

Wihlborgs Fastigheter AB

Interim report

January – September 2010



WIHLBORGS FASTIGHETER AB • INTERIM REPORT • JANUARY – SEPTEMBER

- The profit of the period increased by SEK 214 million to SEK 574 million (360), and earnings per share SEK 15.03 (9.94)
- Continued positive net rentals by SEK 20 million, of which SEK 7 million during the third quarter.
- Rental income increased by 3 per cent to SEK 957 million (928)
- Net operating income increased by SEK 689 million (673)
- Earnings from property management increased by 14 per cent to SEK 460 million (404)
- The pre-tax profit from property management for the whole of 2010 is expected to exceed SEK 600 million

Key figures for the Group, SEKm	2010	2009	2010	2009
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
Rental income	318	307	957	928
Net operating income	237	230	689	673
Earnings from property management	158	150	460	404
Change in value	206	-21	258	61
Tax	-59	-30	-144	-105
Profit after taxes	305	99	574	360
Earnings per share, SEK	7.94	2.73	15.03	9.94
Surplus ratio, %	75	75	72	73
Equity/assets ratio, %	-	-	30.4	28.3
Economic occupancy, %	-	-	94.0	94.0

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Opening ceremony of Skåne Regional Council House at Dockan September 10, 2010. Photo Wihlborgs.



Skånes Dansteaters' performance Dockplats 2010.
Photograför Klas Andersson.

Comment of the market The Öresund Region

The economic recovery has gained full momentum, and one distinct sign that the market is now pointing upwards is that the Swedish Central Bank, Riksbanken, has started to raise interest rates. We saw two increases of 0.25 percentage points in the third quarter. An additional increase in October means that the repo rate is now 1.00 percent.

The crisis appears to be over also for the Öresund Region, although the recovery is moving significantly faster on the Swedish side of Öresund than on the Danish side. Själland was also badly hit by a property crisis in addition to the finance crisis in general. In its latest forecast (October 2010), the Öresund Institute believes that the gross regional product (GRP) will increase by 2.5 percent in the Öresund Region in 2010 in total, spread between 2.2 percent growth in Själland and 4.3 percent in Skåne. The rate of growth will then increase slightly in Denmark in 2011, while Sweden will probably be less strong. Growth in Själland is expected to be 2.7 percent, and 3.0 percent in Skåne.

Due to the lower proportion of manufacturing industry, Skåne has managed relatively well during the recession. Employment declined by 1.6 percent in Skåne in 2009, simultaneously as employment fell by as much as 2.1 percent in Sweden. With an employment growth rate of 1.5 percent, Skåne is also stronger than Sweden as a whole in 2010, where employment growth is forecasted to be 1.0 percent. In 2011, employment is anticipated to rise by 1.4 percent in Skåne.

The labour market in Denmark has experienced significantly tougher times, and employment fell by as much as 3.2 percent in 2009. But like in Sweden, the decline in employment was lower in the Öresund Region (Själland) with 2.9 percent, compared with Denmark as a whole. The problems that followed the finance and property crises have resulted in considerably poorer public finances, and rationalisation measures are being taken in the public sector. Employment growth is therefore forecasted to first turn upwards in 2011, with a rate of 0.7 percent.

Optimism is also now quite manifest in Skåne within the property market, which is traditionally late in the business cycle. We can perceive increased demand, and tenants are more self-assured in their decisions. The crisis had a greater impact on industry than the service sector, and the rise in demand pertains essentially to office premises. The rental markets in the region are relatively stable, and have been throughout the crisis. We have seen modest rises in vacancies and stable rent levels. We believe that rental markets within the near future will remain stable, apart from in Lund where the market will be temporarily tougher in view of the phasing out of AstraZeneca in 2011.

Optimism is also growing in the transactions market, where volumes have increased strongly compared with last year. According to Newsec, the transaction volume for the first three quarters of 2010 amounted to SEK 59.7 billion for items in excess of SEK 100 million, which is basically double that seen for the full-year 2009.

Rent levels for office premises in the Västra Hamnen district are currently around SEK 2,100 per m², while rent levels for modern office premises in central Malmö are slightly lower at approximately SEK 2,000 per m².



Marie Fredriksson runs Ingelsta Kalkon at Dockan.
Photographer Klas Andersson.



David Johnson one of the owners of the dance school Crazy Feet who rents their premises in Lund from Wihlborgs Photographer Klas Andersson.

Income, expenses and result

Comparison figures for income statement items relate to values for Jan-Sep 2009 and balance sheet items as at 2009-12-31.

Rental income

Rental income amounted to SEK 957 million (928). The sum includes SEK 5 million that relates to the final settlement for 2009 for supplementary debiting. An additional SEK 4 million has been received further to the one-off termination of a lease. Other increases of rental income are attributable to indexation, renegotiation, new leases, rental income from properties acquired in 2009 and 2010, as well as projects that have been completed.

The total growth in lease income amounted to 3 per cent compared with 2009 this is in spite of the consumer price index in October 2009 which is the reconciliation month for leases' index calculation for 2010 showing a negative figure of 1.5 percentage units. Furthermore the rental income has been adversely affected by a change in exchange rates against Denmark. This effect amounts to SEK 6 million.

The leasing level is unchanged at 94 per cent, which is the same as at the end of 2009.

During the period, the signing of new lease agreements on a full-year basis amounted to SEK 107 million (95).

Notices of termination during the period were SEK 87 million (75).

Property costs

Total property costs were SEK 268 million (255). Despite the consequences of a winter that was more severe than normal there were increased costs for road maintenance and energy for the period. The deviation by comparison with a normal winter is estimated at approximately SEK 5 million.

Net operating income

The net operating income amounts to SEK 689 million (673), which is a surplus ratio of 72 per cent (73).

Central administration

Costs for central administration was SEK 24 million (23).

Property sales and changes in values

Wihlborgs disposed five properties during the period, a total purchase price of SEK 249 million. The valuation of the properties as of 30 September 2010 has been carried out internally and has resulted in the property value an increase by SEK 319 million (-7).

As of 30 September 2010 the properties' book value amounts to SEK 15,147 million. The yield is 6.6 per cent for office properties, excluding property administration and 8.6 per cent for industrial/warehouses.

CHANGES IN PROPERTIES' BOOK VALUE

Changed Item	Group total, SEKm
Book value 1 January 2010	14,418
Acquisitions	146
Investments	661
Properties sold	-249
Value regulation	319
Foreign currency translations	-148
Book value 30 September 2010	15,147

Net financial items

The period's net financial items amounted to SEK -205m (-246), of which rental income is SEK 1m (4).

Interest costs for the period, SEK -206m (-250), corresponding to a borrowing rate of interest of 3.04 per cent. At the end of the period, the average interest was 3.37 per cent.

Income from property management

The income from property management, i.e. the result before value changes and tax amounted to SEK 460m (404).

Profit before tax

Pre-tax profit amounted to SEK 718m (465).

Profit for the period

Profit after taxes amounted to SEK 574m (360).

SEKm	2010 Jan-Sep 9 months	2009 Jan-Sep 9 months
Income from property management for the period	460	404
Profit for the period before taxes	718	465
Profit for the period	574	360

PER SHARE, SEK

Income from property management for the period	12.05	11.16
Profit for the period before taxes	18.80	12.84
Profit for the period	15.03	9.94

	2010-09-30	2009-12-31
Shareholders' equity I (26.3% deferred tax)	126.47	117.90
Shareholders' equity II (0% deferred tax)	157.67	146.30

Property acquisitions

A total of eight properties were acquired during the period for a total price of SEK 146m. The acquisition of the property Landsdomaren 6, the Regional Council Building in Lund, SEK 160m, will be shown on the date of possession 18 October 2010, like the acquisition of the property Gjuteriet 18 in Malmö, SEK 43m, 1 November 2010. Terminalen 1/Knutpunkten in Helsingborg was acquired for SEK 490m and the date of possession was 15 October 2010.

Investments and projects in progress

Investments in the stock of properties have amounted SEK 661m.

Investments agreed on in projects in progress amounts to SEK 671m of which SEK 422m was invested by the end of the period.

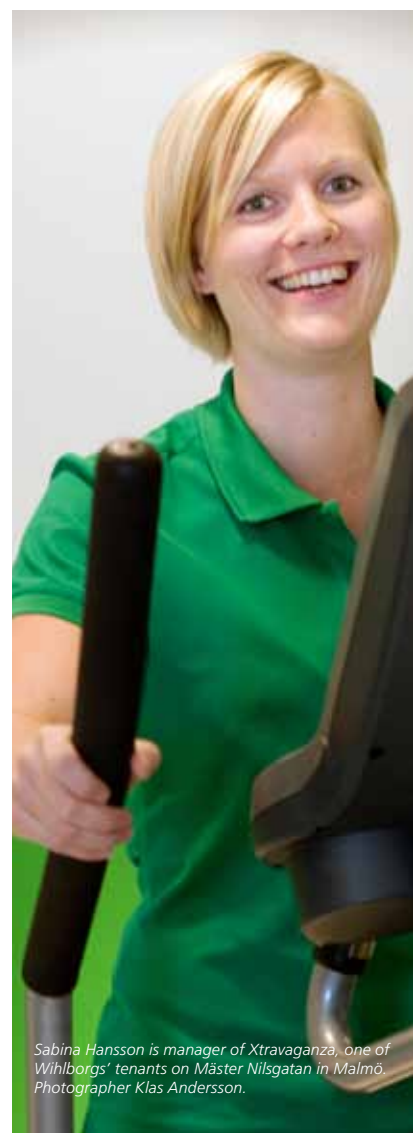
The major project is Slagthuset in Malmö, the rebuilding and addition for Comfort Hotel.

PROJECTS IN PROGRESS >50 SEKM, 2010-09-30

Property	Category	Area	Completed	Lettable area, sq.m.	Occupancy rate, %	Estimated investment	Developed 100930
Slagthuset 1	Hotel	Malmö	Q1, 2011	7,500	100	190	129
Total				7,500	100	190	129



Magnus Lindqvist opened Tropikariet in Helsingborg 1994. Photographer Klas Andersson.



Sabina Hansson is manager of Xtravaganza, one of Wihlborgs' tenants on Mäster Nilsgatan in Malmö. Photographer Klas Andersson.

Financial positions

Shareholders' equity

As of 30 September shareholders' equity amounted to SEK 4,860m (4,417) and the equity/assets ratio was 30.4 per cent (29.6). The long-term objective is that the equity/assets ratio will not be less than 25 and not more than 35 per cent.

Interest-bearing liabilities

The group's interest-bearing liabilities as of 30 September amounted to SEK 9,262m (8,844) with an average interest rate including costs for credit agreements of 3.38 per cent (3.02).

With consideration to the company's net debt of SEK 8.7 billion, defined as the total amount of borrowings less cash and cash equivalents, the net debt ratio is 57.5 per cent.

The loans' average fixed interest period including effects of derivatives on 30 September 2010 amounted to 30 months (30). The average period during which the capital is tied up, including credit promises, amounted to 4.5 years (5.1).

Wihlborgs holds eight interest derivative instruments and four closeable swaps of 2.5 billion. The terms vary between 1.0 years to 7.7 years.

A threshold swap of SEK 1 billion with a term of 6.2 years and three yield curve swaps with a term of 2.8 years.

The undervalue of the derivative portfolio has during the period increased from SEK 137m to 198, a negative value change of SEK 61m.

STRUCTURE OF INTEREST AND LOAN MATURITIES AS OF 30 SEPTEMBER 2010

SEKm	Interest maturity		Loan maturity		
	Matures, year	Loan amount, SEKm	Av. interest rate, %	Credit agreements, SEKm	Utilised, SEKm
2010		4,636	2.19		
2011		1,841	3.80	2,016	2,016
2012		47	5.47	1,628	1,628
2013				2,250	2,100
2014				2,800	2,718
>2014		2,738	5.04	800	800
Total		9,262	3.37	9,494	9,262

Liquid assets

The Groups' liquid assets amounted to SEK 634m (358) including unutilised overdraft facilities.

Employees

At the end of the period the number of employees was 84 (80), of whom 25 was caretakers. The distribution of employees by region was as follows: Malmö 58, Helsingborg 17, Lund 5 and Copenhagen 4. The average age was 48 years, and the proportion of women was 36 per cent.

Parent company

The parent company has no properties, it handles questions about the stock market and group functions for administration, management and borrowing transactions.

The parent company has made investments during the period amounting to SEK 40m (342), primarily in shares in subsidiaries. For income and balance statements for the parent company see page 14 in this report.

Significant risks and and uncertainty factors

Wihlborgs' activities, financial position and profit are affected by a number of risk factors. The risks that represent a decisive impact on the company's profit growth are variations in lease income, changes in rates of interest, growth in costs, property valuation and taxes. To this is added the liquidity and borrowing risk. Refer to pages 52-53 and 67-68 of Wihlborgs 2009 annual report for a detailed description of the company's risks.

Accounting principles

Wihlborgs applies the IFRS (International Financial Reporting Standards) from IASB (International Accounting Standards Board) and the interpretation of these (IFRIC), adopted by the European Union.

The interim report was prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles and methods of calculations are the same as were applied in the last annual report unless stated otherwise below.

A reworked IFRS3 enterprise acquisition applies from the 2010 accounting year. The definition of what is an enterprise acquisition has been changed. For Wihlborgs, this does not imply any change compared with previously, in view of that in principle all of the Company's property acquisitions via companies will be deemed, even in the future, as being able to be treated as asset acquisitions.

Other new or revised IFRS and interpretation statements were not considered to have had any great effect on Wihlborgs' financial reports. The latest annual report, page 65-67, gives further descriptions of new and amended accounting principles.

Property portfolio as of 30 September 2010

The summaries are based on Wihlborgs' property portfolio as of 30 September 2010. Rental income pertains to contracted rental income on an annual basis as of 1 October 2010.

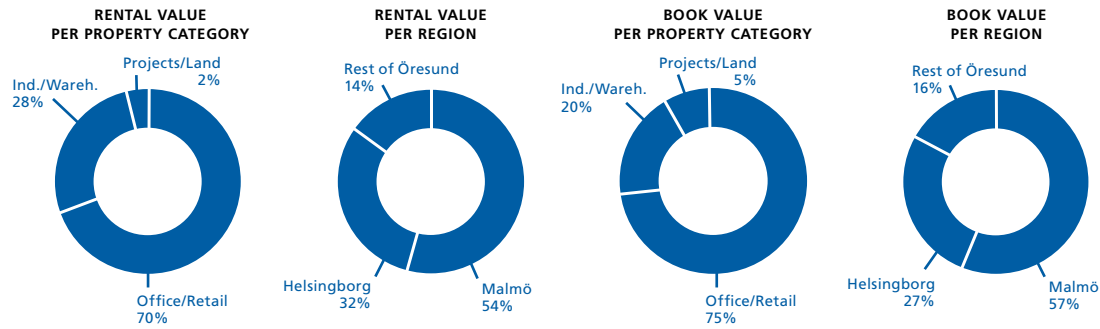
The net operating income is based on the properties' earnings capacity on an annual basis as of October 2010, based on contracted rental income, actual costs, property taxes and leaseholders' rent on a rolling 12-months basis. Net operating income also includes administrative costs related to property management in the amount of SEK 53 million.

Wihlborgs property portfolio consists of commercial properties' in the Öresund region, located in Malmö, Helsingborg, Lund and Copenhagen. As of 30 September 2010 the property portfolio consisted of 244 properties with a lettable area of 1,299,000 m².

Fifteen of the properties have a site leasehold right. The properties' market value was SEK 15,147m, equivalent to the properties' real value. The total rental value was SEK 1,412m and the contracted rental income on an annual basis was SEK 1,304m. The financial occupancy rate including projects was 92 per cent.

The properties in Malmö and Helsingborg represented 86 per cent of the total rental value and 84 per cent of the properties' book value. The rental value for office and retail properties and industrial/warehouse properties totalled 70 and 28 per cent of the total rental value respectively. The operating surplus from properties held for investment is SEK 955m. This item also includes the costs of property administration amounting to SEK 53m.

This cost therefore excludes the current operating surplus amounting to SEK 1,008m which, with a value of SEK 14,384m means a current yield of 7.0 per cent. When broken down according to property category this is 6.6 per cent for offices/retail and 8.6 per cent for industrial/warehouses.



DISTRIBUTION BY LETTABLE AREA AND TYPE OF PREMISES

Region	Office m ²	Retail m ²	Ind./Wareh m ²	Hotel m ²	Residential m ²	Other m ²	Total m ²	Proportion %
Malmö	314,920	34,056	247,622	2,947	0	5,118	604,662	46.9
Helsingborg	163,121	40,440	251,032	20,799	5,390	7,767	488,548	37.9
Rest of Öresund	127,034	3,006	67,025	0	0	253	197,318	15.3
Total	605,074	77,502	565,697	23,746	5,390	13,138	1,290,528	100.0
Proportion, %	46.9	6.0	43.8	1.8	0.4	1.0		

DISTRIBUTION BY REGION AND PROPERTY CATEGORY

Region/ property category	No. of properties	Lettable area m ²	Book value/ market value SEKm	SEK/ m ²	Rental value SEKm	SEK/ m ²	Financial occupancy rate %	Rental income SEKm	Net op. income SEKm	Yield %	Surplus ratio %
MALMÖ											
Office/retail	41	352,052	6,889	19,567	594	1,687	96	570	430	6.2	75
Industrial/Wareh.	46	214,782	1,117	5,482	151	702	90	136	92	7.8	68
Projects & land	29	37,828	637	16,842	21	552	29	6	-2	-0.2	-26
Total Malmö	116	604,662	8,703	14,393	765	1,266	93	712	520	6.0	73
HELSINGBORG											
Office/retail ¹	34	165,524	2,348	14,183	226	1,364	97	218	157	6.7	72
Industrial/Wareh.	55	318,618	1,686	5,292	218	685	92	200	141	8.3	70
Projects & land	6	4,407	49	11,049	4	933	28	1	-1	-2.2	-95
Total Helsingborg	95	488,548	4,082	8,356	448	917	94	420	296	7.3	71
REST OF ÖRESUND REGION											
Office/retail	17	151,919	2,052	13,510	175	1,154	87	152	119	5.8	78
Industrial/Wareh.	10	45,399	232	5,106	23	508	88	20	17	7.4	84
Projects & land	6	0	77	-	0	-	100	0	0	0.0	-603
Total rest of Öresund region	33	197,318	2,361	11,968	198	1,005	87	173	136	5.8	79
Total Wihlborgs	244	1,290,528	15,147	11,737	1,412	1,094	92	1,304	953	6.3	73
Total excluding projects & land	203	1,248,293	14,384	11,523	1,387	1,111	94	1,297	955²	6.6³	74

1. Two hotel properties located in Helsingborg, with lettable area of 21,270 m² are reported in office/retail.

2. The operating surplus includes costs for property administration that amount to SEK 53 million.

3. The yield excluding the cost of management administration amounts to 7.0 per cent.

LEASE EXPIRATION 30 SEPTEMBER 2010

CONTRACTED RENTAL INCOME AS AT 30 SEPTEMBER 2010

Expires in year	No. of leases	Lettable area m ²	SEKm	Prop, %
LEASE FOR RENTING PREMISES				
2010	96	31,420	27	2
2011	605	268,568	222	17
2012	417	228,653	256	20
2013	339	175,152	192	15
2014	199	203,948	260	20
2015	53	85,533	109	9
>2015	65	138,323	207	16
Total commercial leases	1,774	1,131,597	1,273	100
Residential areas	64	5,390	5	
Parking spaces etc.	487	0	26	
Total	2,325	1,136,987	1,304	

Largest shareholders in Wihlborgs as of 30 September 2010

The three largest shareholder in Wihlborgs are Brinova Fastigheter AB, Tibia Konsult AB with Sten K Johnson, and the American Funds BlackRock Inc.

As of 30 September 2010, the ten largest shareholders owned 34 per cent and the number of shareholders totalled 26,341, a decrease by 373 shareholders since the year end. The percentage of shares abroad has increased by 7.8 percentage units to 38.9 per cent.

Largest shareholders in Wihlborgs 30 September 2010	No. of shares thousands	Percentage of shares and capital, %
Brinova Fastigheter AB	3,867	10.1
Sten K Johnson via company and family	2,000	5.2
BlackRock Inc	1,954	5.1
Handelsbanken Funds	1,306	3.4
Länsförsäkringar Funds	960	2.5
Robur Funds	731	1.9
Qviberg Family	696	1.8
Skandia Funds	592	1.5
SEB Funds	517	1.4
Andra AP-fonden	298	0.8
Other shareholders reg. in Sweden	12,521	32.5
Shareholders reg. abroad	12,986	33.8
Total registered shares	38,428	100,0

Election committee prior to the 2011 annual general meeting

It was decided at the AGM of 21 April 2010 that Wihlborgs' election committee, whose tasks include submitting proposals for board members, shall comprise representatives from the three largest shareholders as well as one representative of the small shareholders.

The following election committee based on ownership on 30 September comprises: Anders Silverbåge (Brinova Fastigheter AB), Sten K Johnson (Tibia Konsult AB) and Karolina Qvarnström (Länsförsäkringar Fondförvaltning AB).

The Election Committee will be completed with a representative from the small shareholders.

The annual general meeting will be held in Malmö on Thursday, 28 April 2011. Shareholders who wish to contact the election committee should do this by email to valberedningen@wihlborgs.se or by post to Wihlborgs Fastigheter AB, Valberedningen, Box 97, 201 20 Malmö.

Prospects for 2010

The pre-tax profit from property management, i.e. the result before value changes and tax, for the whole of 2010 is expected to exceed SEK 600 million.



Forthcoming reports

- Year end report 7 February 2011
- Interim report Jan-Mar 28 April 2011
- Annual General Meeting 28 April 2011

Malmö 28 October 2010
Wihlborgs Fastigheter AB (publ)
Anders Jarl, CEO

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Auditors' review report

Introduction

We have conducted a review of the interim report for Wihlborgs Fastigheter AB (publ) as of September 30, 2010 and for the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity issued by FAR SRS. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and significantly less scope than an audit in accordance with Auditing Standards in Sweden, RS, and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that would have been identified if an audit had been conducted. Accordingly, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material respects, been prepared in accordance with IAS 34 and the Annual Accounts Act.

Malmö, 28 October 2010
Deloitte AB
Torbjörn Svensson
Authorized Public Accountant

LIST OF PROPERTY ACQUISITIONS AND SALES JANUARY–SEPTEMBER 2010

PROPERTY	Municipality	Area	Category	Area, m ²	Price, SEKm	Net op. income 2010, SEKm ¹
PROPERTY ACQUISITION QUARTER 1						
Afrika 18	Helsingborg	Helsingborg	Industrial/wareh.	1,439		
Ametisten 5	Helsingborg	Helsingborg	Industrial/wareh.	7,669		
Påfågeln 9	Helsingborg	Helsingborg	Projects & land	795		
Ruuth 23	Helsingborg	Helsingborg	Projects & land	3,645		
Spanien 5	Helsingborg	Helsingborg	Industrial/wareh.	868		
Spanien 11	Helsingborg	Helsingborg	Industrial/wareh.	7,229		
Tyfonen 1	Helsingborg	Helsingborg	Industrial/wareh.	4,500		
Total acquisition Jan-Mar 2010				26,145	128	4.6
PROPERTY ACQUISITIONS QUARTER 3						
Bunkalund Östra 8	Helsingborg	Helsingborg	Industrial/wareh.	6,300		
Total acquisition Jul-Sep 2010				6,300	18	-
ACQUISITIONS JAN-SEP 2010				32,445	146	4.6
PROPERTY SALES QUARTER 1						
Hälsingland 1	Malmö	Malmö	Industrial/wareh.	1,213		
Total sales Jan-Mar 2010				1,213	9	0.0
PROPERTY SALES QUARTER 2						
Värjan 9	Helsingborg	Helsingborg	Industrial/wareh.	2,007		
Total sales Apr-Jun 2010				2,007	9	0.0
PROPERTY SALES QUARTER 3						
Postterminalen 3	Lund	Lund	Projects & land	-		
Sqvalperup 12	Malmö	Malmö	Offices	6,000		
Korreboda 5:1	Simrishamn	Rest of Öresund	Industrial/wareh.	8,870		
Total sales Jul-Sep				14,870	231	4.0
PROPERTY SALES JAN-SEP 2010				18,090	249	4.0

1. Operating income from properties acquired and sold are included in the net profit for the period.



Wihlborgs acquired Knutpunkten (Terminalen 1) in Helsingborg during September 2010. Fotografier Martin Palvén.

GROUP INCOME STATEMENT

SEKm	2010 Jul-Sep 3 months	2009 Jul-Sep 3 months	2010 Jan-Sep 9 months	2009 Jan-Sep 9 months	2009/10 Oct/Sep 12 months	2009 Jan-Dec 12 months
Rental income	318	307	957	928	1,265	1,236
Property expenses	-39	-39	-145	-141	-194	-190
Repairs and maintenance	-11	-12	-33	-35	-48	-50
Property tax	-17	-13	-48	-40	-62	-54
Ground rent	0	0	-2	-2	-3	-3
Property administration	-14	-13	-40	-37	-54	-51
Net operating income	237	230	689	673	904	888
Central administration	-8	-8	-24	-23	-33	-32
Net interest income	-71	-72	-205	-246	-274	-315
Operating profit	158	150	460	404	597	541
Change in value of properties	191	0	319	-7	342	16
Change in value of derivatives	15	-21	-61	68	-63	66
Profit before tax	364	129	718	465	876	623
Current tax	-2	-3	-6	-6	-8	-8
Deferred tax	-57	-27	-138	-99	-167	-128
Profit for the period¹	305	99	574	360	701	487
Earnings per share ²	7.94	2.73	15,03	9.94	18,57	13.43
No. of shares at the end of period, thousands	38,428	36,214	38,428	36,214	38,428	37,464
Average no. of shares, thousands	38,428	36,214	38,185	36,214	37,739	36,266

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

2. Key ratios per share have been calculated based on a weighted average number of shares during the period. There are no outstanding subscription options, convertibles or other potential ordinary shares to take into consideration.

TOTAL PROFIT/LOSS FOR THE GROUP

SEKm	2010 Jul-Sep 3 months	2009 Jul-Sep 3 months	2010 Jan-Sep 9 months	2009 Jan-Sep 9 months	2009/10 Oct/Sep 12 months	2009 Jan-Dec 12 months
Profit/loss for the period	305	99	574	360	701	487
OTHER TOTAL PROFIT/LOSS						
Conversion differences for international activities including tax	-5	-7	-14	-8	-15	-9
Total profit/loss for the period¹	300	92	560	352	686	478

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

QUARTER HISTORY LAST 8 QUARTERS

	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Rental income	318	321	318	308	307	310	311	299
Operating expenses	-39	-44	-62	-49	-39	-46	-56	-48
Repairs and maintenance	-11	-11	-11	-15	-12	-11	-12	-15
Property tax	-17	-16	-15	-14	-13	-13	-14	-13
Ground rent	0	-1	-1	-1	0	-1	-1	0
Property administration	-14	-14	-12	-14	-13	-12	-12	-14
Net operating income	237	235	217	215	230	227	216	209
Operating earnings	158	158	144	137	150	145	109	108
Surplus ratio, %	74.5	73.2	68.2	69.8	74.9	73.2	69.5	69.9
Yield, %	6.3	6.3	5.9	6.0	6.5	6.5	6.3	6.1
Equity/assets ratio, %	30.4	29.2	30.8	29.6	28.3	29.2	29.7	29.4
Return on equity, %	25.9	12.9	10.6	11.9	9.7	17.7	8.0	-33.8
Earnings per share, SEK	7.94	3.88	3.18	3.49	2.73	4.97	2.24	-9.53
Cash flow per share, SEK	4.06	4.09	3.77	3.84	4.06	3.98	2.98	2.92
Equity per share II, SEK	156,67	148,64	150,33	146,30	142,68	139,23	139,75	136,77
Market value % of Equity II	117.7	99.9	101.4	90.6	90.6	74.5	65.8	73.1

Surplus ratio and yield are based on quarterly figures above

GROUP BALANCE SHEET

SEKm	2010-09-30	2009-09-30	2009-12-31
ASSETS			
Properties	15,147	14,102	14,418
Other fixed assets	167	182	164
Current receivables	107	78	69
Liquid assets	559	244	281
Total assets	15,980	14,606	14,932
EQUITY AND LIABILITIES			
Shareholders' equity	4,860	4,131	4,417
Deferred tax liability	1,199	1,036	1,064
Other long-term liabilities	7,697	8,794	8,363
Current liabilities	2,224	645	1,088
Total shareholders' equity & liabilities	15,980	14,606	14,932

CHANGES IN GROUP SHAREHOLDERS' EQUITY

SEKm	Jan-Sep 2010	Jan-Sep 2009	Jan-Dec 2009
Total equity at beginning of the period	4,417	4,134	4,134
<i>Shareholders' equity attributable to parent company's shareholders</i>			
Amount at beginning of period	4,417	4,014	4,014
Dividends paid	-259	-235	-235
Sale of own shares	142	-	160
Total profit/loss for the period	560	352	478
Amount at end of period	4,860	4,131	4,417
<i>Shareholders' equity attributable to minority shares</i>			
Amount at beginning of period	0	120	120
Acquisition of minority shares	0	-120	-120
Amount at end of period	0	0	0
Total shareholders' equity end of period	4,860	4,131	4,417

GROUP STATEMENT OF CASH FLOW

SEKm	Jan-Sep 2010	Jan-Sep 2009	Jan-Dec 2009
<i>Current activities</i>			
Net operating income	689	673	888
Central administration	-24	-23	-32
Add-back depreciation	1	1	2
Net financial items paid	-214	-228	-303
Income tax paid	0	-3	-3
Change in other working capital	-15	-27	11
Cashflow from operations	437	393	563
<i>Investments activities</i>			
Acquisitions of Group companies	-126	-230	-230
Sales of Group companies	237	172	283
Investments in and acquisitions of properties	-679	-522	-923
Sales of properties	10	-	2
Change in other fixed assets	-4	-3	11
Cashflow from investing activities	-562	-583	-857
<i>Financial activities</i>			
Dividends paid	-259	-235	-235
Acquisitions of minority interest	-	-120	-120
Disposal of own shares	142	-	160
Derivatives turnover	-	-	12
Changes in loan and long-term liabilities	520	649	618
Cashflow from financing activities	403	294	435
Cashflow during the period	278	104	141
Liquid assets at beginning of period	281	140	140
Liquid assets at end of period	559	244	281

SEGMENT REPORTING JAN-DEC

SEKm	Malmö		Helsingborg		Rest of Öresund		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Rental income	518	483	305	291	134	154	957	928
Property expenses	-145	-139	-89	-82	-34	-34	-268	-255
Net operating income	373	344	216	209	100	120	689	673

In the Group's internal reporting activities are divided into the above segments, these are the same as shown in the latest annual report. The total operating surplus shown above agrees with the net operating surplus in the income statement. The difference between net operating surplus of SEK 689m (673) and the profit before tax SEK 718m (465) comprises central administration SEK -24m (-23), net financial income SEK -205m (-246) and changes in value of properties and derivatives SEK 258m (61).

INCOME SHEETS PARENT COMPANY

SEKm	Jan-Sep 2010	Jan-Sep 2009	Jan-Dec 2009
Income	58	58	77
Costs	-73	-66	-91
Operating profit	-15	-8	-14
Financial income	374	353	462
Financial costs	-259	-242	-309
Income pre-tax	100	103	139
Tax	20	3	9
Profit for the period	120	106	148
Other total profit	0	0	0
Total profit for the period	120	106	148

BALANCE SHEETS PARENT COMPANY

SEKm	2010-09-30	2009-09-30	2009-12-31
Participations in group companies	3,461	3,357	3,433
Receivables from group companies	8,475	7,200	7,299
Other assets	182	151	262
Cash and bank balances	528	241	246
Total assets	12,646	10,949	11,240
Equity	1,970	1,693	1,967
Liabilities to credit institutions	8,118	7,464	6,917
Liabilities to group companies	2,326	1,608	1,610
Other liabilities	232	184	746
Total equity and liabilities	12,646	10,949	11,240

KEY FIGURES

	Jan-Sep 2010	Jan-Sep 2009	Oct/Sep 2009/10	Jan-Dec 2009
FINANCIAL				
Return on equity, %	16.5	11.8	15.6	11.8
Return on total capital, %	8.5	6.0	7.9	6.1
Equity/assets ratio, %	30.4	28.3	30.4	29.6
Interest coverage ratio, times	3.2	2.6	3.2	2.7
Leverage properties, %	61.1	62.7	61.1	61.3
Debt/equity ratio, times	1.9	2.1	1.9	2.0
SHARE-RELATED				
Earnings per share, SEK	15.03	9.94	18.57	13.43
Earnings per share before tax, SEK	18.80	12.84	23.21	17.18
Operating earnings per share, SEK	12.05	11.16	15.82	14.92
Cashflow from operations before change in working capital per share, SEK	11.92	11.02	15.79	14.86
Equity per share I, SEK	126.47	114.07	126.47	117.90
Equity per share II, SEK	157.67	142.68	157.67	146.30
Market value per share, SEK	185.50	129.25	185.50	132.50
Proposed dividend per share, SEK	-	-	-	6.75
Yield from shares, % ¹⁾	-	-	-	5.1
The share's total yield, % ¹⁾	-	-	-	39.0
P/E-tal I, times	9.3	9.8	10.0	9.9
P/E-tal II, times	15.7	11.8	15.9	12.1
No. of shares at period end, thousands	38,428	36,214	38,428	37,464
Average no. of shares, thousands	38,185	36,214	37,739	36,266
PROPERTY RELATED				
Number of properties	244	243	244	241
Book value of properties, SEKm	15,147	14,102	15,147	14,418
Yield, % – all properties	6.3	6.4	6.3	6.3
Yield, % – excluding project properties	6.6	7.0	6.6	6.9
Lettable area, sq.m.	1,290,528	1,268,808	1,290,528	1,269,193
Rental income, SEK per sq.m.	1,011	977	1,011	985
Net operating income, SEK per sq.m.	738	709	738	719
Financial occupancy rate, % - all properties	92	93	92	91
Financial occupancy rate, % - excl. project prop.	94	94	94	94
Surplus ratio, %	73	73	73	73
EMPLOYEES				
No. of employees at end of period	84	81	84	80
Average no. of employees	82	81	82	81

¹⁾ Can only be calculated in a full year.

DEFINITIONS

FINANCIAL

Return on equity

Profit as a percentage of average shareholders' equity excluding minority shares.

Return on total capital

Profit before tax plus interest expenses as a percentage of average balance sheet total.

Equity/assets ratio

Shareholders' equity as a percentage of balance sheet total.

Interest coverage ratio

Property management increased by interest costs divided by interest costs.

Leverage properties

Interest-bearing liabilities as a percentage of book value of the properties.

Debt/equity ratio

Interest-bearing liabilities divided by shareholders' equity.

SHARE-RELATED

Earnings per share

Profit divided by average number of outstanding shares.

Earnings per share before tax

Profit before tax divided by average number of outstanding shares.

Operating earnings per share

This is management result divided by the average number of outstanding shares.

Cash flow from operations before change in working capital per share

Cash flow from operations less current tax before change in working capital in relation to the average no. of shares.

Equity per share I

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

Equity per share II

Calculated as the equity per share I but with the tax rate for deferred tax of 0 per cent instead of 26.3 per cent.

P/E-ratio I, times

This is market value per share divided by the profit per share.

P/E-ratio II, times

The market value divided by the income from property management loaded with 26.3 per cent tax, per share.

PROPERTY RELATED

No. of properties

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

Carrying amount of properties

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

Lease value

Lease income plus estimated market rent on unrented areas.

Yield

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

Lettable area

Total area that is available to let.

Rental income per m2

Annualised rental income divided by lettable area.

Net operating income per m2

Net operating income divided by lettable area.

Financial occupancy rate

Rental income as a percentage of rental value.

Surplus ratio

Net operating income as a percentage of rental income.



A banner with Wihlborgs' message covers the facade on Flundran 1 in Malmö.
Photo Wihlborgs.



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