

Interim report, January to March 2016

- Rental income grew by 6.8 percent to SEK 1,115 million
- Operating surplus grew by 4.9 percent to SEK 547 million
- Change in property value SEK 1,565 million, 2.2 percent
- Purchases of properties SEK 3,142 million, 69 percent in North America
- Sales of properties SEK 2,957 million, 64 percent in northern Sweden
- Agreement to sell properties in western Sweden for SEK 5 billion

Growth compared to prior year for comparable property portfolio

- 3.7 percent rental income
- 4.9 percent operating surplus

Summary	2016 Jan-Mar	2015 Jan-Mar	2015 Jan-Dec
Rental income, SEK million	1,115	1,044	4,339
Operating surplus, SEK million	547	522	2,175
EBITDA, SEK million	528	503	2,073
Profit before tax, SEK million	1,444	1,188	9,206
Property fair value, SEK million	75,075	61,035	72,764
Number of apartments	50,022	49,318	51,231
Real vacancy residential, percent	1.0	1.1	1.3
Rent level increase for comparable properties, percent	0.7	1.0	3.8
Loan-to-value, percent	48	53	48
Interest coverage ratio including realized value growth	3.7	1.8	3.0
Earnings per share before and after dilution, SEK	0.39	0.28	2.33

Property prices increase, Akelius develops

The European central bank acquires corporate bonds, apartments buildings in metropolitan areas increase in value.

Disposal SEK 8.5 billion

We received SEK 3 billion, nine percent above fair value, for 47 properties in northern Sweden, three in Stockholm, four outside of London and seven in northern Germany. For the remaining SEK 5.5 billion – with a hand-over date after the end of the first quarter - we received seventeen percent over fair value.

Residential properties in metropolises

Eighty percent of our apartments are located in cities with more than one million inhabitants. Safety first.

More solid

The equity to assets ratio increased to 42 percent and the loan-to-value ratio is 48 percent. The average interest rate decreased to 3.42 percent.

Lower vacancy

1,858 new tenants paid, in average, twelve percent more than the 1,643 tenants who left. For the comparable portfolio, the rental income increased by four percent and the operating surplus by five percent.

Invests in back office

We will invest one hundred million SEK, in development of processes and applications.

Changes in management

Jordan Milewicz, who has built up our business in Canada and the United States, will become the new head of the Property and Business Departments. Ralf Spann, currently regional manager in Berlin will take over the United States. Matthias Naterski, manager in Paris will be responsible for 12,000 apartments in Berlin. Bertrand Lahitte takes over Paris.

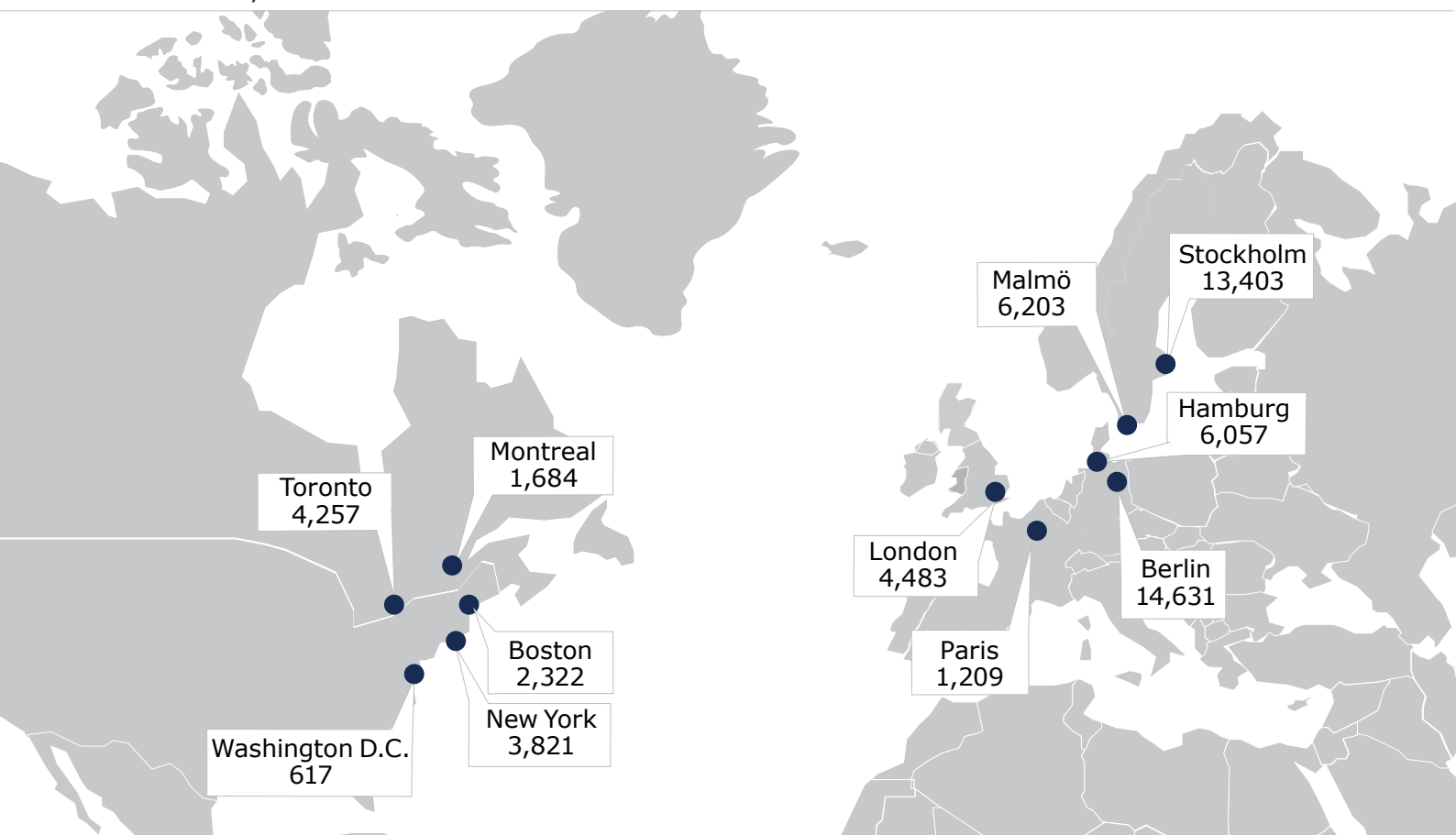
Pål Ahlsén
CEO, Managing Director



379 Washington Avenue, Brooklyn, New York

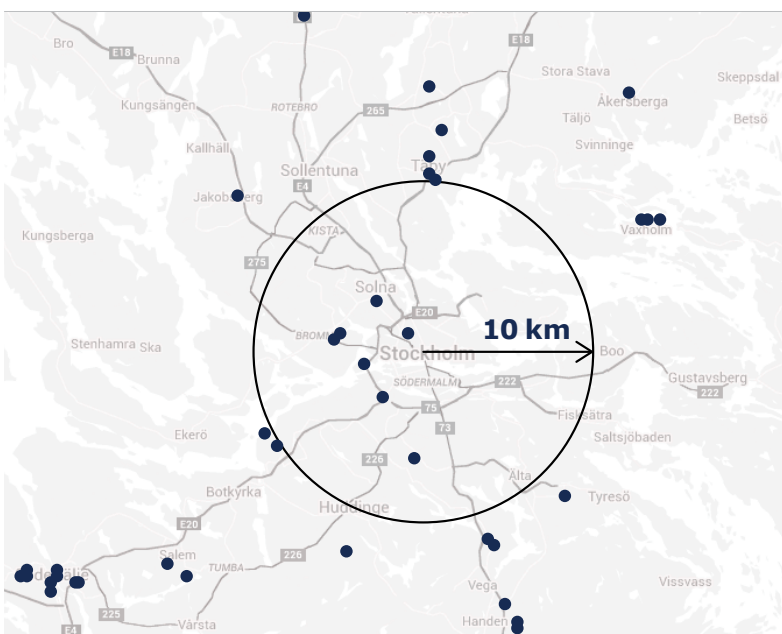
Property portfolio 2016-03-31

Fair value, SEK million

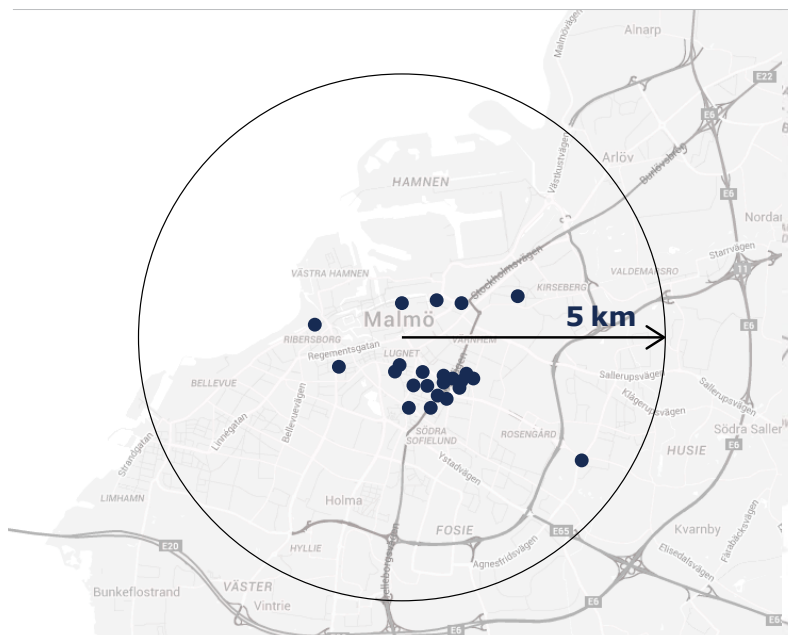


City	Residential units	Lettable space, thousand sqm			Fair value	
		Residential	Commercial	Total	SEK million	SEK/sqm
Berlin	12,275	773	64	837	14,631	17,485
Stockholm	8,750	649	40	689	13,403	19,464
Malmö	3,975	260	83	343	6,203	18,081
Hamburg	4,244	237	12	249	6,057	24,292
London	1,281	61	5	66	4,483	67,541
Toronto	3,115	164	-	164	4,257	25,947
New York	1,013	77	1	77	3,821	49,390
Boston	586	38	-	38	2,322	60,708
Montreal	1,300	101	1	102	1,684	16,546
Paris	558	18	2	20	1,209	62,074
Washington D.C.	347	28	-	28	617	22,080
Other	12,578	797	115	912	16,388	17,978
Total	50,022	3,202	323	3,525	75,075	21,300

Stockholm

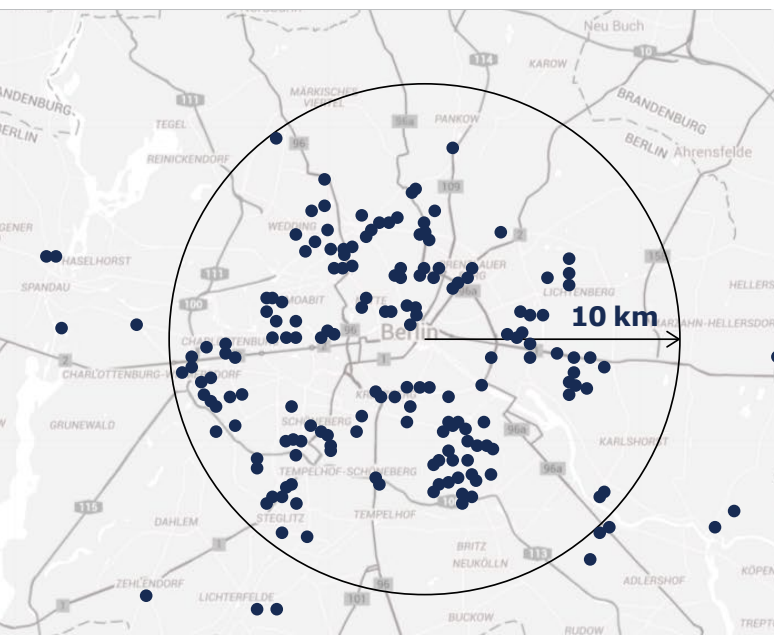


Malmö

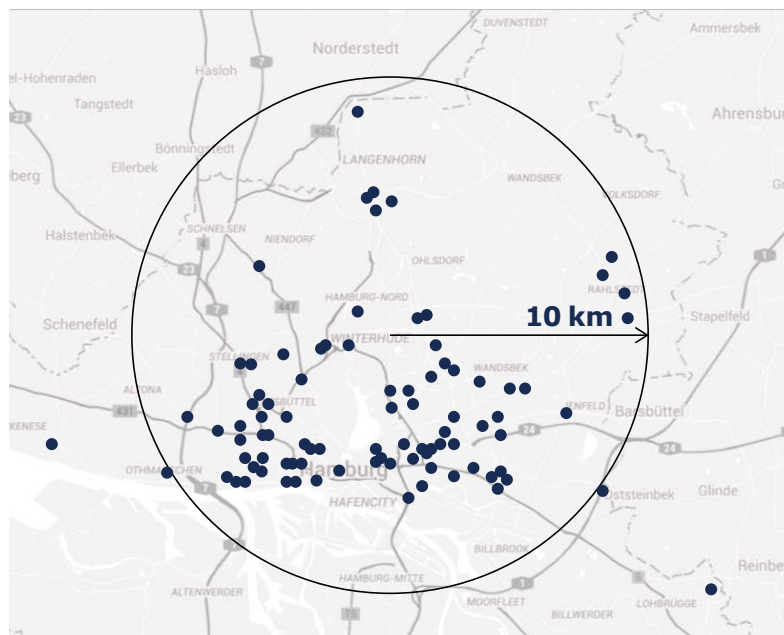


	Stockholm	Malmö
Percent of market value	18	8
Property portfolio		
Required yield, percent	3.96	4.22
Vacancy rate, residential, percent	1.3	1.0
- due to upgrades, percent	93	100
- real vacancy rate, percent	0.1	0.0
Average rent	SEK/sqm/year	SEK/sqm/year
Total portfolio 2015-04-01	1,175	1,228
Sales	2	-
Comparable portfolio 2015-04-01	1,177	1,228
Increase in comparable portfolio	30	22
- Increase in percent	2.6	1.8
Comparable portfolio 2016-04-01	1,207	1,250
Purchases	-2	-
Total portfolio 2016-04-01	1,205	1,250

Berlin

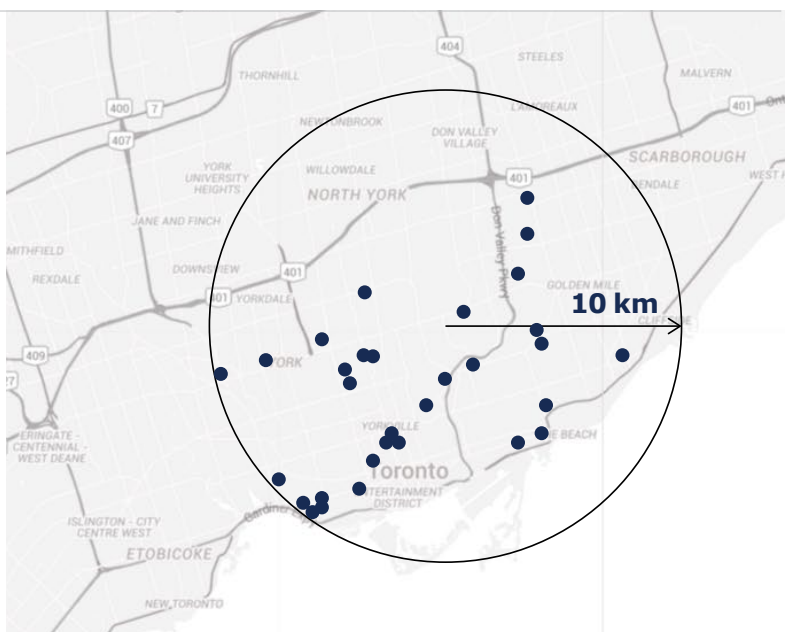


Hamburg

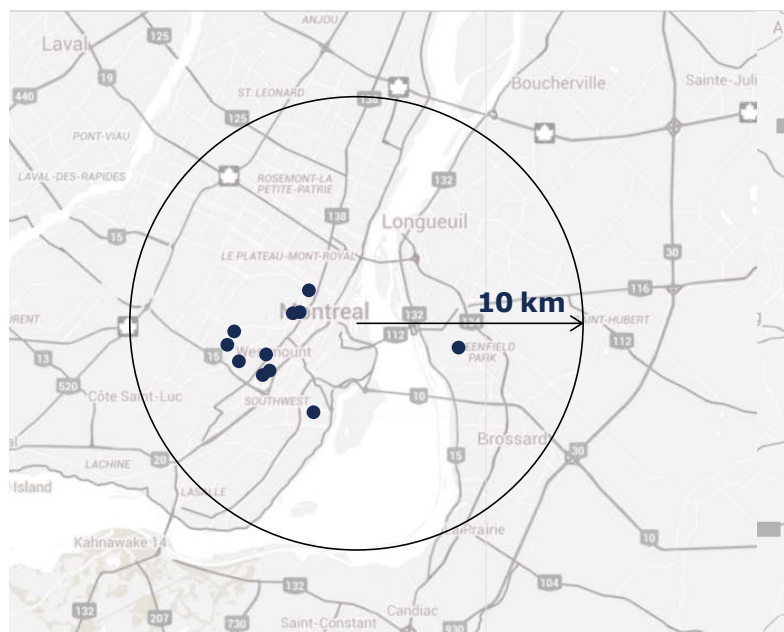


	Berlin	Hamburg
Percent of market value	19	8
Property portfolio		
Required yield, percent	4.30	4.39
Vacancy rate, residential, percent	3.2	7.5
- due to upgrades, percent	71	65
- real vacancy rate, percent	0.9	2.7
Average rent	EUR/sqm/month	EUR/sqm/month
Total portfolio 2015-04-01	6.87	9.68
Sales	0	0.04
Comparable portfolio 2015-04-01	6.87	9.72
Increase in comparable portfolio	0.50	0.30
- Increase in percent	7.3	3.1
Comparable portfolio 2016-04-01	7.37	10.02
Purchases	-0.03	-0.04
Total portfolio 2016-04-01	7.34	9.98

Toronto

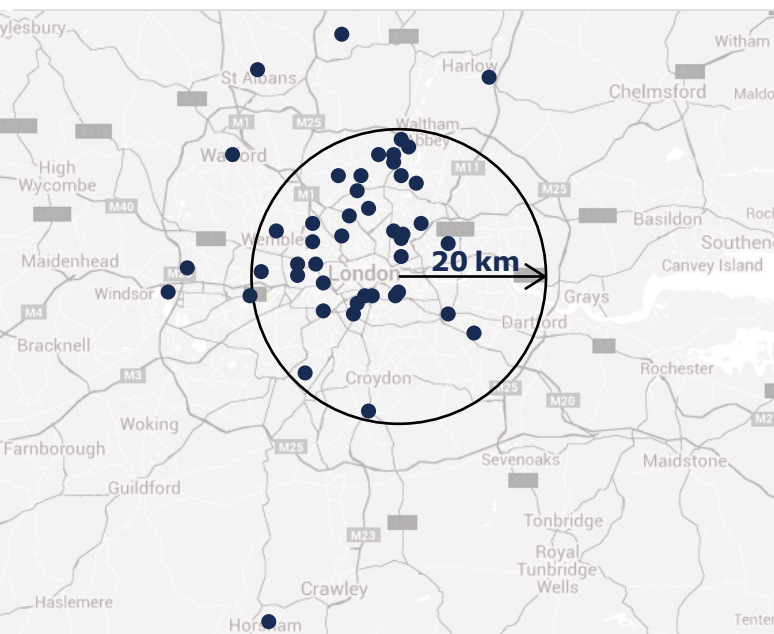


Montreal

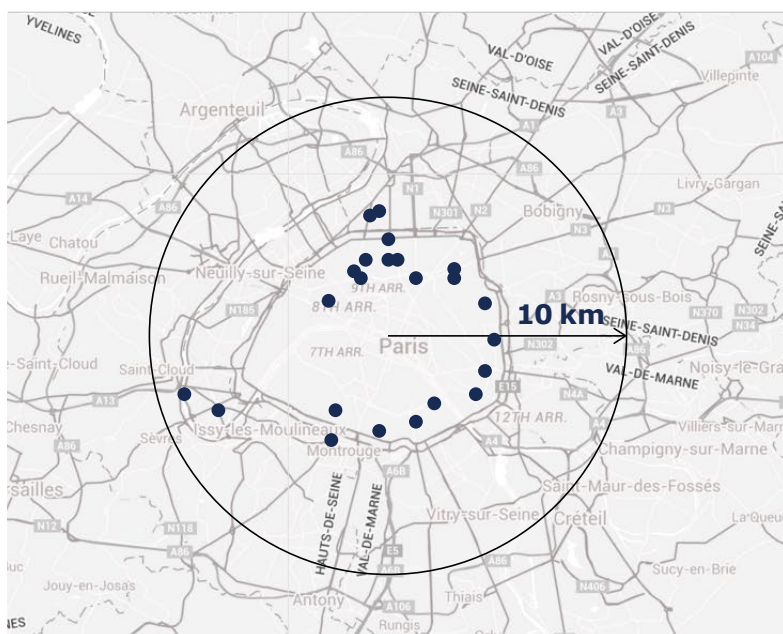


	Toronto	Montreal
Percent of market value	6	2
Property portfolio		
Required yield, percent	4.31	4.59
Vacancy rate, residential, percent	7.0	19.7
- due to upgrades, percent	61	58
- real vacancy rate, percent	2.7	8.2
Average rent	CAD/sqft/month	CAD/sqft/month
Total portfolio 2015-04-01	1.92	1.36
Sales	0.01	-
Comparable portfolio 2015-04-01	1.93	1.36
Increase in comparable portfolio	0.10	0.01
- Increase in percent	5.2	0.4
Comparable portfolio 2016-04-01	2.03	1.37
Purchases	-0.07	0.11
Total portfolio 2016-04-01	1.96	1.48

London

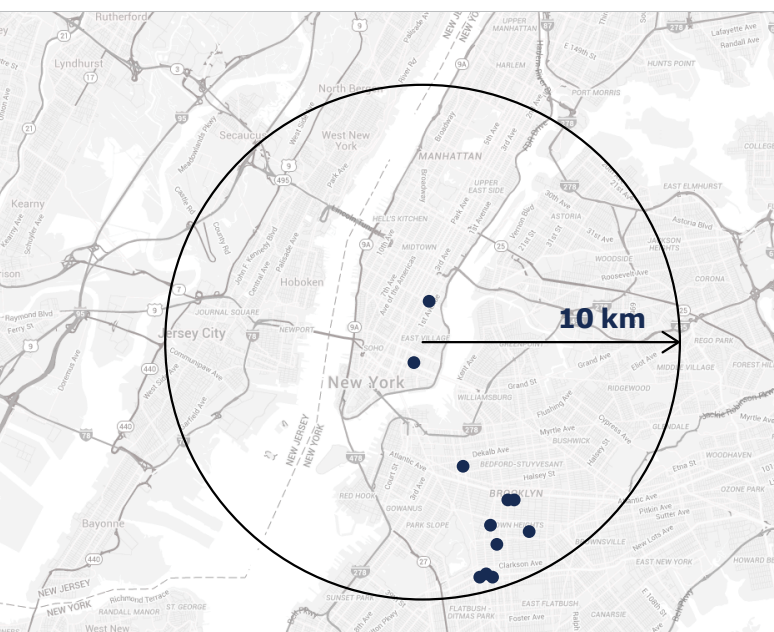


Paris

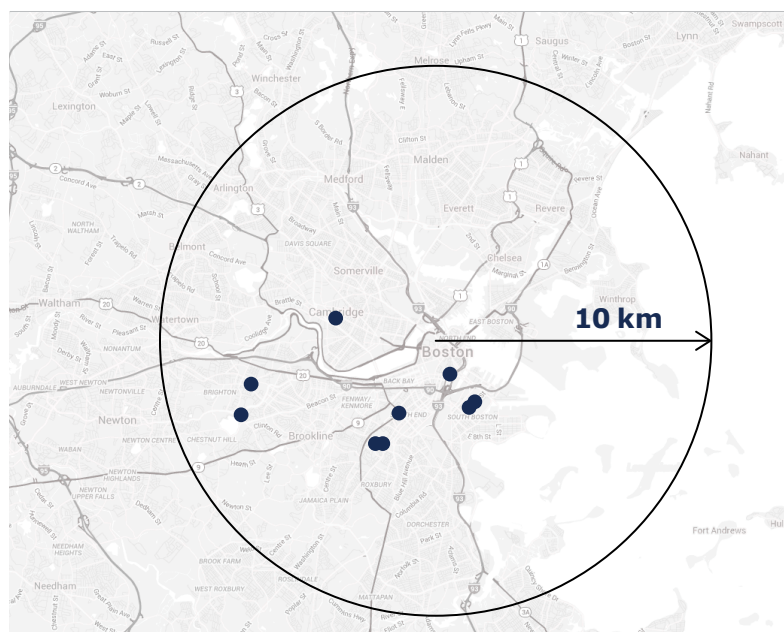


	London	Paris
Percent of market value	6	2
Property portfolio		
Required yield, percent	4.18	4.18
Vacancy rate, residential, percent	8.1	42.1
- due to upgrades, percent	81	99
- real vacancy rate, percent	1.6	0.4
Average rent	GBP/sqft/month	EUR/sqm/month
Total portfolio 2015-04-01	1.79	27.64
Sales	-0.04	-
Comparable portfolio 2015-04-01	1.75	27.64
Increase in comparable portfolio	0.20	-0.59
- Increase in percent	11.2	-2.1
Comparable portfolio 2016-04-01	1.95	27.05
Purchases	0.19	-5.44
Total portfolio 2016-04-01	2.14	21.61

New York



Boston



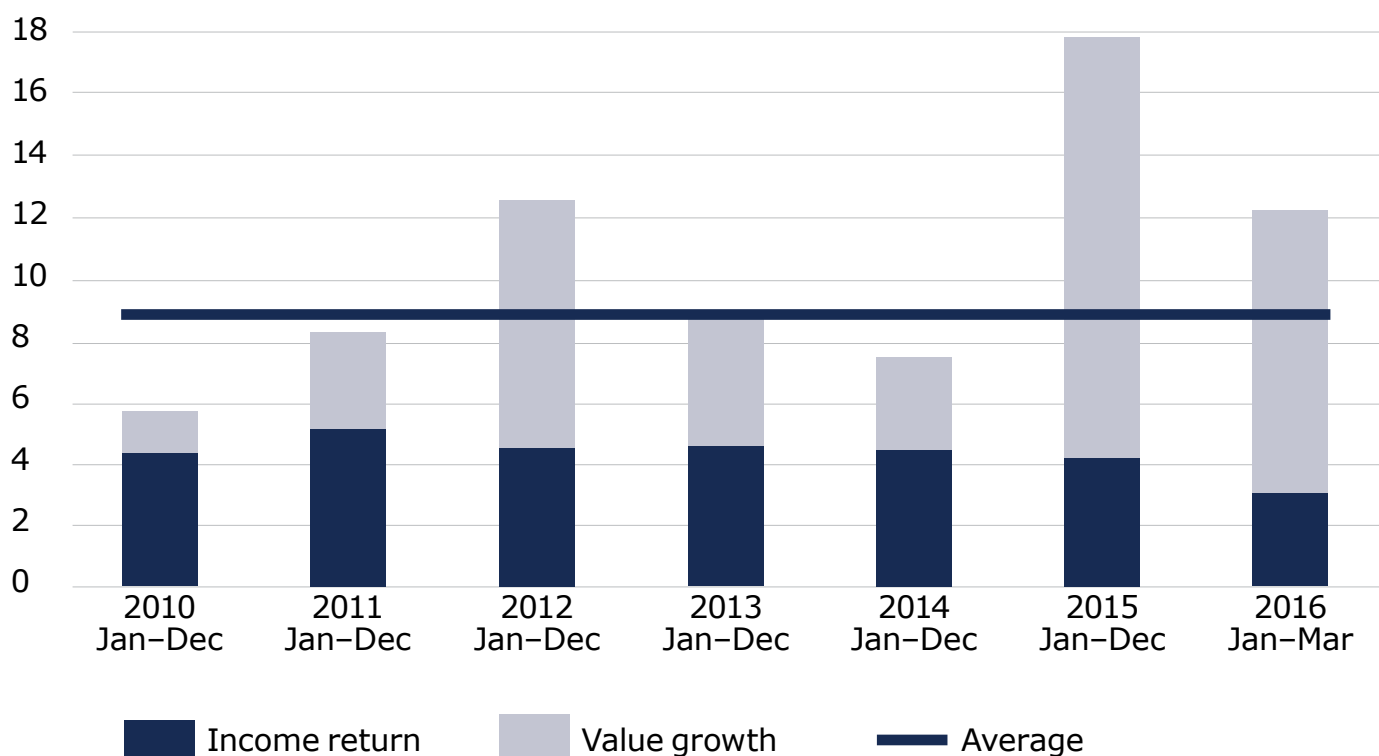
	New York	Boston
Percent of market value	5	3
Property portfolio		
Required yield, percent	4.34	4.42
Vacancy rate, residential, percent	9.0	10.1
- due to upgrades, percent	98	44
- real vacancy rate, percent	0.2	5.6
Average rent	USD/sqft/month	USD/sqft/month
Total portfolio 2015-04-01	2.77	-
Sales	-	-
Comparable portfolio 2015-04-01	2.77	-
Increase in comparable portfolio	-0.26	-
-Increase in percent	-9.3	-
Comparable portfolio 2016-04-01	2.51	-
Purchases	-0.52	3.16
Total portfolio 2016-04-01	1.99	3.16

Total property return January-March 2016

	SEK million	Growth Jan-Mar percent
Fair value, 2016-01-01	72,764	
Revaluations	1,565	2.2
Investments	527	0.7
Purchases	3,142	4.3
Sales	-2,957	-
Translation difference	34	-
Fair value, 2016-03-31	75,075	3.2
Operating surplus	547	0.8
	SEK million	p.a.
Total property return	2,112	12.1

Annual property return

Percent



Result January-March 2016

Operating surplus SEK 547 million

Rental income amounted to SEK 1,115 million, an increase of SEK 71 million compared to the first quarter 2015, of which 58 percent is attributable to the purchase of new properties and 42 percent to increased rents on comparable properties.

The real vacancy rate decreased by 0.3 percentage points since 2016-01-01 to 1.0 percent. Vacancy rate for residential was 4.1 percent, of which 75 percent was due to upgrades or planned sales of apartments.

Property expenses amounted to SEK 568 million, compared to SEK 522 million in the first quarter of 2015. SEK 81 million was attributable to maintenance, corresponding to an average annual expense of SEK 91 per square meter. Operating surplus margin was 49.1 percent, compared to 50.0 percent.

Increase in property value 2.2 percent

The increase in property value was SEK 1,565 million, 2.2 percent, compared to SEK 1,128 million, 2.0 percent, in the first quarter of 2015. The growth in value during 2016 is mostly due to a lower required yield.

Net financial items SEK -591 million

Interest expenses were SEK 334 million, compared to SEK 297 million in the first quarter of 2015. Financial derivatives affected earnings by SEK -250 million, compared to SEK -134 million, mainly due to a decrease in interest rates. Other financial items amounted to SEK -7 million, compared to SEK -10 million. The average interest rate was 3.42 percent, 0.02 percentage points lower than at the end of 2015.

Profit before tax SEK 1,444 million

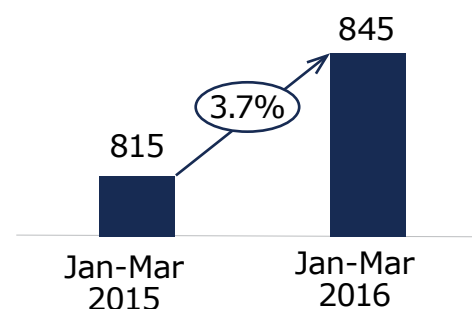
Profit before tax was SEK 1,444 million, compared to SEK 1,188 million in the first quarter of 2015, positively impacted by an increase in the fair value of properties.

Tax expenses SEK 191 million

Tax expenses amounted to SEK 191 million, compared to SEK 303 million in the first quarter of 2015. SEK 171 million refers to deferred tax, mainly due to unrealized gains on properties. The Group has no ongoing tax disputes.

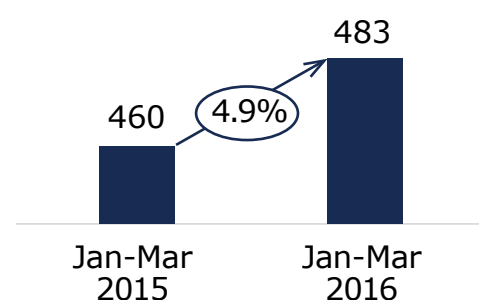
Rental income, comparable properties

SEK million



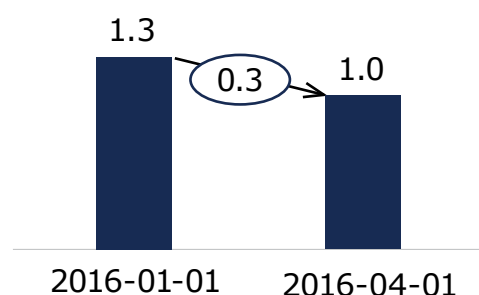
Operating surplus, comparable properties

SEK million



Real vacancy rate

Percentage



Property portfolio changes

Property purchases SEK 3,142 million

Property purchases amounted to SEK 3,142 million compared to SEK 2,256 million in the first quarter of 2015. The average required yield was 4.43 percent.

Property investments SEK 527 million

Investments in properties totaled SEK 527 million, compared to SEK 353 million in the first quarter of 2015. Investments were equivalent to SEK 593 per square meter on an annual basis. Of total investments, 43 percent refers to apartment upgrades.

Property sales SEK 2,957 million

We have sold in Sweden for SEK 2,236 million, in Germany for SEK 495 million and in England for SEK 226 million. In total, we sold properties for SEK 2,957 million, compared to SEK 113 million in the first quarter of 2015. Sales prices were 9 percent higher than the fair value at the beginning of the year and generated net income of SEK 29 million, including SEK 54 million in transaction costs.

Well-kept residential properties are attractive investments for many types of investors, thus helping residential properties provide good liquidity.

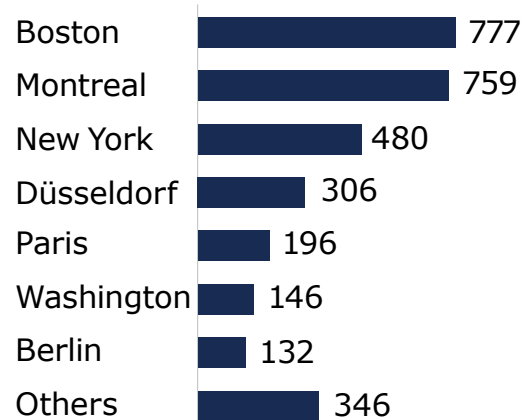
Fair value SEK 75 billion

The fair value was SEK 75,075 million, which is equivalent to an average of SEK 21,300 per square meter. The average required yield for the entire portfolio was 4.27 percent, which is 0.06 percentage points lower than at the beginning of the year.

Required yield	Percent
Opening, 2016-01-01	4.33
Purchases	0.01
Sales	-0.01
Comparable	-0.06
Exchange rate differences	0.00
Closing, 2016-03-31	4.27

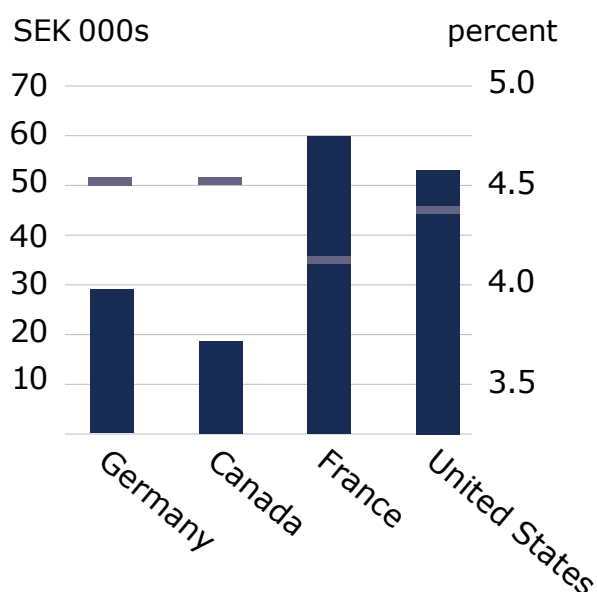
Purchases

SEK million



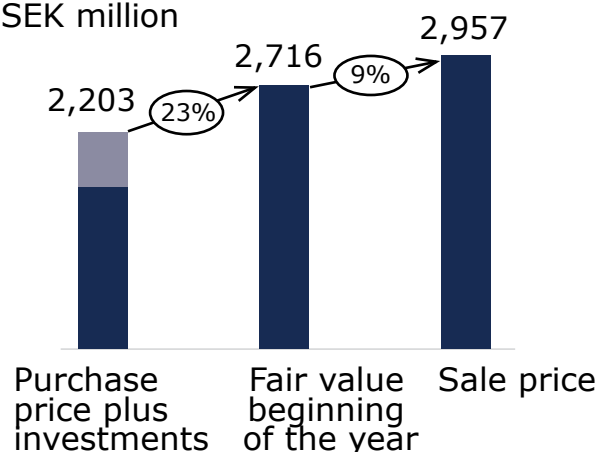
Purchases per sqm

■ SEK 000s/sqm ■ Required yield



Sales

SEK million



Financing

Equity to assets ratio 42 percent

Equity increased by SEK 1,240 million to SEK 31,907 million during the quarter and the equity to assets ratio increased from 41 to 42 percent.

Loan-to-value 48 percent

Interest-bearing debt increased during the period by SEK 863 million to SEK 36,818 million. The loan-to-value ratio of 48 percent is unchanged since 2015-12-31.

Secured loans were SEK 27,031 million, compared to SEK 27,126 million at the end of 2015. The secured loan-to-value decreased from 36 to 35 percent. The ambition is a loan-to-value for secured loans of 25 percent at the end of 2018. The secured loans have been borrowed from 38 banks in six countries.

Unsecured loans encompass three listed bonds, commercial papers and loans from related companies. Unsecured loans increased during the period by SEK 958 million to SEK 9,787 million, fully in line with the ambition to increase our presence in the capital market. Pledged assets amounted to SEK 34,715 million and consist mostly of real estate mortgages.

Capital tied up 5.5 years

Interest-bearing debt was tied up for an average of 5.5 years, compared to 5.7 years at the end of 2015. The loans that mature within one year amount to SEK 4,468 million. The refinancing risk is mitigated by strong liquidity, highly diversified funding and a low loan-to-value.

Interest rate hedge 4.3 years

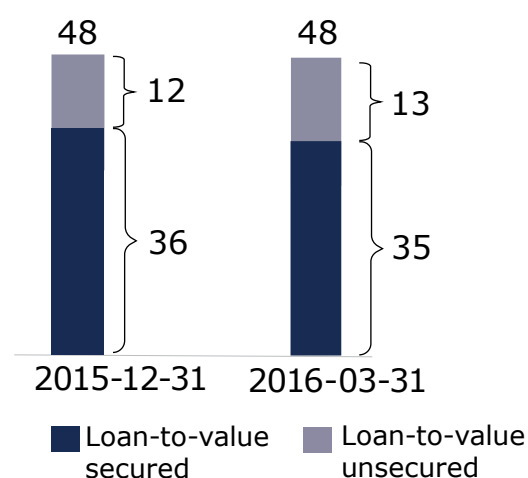
SEK 12,070 million had a fixed interest rate term of more than five years and SEK 10,006 million had a fixed interest rate term of less than one year. The average interest rate of 3.42 percent is 0.02 percentage points lower than at the end of 2015. The average interest rate hedge was 4.3 years, unchanged since the end of 2015.

Liquidity SEK 7,796 million

Available funds in the form of cash and unutilized credit facilities totaled SEK 7,796 million. The unleveraged share of the properties' fair value corresponded to SEK 48,044 million.

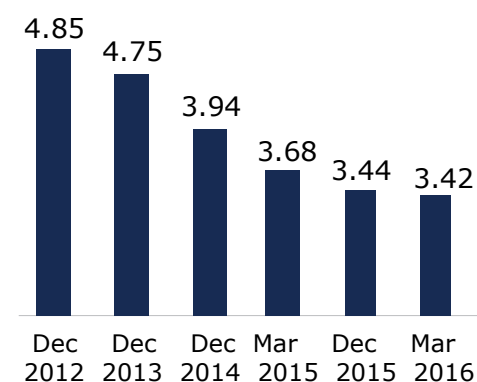
Loan to value

percent



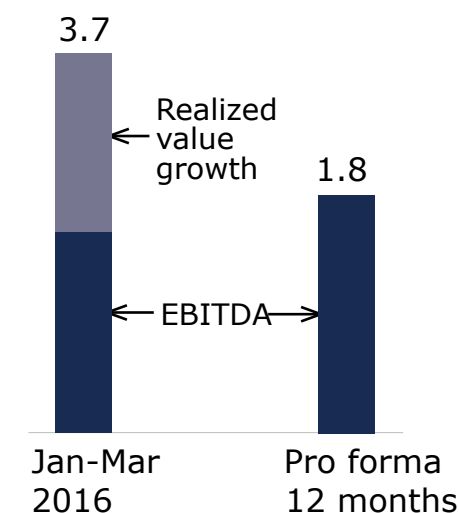
Average interest rate

percent



Interest coverage ratio

times



See page 21 for more information

Other financial 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. 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 2015.

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 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.

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 2015, 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 credit risk. The present value obtained is reported in the balance sheet at fair value. Changes in fair value are recognized in the income statement without the application of hedge accounting.

Valuation of properties

The fair value of all properties was 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.

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 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 IFRS 13.

Risks and uncertainties

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

In order to further reduce the risk, or variations in cash flow, interest rates are secured on a long-term basis. Access to capital from a large number of banks, through the capital market and from private individuals, mitigates the refinancing risk. Overseas investments are hedged to reduce the impact of currency movements on the Group's equity to assets ratio. No material changes in the company's assessment of risks have occurred since the publication of the 2015 annual report.

Other financial information

New accounting principles

The following standards, amendments to standards and interpretations have been issued but are not yet effective for annual periods beginning on 1 January 2016. Those which may be relevant to the Group are set out below. The Group does not plan to early adopt these standards.

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. IFRS 9 introduces additional changes relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and to add new requirements to address the impairment of financial assets and hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after 2018-01-01, 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 replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs. IFRS 15 is effective for annual reporting periods beginning on or after 2018-01-01, 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 1 January 2019. The impact on the financial statements has yet to be evaluated.

Cash flow

Operating cash flow increased by SEK 144 million to SEK 84 million compared to the first quarter 2015. The period's net investment in properties has led to a net cash flow from investing activities of SEK 167 million, compared to SEK -1,954 million in first quarter of 2015. Cash flow from purchases of properties is secured before signing purchase agreements. Profitable but non-mandatory upgrades to First Class can, if needed, be stopped within a three-month period. Cash flow from financing activities was SEK -266 million, compared to SEK 1,937 million in the first quarter of 2015.

Parent Company

The Parent Company's profit before tax decreased by SEK 120 million to SEK -248 million, mainly impacted by the change in the fair value of derivatives of SEK -151, million compared to SEK -48 million in the first quarter of 2015. The company started a EUR 200 million commercial paper program.

Other financial information

Preference shares

The total number of preference shares amounted to 18,835,606, equivalent to SEK 6,020 million reported in equity. Preference shares represent 0.65 percent of the total number of shares in Akelius Residential Property AB. On 31 March 2016, the price paid per preference share was SEK 293.5. During the quarter Akelius paid dividends of SEK 94 million to the owners of preference shares.

At the Annual General Meeting on 2016-04-15, it was decided that the maximum dividend on outstanding preference shares will amount to SEK 20 per share, totaling SEK 377 million. A dividend of SEK 5 per preference share will be paid on the following dates: 2016-05-04, 2016-08-05, 2016-11-04 and 2017-02-03.

Akelius rating

In March 2016, Standard and Poors' confirmed the investment grade rating BBB- with stable outlook. Listed bonds have a BB+ rating.

Assets and liabilities held for sale

Akelius has signed an agreement for the sale of real estate in the Gothenburg area, Borås, Trollhättan, Skövde, Lysekil and Karlstad for SEK 5 billion, a total of 4,300 apartments. As of 2016-03-31, the disposal group consisted of assets of SEK 4,954 million. These consisted of SEK 4,947 million in investment properties and SEK 7 million in other assets. Liabilities amounted to SEK 461 million, consisting of a deferred tax liability of SEK 420 million and other liabilities of SEK 41 million.

Personnel

At the end of the period there were 660 people employed in the Group, compared to 588 at the end of 2015.

Related party transactions

The net debt from related parties have decreased by SEK 381 million. In addition to these transactions, transactions occurred with companies in the Akelius Foundation Group. The scope and focus of these operations have not changed significantly during the quarter. All transactions were executed on market terms.

Annual General Meeting, 2016-04-15

For resolutions, see the press release and related documents on Akelius website.

Events after balance sheet date

We have purchased six new properties in New York for USD 57 million.

Pål Ahlsén,
CEO, Managing Director

Stockholm, Sweden, 2016-04-25,
Akelius Residential Property AB (publ)

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

Consolidated statement of comprehensive income

SEK million	2016 Jan-Mar 3 month	2015 Jan-Mar 3 month	2015 Jan-Dec 12 month
Rental income	1,115	1,044	4,339
Operating expenses	-487	-432	-1,756
Maintenance	-81	-90	-408
Operating surplus	547	522	2,175
Central administration	-24	-20	-112
Other income and expenses	1	3	9
Net gain from the revaluation of investment properties*	1,511	1,124	7,905
Operating profit	2,035	1,629	9,977
Interest income	1	-	4
Interest expenses	-334	-297	-1,277
Other financial income and expenses	-8	-10	-31
Change in fair value of derivative financial instruments	-250	-134	533
Profit before tax	1,444	1,188	9,206
Tax	-191	-303	-2,035
Profit for the period / year	1,253	885	7,171
Items that may be reclassified to profit or loss:			
Translation difference	3	-140	-610
Comprehensive income for the period / year	1,256	745	6,561
Profit attributable to:			
- owners of the Parent company	1,218	883	7,055
- no-controlling interests	35	2	116
Total comprehensive income attributable to:			
- owners of the Parent company	1,205	717	6,443
- no-controlling interests	51	28	118
Earnings per share before and after dilution, SEK	0.39	0.28	2.33

*) SEK 54 million refer to transaction costs for Jan-Mar 2016, SEK 4 million Jan-Mar 2015 and SEK 121 million for Jan-Dec 2015.

Consolidated statement of financial position

SEK million	2016 31 Mar	2015 31 Mar	2015 31 Dec
Assets			
Intangible assets	32	16	27
Investment properties	70,128	61,035	69,963
Tangible fixed assets	36	22	32
Derivative financial instruments	-	-	25
Deferred tax	5	19	8
Financial fixed assets	38	124	109
Total non-current assets	70,239	61,216	70,164
Trade and other receivables	921	477	808
Derivative financial instruments	108	-	12
Cash and cash equivalents	217	201	238
Assets held for sale*	4,954	-	2,802
Total current assets	6,200	678	3,860
Total assets	76,439	61,894	74,024
Equity and liabilities			
Total equity	31,907	23,324	30,667
Interest-bearing liabilities	32,350	29,585	32,108
Derivative financial instruments	2,227	2,621	1,983
Deferred tax	4,011	2,672	4,175
Other liabilities	55	30	49
Total non-current liabilities	38,643	34,908	38,315
Interest-bearing liabilities	4,468	2,920	3,847
Derivative financial instruments	18	25	2
Trade and other payables	942	717	1,035
Liabilities held for sale	461	-	158
Total current liabilities	5,889	3,662	5,042
Total equity and liabilities	76,439	61,894	74,024
Borrowings			
- unsecured	9,787	4,011	8,829
- secured	27,031	28,494	27,126
Total	36,818	32,505	35,955

*) SEK 4,947 million was attributable to investment properties on 2016-03-31 and SEK 2,801 million on 2015-12-31.

Consolidated statement of cash flows

SEK million	2016 Jan-Mar 3 months	2015 Jan-Mar 3 months	2015 Jan-Dec 12 months
Operating surplus	547	522	2,175
Central administration	-24	-20	-112
Other income and expenses	1	3	-
Reversal of depreciation and impairment losses	3	2	10
Interest paid	-312	-285	-1,213
Income tax paid	-5	-3	-5
Cash flow before changes in working capital	210	219	855
Change in current assets	-111	-60	76
Change in current liabilities	-15	-219	43
Cash flow from operating activities	84	-60	974
Investments in intangible fixed assets	-6	-2	-17
Investment in properties	-527	-353	-2,216
Acquisition of investment properties	-3,142	-2,256	-12,093
Acquisition of net assets	597	375	792
Proceeds from sales of investment properties	2,957	113	5,755
Proceeds from sale of net assets	-87	-	-10
Purchase and sale of other fixed assets	375	169	-393
Cash flow from investing activities	167	-1,954	-8,182
New share issue	-	-	1,974
Shareholder contribution	8	-	22
Loans raised	4,053	4,347	19,026
Repayment of loans	-4,144	-2,322	-13,385
Purchase and sale of derivative instruments	-64	-	-26
Dividend	-119	-88	-445
Cash flow from investing activities	-266	1,937	7,166
Cash flow for the period / year	-15	-77	-42
Cash and cash equivalents at beginning of year	238	278	278
Translation difference in cash and cash equivalents	-6	-	2
Cash and cash equivalents at end of year	217	201	238

Consolidated statement of changes in equity

Attributable to owners of the Parent company							
SEK million	Share capital	Share premium	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 2015-01-01	1,737	8,485	782	10,183	21,187	1,396	22,583
Acquired minority	-	-	-	-	-	21	21
Dividend	-	-	-	-	-	-25	-25
Profit for the year	-	-	-	883	883	2	885
Other comprehensive income	-	-	-167	-	-167	27	-140
Balance at 2015-03-31	1,737	8,485	615	11,066	21,903	1,421	23,324
Acquired minority	-	-	-	-	-	1	1
Redistribution	-	-	-	-52	-52	52	-
Dividend	-	-	-	-377	-377	-73	-450
Share issue	4	1,971	-	-	1,975	-1	1,974
Group contribution	-	-	-	3	3	-	3
Tax on group contribution	-	-	-	-1	-1	-	-1
Profit for the year	-	-	-	6,172	6,172	114	6,286
Other comprehensive income	-	-	-445	-	-445	-25	-470
Balance at 2015-12-31	1,741	10,456	170	16,811	29,178	1,489	30,667
Acquired minority	-	-	-	-	-	8	8
Dividend	-	-	-	-	-	-24	-24
Profit for the year	-	-	-	1,218	1,218	35	1,253
Other comprehensive income	-	-	-13	-	-13	16	3
Balance at 2016-03-31	1,741	10,456	157	18,029	30,383	1,524	31,907

Additional information on the financial key figures

Realized value growth

Akelius manages and develops residential properties with the ability to generate a stable and growing operating surplus. A higher operating surplus leads to value growth for our properties. Part of the business model is to realize value growth, which is here 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.

Pro forma

Operating surplus and value growth are reinvested in current and new properties. This leads to a growing operating surplus. It is therefore more appropriate to analyze the business based on the situation on the balance sheet date.

The pro forma figures are based on the property portfolio's gross rent, real vacancy, estimated operating expenses and maintenance costs during a normal year, as well as central administration expenses. The interest expenses are based on net debt on the balance sheet date calculated according to the average rate. The average exchange rate for the past year has been used. No tax has been calculated as it relates largely to deferred tax, which does not affect cash flow.

The pro forma figures are not a forecast for the coming twelve months as it contains no estimate of rental, vacancy, currency exchange, future property purchases and sales or interest rate changes.

SEK million	Jan-Mar 2016	Apr 2015- Mar 2016	Pro forma, 12 months revenue and cost at balance sheet date
Rental income	1,115	4,410	4,551
Operating expenses	-487	-1,810	-1,800
Maintenance	-81	-399	-343
Operating surplus	547	2,200	2,408
Central administration excluding depreciation	-20	-104	-83
EBITDA	528	2,097	2,330
Net interest expense	-333	-1,309	-1,266
Other financial income and expenses	-8	-28	-32
Profit before tax and revaluation	187	760	1,032
Realized value growth	713	2,499	-
Interest coverage ratio	3.7	3.5	1.8
Interest coverage ratio excluding realized value growth	1.6	1.6	1.8
Net debt as per 2016-03-31	36,520	36,520	36,520
Net debt/EBITDA	17.3	17.4	15.7
Net debt/EBITDA including realized value growth	7.4	7.9	15.7

Interest-bearing liabilities

Duration Years	Interest rate hedge Amount in SEK million	Interest rate hedge Average interest rate, percent	Share, percent	Capital tied up Amount in SEK million	Share, percent
0-1	10,006	2.04	27	4,468	12
1-2	2,989	2.78	8	8,718	24
2-3	1,243	4.19	3	3,238	9
3-4	3,404	4.68	9	3,407	9
4-5	7,108	3.88	19	6,445	18
5-6	3,803	5.00	10	1,389	4
6-7	1,883	3.56	5	625	2
7-8	724	4.21	2	262	1
8-9	1,167	3.82	3	101	-
9-10	2,089	2.18	6	2,326	6
> 10	2,403	4.40	7	5,838	16
Total	36,818	3.42	100	36,818	100

Segment information

January-March 2016, SEK million	Sweden	Germany	Other	Total
Rental income	515	387	213	1,115
Operating expenses	-223	-149	-115	-487
Maintenance	-43	-21	-17	-81
Operating surplus	249	217	81	547
Revaluation of investment properties	1,199	190	176	1,565
Total property return	1,448	407	257	2,112
Total property return, percent	19.5	6.7	6.6	12.1
Property fair value	30,904	25,778	18,393	75,075

January-March 2015, SEK million	Sweden	Germany	Other	Total
Rental income	558	382	104	1,044
Operating expenses	-234	-149	-49	-432
Maintenance	-58	-21	-11	-90
Operating surplus	266	212	44	522
Revaluation of investment properties	238	761	129	1,128
Total property return	504	973	173	1,650
Total property return, percent	7.0	19.7	10.3	11.9
Property fair value	29,871	22,616	8,548	61,035

Statement of comprehensive income for the Parent company

SEK million	2016 Jan-Mar 3 months	2015 Jan-Mar 3 months	2015 Jan-Dec 12 months
Administration expenses	-18	-23	-38
Other income and cost	-	1	-
Operating profit	-18	-22	-38
Profit from shares in subsidiaries	-	-	943
Finance income	187	151	868
Finance expences	-266	-209	-1,032
Change in fair value of derivatives	-151	-48	291
Profit before appropriations	-248	-128	1,032
Appropriations	-	-	95
Profit before tax	-248	-128	1,127
Tax	33	11	-45
Profit of the period / year	-215	-117	1,082
Comprehensive income	-215	-117	1,082

Statement of financial position for the Parent company

SEK million	2016 31 Mar	2015 31 Mar	2015 31 Dec
Assets			
Intangible assets	1	6	1
Total intangible assets	1	6	1
Shares in subsidiaries	13,165	13,271	13,164
Receivables from group companies	8,706	2,118	9,231
Deferred income tax assets	364	387	331
Total financial assets	22,235	15,776	22,726
Total non-current assets	22,236	15,782	22,727
Receivables from group companies	22,913	11,579	20,182
Derivative financial instruments	-	-	12
Other current receivables	47	6	1
Prepaid expenses and accrued income	253	99	192
Cash and cash equivalents	947	105	74
Total current assets	24,160	11,789	20,461
Total assets	46,396	27,571	43,188
Equity and liabilities			
Total equity	13,899	11,292	14,114
Interest-bearing liabilities	27,866	6,966	9,112
Interest-bearing liabilities, group companies	1,068	7,679	17,379
Derivative financial instruments	603	719	474
Total non-current liabilities	29,537	15,364	26,965
Interest-bearing liabilities	2,845	102	1,855
Interest-bearing liabilities, group companies	-	772	74
Derivative financial instruments	11	-	-
Accounts payable	-	-	2
Other current liabilities	3	2	105
Accrued expenses and prepaid income	101	39	73
Total current liabilities	2,910	915	2,109
Total equity and liabilities	46,396	27,571	43,188

Key figures

	2016 31 Mar	2015 31 Dec	2014 31 Dec	2013 31 Dec	2012 31 Dec
Equity					
Equity, SEK million	31,907	30,667	22,583	15,169	9,970
Equity to assets ratio, percent	42	41	38	33	27
Net asset value to assets ratio, percent	50	50	47	41	37
Return on equity, percent	4	29	9	24	27
Interest-bearing liabilities					
Loan-to-value, secured loans, percent	35	36	47	49	53
Loan-to-value, percent	48	48	52	56	59
Interest coverage ratio including realized value growth	3.7	3.0	1.7	1.5	1.3
Interest coverage ratio excluding realized value growth	1.6	1.6	1.5	1.2	1.2
Capital tied up, year	5.5	5.7	4.5	4.6	5.0
Fixed interest rates					
Average interest rate, percent	3.42	3.44	3.94	4.75	4.85
Fixed interest term, year	4.3	4.3	4.2	5.0	5.4
Properties					
Number of apartments	50,022	51,231	47,896	41,319	35,443
Rentable area, thousand sqm	3,525	3,587	3,472	2,992	2,576
Growth in rental income ¹ , percent	3.7	4.3	3.4	5.8	4.4
Growth in operating surplus ¹ , percent	4.9	4.0	7.1	6.7	4.1
Real vacancy rate residential, percent	1.0	1.3	1.0	0.7	0.7
Vacancy rate residential, percent	4.1	4.3	3.2	2.6	2.0
Fair value of properties, SEK million					
Opening balance	72,764	57,736	44,104	35,437	32,352
Change in fair value	1,565	8,026	1,412	1,569	2,671
Investments	527	2,216	1,881	1,531	1,493
Purchases	3,142	12,093	9,678	6,901	1,663
Sales	-2,957	-5,755	-1,084	-1,801	-2,383
Reclassification	-	-	-	13	-
Exchange differences	34	-1,552	1 745	454	-359
Closing balance	75,075	72,764	57,736	44,104	35,437
Fair value, per sqm	21,300	20,284	16,629	14,736	13,755
Required yield, percent	4.27	4.33	4.72	4.75	4.73
Change in required yield ¹ , percent	-0.06	-0.36	0.01	-0.01	-0.28

Key figures

	2016 31 Mar	2015 31 Dec	2014 31 Dec	2013 31 Dec	2012 31 Dec
Properties Sweden					
Average residential rent, SEK /sqm/year	1,193	1,184	1,156	1,114	1,074
Growth in average residential rent ² , percent	0.5	2.6	3.7	5.8	5.0
Growth in rental income ³ , percent	1.9	3.0	3.5	5.5	3.8
Growth in operating surplus ³ , percent	1.6	1.8	8.0	3.3	5.2
Fair value, SEK million	30,904	31,727	29,571	26,797	23,456
Fair value, SEK per sqm	18,049	17,148	14,899	14,115	13,809
Required yield, percent	4.15	4.30	4.78	4.84	4.79
Number of apartments	21,621	23,520	24,407	23,867	21,707
Properties Germany					
Average residential rent, EUR /sqm/month	8.27	8.13	7.77	7.71	7.52
Growth in average residential rent ² , percent	1.4	5.1	5.4	5.6	5.6
Growth in rental income ³ , percent	5.7	6.0	3.1	6.8	6.8
Growth in operating surplus ³ , percent	5.0	3.9	5.8	13.7	1.0
Fair value, SEK million	25,778	24,892	21,171	15,549	11,981
Fair value, SEK per sqm	19,572	18,986	16,752	15,398	13,649
Required yield, percent	4.34	4.35	4.72	4.64	4.64
Number of apartments	20,201	20,307	19,423	15,769	13,736
Properties Canada⁴					
Average residential rent, CAD /sqft/month	1.79	1.79	1.83	1.94	2.01
Growth in average residential rent ² , percent	1.4	3.6	6.6	7.7	11.2
Growth in rental income ³ , percent	3.5	4.1	7.0	20.6	-
Growth in operating surplus ³ , percent	22.5	25.1	-17.8	56.4	-
Fair value, SEK million	5,942	4,859	3,432	1,758	1,074
Fair value, SEK per sqm	22,348	21,424	21,808	20,710	22,026
Required yield, percent	4.39	4.37	4.55	4.47	4.52
Number of apartments	4,415	3,999	2,823	1,683	1,046

1) For comparable properties. The property portfolio in England was purchased from fellow subsidiaries in March 2014. The table for 2015-12-31 shows the development as if the properties had been owned since 2014-01-01.

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

3) Growth for the period compared to the previous year's period for comparable portfolio.

Key figures

	2016 31 Mar	2015 31 Dec	2014 31 Dec	2013 31 Dec	2012 31 Dec
Properties England⁵					
Average residential rent, GBP /sqft/month	2.14	2.07	1.74	1.55	1.54
Growth in average residential rent ² , percent	1.2	11.5	11.3	0.1	13.7
Growth in rental income ³ , percent	13.7	15.1	5.9	29.0	-
Growth in operating surplus ³ , percent	19.9	23.0	9.3	31.7	-
Fair value, SEK million	4,483	4,840	3,395	1,792	1,580
Fair value, SEK per sqm	67,541	67,660	53,606	36,430	32,730
Required yield, percent	4.18	4.22	4.36	4.64	4.53
Number of apartments	1,281	1,404	1,153	870	870
Properties France					
Average residential rent, EUR /sqm/month	21.61	22.50	21.31	-	-
Growth in average residential rent ² , percent	0.1	15.7	-	-	-
Growth in rental income ³ , percent	111.4	-	-	-	-
Growth in operating surplus ³ , percent	-149.4	-	-	-	-
Fair value, SEK million	1,209	995	166	-	-
Fair value, SEK per sqm	62,074	62,640	60,732	-	-
Required yield, percent	4.18	4.21	4.11	-	-
Number of apartments	558	467	90	-	-
Properties United States					
Average residential rent, USD /sqft/month	2.23	2.26	-	-	-
Growth in average residential rent ² , percent	-4.3	-	-	-	-
Growth in rental income ³ , percent	-	-	-	-	-
Growth in operating surplus ³ , percent	-	-	-	-	-
Fair value, SEK million	6,759	5,451	-	-	-
Fair value, SEK per sqm	47,090	48,769	-	-	-
Required yield, percent	4.45	4.47	-	-	-
Number of apartments	1,946	1,534	-	-	-

4) The property portfolio in Toronto, Canada, was purchased from a fellow subsidiary at the end of 2013. The tables above show the development as if the properties had been owned since 2012.

5) The property portfolio in England was purchased from fellow subsidiaries in March 2014. The tables above show the development as if the properties had been owned since 2012.

Definitions

EBITDA	Operating surplus plus central administration expenses, other income and expenses with add back of depreciation and impairment charges.
Equity to assets ratio	Equity in relation to total assets.
Interest coverage ratio	Operating surplus plus central administration expenses, other income and expenses with add back of depreciation and impairment charges, realized value growth and other financial income and expenses in relation to net interest.
Loan-to-value	Net assets divided by net debt.
Net assets	Total assets minus cash, pledged cash and liquid assets.
Net asset value	Equity, deferred tax and derivatives.
Net asset value to assets ratio	Net asset value in relation to net assets.
Net debt	Interest bearing debts minus cash, pledged cash and liquid assets.
Operating surplus margin	Operating surplus in relation to rental income.
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 cost of sale.
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.
Return on equity	Comprehensive income divided by opening equity.
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.

Akelius in brief

Head office

Svärdvägen 3A
Box 104, S-182 12 Danderyd
+46 (0)8 566 130 00
akelius.com

Sweden

Rosenlundsgatan 50
Box 38149
100 64 Stockholm
+46 (0)10-722 31 00
akelius.se

Germany

Leipziger Platz 14
D-10117 Berlin
+49 (0) 30 7554 110
akelius.de

Canada

289 Niagara Street
Toronto M6J 0C3
+1 (416) 214-2626
akelius.ca

England

Coin House
2 Gees Court
London W1U 1JA
+44 (0) 2 078 719 695
akelius.co.uk

France

67 Boulevard Haussmann
75008 Paris
+33 1 40 06 85 00
akelius.fr

United States

3 Post office Square
Fourth floor
Boston, MA 02109
+1 917 972 0404
akelius.us

Apartments for metropolitans

80 percent of the portfolio is located in Berlin, Hamburg, Paris, London, Toronto, Montreal, New York, Boston, Stockholm and Malmö.

Better living

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

Acquire via cherry picking

Akelius prefers to make smaller acquisitions of exactly the right properties - to cherry pick - rather than a smaller number of larger acquisitions of not quite the right properties.

Strong capital structure, low refinancing risk

Akelius has agreements with thirty-eight 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 one hundred and forty employees have graduated in Residential Real Estate Management from Akelius University.

Financial calendar

Interim report Jan-June 2016	2016-08-08
Interim report Jan-Sep 2016	2016-10-24