Investments

Purchases

Sales

Translation difference

Fair value, Jun 30, 2017

Net operating income

Total property return

	SEK million	Growth Jan-Jun percent
Fair value, Jan 1, 2017	87,739	
Revaluations	5,071	5.8
Investments	1,191	1.4
Purchases	3,846	4.4
Sales	-3,120	-3.6
Translation difference	-557	-0.7
Fair value, Jun 30, 2017	94,170	7.3
Net operating income	1,170	1.3
Total property return	6,241	Per annum: 14.7

Capitalization rate 3.63 percent

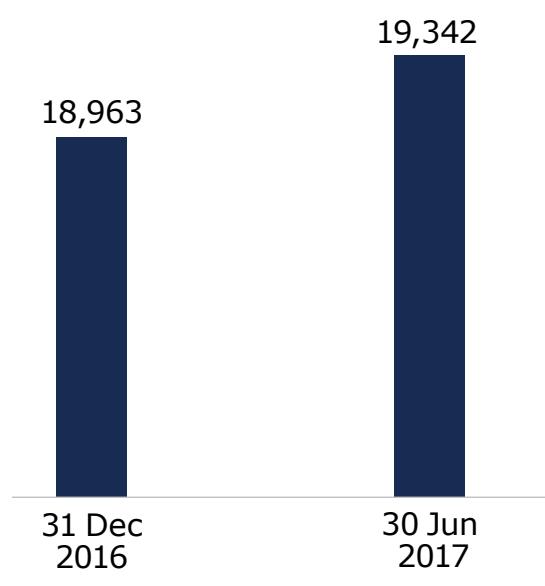
Percent	Capitalization rate	Discount rate
Jan 1 2017	3.82	5.81
Purchases	-0.02	-0.02
Sales	0.00	0.01
Comparable	-0.17	-0.18
Exchange rate differences	0.00	0.00
Jun 30, 2017	3.63	5.62

Change in value SEK 5,071 million

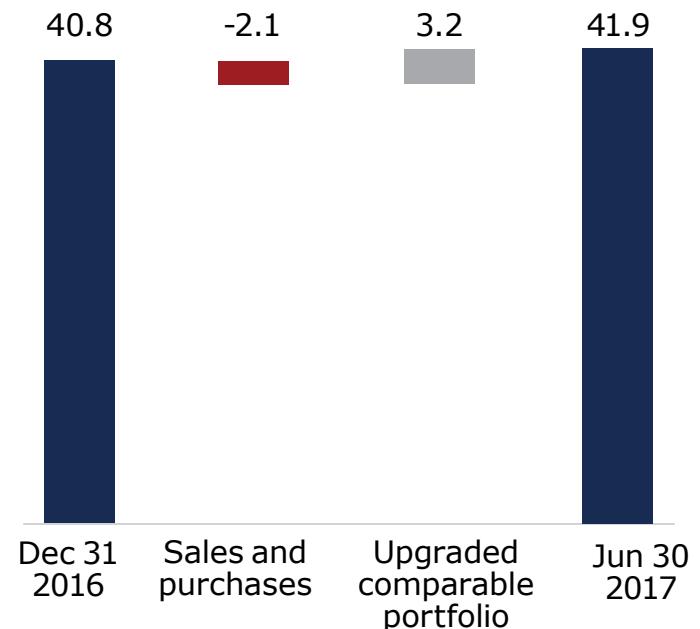
	SEK million	Return, percent
Cash flow	297	0.34
Required rate of return	4,410	5.02
Sales	49	0.06
Purchases	315	0.36
Total change in value	5,071	5.78

Changes in property portfolio

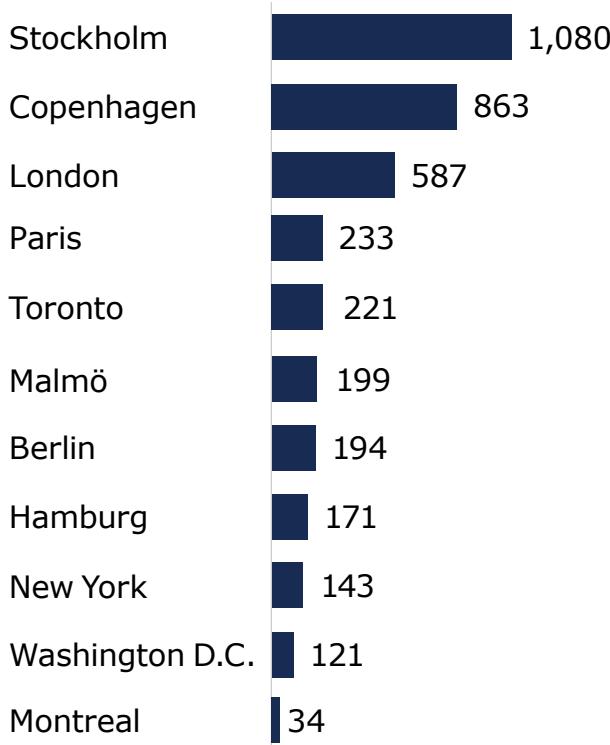
19,342 upgraded apartments



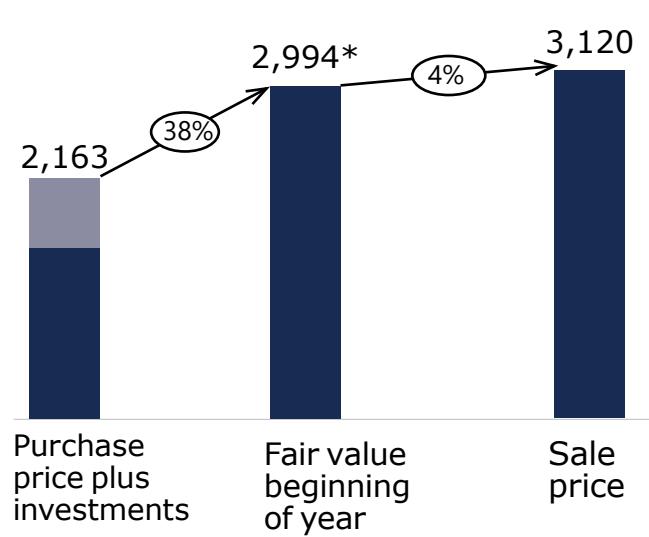
42 percent upgraded apartments



Properties purchases
SEK 3,846 million



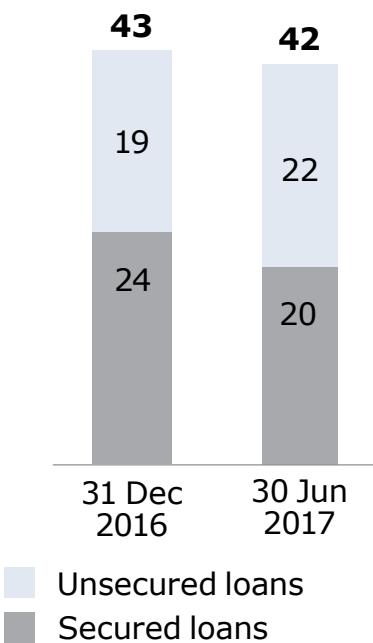
Property sales
SEK 3,120 million



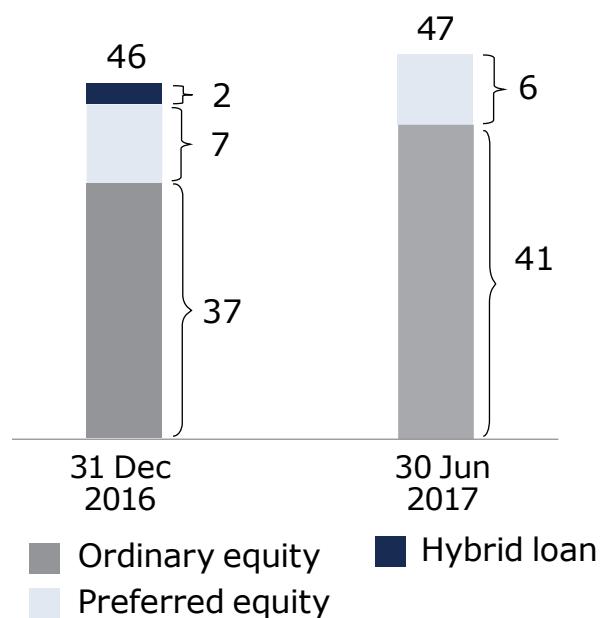
* Properties sold in Sweden were reported as assets held for sale at the end of 2016 and valued at sale price at the beginning of the year.

Financing

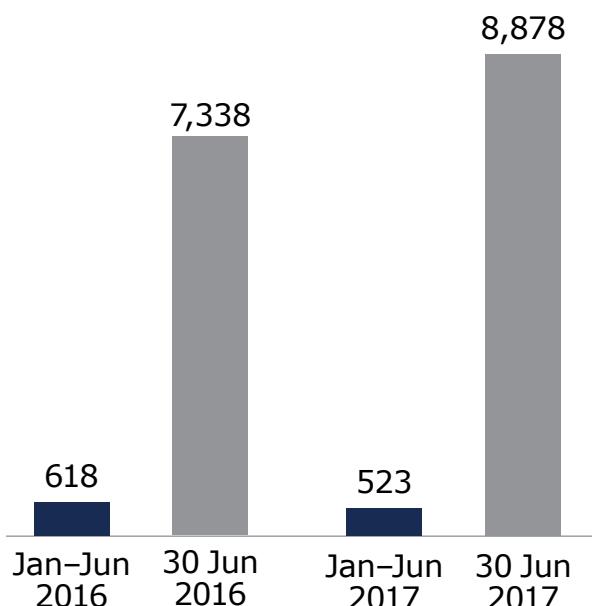
Loan-to-value ratio
42 percent



Equity to assets ratio
47 percent

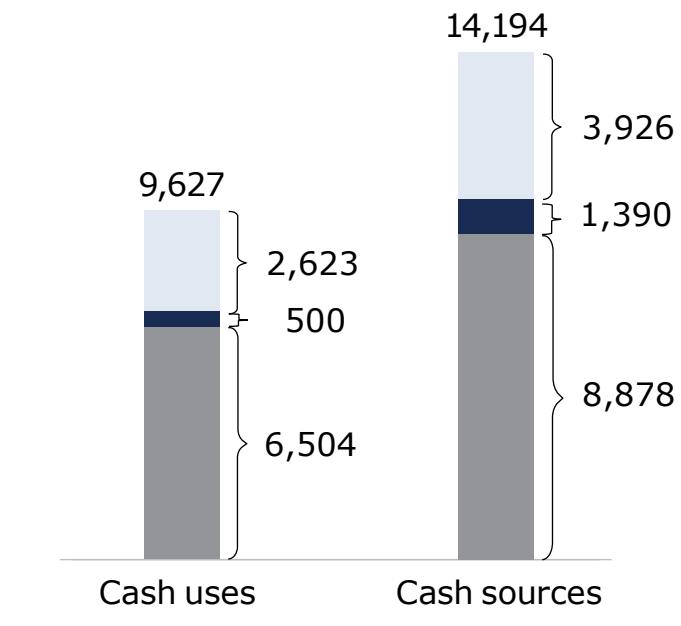


Interest expenses and liquidity
SEK million



Interest expenses
Liquidity

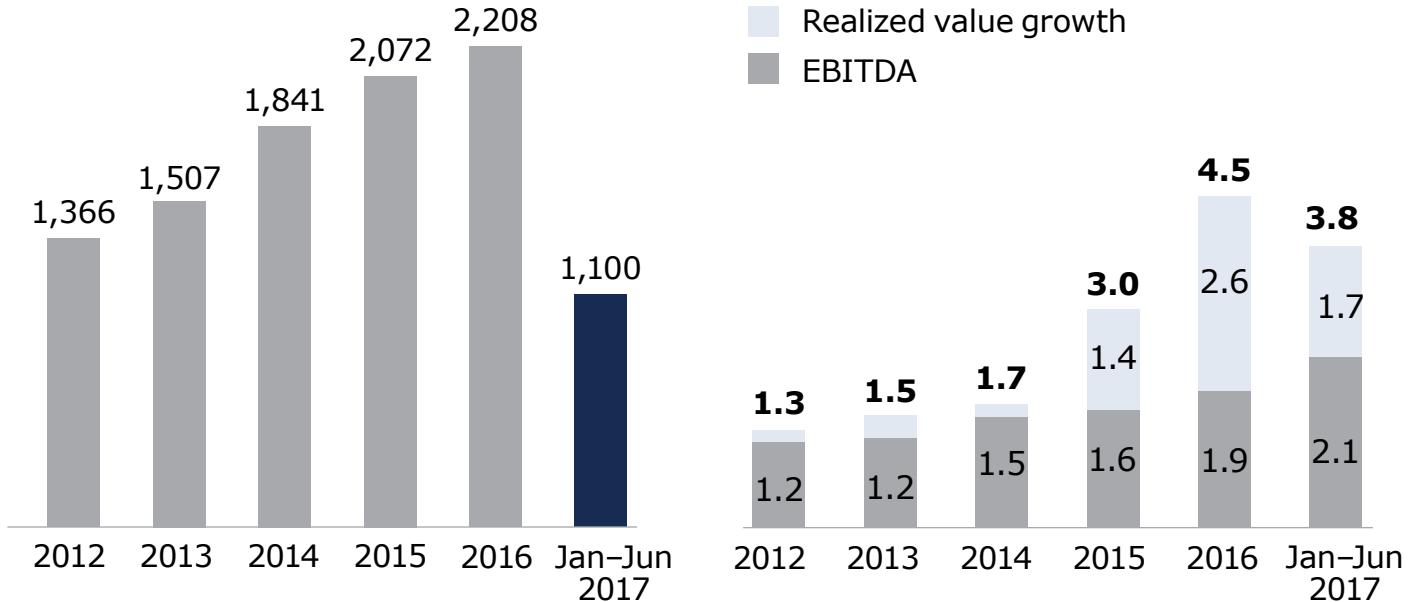
Cash uses and sources
SEK million



Contracted purchases
Investments
Short-term loans
Contracted sales
Profit before tax and revaluation
Liquidity

EBITDA SEK 1,100 million

Interest coverage ratio 3.8

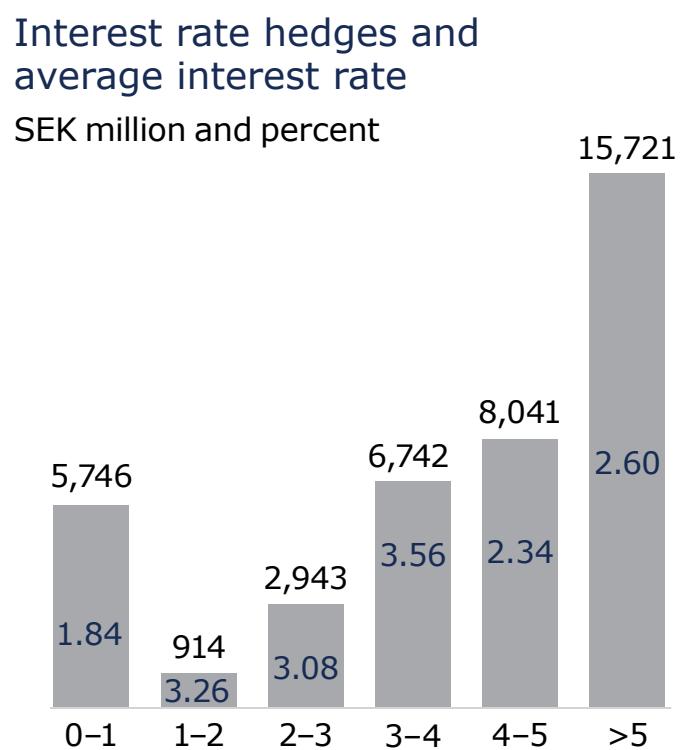
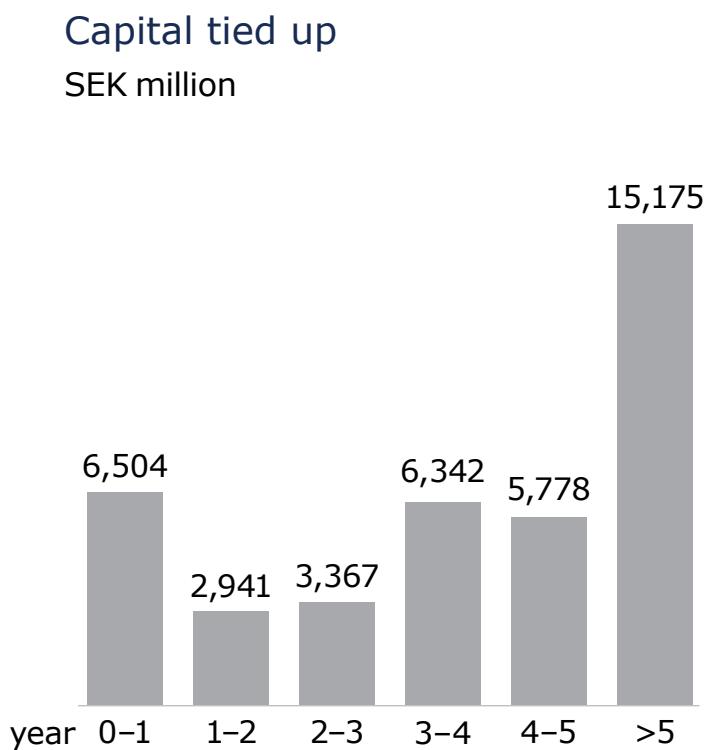


Current interest and debt coverage capacity

SEK million	Jan-Jun 2017	Jul 2016–Jun 2017	Pro forma, 12 months
Rental income	2,035	4,089	4,303*
Operating expenses	-709	-1,391	-1,329
Maintenance	-156	-361	-340
Net operating income	1,170	2,337	2,634
Central administrative and other expenses **	-70	-122	-141
EBITDA	1,100	2,215	2,493
Net interest expense	-523	-1,040	-1,060
Other financial income and expenses	-21	-37	-43
Profit before tax and revaluation	556	1,138	1,390
Realized value growth	920	2,987	-
Interest coverage ratio	3.8	5.0	2.3
Interest coverage ratio excluding realized value growth	2.1	2.1	2.3
Net debt as per June 30, 2017	39,988	39,988	39,988
Net debt/EBITDA	18.2	18.1	16.0
Net debt/EBITDA including realized value growth	9.9	7.7	16.0

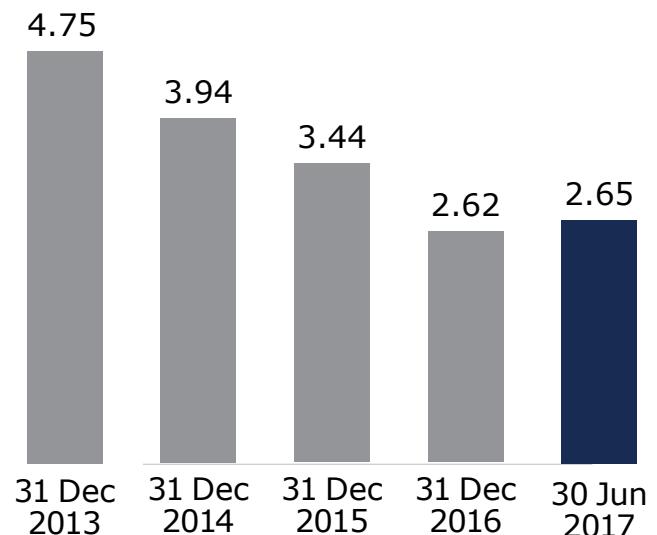
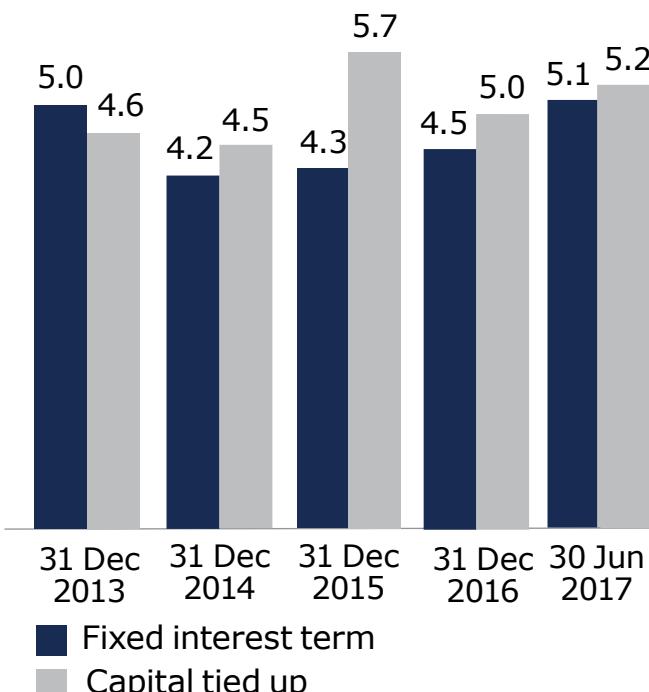
*Includes SEK 3,938 million in yearly in-place residential rent as of July 1, 2017, SEK 365 million in rental income for commercial properties, SEK -43 million vacancy adjustment for apartments being upgraded and SEK 43 million for other income.

** Other income and expenses excluding operational exchange differences and depreciation.

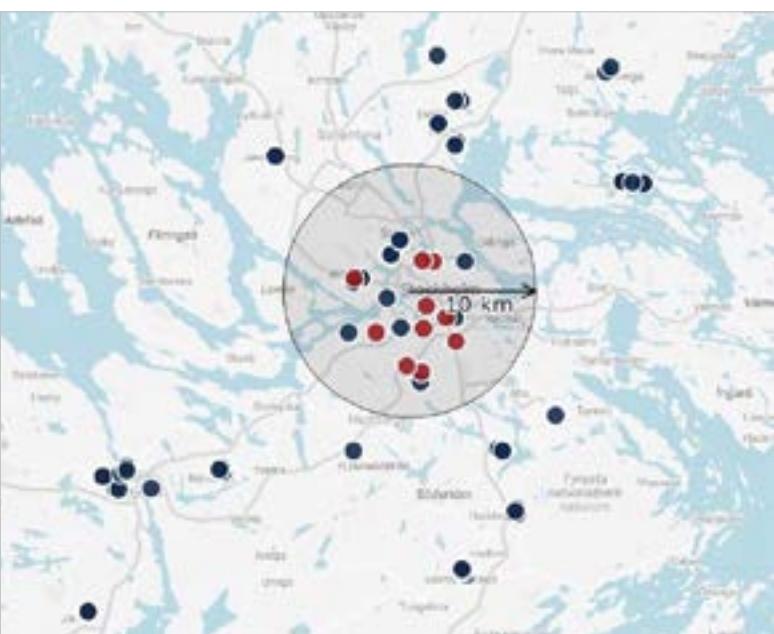


Fixed interest term 5.1 years
Capital tied up 5.2 years

Average interest rate 2.65 percent



Stockholm



● Acquired properties

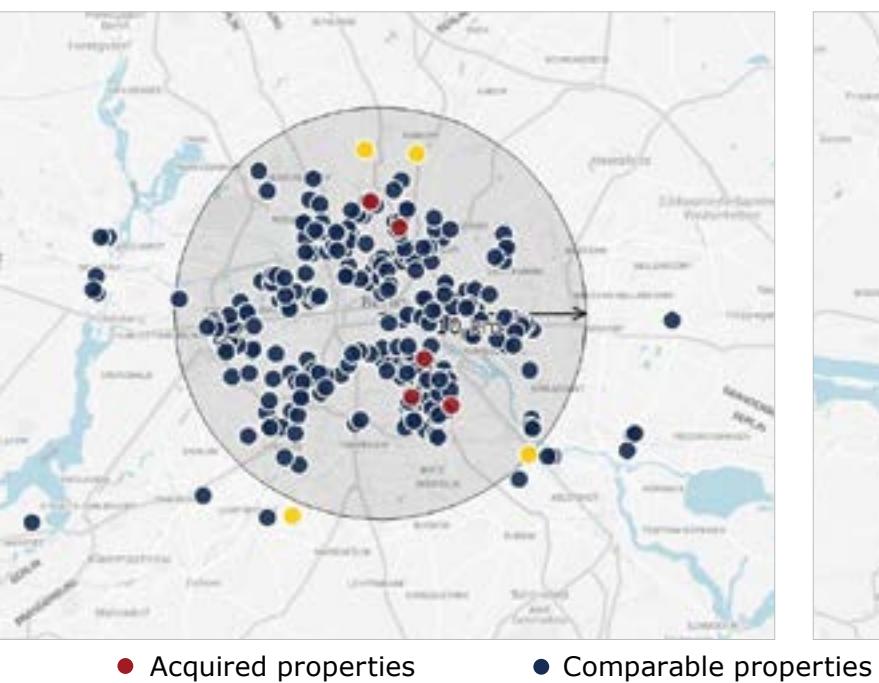
Malmö



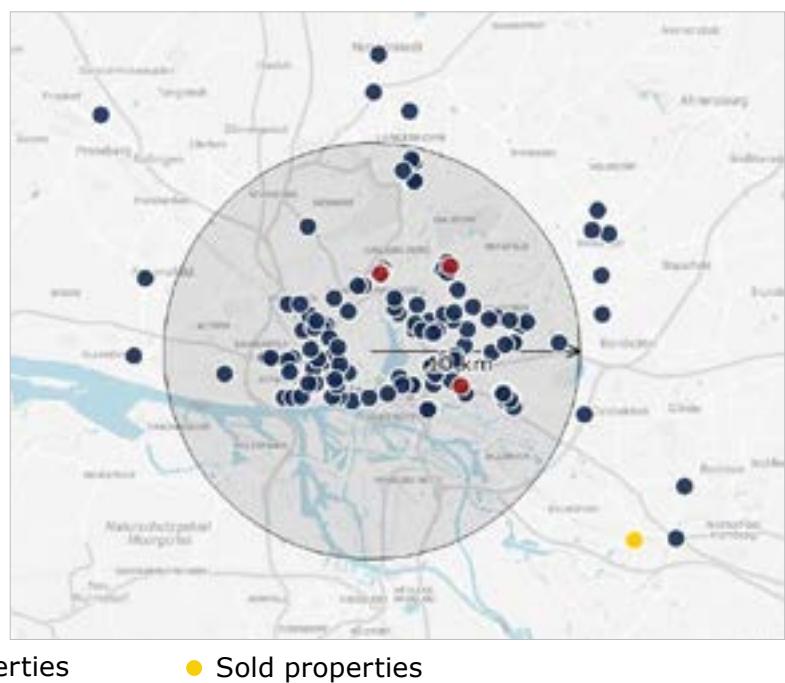
● Comparable properties

	Stockholm	Malmö
Property portfolio		
Capitalization rate, percent	3.04	3.23
Proportion of property fair value, percent	21	9
Proportion upgraded apartments, percent	44	46
Walk score	56	80
Average apartment size, sqm	72	65
Average rent		
Total portfolio, July 1 2016	1,215	1,268
Sales	3	-
Comparable portfolio, July 1 2016	1,218	1,268
Increase in comparable portfolio	29	38
- Increase in percent	2.4	3.0
Comparable portfolio, July 1 2017	1,247	1,305
Purchases	9	-2
Total portfolio, July 1 2017	1,256	1,303
New lease level	1,453	1,522
Vacancy rate residential		
Real vacancy rate	0.0	0.0
Apartments being upgraded	1.1	0.8
Vacancy rate	1.1	0.8

Berlin



Hamburg



Property portfolio

	Berlin	Hamburg
Capitalization rate, percent	3.42	3.78
Proportion of property fair value, percent	23	8
Proportion upgraded apartments, percent	35	49
Walk score	89	86
Average apartment size, sqm	63	56

Average rent

	EUR/sqm/month	EUR/sqm/month
Total portfolio, July 1, 2016	7.46	10.07
Sales	-	0.01
Comparable portfolio, July 1, 2016	7.46	10.08
Increase in comparable portfolio	0.39	0.44
- Increase in percent	5.2	4.4
Comparable portfolio, July 1, 2017	7.85	10.52
Purchases	-0.02	-0.06
Total portfolio, July 1, 2017	7.83	10.46
New lease level	13.65	14.03

Vacancy rate residential

	Percent	Percent
Real vacancy rate	1.1	1.2
Apartments being upgraded	4.3	5.3
Vacancy rate	5.4	6.5

Toronto



● Acquired properties

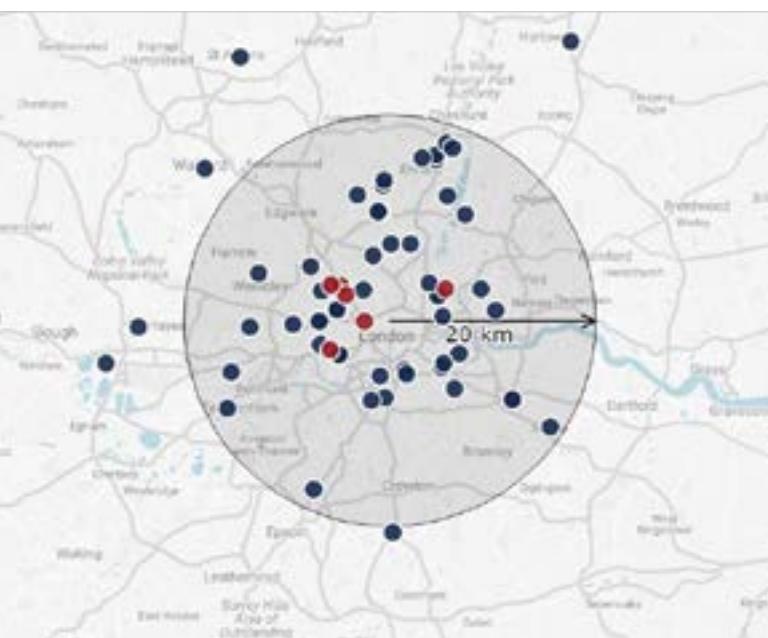
Montreal



● Comparable properties

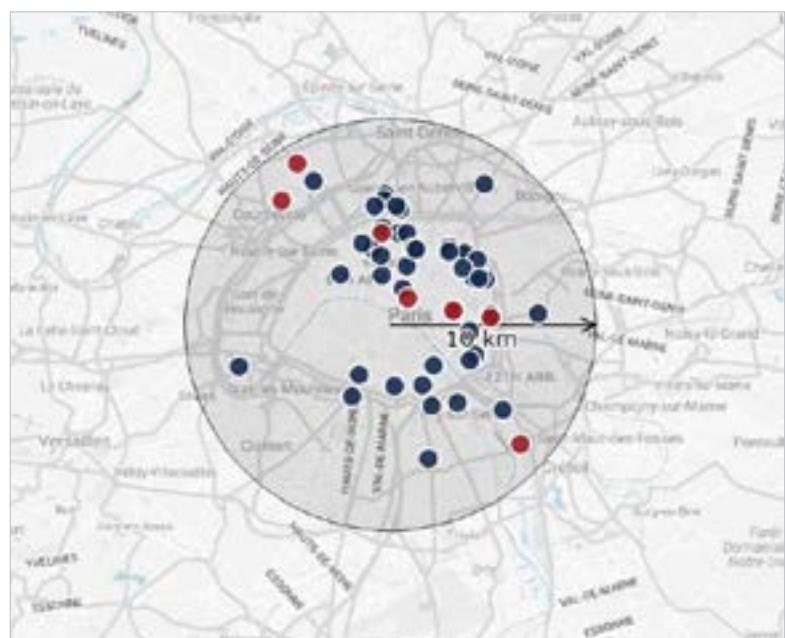
	Toronto	Montreal
Property portfolio		
Capitalization rate, percent	4.25	4.47
Proportion of property fair value, percent	6	2
Proportion upgraded apartments, percent	49	45
Walk score	83	91
Average apartment size, sqft	567	787
Average rent		
Total portfolio, July 1, 2016	2.00	1.54
Sales	-	-
Comparable portfolio, July 1, 2016	2.00	1.54
Increase in comparable portfolio	0.13	0.09
- Increase in percent	6.4	6.4
Comparable portfolio, July 1, 2017	2.13	1.63
Purchases	-0.02	0.02
Total portfolio, July 1, 2017	2.11	1.65
New lease level	2.75	1.87
Vacancy rate residential		
Real vacancy rate	1.4	3.0
Apartments being upgraded	1.6	5.9
Vacancy rate	3.0	8.9

London



● Acquired properties

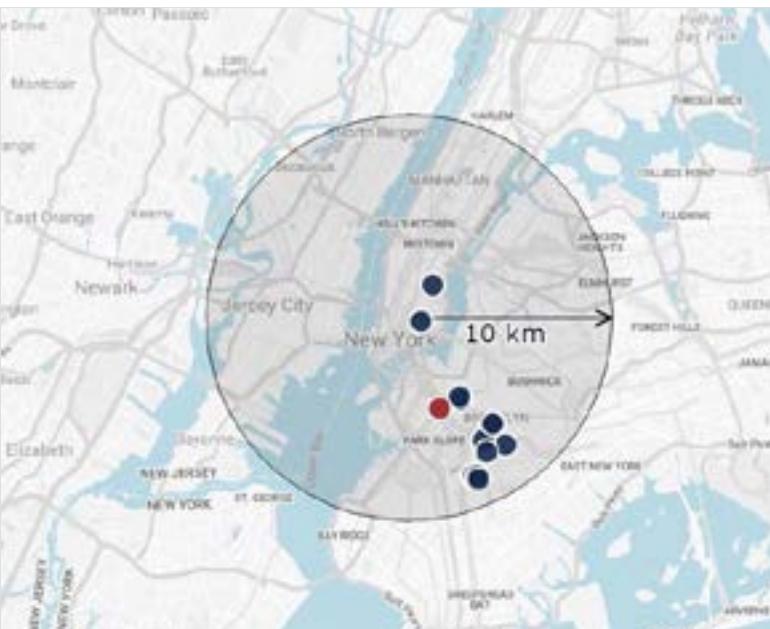
Paris



● Comparable properties

	London	Paris
Property portfolio		
Capitalization rate, percent	4.16	4.19
Proportion of property fair value, percent	5	2
Proportion upgraded apartments, percent	64	13
Walk score	82	97
Average apartment size	482 sqft	30 sqm
Average rent		
Total portfolio, July 1, 2016	2.45	21.69
Sales	-	-
Comparable portfolio, July 1, 2016	2.45	21.69
Increase in comparable portfolio	0.13	1.76
- Increase in percent	5.0	8.1
Comparable portfolio, July 1, 2017	2.58	23.45
Purchases	0.02	-1.54
Total portfolio, July 1, 2017	2.60	21.91
New lease level	2.62	43.16
Vacancy rate residential		
Real vacancy rate	4.3	2.0
Apartments being upgraded	6.9	43.2
Vacancy rate	11.2	45.2

New York



● Acquired properties

● Comparable properties

Boston



Property portfolio

	New York	Boston
Capitalization rate, percent	4.32	4.37
Proportion of property fair value, percent	5	4
Proportion upgraded apartments, percent	22	46
Walk score	97	86
Average apartment size, sqft	795	710

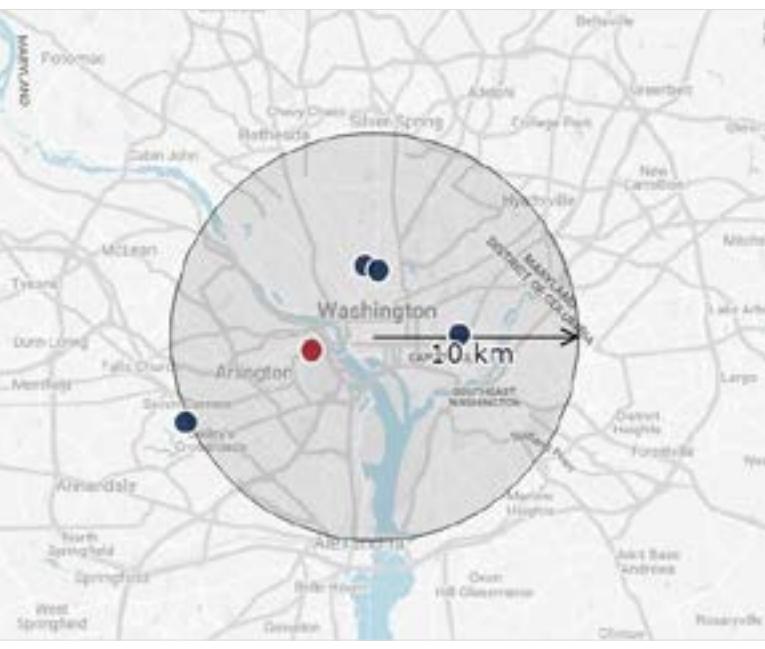
Average rent

	USD/sqft/month	USD/sqft/month
Total portfolio, July 1, 2016	2.10	3.23
Sales	-0.01	-
Comparable portfolio, July 1, 2016	2.09	3.23
Increase in comparable portfolio	0.24	0.15
- Increase in percent	11.4	4.6
Comparable portfolio, July 1, 2017	2.33	3.38
Purchases	0.01	-0.04
Total portfolio, July 1, 2017	2.34	3.34
New lease level	3.96	3.56

Vacancy rate residential

	Percent	Percent
Real vacancy rate	0.9	1.3
Apartments being upgraded	3.0	13.5
Vacancy rate	3.9	14.8

Washington D.C.



● Acquired properties

● Comparable properties

Copenhagen



Washington D.C.

Copenhagen

Property portfolio

Capitalization rate, percent	5.00	3.25
Proportion of property fair value, percent	1	1
Proportion upgraded apartments, percent	25	-
Walk score	82	93
Average apartment size	792 sqft	72 sqm

Average rent

	USD/sqft/month	DKK/sqm/year
Total portfolio, July 1, 2016	1.68	-
Sales	-	-
Comparable portfolio, July 1, 2016	1.68	-
Increase in comparable portfolio	0.08	-
- Increase in percent	4.2	-
Comparable portfolio, July 1, 2017	1.76	-
Purchases	0.05	911
Total portfolio, July 1, 2017	1.81	911
New lease level	1.85	1,762

Vacancy rate residential

	Percent	Percent
Real vacancy rate	0.8	0.3
Apartments being upgraded	21.5	2.5
Vacancy rate	22.3	2.8

Result

Rental income SEK 2,035 million

Rental income growth for comparable properties increased by SEK 90 million, or 5.3 percent. Rental income totaled SEK 2,035 million, a decrease of one percent compared to the same period of 2016. Lower rental income was attributable to the sales of properties.

During the period, 13,510 rental contracts with a yearly rent of SEK 1,142 million were renewed or renegotiated. The new yearly rent is SEK 1,162 million, an increase of 1.7 percent.

The real vacancy rate decreased by 0.2 percentage points to 0.9 percent. The vacancy rate for residential units was 5.1 percent, of which 83 percent was due to upgrades or planned sales of apartments.

Net operating income SEK 1,170 million

Property expenses totaled SEK 865 million, compared to SEK 911 million in the same period of 2016. SEK 156 million was attributable to maintenance, corresponding to an average annual expense of SEK 97 per square meter.

The net operating income for comparable properties increased by 9.9 percent. The net operating income margin was 57.5 percent, compared to 55.7 percent in the same period in 2016. Adjusted net operating income margin was 67.7 percent for the period.

Increase in property value 5.8 percent

The increase in property value was SEK 5,071 million, or 5.8 percent, compared to SEK 5,139 million, or 7.1 percent, in the same period of 2016. The growth in value is mainly due to lower required rates of return, higher net operating income and profitable acquisitions and sales.

Net financial items SEK -534 million

Interest expenses were SEK 523 million, compared to SEK 618 million in the same period of 2016. The decrease is mainly due to the lower cost of borrowings.

Financial derivatives affected earnings by SEK 10 million, compared to SEK -477 million in the same period of 2016.

Other financial items amounted to SEK -21 million, compared to SEK -16 million in the same period of 2016.

Profit before tax SEK 5,588 million

Profit before tax was SEK 5,588 million, compared to SEK 5,039 million in the same period of 2016, and was positively impacted by an increase in the fair value of properties.

Tax expenses SEK 1,143 million

Tax expenses totaled SEK 1,143 million, compared to SEK 981 million in the same period of 2016. SEK 1,129 million was deferred tax, mainly due to unrealized gains on properties. The Group has no ongoing tax disputes.

Financing

Equity to assets ratio 47 percent

Equity increased by SEK 3,628 million to SEK 44,565 million during the period and the equity to assets ratio increased from 46 to 47 percent.

Loan-to-value ratio 42 percent

Loans increased during the period by SEK 2,012 million to SEK 40,107 million. Secured loans were SEK 19,183 million, compared to SEK 21,482 million at the end of 2016. Loan-to-value ratio was 42 percent, one percent point lower compared to the end of 2016 and the secured loan-to-value ratio was 20 percent, four percent points lower. The secured loans were borrowed from 34 banks in seven countries. In May, we issued a new bond for EUR 600 million. Unsecured loans include five listed bonds, commercial papers and loans from related companies.

Capital tied up 5.2 years

Interest-bearing debt was tied up for an average of 5.2 years, compared to 5.0 years at the end of 2016. Loans maturing within one year totaled SEK 6,504 million, whereof SEK 2,572 million in commercial papers. Outstanding commercial papers are covered with long-term back-up credit facilities. The average loan-to-value ratio on short-term loans was 37 percent. Short-term loans consist partly of borrowings from 20 banks and partly of capital market financing.

Interest rate hedge 5.1 years

SEK 15,721 million had a fixed interest rate term of longer than five years and SEK 5,746 million had a fixed interest rate term of shorter than one year. The average interest rate was 2.65 percent. On average, the underlying interest rate is secured for 5.1 years, compared to 4.5 years at the end of 2016.

Liquidity SEK 8,878 million

Available funds in the form of liquid assets and secured but unutilized credit facilities totaled SEK 8,878 million. The unleveraged share of the properties' fair value is SEK 74,987 million.

Property portfolio

Fair value SEK 94 billion

The fair value is SEK 94,170 million, which is equivalent to SEK 29,306 per square meter. The average capitalization rate for the entire portfolio was 3.63 percent, which is 0.19 percentage points lower than at the beginning of the year.

Property purchases

SEK 3,846 million

Property purchases equaled SEK 3,846 million, compared to SEK 3,670 million in the same period of 2016. The average capitalization rate was 3.58 percent for purchased properties.

Property investments

SEK 1,191 million

Investments in properties totaled SEK 1,191 million, compared to SEK 1,217 million in the same period of 2016.

Investments equaled SEK 738 per square meter on an annual basis. 45 percent of the total investments were due to apartment upgrades.

Property sales

SEK 3,120 million

Sales totaled SEK 2,826 million in Sweden and SEK 294 million in Germany. In total, we sold properties for SEK 3,120 million, compared to SEK 3,626 million in the same period of 2016.

Sales prices were four percent higher than the fair value at the beginning of the year and generated a net income of SEK 12 million, including SEK 37 million in transaction costs. Properties sold in Sweden were reported as assets held for sale at the end of 2016 and valued at the sale price already in the beginning of the year.

Well-kept residential properties are attractive investments for many types of investors and provide a liquidity reserve.

Other financial information

Second quarter

Net income for the quarter amounted to SEK 1,988 million, compared to SEK 2,805 million in the same quarter of 2016, and has been impacted by a change in the fair value of derivative financial instruments of SEK -13 million, compared to SEK -227 million and properties of SEK 2,365 million, compared to SEK 3,557 million.

During the second quarter, rental income decreased to SEK 1,019 million, compared to SEK 1,030 million in 2016. Property costs decreased to SEK 421 million, compared to SEK 433 million. Operating surplus increased by SEK 1 million to SEK 598 million.

Net financial items totaled SEK -303 million, compared to SEK -520 million in the same quarter of 2016, and include the change in the fair value of derivatives.

Other comprehensive income included SEK 280 million for the changes in value of currency derivatives and exchange rate differences of external loans in foreign currency defined as hedging instruments and SEK 75 million for deferred taxes. Translation differences including the translation of foreign group companies amounted to SEK -383 million for the quarter.

Cash flow during the second quarter amounted to SEK -57 million, compared to SEK -70 million for the same quarter of 2016. Cash flow generated from operations was SEK 237 million. Net cash flow from investing activities amounted to SEK -1,587 million. Financing activities had a positive effect on cash flow of SEK 1,293 million. During the quarter new ordinary shares were issued for SEK 10,057 million and dividends were paid to the holders of preference shares for SEK 94 million and the holders of common shares for SEK 8,060 million. On April 21, we also repurchased hybrid loans for SEK 2,188 million.

Cash flow for the period

Operating cash flow before the change in working capital increased by SEK 212 million to SEK 641 million, compared to the same period of 2016.

Cash flow from investments were SEK -2,126 million, compared to SEK -405 million in the same period of 2016.

Cash required for the acquisition of properties is secured before signing acquisition agreements. Profitable but non-mandatory upgrades can, if needed, be stopped within a three-month period.

Cash flow from financing activities was SEK 1,653 million, compared to SEK 68 million in the same period of 2016. During the period, new ordinary shares were issued for SEK 10,057 million, hybrid loans were repurchased for SEK 2,188 million, SEK 188 million were paid in dividends to the holders of preference shares and SEK 8,060 were to the holders of common shares.

Parent Company for the period

The Parent Company's profit before tax was SEK -174 million compared to SEK 1,836 million in 2016. SEK 2,000 million profit from shares in subsidiaries was included in 2016 profit before tax.

On April 21, 2017, an issue of common shares took place and dividends were paid in accordance with resolutions passed at the Annual General Meeting. The parent company issued 134,810,000 common shares at a subscription price of SEK 74.60 per share, totaling SEK 10,057 million. On the same date, dividends of SEK 2.75 per share were paid to the holders of common shares, totaling SEK 8,060 million, and hybrid loans were repurchased for SEK 2,188 million, including a premium of SEK 128 million. In May, we issued senior unsecured bonds in the amount of EUR 600 million. The bonds mature in February 2025 and have an annual coupon of 1.75 percent.

Assets and liabilities held for sale

Akelius has signed an agreement to sell 61 properties, 4,300 apartments in Helsingborg. Closing in September.

As of June 30, 2017, the disposal group consisted of assets of SEK 3,780 million. These consisted of SEK 3,775 million in investment properties and SEK 5 million in other assets. Liabilities amounted to SEK 562 million, consisting of a deferred tax liability of SEK 530 million and other liabilities of SEK 32 million.

Preference shares

The total number of preference shares totaled 18,835,606, equivalent to SEK 6,020 million reported in equity.

Preference shares represent 0.61 percent of the total number of shares in Akelius Residential Property AB.

On June 30, 2017, the price paid per preference share was SEK 320.50.

A dividend of SEK 5 per preference share will be paid on the record dates pursuant to the Articles of Association: August 4, 2017, November 3, 2017 and February 5, 2018, totaling SEK 283 million.

Akelius' rating

In 2017, Standard and Poor's confirmed the investment grade rating BBB- on Akelius Residential Property AB and its unsecured debt. The outlook was lifted from stable to positive.

Personnel

At the end of the period there were 780 people employed in the Group, compared to 734 at the end of 2016.

Related party transactions

Net debt from related parties decreased by SEK 107 million. The scope and focus of these operations did not change significantly during the quarter. All transactions were on market terms.

Events after the balance sheet date

We acquired 128 apartments in Copenhagen, 168 apartments in Washington D.C., 211 apartments in London and 198 apartments in Toronto. Total acquisition price SEK 2,2 billion.

Pål Ahlsén,
CEO, Managing Director

Stockholm, Sweden, August 7, 2017,
Akelius Residential Property AB (publ)

The interim report has not been reviewed by the company's auditors.

Consolidated statement of comprehensive income

SEK million	2017 Apr-Jun 3 months	2016 Apr-Jun 3 months	2017 Jan-Jun 6 months	2016 Jan-Jun 6 months	2016 Jan-Dec 12 months
Rental income	1,019	1,030	2,035	2,055	4,109
Operating expenses	-344	-339	-709	-736	-1,418
Maintenance	-77	-94	-156	-175	-380
Net operating income	598	597	1,170	1,144	2,311
Central administration	-48	-38	-86	-62	-134
Other income and expenses	3	-1	4	-	26
Net income from the disposal of investment properties*	3	55	12	84	827
Net income from the revaluation of investment properties	2,362	3,502	5,022	4,984	11,779
Operating profit	2,918	4,115	6,122	6,150	14,809
Interest income	1	1	1	2	4
Interest expenses	-275	-284	-523	-618	-1,138
Other financial income and expenses	-16	-10	-22	-18	-33
Change in fair value of derivative financial instruments	-13	-227	10	-477	-322
Profit before tax	2,615	3,595	5,588	5,039	13,320
Tax	-627	-790	-1,143	-981	-2,958
Profit for the period/year	1,988	2,805	4,445	4,058	10,362
Items that will be reclassified to profit or loss:					
- Translation difference	-383	522	-607	525	1,366
- Change in the hedging of currency risk	280	-180	456	-180	-659
- Tax attributable to the hedging of currency risk	-75	40	-100	40	145
Comprehensive income for the period/year	1,810	3,187	4,194	4,443	11,214
Profit attributable to:					
- owners of the Parent Company	1,971	2,763	4,386	3,981	10,187
- owner of the hybrid loans	8	33	42	57	125
- non-controlling interests	9	9	17	20	50
Total comprehensive income attributable to:					
- owners of the Parent Company	1,778	3,108	4,124	4,313	10,952
- owner of the hybrid loans	21	67	51	106	206
- non-controlling interests	11	12	19	24	56
Earnings per share before and after dilution, SEK	0.63	0.92	1.41	1.31	3.37

* SEK 37 million refer to transaction costs for Jan-Jun 2017, SEK 71 million for Jan-Jun 2016 and SEK 109 million for Jan-Dec 2016.

Consolidated statement of financial position

SEK million	2017 Jun 30	2016 Jun 30	2016 Dec 31
Assets			
Intangible assets	55	28	49
Investment property	90,395	75,229	84,634
Tangible fixed assets	40	38	39
Deferred tax	6	11	6
Financial assets	6	9	9
Total non-current assets	90,502	75,315	84,737
Trade and other receivables	697	612	447
Derivative financial instruments	88	35	9
Cash and cash equivalents	74	155	137
Assets held for sale*	3,780	4,961	3,108
Total current assets	4,639	5,763	3,701
Total assets	95,141	81,078	88,438
Equity and liabilities			
Share capital	1,851	1,770	1,770
Share premium	13,708	14,463	12,168
Currency translation reserve	673	502	935
Retained earnings	28,130	15,370	23,872
Total equity attributable to owners of the Parent Company	44,362	32,105	38,745
Hybrid loan	-	1,977	2,009
Non-controlling interests	203	151	183
Total equity	44,565	34,233	40,937
Interest-bearing liabilities	33,603	30,897	29,932
Derivative financial instruments	1,101	1,888	1,350
Deferred tax	7,565	4,801	6,676
Other liabilities	100	58	72
Total non-current liabilities	42,369	37,644	38,030
Interest-bearing liabilities	6,504	7,040	8,163
Derivative financial instruments	59	108	98
Trade and other payables	1,082	1,609	932
Liabilities held for sale	562	444	278
Total current liabilities	8,207	9,201	9,471
Total equity and liabilities	95,141	81,078	88,438
Borrowings			
-unsecured	20,924	10,596	16,613
-secured	19,183	27,341	21,482
Total	40,107	37,937	38,095

* SEK 3,775 million was attributable to investment properties on June, 30 2017, SEK 4,958 million on June 30, 2016 and SEK 3,105 million on December 31, 2016.

Consolidated statement of cash flows

SEK million	2017 Apr-Jun 3 months	2016 Apr-Jun 3 months	2017 Jan-Jun 6 months	2016 Jan-Jun 6 months	2016 Jan-Dec 12 months
Net operating income	598	597	1,170	1,144	2,311
Central administration	-48	-38	-86	-62	-134
Other income and expenses	2	-4	5	-3	23
Reversal of depreciation and impairment losses	5	1	10	4	14
Interest paid	-243	-335	-438	-647	-1,226
Income tax paid	-11	-2	-20	-7	-67
Cash flow before changes in working capital	303	219	641	429	921
Change in current assets	53	13	-90	-98	-27
Change in current liabilities	-119	-64	-134	-79	-30
Cash flow from operating activities	237	168	417	252	864
Investments in intangible assets	-6	2	-11	-4	-28
Investment in properties	-683	-690	-1,191	-1,217	-2,989
Acquisition of investment properties	-1,021	-528	-3,846	-3,670	-6,094
Acquisition of net assets	83	7	113	604	650
Proceeds from sales of investment properties	118	669	3,120	3,626	9,061
Proceeds from sale of net assets	-	-8	-120	-95	-310
Purchase and sale of other assets	-78	-24	-191	351	405
Cash flow from investing activities	-1,587	-572	-2,126	-405	695
New share issue	10,057	4,036	10,057	4,036	4,036
Shareholder contribution	-	-	1	8	8
Loans raised	5,114	3,281	8,447	7,334	19,862
Repayment of loans	-3,558	-1,378	-6,472	-5,522	-18,641
Repayment of hybrid loans	-2,188	-	-2,188	-	-
Purchase and sale of derivative instruments	22	-491	56	-555	-1,377
Dividend	-8,154	-5,114	8,248	-5,233	-5,546
Cash flow from financing activities	1,293	334	1,653	68	-1,658
Cash flow for the period/year	-57	-70	-56	-85	-99
Cash and cash equivalents at beginning of the year	136	217	137	238	238
Translation difference in cash and cash equivalents	-5	8	-7	2	-2
Cash and cash equivalents at end of period/year	74	155	74	155	137

Consolidated statement of changes in equity

SEK million	Attributable to owners of the Parent Company					Non-controlling interests	Total equity	
	Share capital	Share premium	Currency translation reserve	Retained earnings	Total			
Opening balance Jan 1, 2016	1,741	10,456	170	16,811	29,178	1,370	119	30,667
Profit for the period	-	-	-	3,981	3,981	57	20	4,058
Other comprehensive income	-	-	332	-	332	49	4	385
Total other comprehensive income	-	-	332	3,981	4,313	106	24	4,443
Acquired minority	-	-	-	-	-	-	8	8
Hybrid loan	-	-	-	-	-	558	-	558
Dividend	-	-	-	-5,422	-5,422	-57	-	-5,479
Share issue	29	4,007	-	-	4,036	-	-	4,036
Closing balance Jun 30, 2016	1,770	14,463	502	15,370	32,105	1,977	151	34,233
Profit for the period	-	-	-	6,206	6,206	68	30	6,304
Other comprehensive income	-	-	433	-	433	32	2	467
Total other comprehensive income	-	-	433	6,206	6,639	100	32	6,771
Dividend	-	-2,295	-	2,296	1	-68	-	-67
Closing balance Dec 31, 2016	1,770	12,168	935	23,872	38,745	2,009	183	40,937
Profit for the period	-	-	-	4,386	4,386	42	17	4,445
Other comprehensive income	-	-	-262	-	-262	9	2	-251
Total other comprehensive income	-	-	-262	4,386	4,124	51	19	4,194
Acquisition minority	-	-	-	-	-	-	1	1
Share issue	81	9,976	-	-	10,057	-	-	10,057
Repurchase of hybrid loans	-	-	-	-	-	-2,188	-	-2,188
Premium hybrid loans	-	-	-	-128	-128	128	-	-
Dividend	-	-8,436	-	-	-8,436	-	-	-8 436
Closing balance Jun 30, 2017	1,851	13,708	673	28,130	44,362	-	203	44,565

Interest-bearing liabilities

Duration, years	Interest rate hedge, SEK million	Interest rate hedge Average interest rate, percent	Share, percent	Capital tied up, SEK million	Share, percent
0-1	5,746	1.84	14	6,504	16
1-2	914	3.26	2	2,941	7
2-3	2,943	3.08	7	3,367	8
3-4	6,742	3.56	17	6,342	16
4-5	8,041	2.34	20	5,778	15
5-6	846	3.21	2	427	1
6-7	984	3.75	3	88	0
7-8	7,324	2.07	18	6,822	17
8-9	2,567	2.02	6	2,361	6
9-10	2,244	2.56	6	3,581	9
> 10	1,756	4.76	5	1,896	5
Total	40,107	2.65	100	40,107	100

Segment information

Jan-Jun 2017, SEK million	Sweden	Germany	Other	Total
Rental income	824	628	583	2,035
Operating expenses	-314	-127	-268	-709
Maintenance	-86	-40	-30	-156
Net operating income	424	461	285	1,170
Revaluation of investment properties	2,166	2,362	543	5,071
Total property return	2,590	2,823	828	6,241
Total property return, percent	16.6	18.3	7.3	14.7
Property fair value	33,254	35,475	25,441	94,170
Jan-Jun 2016, SEK million	Sweden	Germany	Other	Total
Rental income	1,028	591	436	2,055
Operating expenses	-397	-115	-224	-736
Maintenance	-105	-38	-32	-175
Net operating income	526	438	180	1,144
Revaluation of investment properties	3,197	1,560	382	5,139
Total property return	3,723	1,998	562	6,283
Total property return, percent	24.8	16.7	7.1	18.0
Property fair value	33,023	27,663	19,501	80,187

Condensed statement of comprehensive income for the Parent Company

SEK million	2017 Apr-Jun 3 months	2016 Apr-Jun 3 months	2017 Jan-Jun 6 months	2016 Jan-Jun 6 months	2016 Jan-Dec 12 months
Central administration	-	9	-18	-9	-35
Other income and expenses	1	-	-	-	-
Profit from shares in subsidiaries	-	2,000	-	2,000	2,000
Financial income	350	464	625	651	1,312
Financial expenses	-603	-219	-915	-485	-878
Change in fair value of derivatives	26	-170	134	-321	-218
Appropriations	-	-	-	-	-1,065
Profit before tax	-226	2,084	-174	1,836	1,116
Tax	-7	149	-34	182	192
Profit for the period/year	-233	2,233	-208	2,018	1,308
Comprehensive income	-233	2,233	-208	2,018	1,308

Condensed statement of financial position for the Parent Company

SEK million	2017 Jun 30	2016 Jun 30	2016 Dec 31
Intangible assets	3	2	3
Shares in subsidiaries	13,183	13,165	13,183
Receivables from Group companies	41,306	33,149	36,216
Deferred tax assets	488	513	522
Other assets	193	7	41
Cash and cash equivalents	2	1	-
Total assets	55,175	46,837	49,965
Total equity	15,449	14,747	14,036
Interest-bearing liabilities	21,616	13,977	18,301
Interest-bearing liabilities from Group companies	17,202	17,015	16,883
Derivative financial instruments	442	690	576
Other current liabilities	466	408	169
Total equity and liabilities	55,175	46,837	49,965

Other information

Basis of presentation

Statement of compliance

The Akelius Residential Property Group's Interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The financial statements of the Parent Company, Akelius Residential Property AB, corporate identity number 556156-0383, have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, Accounting for Legal Entities.

Disclosures in accordance with IAS 34
Interim Financial Reporting are submitted both in the notes and in other sections of the interim report. The accounting policies applied in the preparation of the interim report are consistent with those used in the preparation of the Group's annual financial statements for the year 2016.

The figures in this interim report have been rounded up or down, while the calculations have been made without rounding. As a result, the figures in certain tables and key figures may appear not to add up correctly.

Estimates and assessments

Estimates and assessments are evaluated continuously based on empirical factors and other aspects, including the anticipation of future events that are reasonable under the prevailing circumstances. The same principles are followed in the interim reporting as in the previous annual report.

Assets held for sale

Fair value measurement is based on the purchase price stated in the signed purchase agreement between buyers and sellers when agreements have been signed, minus the remaining cost to put the properties in the condition agreed. The purchase price is considered to belong to Level 1 of the fair value hierarchy in IFRS 13.

Derivative instruments

Derivative instruments consist mainly of interest rate swaps. Estimates of the fair value of derivatives are based on Level 2 of the fair value hierarchy. Compared to 2016, no transfers have occurred between the different levels of the hierarchy, and no significant changes have been made regarding the valuation method. Cash flow in the derivative contracts is compared to the cash flow that would have been received if the contracts had been concluded at market prices on the closing date. The difference in cash flow is discounted using an interest rate that takes into account counterparty's credit risk. The present value obtained is reported in the balance sheet at fair value. Changes in fair value for interest rate swaps are recognized in the income statement without the application of hedge accounting.

Currency derivatives

As of April 1, 2016, Akelius has defined currency derivatives as hedging instruments and reported the change in fair value of currency derivatives in other comprehensive income.

Valuation of properties

The fair value of all properties is assessed by internal valuations on the closing date. The valuations are based on a cash flow model for each individual property, with separate assessments of future earning ability and required rates of return. The cash flow model is based on actual income and expenses adjusted for a normalized future cash flow.

Revenue

As of 2017, revenue from operating expenses and other property taxes invoiced to the tenants are netted with expenses reported as operating expenses. This applies in France, Germany and Denmark. Rental income and operating expenses for prior years have been restated accordingly.

Other information

Current interest and debt coverage capacity

Realize value growth is defined as sales revenue less acquisition value and investments. Profit before tax and revaluation including realized value growth is a good indicator of the ability to generate cash flow. Net operating income and realized value growth are reinvested into existing and new properties. This leads to a growing operating surplus. The pro forma is based on the property portfolio's gross rent, real vacancy, estimated operating expenses and maintenance costs during a normal year, as well as central administrative expenses. Interest expenses are based on net debt on the balance sheet date calculated at currency rate for the balance sheet day. No tax has been calculated as it relates mainly to deferred tax, which does not affect cash flow. The pro forma is not a forecast for the coming twelve months as it contains no estimates of rental, vacancy, currency exchange, future property purchases and sales or interest rate changes.

New accounting principles

The following standards, amendments to standards and interpretations have been issued but are not yet effective for annual periods beginning on January 1, 2017. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 9 – Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The IASB is currently engaged in an active project aimed at making limited amendments to the classification and measurement requirements of IFRS 9 and adding new requirements to address the impairment of financial assets and hedge accounting.

IFRS 9 will be effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It will replace the current revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs. IFRS 15 will be effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. At this time, the impact of the above publications is not expected to be material to the Group.

IFRS 16 – Leases

IFRS 16 establishes a new accounting model based on the right to use an asset. Subject to EU endorsement, the standard will be effective for reporting periods beginning on or after January 1, 2019. The impact on the financial statements has yet to be evaluated.

Risks and uncertainties

Operational risks are limited through concentrating the property portfolio to residential properties in metropolitan areas. Strong residential rental markets in Sweden, Germany, Canada, England, France, the United States and Denmark reduce the risk of long-term vacancies.

In order to further reduce the risk of variations in cash flow, interest rates are secured on a long-term basis.

Access to capital from a large number of banks and through the capital market mitigates the refinancing risk. Overseas investments are hedged to reduce the impact of currency movements related to the Group's equity to assets ratio. No material changes in the company's assessment of risks have occurred since the publication of the 2016 annual report.

Key figures

	2017 Jun 30	2016 Dec 31	2015 Dec 31	2014 Dec 31	2013 Dec 31
Equity					
Equity, SEK million	44,565	40,937	30,667	22,583	15,169
Equity to assets ratio, percent	47	46	41	38	33
Return on equity, percent	10	37	29	9	24
Net asset value to assets ratio, percent	56	56	50	47	41
Net operating income					
Rental income, SEK million	2,035	4,109	3,988	3,323	2,787
Growth in rental income, percent	-1.0	3.0	20.0	19.2	9.9
Growth in rental income for comparable properties, percent	5.3	4.1	4.3	3.4	5.8
Net operating income, SEK million	1,170	2,311	2,175	1,882	1,579
Growth in net operating income, percent	2.3	6.3	15.6	19.2	12.1
Growth in net operating income for comparable properties, percent	9.9	8.0	4.0	7.1	6.7
Net operating income margin, percent	57.5	56.2	54.5	56.6	56.7
Adjusted net operating income margin, percent*	67.7	66.2	-	-	-
Interest-bearing liabilities					
Loan-to-value ratio, secured loans, percent	20	24	36	47	49
Loan-to-value ratio, percent	42	43	48	51	56
Interest coverage ratio	3.8	4.5	3.0	1.7	1.5
Interest coverage ratio excluding realized value growth	2.1	1.9	1.6	1.5	1.2
Average interest rate, percent	2.65	2.62	3.44	3.94	4.75
Fixed interest term, year	5.1	4.5	4.3	4.2	5.0
Capital tied up, year	5.2	5.0	5.7	4.5	4.6
Properties					
Number of apartments	46,159	46,516	51,231	47,896	41,319
Rentable area, thousand sqm	3,213	3,236	3,587	3,472	2,992
Real vacancy rate, residential, percent	0.9	1.1	1.3	1.0	0.7
Vacancy rate, residential, percent	5.1	5.0	4.3	3.2	2.6
Fair value of properties opening balance, SEK million	87,739	72,764	57,736	44,104	35,437
Change in fair value, SEK million	5,071	12,715	8,026	1,412	1,582
Investments, SEK million	1,191	2,989	2,216	1,881	1,531
Purchases, SEK million	3,846	6,094	12,093	9,678	6,901
Sales, SEK million	-3,120	-9,061	-5,755	-1,084	-1,801
Exchange difference, SEK million	-557	2,238	-1,552	1,745	454
Fair value of properties closing balance, SEK million	94,170	87,739	72,764	57,736	44,104
Fair value, per sqm	29,306	27,116	20,284	16,629	14,736
Capitalization rate, percent	3.63	3.82	4.33	4.72	4.75
Change in capitalization rate ¹ , percentage	-0.17	-0.49	-0.36	0.01	-0.01

*) Adjustment for revenue from operating expenses invoiced to the tenants for Canada, United States and Sweden amounted to SEK 307 million for Jan-Jun 2017 and SEK 619 million for Jan-Dec 2016.

Key figures

	2017 Jun 30	2016 Dec 31	2015 Dec 31	2014 Dec 31	2013 Dec 31
Properties, Sweden					
Average residential rent, SEK/sqm/year	1,261	1,246	1,184	1,156	1,114
Growth in average residential rent ² , percent	1.3	2.6	2.6	3.7	5.8
Growth in rental income ³ , percent	3.4	1.9	3.0	3.5	5.5
Growth in net operating income ³ , percent	5.6	2.4	1.8	8.0	3.3
Fair value, SEK per sqm	25,433	23,163	17,148	14,899	14,115
Capitalization rate, percent	3.20	3.43	4.30	4.78	4.84
Number of apartments	16,057	17,381	23,520	24,407	23,867
Vacancy, percent	1.0	1.2	1.5	1.5	2.2
Real vacancy, percent	0.0	0.1	0.1	0.4	0.6
Fair value of properties opening balance, SEK million	32,357	31,727	29,571	26,797	23,457
Change in fair value, SEK million	2,165	6,744	2,948	836	828
Investments, SEK million	278	975	856	932	964
Purchases, SEK million	1,279	535	1,071	2,078	3,349
Sales, SEK million	-2,825	-7,624	-2,719	-1,072	-1,801
Fair value of properties closing balance, SEK million	33,254	32,357	31,727	29,571	26,797
Properties, Germany					
Average residential rent, EUR/sqm/month	8.77	8.56	8.13	7.77	7.71
Growth in average residential rent ² , percent	2.6	5.0	5.1	5.4	5.6
Growth in rental income ³ , percent	4.0	6.3	6.0	3.1	6.8
Growth in net operating income ³ , percent	3.1	10.3	3.9	5.8	13.7
Fair value, SEK per sqm	27,127	24,708	18,986	16,752	15,398
Capitalization rate, percent	3.56	3.84	4.35	4.72	4.64
Number of apartments	19,979	19,932	20,307	19,423	15,769
Vacancy, percent	5.4	4.8	4.9	4.5	2.4
Real vacancy, percent	1.1	1.1	2.0	1.6	0.9
Fair value of properties opening balance, SEK million	32,176	24,892	21,172	15,549	11,980
Change in fair value, SEK million	2,362	5,120	3,732	393	729
Investments, SEK million	481	976	752	647	568
Purchases, SEK million	365	851	1,757	3,384	1,818
Sales, SEK million	-294	-914	-1,558	-	-
Exchange difference, SEK million	385	1,251	-963	1,199	454
Fair value of properties closing balance, SEK million	35,475	32,176	24,892	21,172	15,549

Key figures

	2017 Jun 30	2016 Dec 31	2015 Dec 31	2014 Dec 31	2013 Dec 31
Properties, Canada⁴					
Average residential rent, CAD/sqft/month	1.94	1.89	1.79	1.83	1.94
Growth in average residential rent ² , percent	2.8	6.7	3.6	6.6	7.7
Growth in rental income ³ , percent	11.5	7.0	4.1	7.0	20.6
Growth in net operating income ³ , percent	42.2	29.0	25.1	-17.8	56.4
Fair value, SEK per sqm	27,266	26,242	21,424	21,808	20,710
Capitalization rate, percent	4.32	4.36	4.37	4.55	4.47
Number of apartments	4,610	4,513	3,999	2,823	1,683
Vacancy, percent	4.8	7.1	11.1	6.7	4.0
Real vacancy, percent	1.9	3.4	3.6	2.7	1.7
Fair value of properties opening balance, SEK million	7,055	4,859	3,432	1,758	1,074
Change in fair value, SEK million	378	310	606	145	53
Investments, SEK million	101	351	195	139	83
Purchases, SEK million	255	850	1,283	1,092	626
Sales, SEK million	-	-	-111	-4	-
Exchange difference, SEK million	-247	685	-546	302	-78
Fair value of properties closing balance, SEK million	7,542	7,055	4,859	3,432	1,758
Properties, United States					
Average residential rent, USD/sqft/month	2.56	2.51	2.26	-	-
Growth in average residential rent ² , percent	2.1	4.2	-	-	-
Growth in rental income ³ , percent	11.5	-	-	-	-
Growth in net operating income ³ , percent	87.6	-	-	-	-
Fair value, SEK per sqm	54,016	56,725	48,769	-	-
Capitalization rate, percent	4.42	4.42	4.47	-	-
Number of apartments	2,390	2,309	1,534	-	-
Vacancy, percent	11.6	10.6	9.8	-	-
Real vacancy, percent	1.0	1.7	2.8	-	-
Fair value of properties opening balance, SEK million	9,362	5,451	-	-	-
Change in fair value, SEK million	70	390	24	-	-
Investments, SEK million	166	283	21	-	-
Purchases, SEK million	264	2,530	5,443	-	-
Sales, SEK million	-	-	-	-	-
Exchange difference, SEK million	-669	708	-37	-	-
Fair value of properties closing balance, SEK million	9,193	9,362	5,451	-	-

Key figures

	2017 Jun 30	2016 Dec 31	2015 Dec 31	2014 Dec 31	2013 Dec 31
Properties, England⁵					
Average residential rent, GBP/sqft/month	2.60	2.55	2.07	1.74	1.55
Growth in average residential rent ² , percent	2.0	5.9	11.5	11.3	0.1
Growth in rental income ³ , percent	11.0	7.5	15.1	5.9	29.0
Growth in net operating income ³ , percent	1.5	15.4	23.0	9.3	31.7
Fair value, SEK per sqm	80,078	79,157	67,660	53,606	36,430
Capitalization rate, percent	4.16	4.11	4.22	4.36	4.64
Number of apartments	1,362	1,224	1,404	1,153	870
Vacancy, percent	11.2	12.4	8.0	7.8	6.0
Real vacancy, percent	4.3	3.7	2.8	2.1	4.1
Fair value of properties opening balance, SEK million	4,524	4,840	3,395	1,791	1,580
Change in fair value, SEK million	18	141	730	233	86
Investments, SEK million	80	345	372	218	89
Purchases, SEK million	587	195	1,689	834	-
Sales, SEK million	-	-523	-1,367	-11	-
Exchange difference, SEK million	-74	-474	21	330	36
Fair value of properties closing balance, SEK million	5,135	4,524	4,840	3,395	1,791
Properties, France					
Average residential rent, EUR/sqm/month	21.91	20.99	22.50	21.31	-
Growth in average residential rent ² , percent	6.9	1.7	15.7	-	-
Growth in rental income ³ , percent	-10.1	11.9	-	-	-
Growth in net operating income ³ , percent	35.4	241.1	-	-	-
Fair value, SEK per sqm	62,495	61,332	62,640	60,732	-
Capitalization rate, percent	4.19	4.20	4.21	4.11	-
Number of apartments	1,041	941	467	90	-
Vacancy, percent	45.2	46.2	35.3	34.4	-
Real vacancy, percent	2.0	3.7	1.3	-	-
Fair value of properties opening balance, SEK million	1,848	995	166	-	-
Change in fair value, SEK million	20	10	-13	-14	-
Investments, SEK million	48	59	20	1	-
Purchases, SEK million	233	721	850	172	-
Sales, SEK million	-	-	-	-	-
Exchange difference, SEK million	22	63	-28	7	-
Fair value of properties closing balance, SEK million	2,171	1,848	995	166	-

Key figures

	2017 Jun 30	2016 Dec 31	2015 Dec 31	2014 Dec 31	2013 Dec 31
Properties, Denmark					
Average residential rent, DKK/sqm/year	911	916	-	-	-
Growth in average residential rent ² , percent	4.6	-	-	-	-
Growth in rental income ³ , percent	-	-	-	-	-
Growth in net operating income ³ , percent	-	-	-	-	-
Fair value, SEK per sqm	26,744	27,135	-	-	-
Capitalization rate, percent	3.25	3.42	-	-	-
Number of apartments	720	216	-	-	-
Vacancy, percent	2.8	1.9	-	-	-
Real vacancy, percent	0.3	-	-	-	-
Fair value of properties opening balance, SEK million	417	-	-	-	-
Change in fair value, SEK million	57	-	-	-	-
Investments, SEK million	36	-	-	-	-
Purchases, SEK million	863	412	-	-	-
Sales, SEK million	-	-	-	-	-
Exchange difference, SEK million	28	5	-	-	-
Fair value of properties closing balance, SEK million	1,401	417	-	-	-

1) For comparable properties. The property portfolio in England was bought from fellow subsidiaries in March 2014. The tables show the development as if the properties had been owned since January 1, 2014.

2) Growth from the start of the period to the end of the period for a comparable portfolio.

3) Growth for the period compared to the same period in the previous year for a comparable portfolio.

4) The property portfolio in Toronto, Canada, was bought from a fellow subsidiary at the end of 2013. The tables above show the development as if the properties had been owned since the beginning of 2013.

5) The property portfolio in England was bought from fellow subsidiaries in March 2014. The tables above show the development as if the properties had been owned since 2013.

Definitions

Adjusted net operating income margin	Net operating income in relation to rental income excluding income from operating expenses included in the rent invoiced to the tenants, such as utility and property taxes. It highlights the ongoing earning capacity from property management related to rental services only.
Annual property return	Gain from the revaluation of investment properties and net operating income on an annual basis in relation to the fair value of the properties at the beginning of the year. It illustrates the total return on the property portfolio.
Capitalization rate	Rate of return used in assessing the terminal value of property in the fair value assessment. Defined as the expected return when net operating income and property prices remains constant.
Capital tied up, year	Volume-weighted remaining term of interest-bearing liabilities and derivatives on the balance sheet date. It illustrates the company's refinancing risk.
Change yearly in-place residential rent	Development of the rental value over the last 12 months, broken down to disposals, acquisitions and comparable portfolio. The rental value contains a market rent for vacant apartments.
Comparable properties	Properties owned during the periods being compared. This means that properties acquired or sold during any of the periods being compared are excluded.
Discount rate	Rate of return used in assessing the present value of future cash flow and terminal value in the fair value assessment of properties. Defined as the expected return of the property.
EBITDA	Net operating income plus central administrative expenses, other income and expenses with add-back of depreciation and impairment charges and operating exchange rate differences. It highlights current cash flow capacity from property management.
Equity to assets ratio	Equity in relation to total assets. It highlights the company's financial stability.
Income return	Net operating income on an annual basis in relation to the fair value of the properties at the beginning of the year. It measures the yield on the property portfolio.

Definitions

Interest rate hedge total loans, year	Volume-weighted remaining term of interest rates on interest-bearing liabilities and derivatives on the balance sheet date. It illustrates the company's financial risk.
Interest coverage ratio	Net operating income plus central administrative expenses, other income and expenses, other financial income and expenses, realized value growth with add back of depreciation and impairment charges and operating exchange rate differences, in relation to net interest. It illustrates the company's sensitivity to interest rate changes.
Interest coverage ratio, excluding realized value growth	Net operating income plus central administrative expenses, other income and expenses, other financial income and expenses with add back of depreciation and impairment charges, in relation to net interest. It illustrates the company's sensitivity to interest rate changes.
Loan-to-value ratio, total loans	Net debt divided by total assets minus cash, pledged cash and liquid assets. It illustrates the company's financial risk.
Loan-to-value ratio, secured loans	Net debt reduced by unsecured interest-bearing debt divided by total assets minus cash, pledged cash and liquid assets. It illustrates the company's financial risk.
Net asset value to assets ratio	Equity, deferred tax and derivatives in relation to total assets minus cash, pledged cash and liquid assets. It provides an alternative measure of the company's financial stability.
Net financial items	The net of interest income, interest expenses, other financial income and expenses and changes in the fair value of derivatives. It measures the net of financial operations.
Net letting	The sum of agreed contracted annual rents for new lets for the period less terminated annual rents.
Net debt	Interest-bearing debts minus cash, pledged cash and liquid assets. It illustrates the company's financial risk.

Definitions

Net operating income	Rental income less property costs. It highlights the ongoing earning capacity from property management.
Net operating income margin	Net operating income in relation to rental income. It highlights the ongoing earning capacity from property management.
Other income and expenses	Items from secondary activities such as gains on disposals of fixed assets other than investment properties, income and expenses from temporary services rendered after the sale of properties.
Property costs	This item includes direct property costs such as operating expenses, utility expenses, maintenance costs, leasehold fees and property taxes.
Property portfolio	Investment property and investment property classified as assets held for sale.
Realized value growth	Proceeds from the sale of investment properties minus acquisition costs, accumulated investments and costs of sale. It illustrates realized value growth of properties sold.
Real vacancy rate	The total number of vacant apartments less the number of apartments vacant due to renovation work or planned sales, in relation to the total number of apartments. Real vacancy is measured on the first day after the month-end.
Re-newed and re-negotiated rental contracts	All changes in rental levels for remaining tenants.
Rental income	Rental value less vacancies, rent discounts.
Return on equity	Comprehensive income divided by opening equity. Shows the return offered on the owners' invested capital.
Vacancy rate	The number of vacant apartments in relation to the total number of apartments. Vacancy is measured on the first day after the month-end.
Walkscore	Rating of how easy it is to complete daily errands without a car. Locations are rated on a scale from 0 to 100, where 100 is the best. Walkscore is provided by Walkscore.com

Alternative performance measures

Reconciliation for the purposes of the Guidelines published by the European Securities and Markets Authority (ESMA) is set out below in SEK million:

	2017 Jun 30	2016 Jun 30	2016 Dec 31
Net asset value to asset ratio and loan-to-value ratio			
Equity	44,565	34,233	40,937
Deferred taxes	7,559	4,791	6,670
Derivatives	1,072	1,960	1,439
Net asset value	53,196	40,984	49,046
Total assets	95,141	81,078	88,438
Cash and liquid assets	-74	-155	-137
Pledged cash assets	-45	-129	-16
Total assets minus cash, pledged cash and liquid assets	95,022	80,794	88,285
Net asset value to assets ratio, percent	56	51	56
Total interest-bearing liabilities	40,107	37,937	38,095
Cash and liquid assets	-74	-155	-137
Pledged cash assets	-45	-129	-16
Net debt	39,988	37,653	37,942
Total assets minus cash, pledged cash and liquid assets	95,022	80,794	88,285
Loan-to-value ratio, percent	42	47	43
Net debt	39,988	37,653	37,942
Less unsecured debt	-20,924	-10,596	-16,613
Secured debt	19,064	27,057	21,329
Total assets minus cash, pledged cash and liquid assets	95,022	80,794	88,285
Loan-to-value ratio, secured loan, percent	20	33	24
	2017 Jan-Jun	2016 Jan-Jun	Percent Growth
Rental income and net operating income			
Rental income	2,035	2,055	-1.0
Exchange differences	-	29	
Purchases and sales	-230	-369	
Rental income for comparable properties	1,805	1,715	5.3
Net operating income	1,170	1,144	2.3
Exchange differences	-	13	
Purchases and sales	-112	-193	
Net operating income for comparable properties	1,058	964	9.9
Realized value growth			
Proceeds from the sale of properties	3,120	3,626	
Costs of sale	-37	-57*	
Acquisition costs	-1,630	-2,033	
Accumulated investments	-533	-727	
Realized value growth	920	809	

*) excluding SEK 14 million related to assets held for sale.

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Akelius in brief

Apartments for metropolitans

85 percent of the properties are in cities with more than one million inhabitants, such as Berlin, Hamburg, Munich, Cologne, Paris, London, Toronto, Montreal, New York, Boston, Washington, Stockholm and Copenhagen.

Better living

Our mission is to provide current and future tenants with better living by continuously upgrading our buildings and our service.

Acquire via cherry picking

We prefer to make smaller acquisitions of properties that are just right, by cherry-picking, rather than to make a smaller number of larger acquisitions of properties that are not quite right.

Strong capital structure, low refinancing risk

We have agreements with thirty-four banks, listed preference shares and listed senior unsecured bonds. Akelius is Sweden's largest listed property company. We have seventeen thousand shareholders.

First-class personnel

More than two hundred employees have graduated from the Residential Real Estate Management program at Akelius University.

Financial calendar

Interim report Jan-Sep 2017	Oct 23 2017
Year-end report 2017	Feb 5 2018
Interim report Jan-Mar 2018	Apr 23 2018