

Akelius Residential Property AB (publ)

Interim report January to March 2015

- Rental income SEK 1,044 million (828), increased by 4.5 per cent (5.1) for comparable properties
- Operating surplus SEK 522 million (424), increased by 4.2 per cent (5.1) for comparable properties
- Change in property value SEK 1,128 million (404), or 2.0 per cent (0.9)
- Change in value of derivative instruments SEK -134 million (-281)
- Net profit before tax SEK 1,188 million (225)
- Earnings per share SEK 0.28 (0.09)
- Investments in property holdings SEK 353 million (277)
- Purchases of properties SEK 2,256 million (2,620)
- Sales of properties SEK 113 million (95), 20 per cent (3) higher than fair value at the beginning of the year

Summary

	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
Rental income, SEK millions	1,044	828	3,602
Operating surplus, SEK millions	522	424	1,882
Operating profit, SEK millions	1,629	818	3,226
Profit before tax, SEK millions	1,188	225	852
Earnings per share before and after dilution, SEK	0.28	0.09	0.15
Rent level increase for comparable properties, per cent	1.0	1.2	4.3
Real vacancy rate residential, per cent	1.1	1.2	1.0
Loan-to-value, per cent	53	58	52
Property fair value, SEK millions	61,035	47,263	57,736
Number of apartments	49,318	42,811	47,896

First acquisition in New York

We have now acquired our first property in New York – 41 apartments. The property is situated in Crown Heights, Brooklyn, an area for which we have great expectations. We expect more acquisitions in New York. We have seen the biggest growth in Berlin – 1,100 apartments. In total, we have made acquisitions worth SEK 2,256 million during the first quarter.

Sales amounted to SEK 113 million – one property converted into tenant-owned apartments and one commercial property – twenty percent over fair value.

We continue to provide our existing and future tenants with better housing. During the period, we invested SEK 353 million into our property portfolio.

During the quarter, the value of our property portfolio broke the 60 billion kronor barrier. The concentration to major cities is high; 70 per cent of the portfolio is located in Berlin, Hamburg, Stockholm, Malmö, London and Toronto.

As our fixed interest rates expire, we lower our interest cost. During the quarter, our average interest rate has decreased by 0.26 percentage points, and during the last twelve months by 0.90 percentage points. Coupled with a lower degree of leverage, our interest cost during the quarter was ten million kronor lower than a year ago, despite our property portfolio having expanded by SEK 14 billion.

After the expiry of the quarter, we again issued preferential shares of a value of two billion kronor. Demand was substantial, just as for previous issues. Forty percent was acquired by international investors.

To show our gratitude for first class achievements and major commitment, all our employees have been awarded a twenty percent salary increase. As Roger Akelius put it: "It's not enough to give praise, you have put your money where your mouth is".

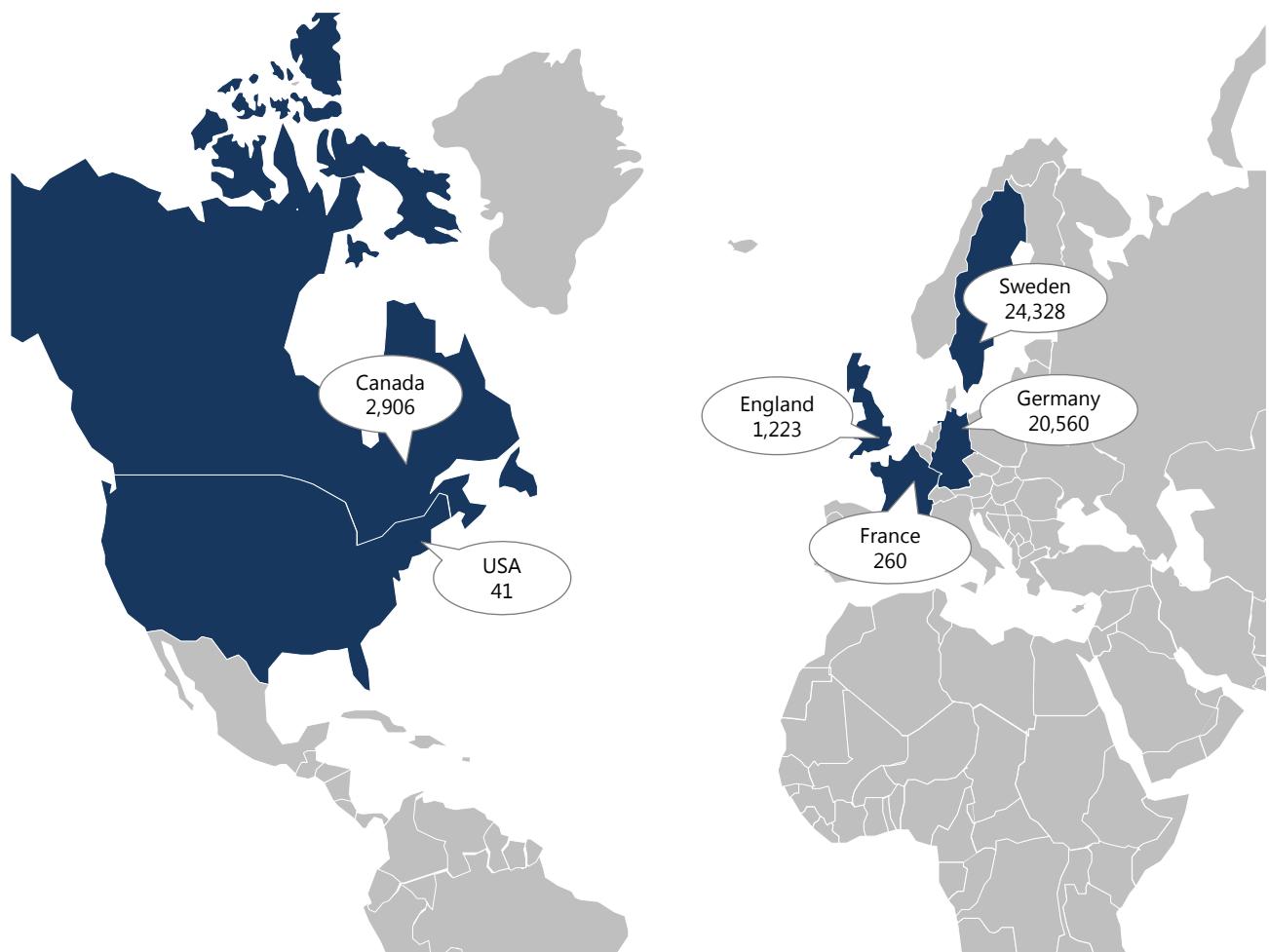
Pål Ahlsén
CEO, Managing Director



President Street, Crown Heights, Brooklyn, New York, with 41 apartments.

Property portfolio 31 March 2015

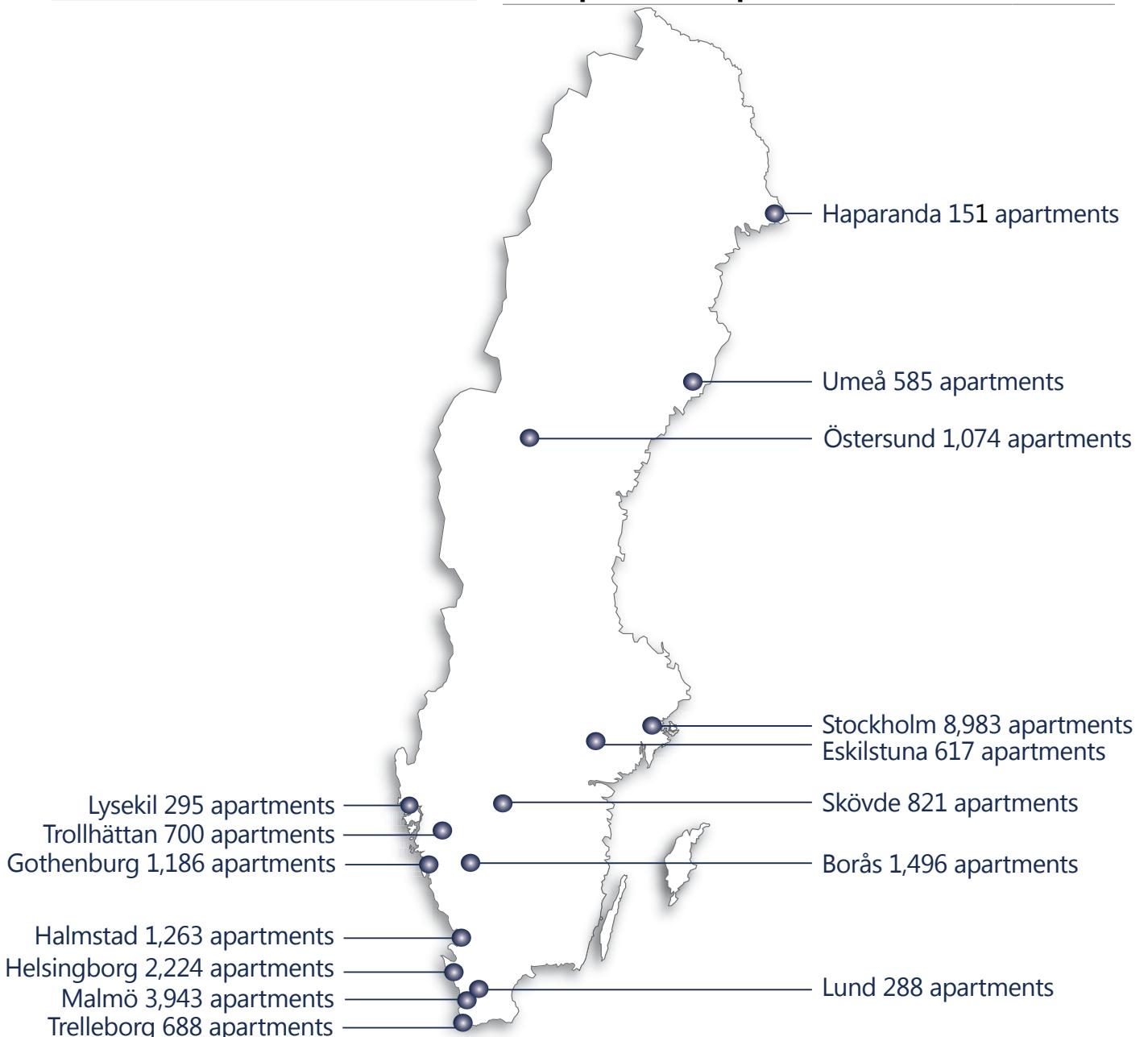
	Lettable space, thousand sqm			Fair value		
	Residential units	Residential	Commercial	Total	SEK millions	SEK/sqm
Sweden	24,328	1,682	300	1,982	29,871	15,074
Germany	20,560	1,260	76	1,336	22,616	16,923
Canada	2,906	162	1	163	3,654	22,409
England	1,223	68	6	73	4,248	57,826
France	260	7	1	8	531	67,538
USA	41	2	-	2	113	46,570
Total	49,318	3,182	383	3,565	61,035	17,121



Sweden

Total property portfolio	
Residential units	24,328
Fair value, SEK millions	29,871
- SEK per sqm	15,074
- required yield, per cent	4.78
Vacancy rate, residential, per cent	1.4
- due to upgrades, per cent	74
- real vacancy rate, per cent	0.4

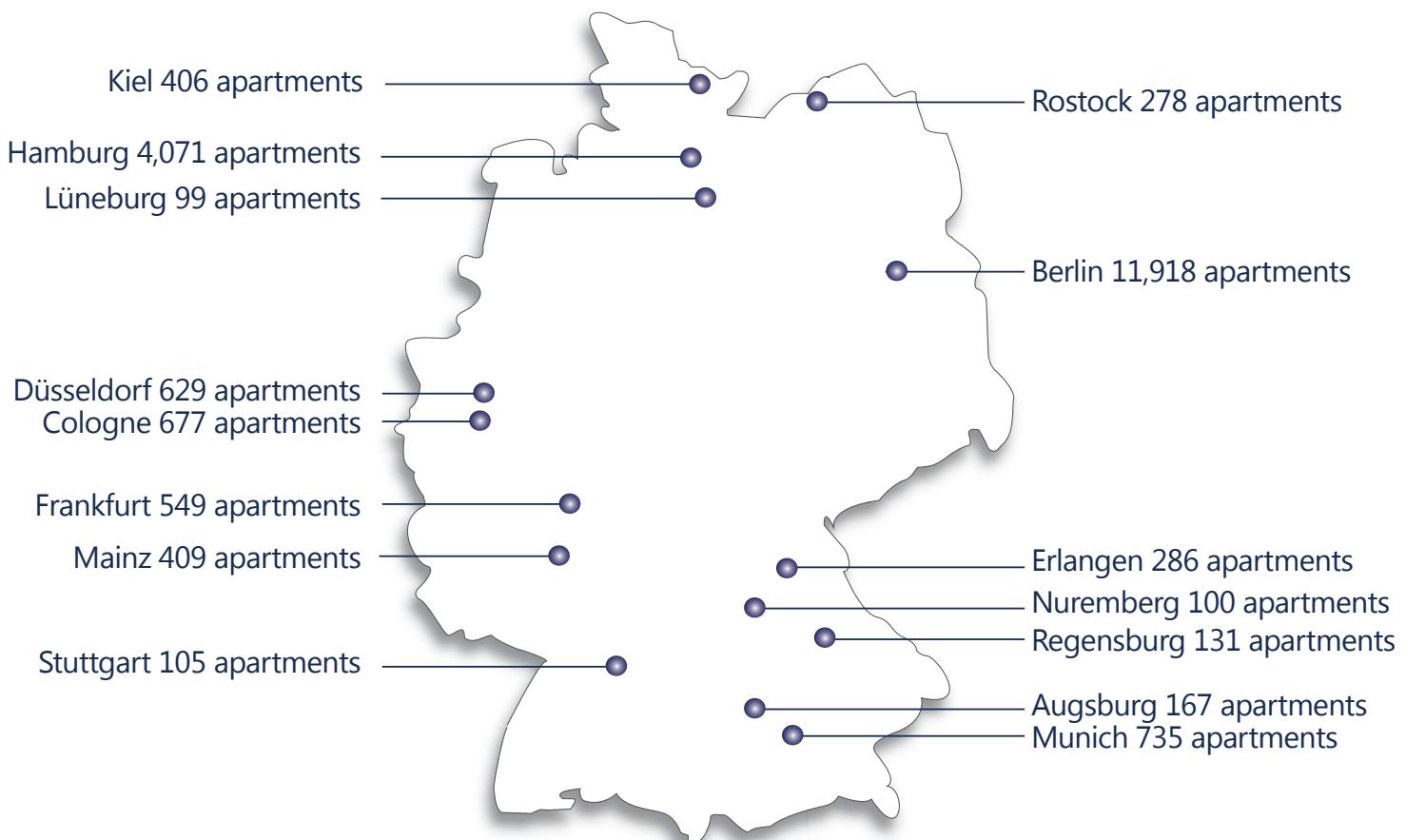
Average rent, SEK/sqm/year	
Total portfolio 1 April 2014	1,128
Sales	5
Comparable portfolio 1 April 2014	1,132
Increase in comparable portfolio	36 ←3.2%
Comparable portfolio 1 April 2015	1,168
Purchases	-3
Total portfolio 1 April 2015	1,165



Germany

Total property portfolio	
Residential units	20,560
Fair value, SEK millions	22,616
- SEK per sqm	16,923
- required yield, per cent	4.56
Vacancy rate, residential, per cent	4.6
- due to upgrades, per cent	65
- real vacancy rate, per cent	1.6

Average rent, EUR/sqm/month	
Total portfolio 1 April 2014	7.76
Sales	-
Comparable portfolio 1 April 2014	7.76
Increase in comparable portfolio	0.41 ← 5.3%
Comparable portfolio 1 April 2015	8.17
Purchases	-0.32
Total portfolio 1 April 2015	7.85

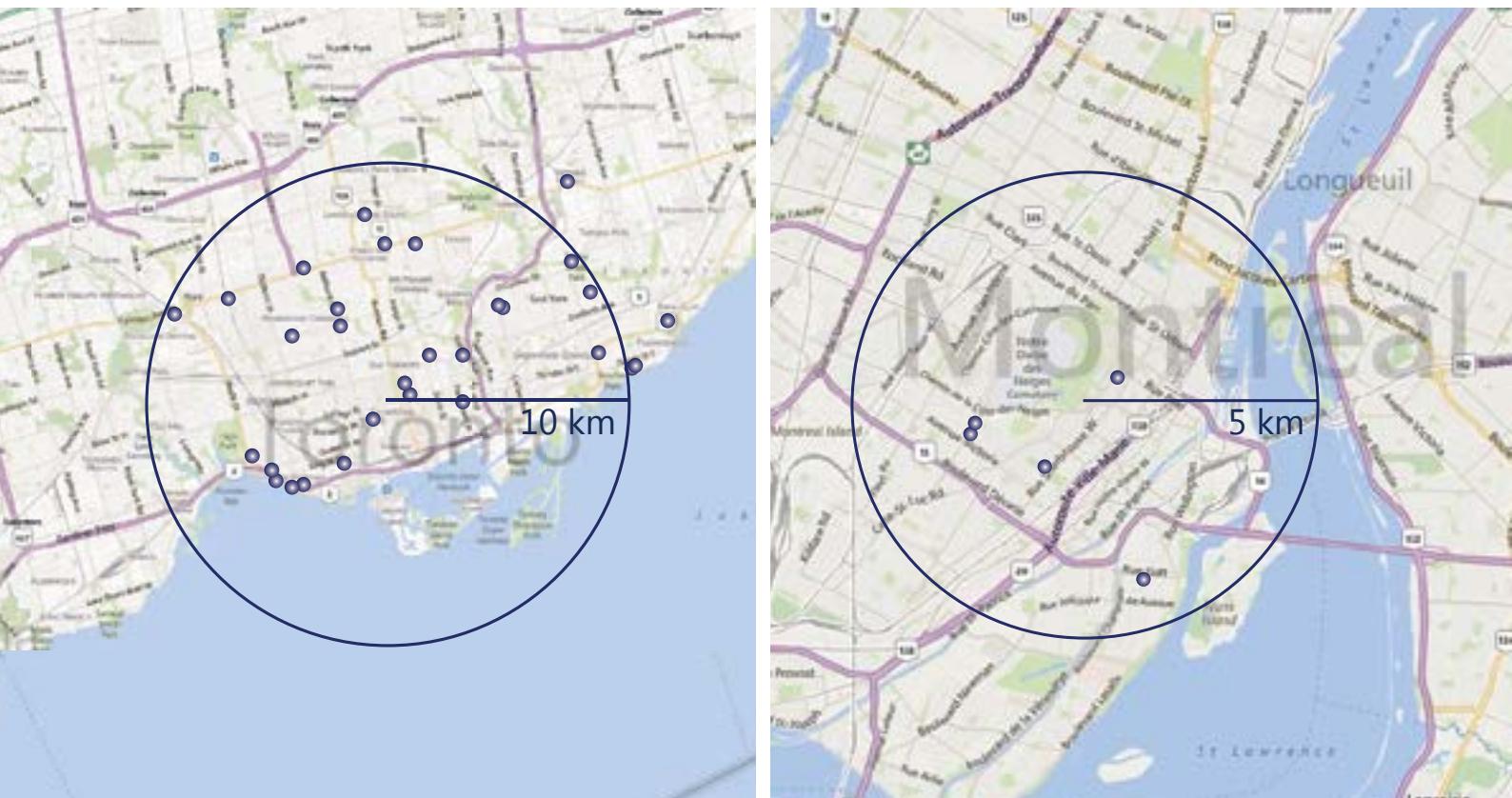


*) Average rent for the total portfolio 1 April 2015 also includes four properties that were purchased on 1 April 2015. Total residential area amounted to 5,617 square meters.

Canada

Total property portfolio	
Residential units	2,906
Fair value, SEK millions	3,654
- SEK per sqm	22,409
- required yield, per cent	4.54
Vacancy rate, residential, per cent	6.7
- due to upgrades, per cent	50
- real vacancy rate, per cent	3.3

Average rent, CAD/sqft/month	
Total portfolio 1 April 2014	1.98
Sales	-
Comparable portfolio 1 April 2014	1.98
Increase in comparable portfolio	0.13 ← 6.5%
Comparable portfolio 1 April 2015	2.11
Purchases	-0.28
Total portfolio 1 April 2015	1.83



Properties in Toronto and Montreal are marked with blue dots.

England

Total property portfolio	
Residential units	1,223
Fair value, SEK millions	4,248
- SEK per sqm	57,826
- required yield, per cent	4.35
Vacancy rate, residential, per cent	10.1
- due to upgrades, per cent	68
- real vacancy rate, per cent	3.3

Average rent, GBP/sqft/month	
Total portfolio 1 April 2014	1.61
Sales	-
Comparable portfolio 1 April 2014	1.61
Increase in comparable portfolio	0.13 ← 7.8%
Comparable portfolio 1 April 2015	1.74
Purchases	0.05
Total portfolio 1 April 2015	1.79

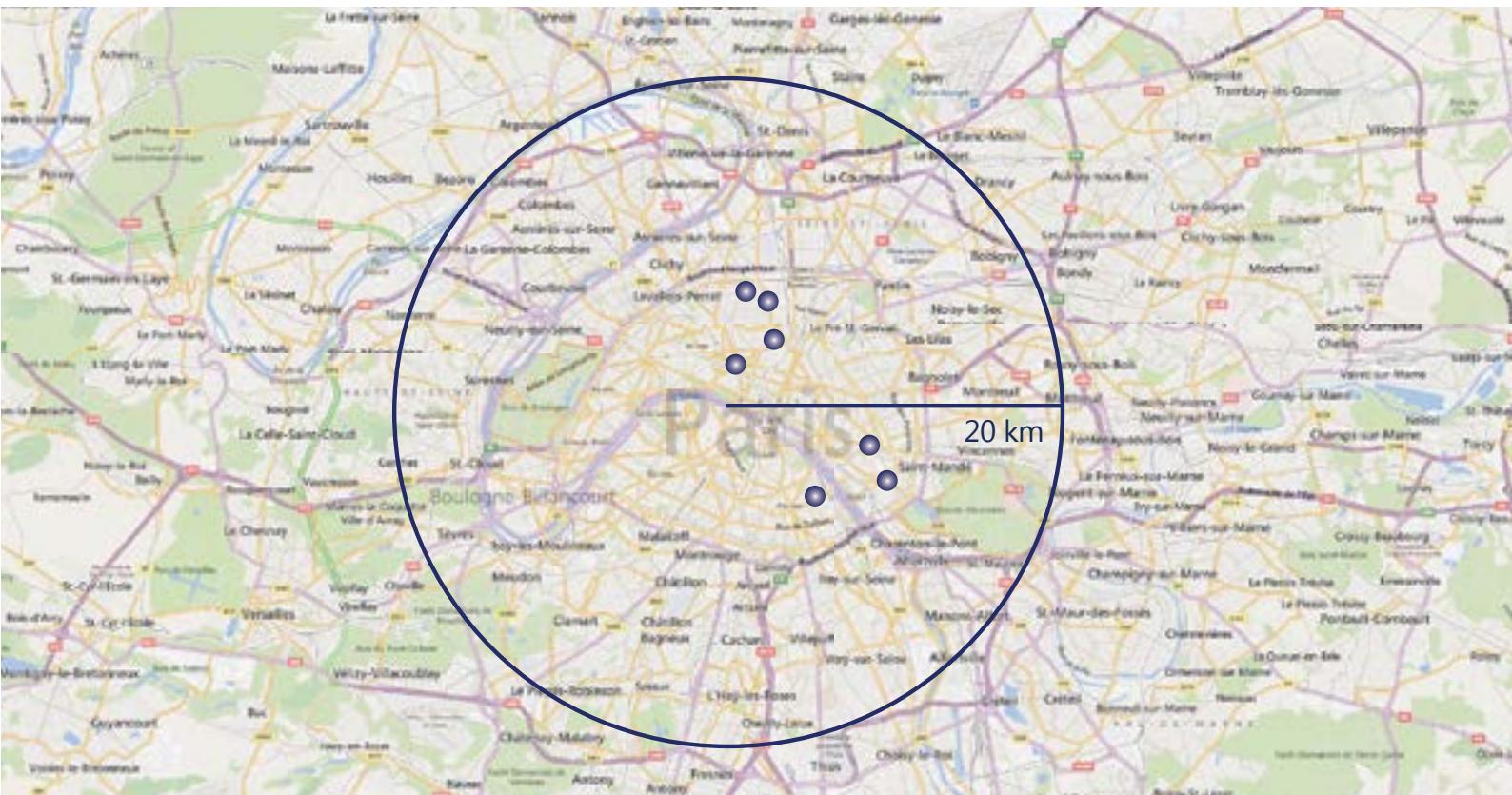


France

Total property portfolio	
Residential units	260
Fair value, SEK millions	531
- SEK per sqm	67,538
- required yield, per cent	4.37
Vacancy rate, residential, per cent	24.2
- due to upgrades, per cent	100
- real vacancy rate, per cent	0.0

Average rent, EUR/sqft/month	
Total portfolio 1 April 2014	-
Sales	-
Comparable portfolio 1 April 2014	-
Increase in comparable portfolio	-
Comparable portfolio 1 April 2015	-
Purchases	27.64
Total portfolio 1 April 2015	27.64

We bought our first property in France in September 2014.



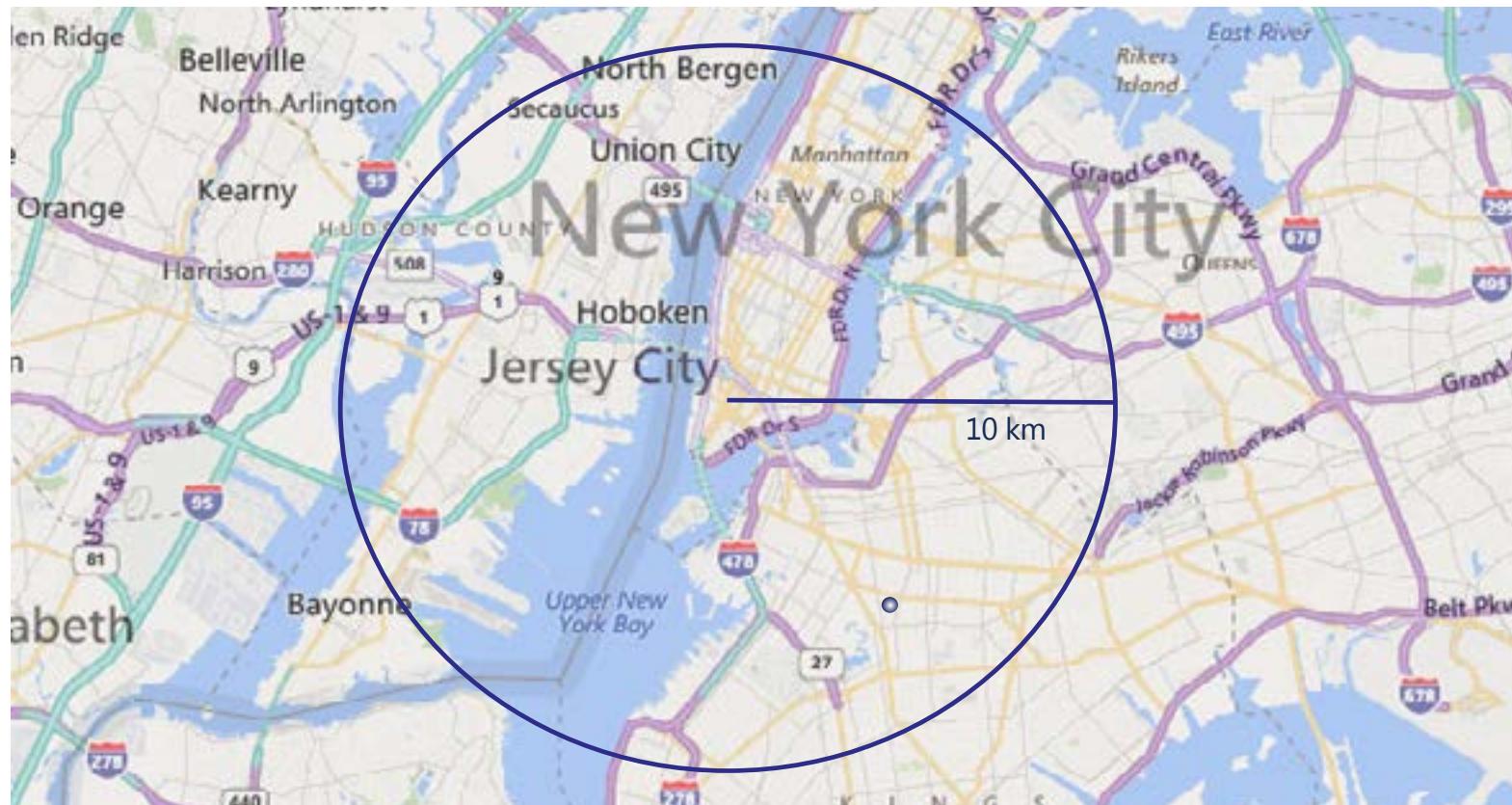
Properties in Paris are marked with blue dots.

USA

Total property portfolio	
Residential units	41
Fair value, SEK millions	113
- SEK per sqm	46,570
- required yield, per cent	4.50
Vacancy rate, residential, per cent	3.4
- due to upgrades, per cent	67
- real vacancy rate, per cent	1.1

Average rent, USD/sqft/month	
Total portfolio 1 April 2014	-
Sales	-
Comparable portfolio 1 April 2014	-
Increase in comparable portfolio	-
Comparable portfolio 1 April 2015	-
Purchases	2.77
Total portfolio 1 April 2015	2.77

We bought our first property in the USA in March 2015.

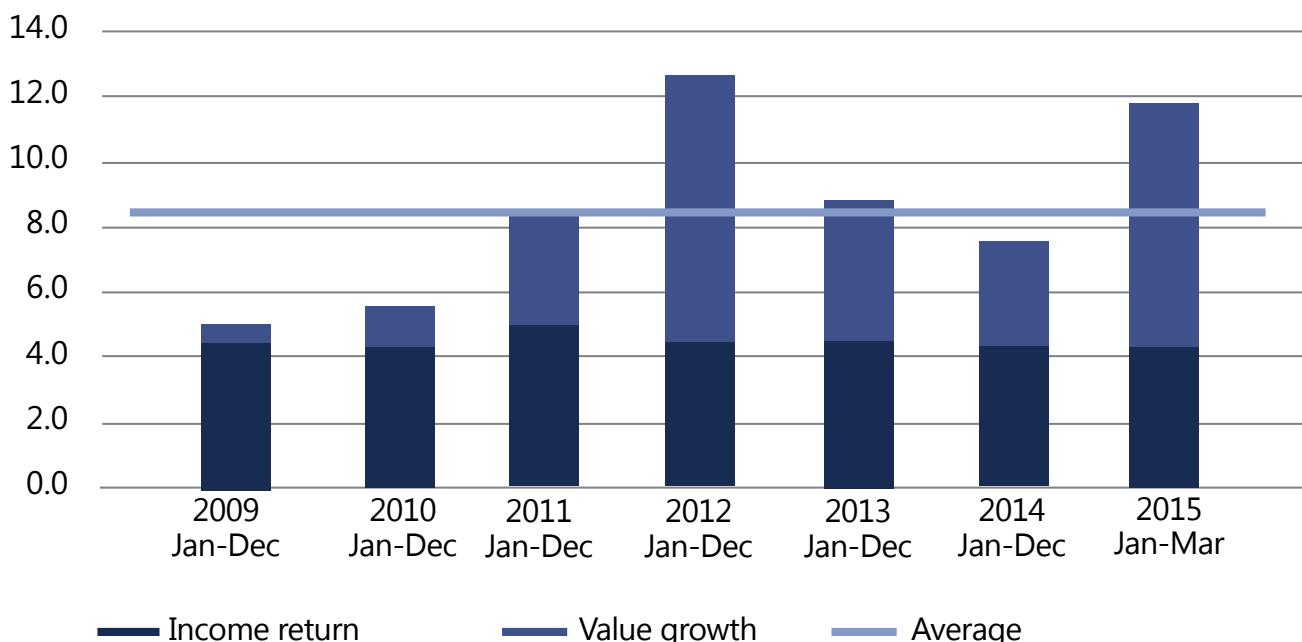


The property in New York is marked with a blue dot.

Total property return January–March 2015

	SEK million	Growth Jan-Mar, per cent
Fair value, 1 Jan 2015	57,736	
Revaluations	1,128	2.0
Investments	353	0.6
Purchases	2,256	3.9
Sales	-113	-
Translation difference	-325	-
Fair value, 31 March 2015	61,035	5.7
Operating surplus	522	
	SEK million	p.a., per cent
Total property return	1,650	11.9

Annual property return, per cent



Result January–March 2015

Operating surplus SEK 522 million

Consolidated rental income for the period increased by SEK 216 million to SEK 1,044 million (828). Out of the total increase in revenue, SEK 181 million is attributable to the purchase of new properties and SEK 35 million is due to increased rents on comparable properties. Adjusted for changes in exchange rates, rental income for comparable properties increased by 4.5 per cent compared to the same period in 2014.

The vacancy rate for residential properties was 3.4 per cent, of which 67 per cent was due to apartment upgrades and planned apartment sales. The real vacancy rate was therefore 1.1 per cent, which is 0.1 percentage points higher compared to the end of 2014.

Property expenses amounted to SEK 522 million (404), of which SEK 90 million (57) was in respect of maintenance, corresponding to an average annual expense of SEK 102 per square meter. The operating surplus for comparable properties increased by 4.2 per cent. For the total portfolio, the operating surplus margin was 50.0 per cent (51.2).

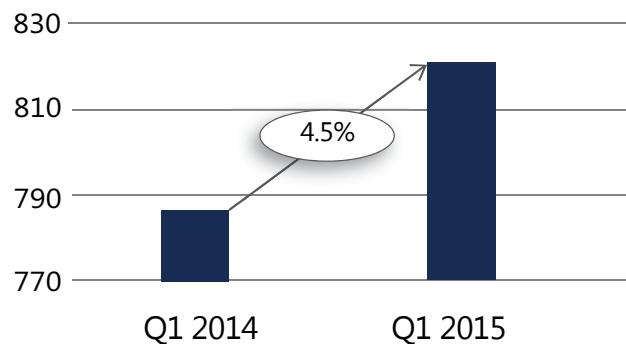
Increase in value of properties 2.0 per cent

The increase in value of the properties was SEK 1,128 million (404) for the period, equivalent to 2.0 per cent (0.9). The increase in value is due to increased rental income. Properties were sold during the year for a total of SEK 113 million, which was 20 per cent above the fair value at the beginning of the year.

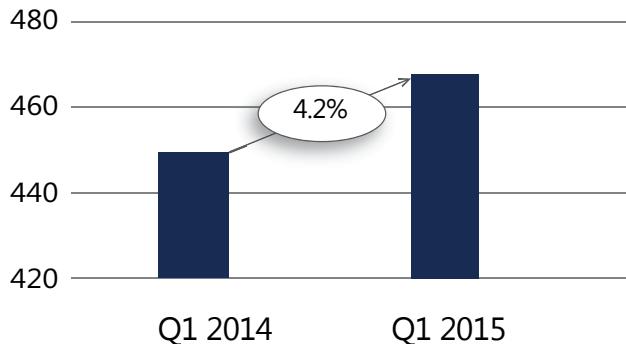
Net financial items SEK -441 million

Interest expenses for the quarter were SEK 297 million (307). At the end of the period, the average interest rate on total borrowings was 3.68 per cent, 0.90 percentage points lower compared to the same period in 2014, which affected interest expenses positively. The interest coverage ratio was 1.7 (1.3).

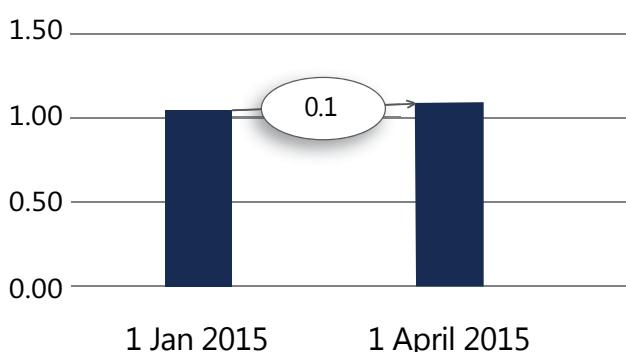
Rental income, comparable properties SEK millions



Operating surplus, comparable properties SEK millions



Real vacancy rate percentage



Change in fair value of derivatives SEK -134 million

Derivative financial instruments during the period declined in value by SEK -134 million (-281), mainly due to the fall in market interest rates.

Net profit before tax SEK 1,188 million

Net profit before tax was SEK 1,188 million (225), positively impacted by the increase on revaluation of investment properties of SEK 1,128 (404).

Tax expenses SEK -303 million

Total tax expenses for the period amounted to SEK 303 million (43), of which SEK 302 million related to deferred tax from unrealized gains on properties. The total deferred tax net liability balance was SEK 2,653 million (2,073) at the end of the period.

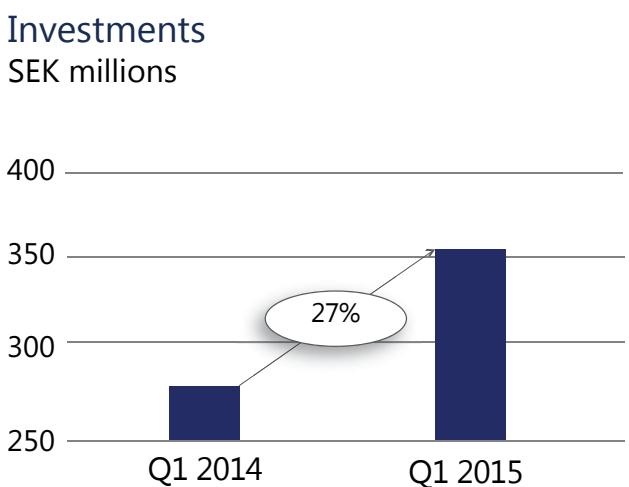
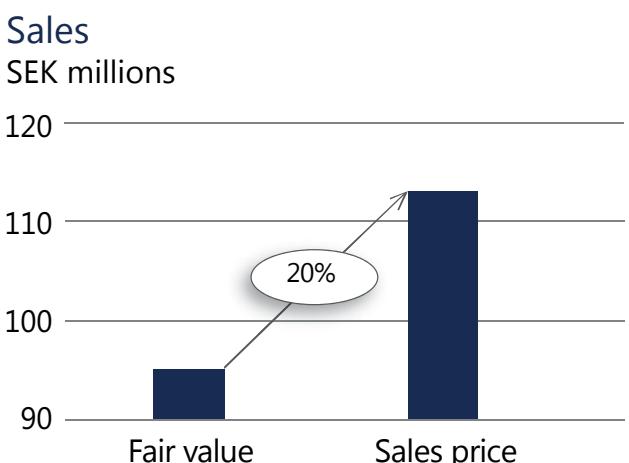
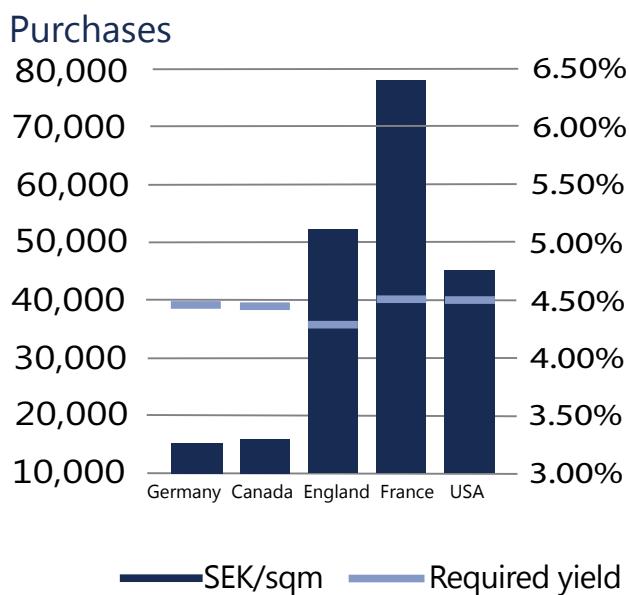
Property portfolio

Property purchases SEK 2,256 million

During the period, properties were purchased for SEK 2,256 million with an average required yield of 4.43 per cent. In Germany, properties were purchased for SEK 1,101 million at an average property price per square metre of SEK 15,158. In England, properties were bought for SEK 548 million at an average property price per square metre of SEK 52,116. In France, five properties were purchased for SEK 402 million at an average property price per square metre of SEK 78,227. In Canada, properties were purchased for SEK 94 million. During the period, the first property was bought in USA for SEK 111 million.

Property investments SEK 353 million

Investments in properties for the period totalled SEK 353 million (277), equivalent to an annual investment of SEK 401 per square metre.



First Class investments totalled SEK 210 million and SEK 143 million was invested in the conversion of commercial premises and lofts to apartments, densification of existing properties and water and energy saving projects.

Market valuation of properties

The estimated market value of the Group's property holdings at the end of the period was SEK 61,035 million, which is equivalent to an average of SEK 17,121 per square metre as compared to SEK 16,629 at the end of 2014. The fair value of all properties was assessed by internal valuations by closing day. 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. The average required yield for the whole portfolio was 4.65 per cent.

Financing

Equity to assets ratio 38 per cent

At the end of the period, consolidated equity was SEK 23,324 million, equivalent to an equity ratio of 38 per cent.

Loan-to-value 53 per cent

The loan-to-value ratio increased from 52 per cent to 53 per cent during the period 2015. The Group's borrowings increased during the period by SEK 2,169 million to a total of SEK 32,505 million.

Secured loans increased by SEK 828 million to SEK 28,494 million at the end of the period, corresponding to a loan-to-value ratio of 46 per cent. The secured loans are borrowed from 32 banks in four countries, which leads to less dependence on the financial strength of each country and bank.

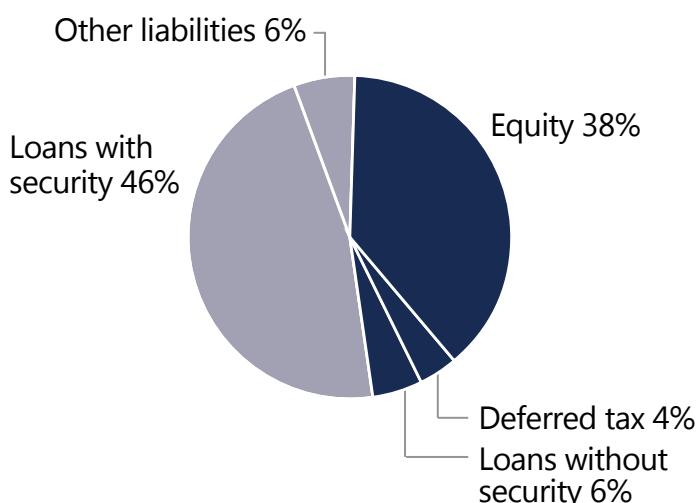
Required yield per cent

Opening	4.72
Translation difference	0.00
Purchases	-0.01
Sales	0.00
Comparable	-0.06
Closing	4.65

Required yield per country per cent

Sweden	4.78
Germany	4.56
Canada	4.54
England	4.35
France	4.37
USA	4.50
Total	4.65

Equity & Liabilities



Assets pledged as collateral for mortgages has increased from SEK 28,995 million at the end of 2014 to SEK 30,628 million, primarily related to the purchase of properties.

Unsecured loans have increased during the period with SEK 1,341 million to SEK 4,011 million. Unsecured loans encompass two listed bond loans, deposits from the public and loans from related companies.

In January, Akelius issued bonds for SEK 500 million. The bonds mature in March 2018. In March, the company cancelled bonds maturing on the 27th of March 2015. The bonds were repurchased by issuing a new bond for SEK 1,400 million maturing in March 2019. Akelius' bond loans are listed on Nasdaq Stockholm and had a nominal value of SEK 2,244 million at the end of the period.

Capital tied up 5.0 years

Total interest-bearing debt was on average tied up for 5.0 years, compared to 4.5 at the end of 2014. The loans that mature within one year amount to SEK 2,920 million. The refinancing risk is mitigated by a highly diversified funding and a low loan-to-value.

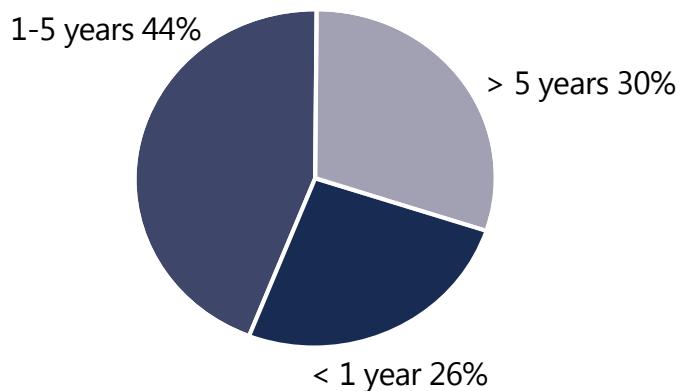
Interest rate hedge 3.9 years

Of the SEK 32,505 million in total borrowings, SEK 8,558 million had a fixed interest rate term of less than one year and SEK 9,633 million had a fixed interest rate term of more than five years. The loans had an average interest rate of 3.68 per cent, which is 0.90 percentage points lower compared to the same period in 2014. The average interest rate hedge was 3.9 years as compared to 4.2 years at the end of 2014.

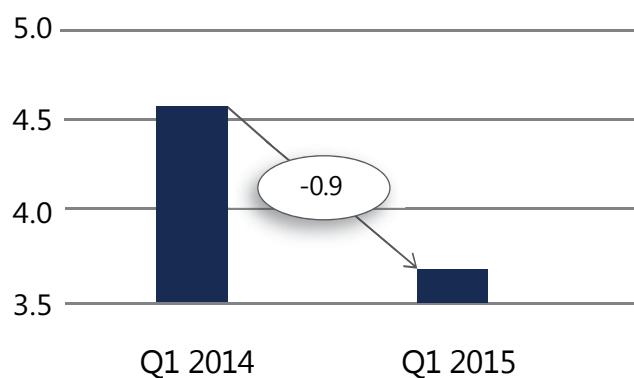
Liquidity SEK 2,829 million

At the end of the period, available funds in the form of cash and secured but unutilized credit facilities totalled SEK 2,829 million, compared to SEK 1,765 million at the end of 2014. The unmortgaged share of the properties' fair value corresponded to SEK 32,540 million at the end of the period.

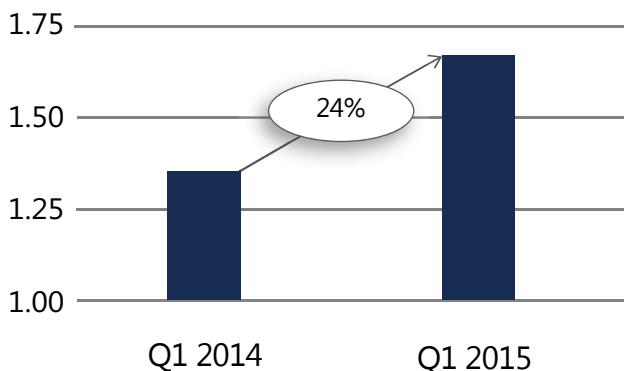
Interest hedge, total loans



Average interest rate per cent



Interest coverage ratio, total loans times



Interest bearing debts

Duration Years	Fixed interest rates			Capital tied up	
	Amount in SEK million	Average interest rate, per cent	Share, per cent	Amount in SEK million	Share, per cent
0-1	8,558	1,83	26	2,920	9
1-2	4,077	3,34	13	5,609	17
2-3	4,314	3,38	13	10,626	33
3-4	2,279	4,47	7	3,338	10
4-5	3,644	5,04	11	3,416	11
5-6	1,571	6,17	5	153	-
6-7	3,581	5,04	11	565	2
7-8	1,160	4,66	4	255	1
8-9	598	4,40	2	118	-
9-10	678	4,09	2	110	-
> 10	2,045	4,28	6	5,393	17
Total	32,505	3,68	100	32,505	100

Other financial information

Preference shares

As at March 31st 2015, the price paid per preference share was SEK 345. On the 5th of February 2015, Akelius paid a dividend of SEK 64 million to the owners of preference shares.

At the Annual General Meeting on the 14th of April 2015, it was decided that the maximum dividend on outstanding preference shares will amount to SEK 20 per share, totalling SEK 256 million. A dividend of SEK 5 per preference share shall be paid on the following dates: 5 May 2015, 5 August 2015, 5 November 2015 and 5 February 2016.

Cash flow

Cash flow before changes in working capital increased by 54 per cent to SEK 219 million (142). Operating activities generated a cash flow of SEK -60 million (105). Net cash from investing activities was SEK -1,954 million (-2,858). Cash flow for acquisitions of properties is secured before signing acquisition agreements. Profitable and non-mandatory upgrades to First Class can, if needed, be stopped within a three-month period. Cash flow from financing activities was SEK 1,937 million (2,744).

Parent company

The parent company's net financial income for the period amounted to SEK -58 million (-79) while profit before tax totalled SEK -128 million (-197), which is attributable to negative changes in fair value of derivative financial instruments of SEK -48 million (-108).

Risks and uncertainties

The operational risks are limited through the property portfolio being concentrated to residential properties in major cities. Strong residential rental markets in Sweden, Germany, France, Canada, England and USA reduce the risk for long-term vacancies. In order to further reduce the risk, or variations in cash flow, interest rates are secured on long-term. Access to capital from a large number of banks, through the capital market and from private individuals mitigates the refinancing risk. Overseas investments are currency-hedged in a way that leaves the Group's equity to assets ratio unaffected by exchange rate fluctuations.

Accounting principles

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 have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, Accounting for Legal Entities. The Group applies the same accounting principles as in the last annual report.

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 2014, 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 with the cash flow that would have been received if the contracts were concluded at market prices on the closing date. The difference in the cash flows is discounted using an interest rate that takes into account the credit risk. The present value obtained is reported in the balance sheet at fair value. Change in fair value is recognized in the income statement without applying hedge accounting.

The figures in this interim report have been rounded up or down, while the calculations have been made without rounding up or down. 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 on a continuous basis from empirical factors and other aspects including anticipation of future events deemed reasonable under the prevailing circumstances. The same principles are followed in the interim reporting as in the previous annual report.

Personnel

At the end of the period, 479 persons were employed in the Group.

Related party transactions

During the first quarter, the group raised SEK 276 million from the mother company Akelius Apartments Ltd. The transactions were subject to market terms.

Annual General Meeting, 14 April 2015

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

Events after balance sheet

In April 2015, Akelius has conducted an issue of 6 million new preference shares at a price of SEK 330 per preference share, which provides the company with SEK 2 billion before transaction costs.

Danderyd, Sweden, 5 May 2015
Akelius Residential Property AB (publ)

Pål Ahlsén,
CEO, Managing director

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

Consolidated statement of comprehensive income

SEK millions	2015	2014	2014
	Jan-Mar	Jan-Mar	Jan-Dec
	3 months	3 months	12 months
Rental income	1,044	828	3,602
Operating costs	-432	-347	-1,406
Maintenance	-90	-57	-314
Operating surplus	522	424	1,882
Central administration	-20	-8	-54
Other income and expenses	-	-2	-14
Net gain on revaluation of investment properties	1,128	404	1,412
Operating profit	1,629	818	3,226
Interest income	-	1	7
Interest expenses	-297	-307	-1,191
Other financial income and expenses	-10	-6	-39
Change in fair value of derivative financial instruments	-134	-281	-1,149
Profit before tax	1,188	225	852
Tax	-303	-43	-350
Profit for the period / year	885	182	503
Items that will be restated in profit or loss			
Translation difference	-140	-27	745
Comprehensive income for the period / year	745	155	1,248
Profit attributable to:			
- parent company shareholders	883	181	503
- holdings with no controlling influence	2	1	-
Total comprehensive income attributable to:			
- parent company shareholders	717	155	1,245
- holdings with no controlling influence	28	-	3
Earnings per share before and after dilution, SEK	0.28	0.09	0.15

Consolidated statement of financial position

SEK millions	2015 31 March	2014 31 March	2014 31 Dec
Assets			
Intangible fixed assets	16	-	14
Investment property	61,035	47,263	57,736
Tangible fixed assets	22	20	21
Derivative financial instruments	-	58	-
Deferred tax	19	717	9
Financial fixed assets	125	265	119
Total non-current assets	61,216	48,322	57,899
Trade and other receivables	477	401	612
Cash and cash equivalents	201	49	278
Total current assets	678	450	890
Total assets	61,894	48,772	58,789
Equity and liabilities			
Equity			
	23,324	15,324	22,583
Borrowings	29,585	24,588	26,519
Derivative financial instruments	2,621	1,741	2,466
Deferred tax	2,672	2,790	2,384
Other liabilities	30	23	33
Total non-current liabilities	34,908	29,142	31,403
Borrowings	2,920	3,661	3,816
Derivative financial instruments	25	18	53
Trade and other payables	717	627	935
Total current liabilities	3,662	4,306	4,804
Total equity and liabilities	61,894	48,772	58,789
Borrowings			
- without security	4,011	4,123	2,670
- with security	28,494	24,126	27,666
Total	32,505	28,249	30,336

Consolidated statement of cash flows

SEK millions	2015	2014	2014
	Jan-Mar	Jan-Mar	Jan-Dec
	3 months	3 months	12 months
Operating surplus	522	424	1,882
Other income and expenses	4	8	10
Central administration	-19	-8	-54
Interest paid	-285	-281	-1,173
Income tax paid	-3	-	-4
Cash flow before changes in working capital	219	142	660
Changes in short term receivable	-60	20	-143
Changes in short term payable	-219	-58	184
Sum changes in working capital	-279	-38	41
Net cash generated from operating activities	-60	105	702
Investments in intangible assets	-2	-	-14
Investments in investment properties	-353	-277	-1,881
Purchase of investment properties	-2,256	-2,620	-9,678
Other net liabilities acquired in purchase of properties	375	-	-
Proceeds from sales of investment properties	113	95	1,064
Increase/decrease in other fixed assets	169	-56	-149
Cash flow from investing activities	-1,954	-2,858	-10,657
Proceeds from share issue	-	-	8,960
Proceeds from capital contribution	-	-	1,377
Proceeds from borrowings	4,347	2,789	10,087
Repayments of borrowings	-2,321	-46	-6,043
Proceeds from derivative financial instruments	-	-	-71
Paid dividend	-88	-	-4,136
Cash flow from financing activities	1,937	2,744	10,174
Cash flow for the period	-77	-10	219
Cash and cash equivalents at beginning of period	278	59	59
Cash and cash equivalents at end of period	201	49	278

Consolidated statement of changes in equity

SEK millions	Share capital	Share premium	Trans- lation reserve	Retained earnings	Total	Non- con- trolling interests	Total equity
Balance at 1 January, 2014	1,263	1,937	42	11,896	15,138	31	15,169
Profit for the period, Jan-Mar	-	-	-	181	181	1	182
Other comprehensive income, Jan-Mar	-	-	-27	-	-27	-	-27
Balance at 31 March, 2014	1,263	1,937	15	12,077	15,292	32	15,324
Acquired minority	-	-	-	-	-	41	41
Redistribution	-	-	-	-7	-7	7	-
Hybrid loan	-	-	-	-	-	1,365	1,365
Dividend	-	-1,937	-	-2,211	-4,148	-52	-4,200
Share issue	475	8,548	-	-63	8,960	-	8,960
Profit for the period, Apr-Dec	-	-	-	322	322	-	322
Other comprehensive income, Apr-Dec	-	-	768	-	768	4	772
Balance at 31 December, 2014	1,737	8,548	782	10,119	21,187	1,396	22,583
Acquired minority	-	-	-	-	-	21	21
Dividend for hybrid loan	-	-	-	-	-	-25	-25
Profit for the period, Jan-Mar	-	-	-	883	883	2	885
Other comprehensive income, Jan-Mar	-	-	-167	-	-167	27	-140
Balance at 31 March, 2015	1,737	8,548	615	11,002	21,903	1,421	23,324

Segment information Jan-March 2015

January-March 2015	Sweden	Germany	Other	Total
Rental income	558	382	105	1,044
Operating costs	-234	-149	-49	-432
Maintenance	-58	-21	-10	-90
Operating surplus	265	211	45	522
Central administration	-	-	-	-20
Other income and expenses	-	-	-	-
Net gain on revaluation of investment properties	238	761	128	1,128
Operating profit	-	-	-	1,629
Operating surplus	265	211	45	522
Net gain on revaluation of investment properties	238	761	128	1,128
Total property return	504	973	173	1,650
Total property return, per cent	7%	20%	10%	12%
Property fair value	29,871	22,616	8,548	61,035
January-March 2014	Sweden	Germany	Other	Total
Rental income	525	272	31	828
Operating costs	-243	-92	-12	-347
Maintenance	-40	-16	-1	-57
Operating surplus	242	164	18	424
Central administration	-	-	-	-8
Other income and expenses	-	-	-	-2
Net gain on revaluation of investment properties	205	109	90	404
Operating profit	-	-	-	818
Operating surplus	242	164	18	424
Net gain on revaluation of investment properties	205	109	90	404
Total property return	447	273	108	828
Total property return, per cent	7%	7%	27%	8%
Property fair value	27,076	16,253	3,934	47,263

Statement of comprehensive income for the parent company

SEK millions	2015	2014	2014
	Jan-Mar 3 months	Jan-Mar 3 months	Jan-Dec 12 months
Administration expenses	-23	-13	-55
Other income and expenses	1	3	16
Operating profit	-22	-10	-38
Interest income	162	106	679
Interest expenses	-205	-190	-878
Other financial income and expenses	-15	5	191
Change in fair value of derivative financial instruments	-48	-108	-440
Profit before appropriations	-128	-197	-486
Appropriations	-	-	-138
Profit before tax	-128	-197	-624
Tax	12	24	137
Profit for the period/year	-117	-173	-487
Comprehensive income for the period/year	-117	-173	-487

Statement of financial position for the parent company

SEK millions	2015 31 Mar	2014 31 Mar	2014 31 Dec
Assets			
Intangible assets	6	-	5
Total intangible fixed assets	6	-	5
Shares in subsidiaries	13,271	10,806	13,270
Receivables from group companies	2,118	2,363	1,055
Other receivables	-	9	-
Deferred income tax assets	387	263	377
Total financial fixed assets	15,776	13,442	14,702
Total non-current assets	15,782	13,442	14,706
Receivables from group companies	11,579	9,939	7,911
Other current receivables	6	16	7
Prepaid expenses and accrued income	99	4	58
Cash and cash equivalents	105	2	155
Total current assets	11,789	9,961	8,131
Total assets	27,571	23,403	22,838
Equity and liabilities			
Total equity	11,292	6,848	11,410
Borrowings	6,966	1,621	3,108
Borrowings from group companies	7,679	2,116	2,510
Derivative financial instruments	719	339	671
Total non-current liabilities	15,363	4,076	6,289
Borrowings	102	1,509	918
Borrowings from group companies	772	10,938	3,984
Accounts payable	-	2	2
Other current liabilities	2	1	139
Accrued expenses and prepaid income	40	29	96
Total current liabilities	915	12,479	5,139
Total equity and liabilities	27,571	23,403	22,838

Key figures	2015 31 Mar	2014 31 Dec	2013 31 Dec	2012 31 Dec	2011 31 Dec
Equity					
Equity, SEK million	23,324	22,583	15,169	9,970	8,567
Equity to assets ratio, per cent	38	38	33	27	26
Risk capital to assets ratio, per cent	48	47	46	39	41
Return on equity, per cent	3	9	24	27	4
Interest-bearing liabilities					
Loan-to-value, secured loans, per cent	46	47	49	53	50
Loan-to-value, total loans, per cent	53	52	56	59	60
Interest coverage ratio, secured loans	1.9	1.8	1.4	1.5	1.6
Interest coverage ratio, total loans	1.7	1.5	1.2	1.2	1.3
Capital tied up secured loans, year	5.3	4.9	4.8	5.3	6.0
Capital tied up total loans, year	5.0	4.5	4.6	5.0	5.7
Fixed interest rates					
Average interest rate secured loans, per cent	3.69	3.80	4.42	4.63	4.94
Average interest rate total loans, per cent	3.68	3.94	4.75	4.85	5.26
Fixed interest term secured loans, year	4.2	4.4	5.3	5.7	5.8
Fixed interest term total loans, year	3.9	4.2	5.0	5.4	5.6
Properties					
Number of apartments	49,318	47,896	41,319	35,443	35,151
Rentable area, thousand sqm	3,565	3,472	2,992	2,576	2,632
Growth in rental income*, per cent	4.5	3.4	5.8	4.4	3.8
Growth in operating surplus*, per cent	4.2	7.1	6.7	4.1	8.3
Real vacancy rate residential, per cent	1.1	1.0	0.7	0.7	0.7
Fair value properties, SEK million					
Opening balance	57,736	44,104	35,437	32,352	28,269
Change in fair value	1,128	1,412	1,569	2,671	1,025
Investments	353	1,881	1,531	1,493	1,138
Purchases	2,256	9,678	6,901	1,663	3,792
Sales	-113	-1,084	-1,801	-2,383	-1,828
Reclassification	-	-	13	-	-
Exchange differences	-325	1,745	454	-359	-44
Closing balance	61,035	57,736	44,104	35,437	32,352
Fair value, per sqm	17,121	16,629	14,736	13,755	12,292
Required yield, per cent	4.65	4.72	4.75	4.73	5.07
Change required yield*, per cent	-0.06	0.01	-0.01	-0.28	0.01

*) For comparable properties. The property portfolio in England was bought from fellow subsidiaries during March 2014. The table for 31 Mar 2015 shows the development as if the properties had been owned since 1 January 2014.

Key figures

	2015 31 Mar	2014 31 Dec	2013 31 Dec	2012 31 Dec	2011 31 Dec
Properties Sweden					
Average residential rent, SEK /sqm/year	1,165	1,156	1,114	1,074	1,026
Growth in average residential rent*, per cent	0.7	3.7	5.8	5.0	5.1
Growth in rental income**, per cent	3.4	3.5	5.5	3.8	-
Growth in operating surplus**, per cent	4.4	8.0	3.3	5.2	-
Fair value, SEK millions	29,871	29,571	26,797	23,456	22,574
Fair value, SEK per sqm	15,074	14,899	14,115	13,809	12,055
Required yield, per cent	4.78	4.78	4.84	4.79	5.15
Number of apartments	24,328	24,407	23,867	21,707	23,354
Properties Germany					
Average residential rent, EUR /sqm/month	7.85	7.77	7.71	7.52	7.19
Growth in average residential rent*, per cent	1.1	5.4	5.6	5.6	7.0
Growth in rental income**, per cent	5.6	3.1	6.8	6.8	-
Growth in operating surplus**, per cent	5.2	5.8	13.7	1.0	-
Fair value, SEK millions	22,616	21,171	15,549	11,981	9,778
Fair value, SEK per sqm	16,923	16,752	15,398	13,649	12,903
Required yield, per cent	4.56	4.72	4.64	4.64	4.87
Number of apartments	20,560	19,423	15,769	13,736	11,797
Properties Canada***					
Average residential rent, CAD /sqft/month	1.83	1.83	1.94	2.01	1.34
Growth in average residential rent*, per cent	1.4	6.6	7.7	11.2	-
Growth in rental income**, per cent	6.7	7.0	20.6	-	-
Growth in operating surplus**, per cent	-27.2	-17.8	56.4	-	-
Fair value, SEK millions	3,654	3,432	1,758	1,074	26
Fair value, SEK per sqm	22,409	21,808	20,710	22,026	19,833
Required yield, per cent	4.54	4.55	4.47	4.52	4.25
Number of apartments	2,906	2,823	1,683	1,046	17

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

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

***) 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 2011.

Key figures	2015 31 Mar	2014 31 Dec	2013 31 Dec	2012 31 Dec	2011 31 Dec
Properties England***					
Average residential rent, GBP /sqft/month	1.79	1.74	1.55	1.54	1.04
Growth in average residential rent*, per cent	2.4	11.3	0.1	13.7	-
Growth in rental income**, per cent	12.8	5.9	29.0	-	-
Growth in operating surplus**, per cent	28.4	9.3	31.7	-	-
Fair value, SEK millions	4,248	3,395	1,792	1,580	145
Fair value, SEK per sqm	57,826	53,606	36,430	32,730	22,872
Required yield, per cent	4.35	4.36	4.64	4.53	4.77
Number of apartments	1,223	1,153	870	870	97
Properties France					
Average residential rent, EUR /sqm/month	27.64	21.31	-	-	-
Growth in average residential rent*, per cent	1.9	-	-	-	-
Growth in rental income**, per cent	-	-	-	-	-
Growth in operating surplus**, per cent	-	-	-	-	-
Fair value, SEK millions	531	166	-	-	-
Fair value, SEK per sqm	67,538	60,732	-	-	-
Required yield, per cent	4.37	4.11	-	-	-
Number of apartments	260	90	-	-	-
Properties USA					
Average residential rent, USD /sqft/month	2.77	-	-	-	-
Growth in average residential rent*, per cent	-	-	-	-	-
Growth in rental income**, per cent	-	-	-	-	-
Growth in operating surplus**, per cent	-	-	-	-	-
Fair value, SEK millions	113	-	-	-	-
Fair value, SEK per sqm	46,570	-	-	-	-
Required yield, per cent	4.50	-	-	-	-
Number of apartments	41	-	-	-	-

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

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

***) The property portfolio in England was bought from fellow subsidiaries during March 2014. The tables above show the development as if the properties had been owned since 2011.

Definitions

Capital tied up	Average capital tied up is calculated taking secured but unutilized credit commitments into consideration.
Equity to assets ratio	Equity in relation to total assets.
Interest coverage ratio, secured loans	Profit/loss before income tax with add-back of depreciation, impairment charges, the cost of property sales, interest expenses, changes in value of assets and liabilities in relation to interest expenses for secured loans.
Interest coverage ratio, total loans	Profit/loss before income tax with add-back of depreciation, impairment charges, the cost of property sales, interest expenses, changes in value of assets and liabilities in relation to interest expenses for all loans.
Loan-to-value, secured loans	Secured interest-bearing liabilities in relation to total assets.
Loan-to-value, total loans	Secured and unsecured interest-bearing liabilities in relation to total assets.
Operating surplus margin	Operating surplus in relation to rental income.
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 month end.
Risk capital	Equity, deferred tax liability and unsecured interest-bearing liabilities.
Risk capital to assets ratio	Risk capital in relation to total assets.
Vacancy rate	The number of vacant apartments in relation to the total number of apartments. Vacancy is measured on the first day after month end.

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Akelius in brief

Housing in metropoles

Akelius owns, manages, upgrades and develops residential properties in metropolitan areas. 78 per cent of the portfolio is situated in Berlin, Hamburg, London, Paris, New York, Toronto, Montreal, Stockholm, Gothenburg and the Öresund region.

Upgrading for better living

Akelius upgrades to First Class, a level of quality that corresponds to a newly produced apartment. During the last three years, 10,000 apartments were upgraded to First Class.

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-two banks, thirty-six thousand private customers and listed senior unsecured bonds. Akelius is Sweden's largest listed property company. We have fifteen thousand shareholders.

First-class personnel

More than one hundred and fifty employees have graduated in Residential Real Estate Management from Akelius University. These graduates can continue with postgraduate studies.

Agenda

Interim report Jan-June 2015	10 August 2015
Interim report Jan-Sep 2015	26 October 2015
Year-end report Jan-Dec 2015	26 January 2016