



**Interim Report Fourth Quarter**  
Index International AB (publ)

10.01.2014–  
12.31.2014





## Financial statements

### Consolidated income statement in summary

Amounts in SEK thousands	Note	Oct-Dec 2014	Oct-Dec 2014	Jan-Dec 2013	Jan-Dec 2013
<b>Operating income</b>					
Net sales	5	12,593	17,000	56,572	64,304
Other operating income		15,986	180	16,371	381
<b>Total</b>		<b>28,579</b>	<b>17,180</b>	<b>72,943</b>	<b>64,685</b>
<b>Operating expenses</b>					
Purchase of goods and services		-38,441	-4,473	-51,455	-20,052
Other external expenses		-7,577	-5,390	-27,921	-21,681
Personnel costs		-6,280	-1,682	-13,381	-6,767
Depreciation and write-downs of tangible and intangible fixed assets		1,157	32,001	-4,181	-5,794
Change in value of properties		46,600	-14,578	31,322	-29,700
Other operating expenses		-	-18	-	-51
<b>Total operating expenses</b>		<b>-4,541</b>	<b>5,860</b>	<b>-65,616</b>	<b>-84,045</b>
<b>Operating income</b>		<b>24,038</b>	<b>23,040</b>	<b>7,327</b>	<b>-19,360</b>
Financial income		75,509	3,662	183,464	78,200
Financial expenses		-17,697	-22,256	-79,018	-65,221
Financial items – net		57,812	-18,594	104,446	12,979
Result from participations in associated companies and joint ventures		-56	1,771	-1,815	2,671
<b>Profit/Loss before tax</b>		<b>81,794</b>	<b>6,217</b>	<b>109,958</b>	<b>-3,710</b>
Tax		-18,095	-5,120	-10,637	-1,207
<b>Profit/Loss for the period</b>		<b>63,698</b>	<b>1,097</b>	<b>99,321</b>	<b>-4,917</b>
<b>Other comprehensive income</b>					
Exchange difference		1,408	-2,725	4,200	1,936
Exchange differences non-controlling		-90	-	-90	-
<b>Other comprehensive income for the year</b>		<b>65,016</b>	<b>-1,628</b>	<b>103,431</b>	<b>-2,981</b>
<b>Total comprehensive income for the year</b>					
<b>Profit/Loss for the period attributable to:</b>					
Parent company shareholders		64,968	985	100,627	-4,726
Non-controlling interests		-1,270	112	-1,306	-191
<b>Total comprehensive income attributable to:</b>		<b>66,376</b>	<b>-1,740</b>	<b>104,827</b>	<b>-2,790</b>
Parent company shareholders		66,376	-1,740	104,827	-2,790
Non-controlling interests		-1,360	112	-1,396	-191

## Consolidated balance sheet in summary

Amounts in SEK thousands	Note	2014-12-31	2013-12-31
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
<b>Intangible fixed assets</b>			
Concessions		11,011	11,699
Trademarks		–	7,282
<b>Total Intangible fixed assets</b>		<b>11,011</b>	<b>18,981</b>
<b>Tangible fixed assets</b>			
Investment properties		461,742	441,500
Buildings and land		192,695	30,473
Equipment, tools, fixtures and fittings		2,984	3,340
Constructions in progress		650,675	303,036
<b>Total tangible assets</b>		<b>1,308,096</b>	<b>778,349</b>
<b>Financial assets</b>			
Participations in associated companies		12,273	33,834
Participations in joint ventures		12,560	11,786
Receivable from associated companies and joint ventures		44,388	90,773
Other non-current receivables	4	687,394	327,984
Financial assets available for sale	4	239,000	257,685
<b>Total financial assets</b>		<b>995,615</b>	<b>722,062</b>
Deferred tax assets		904	2,508
<b>TOTAL FIXED ASSETS</b>		<b>2,315,626</b>	<b>1,521,900</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Raw materials and consumables		54,868	196
Accounts receivable		3,580	10,587
Income tax recoverable		3,397	2,018
Receivable associated companies		6,146	19,514
Other receivables		44,950	99,755
Prepaid expenses and accrued income		8,128	8,672
Derivatives		–	–
Cash and cash equivalents		132,351	101,724
Non-current assets held for sale		60,000	145,514
<b>Total current assets</b>		<b>313,420</b>	<b>387,980</b>
<b>TOTAL ASSETS</b>		<b>2,629,046</b>	<b>1,909,880</b>

## Consolidated balance sheet in summary, continued

Amounts in SEK thousands	Note	2014-12-31	2013-12-31
<b>EQUITY</b>			
<b>Equity attributable to Parent company shareholders</b>			
Share capital		10,000	10,000
Restricted reserves		10,213	6,013
Non-restricted reserves including total comprehensive income for the year		1,059,937	959,310
Non-controlling interests		2,136	3,532
<b>Total equity</b>		<b>1,082,286</b>	<b>978,855</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Liabilities to credit institutions	4	581,908	281,528
Bond loan	4	367,838	267,542
Other liabilities		21,628	2,907
Deferred tax liabilities		114,227	126,169
Other provisions		117,500	–
<b>Total long-term liabilities</b>		<b>1,203,101</b>	<b>678,146</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	4	26,166	111,346
Accounts payable		52,297	37,569
Income tax liability		16,420	43
Liabilities to associated companies		136,816	2,379
Derivatives		10,591	10,870
Other liabilities		52,623	64,033
Accrued expenses and deferred income		48,746	26,640
<b>Total current liabilities</b>		<b>343,659</b>	<b>252,879</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,629,046</b>	<b>1,909,879</b>

For information in regards to pledged assets and contingent liabilities, see note 6–7.

## Consolidated statement of changes in equity, in summary

### Attributable to Parent company shareholders

Amounts in SEK thousands	Share Capital	Restricted reserves	Non-restricted reserves	Total	Non-controlling interests	Total equity
<b>Opening balance 1 January 2014</b>	<b>10,000</b>	<b>6,013</b>	<b>959,310</b>	<b>975,323</b>	<b>3,532</b>	<b>978,855</b>
Profit/Loss for the period	–	–	100,627	100,627	–1,036	99,321
Other comprehensive income	–	4,200	–	4,200	–90	4,110
<b>Closing balance 30 December 2014</b>	<b>10,000</b>	<b>10,213</b>	<b>1,059,937</b>	<b>1,080,150</b>	<b>2,136</b>	<b>1,082,286</b>
<b>Opening balance 1 January 2013</b>	<b>10,000</b>	<b>4,077</b>	<b>964,037</b>	<b>978,114</b>	<b>4,382</b>	<b>982,496</b>
Profit/Loss for the period	–	–	–4,726	–4,726	–191	–4,917
Other comprehensive income	–	1,936	–	1,936	–659	1,277
<b>Closing balance 30 December 2013</b>	<b>10,000</b>	<b>6,013</b>	<b>959,310</b>	<b>975,323</b>	<b>3,532</b>	<b>978,855</b>

## Consolidated cash flow statement in summary

Amounts in SEK thousands	Note	Jan-Dec 2014	Jan-Dec 2013
<b>Cash flow from operating activities</b>			
Result after financial items		111,773	-6,381
Depreciations		4,181	5,794
Unrealized provisions		117,500	-
Unrealized changes in values		-31,322	29,700
Unrealised current exchanges diff		-126,490	
Other non-cash items		27,153	-7,732
Income from participations in group companies		-2,830	-36,979
Interest paid		-60,892	-267
Interest received		5,582	23,252
Income tax		-5,977	163
<b>Net cash flow from operating activities before changes in working capital</b>		<b>38,678</b>	<b>7,550</b>
<b>Cash flows from changes in working capital</b>			
Change in inventories and work in progress		-54,672	51
Change in current receivables		17,781	-65,926
Change in current liabilities		31,010	55,234
<b>Total cash flows from changes in working capital</b>		<b>5,881</b>	<b>-10,641</b>
<b>Cash flows from operating activities</b>		<b>32,797</b>	<b>-3,091</b>
<b>Cash flows from investing activities</b>			
Investments in tangible fixed assets		-417,871	-213,730
Sales of participation of group companies			36,979
Sales of subsidiaries and associated		104,819	-
Sales of associated companies		500	-
Investments in subsidiaries		-49,977	-6,244
Investments in associated companies and joint ventures		-1,220	-9,090
Change in receivables in associated companies		188,966	20,285
Change in other financial non-current assets		-176,090	-162,825
<b>Total cash flows from investing activities</b>		<b>-350,873</b>	<b>-334,625</b>
<b>Cash flows from financing activities</b>			
Raised debt		427,594	271,172
Repayment of debt		-86,944	-
Dividends paid		600	-
<b>Total cash flow from financing activities</b>		<b>341,200</b>	<b>271,172</b>
<b>Changes in cash and cash equivalents</b>			
Opening balance, cash and cash equivalents		101,724	170,324
Exchange effect in cash and cash equivalents		7,503	-2,056
<b>Closing balance, cash and cash equivalents</b>		<b>132,351</b>	<b>101,724</b>

## Parent company income statement

Amounts in SEK thousands	Note	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
<b>Operating income</b>					
Net sales	5	1,071	547	2,242	1,371
<b>Total operating income</b>		<b>1,071</b>	<b>547</b>	<b>2,242</b>	<b>1,371</b>
Operating expenses					
Purchases of goods and services		-5	-15	-190	-527
Other external expenses		-4,688	-3,067	-16,171	-19,118
Personnel costs		-2,231	-657	-5,254	-2,059
Depreciation of tangible fixed assets		-25	-22	-90	-79
<b>Total operating expenses</b>		<b>-6,950</b>	<b>-3,762</b>	<b>-21,705</b>	<b>-21,784</b>
<b>Operating income</b>		<b>-5,879</b>	<b>-3,215</b>	<b>-19,462</b>	<b>-20,413</b>
Result from participations in group companies		-	-7,469	1,100	-7,469
Result from participation in associated companies and joint ventures		-	-	1,931	-
Result from other securities and receivables accounted for as fixed assets		29,710	-6,599	97,246	-27,307
Interest income and similar items		48,572	11,606	122,254	56,411
Interest expenses		-8,068	-3,102	-63,267	-25,876
<b>Profit/Loss after financial items</b>		<b>64,335</b>	<b>-8,779</b>	<b>139,802</b>	<b>-24,654</b>
<b>Profit/Loss before tax</b>		<b>64,335</b>	<b>-8,779</b>	<b>139,802</b>	<b>-24,654</b>
Tax		-24,616	1,106	26,509	3,250
<b>Profit/Loss for the period</b>		<b>39,719</b>	<b>-7,673</b>	<b>113,293</b>	<b>-21,404</b>

In the parent company, there are no items reported as other comprehensive income and therefore total comprehensive income equals result for the period.



## Parent company balance sheet

Amounts in SEK thousands	Note	2014-12-31	2013-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>			
	5		
Building equipment			31
Equipment, tools, fixtures and fittings		880	854
<b>Financial assets</b>			
Participations in Group companies		248,315	248,415
Receivables from Group companies		668,804	547,499
Participations in associated companies		180	50
Participations in joint ventures		12,032	12,032
Receivables from associated companies and joint ventures		922	67,319
Other receivables		540,826	241,976
<b>Total financial assets</b>		<b>1,471,077</b>	<b>1,117,291</b>
<b>Total fixed assets</b>		<b>1,471,958</b>	<b>1,118,176</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Accounts receivable		499	459
Receivables from group companies		93,458	75,681
Participations in joint ventures		–	–
Tax assets		–	13
Other receivables		3,591	3,792
Prepaid expenses and accrued income		2,009	1,671
<b>Total current receivables</b>		<b>99,557</b>	<b>81,617</b>
Cash and cash equivalents		34,905	24,509
<b>Total current assets</b>		<b>134,462</b>	<b>106,126</b>
<b>TOTAL ASSETS</b>		<b>1,606,420</b>	<b>1,224,302</b>

## Parent company balance sheet, continued.

Amounts in SEK thousands	Note	2014-12-31	2013-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity			
Share capital	10,000	10,000	10,000
Statutory reserve	2,000	2,000	2,000
<b>Total restricted equity</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>
<b>Non-restricted equity</b>			
Non-restricted reserves		376,544	437,510
Result for the period		113,292	-21,404
Total non-restricted equity		489,836	416,105
<b>Total Equity</b>		<b>501,836</b>	<b>428,105</b>
<b>Provisions</b>			
Other provisions		10,591	10,870
<b>Long-term liabilities</b>			
Bond loan		367,838	275,000
Liabilities to group companies		527,502	456,251
<b>Total long-term liabilities</b>		<b>905,932</b>	<b>742,122</b>
<b>Current liabilities</b>			
Accounts payable		739	1,144
Liabilities to group companies		12,546	24,387
Liabilities to associated companies		136,503	2,118
Other liabilities		44,456	23,752
Accrued expenses and deferred income		4,458	2,673
<b>Total current liabilities</b>		<b>198,702</b>	<b>54,074</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,606,470</b>	<b>1,224,302</b>

For information in regards to pledged assets and contingent liabilities, see note 6–7.



Key ratios	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
<b>Return on equity</b>				
Return on total equity in %	3.11	0.23	4.25	-0.33
Return on equity in %	7.56	0.45	10.33	-0.65
Return on total equity in % (Parent company)	-0.37	-0.26	-1.21	-1.67
Return on equity in % (Parent company)	12.82	-2.05	27.86	-5.76
EBITDA, SEK in thousands	22,881	-8,961	11,508	-13,566

### Profit/Loss

Operating income in SEK thousands	24,038	23,040	7,327	-19,360
Operating margin in %	190.88	135.53	12.95	-30.11

### Key ratio – financial position

Cash liquidity in %	91	153	91	153
Solidity i %	41.17	51.25	41.17	51.25
Equity in SEK thousands	1,082,286	978,855	1,082,286	978,855
Equity per share, SEK	10,823	9,789	10,823	9,789

### Key ratio definitions

Cash liquidity in %	Current assets divided by current liabilities
Solidity in %	Equity divided by total capital
Return on total equity in %	Profit/Loss after financial items and interest expense divided by total equity
Return on equity in %	Profit/Loss after financial items divided by non-restricted equity
Operating income in SEK millions	Profit/Loss before financial items
Operating margin in %	Operating income divided by net sales
Net profit margin in %	Profit/Loss after financial items divided by net sales

## Notes

### NOTE 1 General information

Index International AB (publ), corporate identity number 556561-0770 is parent company in Index-Group. Index International AB (publ) is headquartered in Stockholm with address Kungsträdgårdsgatan 18, Box 7744, 103 95 Stockholm, Sweden.

The operations of the Parent Company consists of group functions and organization with CEO and administrative functions. Organization of projects and management of real estate is headed by subsidiaries of the Group. No properties is owned directly by the parent company.

Index Group manages and develops real estate. In addition to real estate, the Group has an investment in a power plant fueled by biomass, a so-called Renewable Energy Facility located in Ajax outside of Toronto, Province of Ontario. The Group also has investments in commercial flight industry in Florida.

On November 27, 2014 this Interim report was approved by the Board of directors for publication.

This report has not been reviewed by the Index International's auditors.

All amounts are reported in thousands of Swedish kronor (ksek) unless otherwise stated. Difference in total sum may exist and relates to rounding.

### NOTE 2 Basis for establishing of the reports

Index International AB applies IFRS (International Financial Reporting Standards) as adopted by the European Union. This report is prepared in accordance with IAS 34, Interim Financial Reporting. The interim report for the mother company has been prepared in accordance with Annual Accounts Act (AAA) chapter 9 and RFR 2 Accounting for Legal Entities. The interim report should be read in conjunction with the annual report for the fiscal year ended December 31, 2013.

### NOTE 3 Accounting principles

The accounting policies are consistent with the principles applied in the previous financial year. See full accounting principles described in the Annual Report for 2013.

### NOTE 4 Financial instruments – Fair value

Information on fair value of lending and borrowing

The carrying amount and fair value of long-term borrowing and lending are as follows:

	Booked value		Fair value	
	2014-12-31	2013-12-31	2014-12-31	2013-12-31
Oth non-curr rec.	687,394	327,984	687,394	327,984
Borrowing	-581,908	-281,528	-581,908	-281,528
Bond loan	-367,838	-267,542	-367,838	267,542
<b>Total long term lending and borrowing</b>	<b>-262,352</b>	<b>-221,086</b>	<b>-262,352</b>	<b>-221,086</b>

The fair value of current borrowings equal to its carrying amount, as the impact of discounting is not significant. Fair value is based on discounted cash flows using a rate based on the borrowing rate of 9% and are classified in Level 2 of the fair value hierarchy.

### Calculating fair value

The table below analyzes financial instruments carried at fair value, based on the classification in the fair value hierarchy. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Other observable data for the asset or liability other than quoted prices included in Level 1, either directly (ie as prices) or indirectly (ie derived from prices) (level 2).
- Input for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The following table shows the Group's financial assets and liabilities measured at fair value as of December 31, 2014.

(SEK in thousands)	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial assets at fair value through income statement</b>				
– Financial assets held for sale	–	–	239,000	239,000
<b>Total assets</b>	<b>–</b>	<b>–</b>	<b>239,000</b>	<b>239,000</b>

### Liabilities

#### Financial liabilities at fair value through income statement

– Derivatives held for trading:				
Currency Option	–	10,951	–	10,951
<b>Total liabilities</b>	<b>–</b>	<b>10,951</b>	<b>–</b>	<b>10,951</b>

The following table shows the Group's financial assets and liabilities measured at fair value as of December 31, 2013.

(SEK in thousands)	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through income statement				
– Derivatives held for trading:				
Currency Option	–	184	–	184
– Financial assets held for sale	–	–	257,685	257,685
<b>Total assets</b>	<b>–</b>	<b>–184</b>	<b>257,685</b>	<b>257,689</b>

### Liabilities

#### Financial liabilities at fair value through income statement

– Derivatives held for trading:				
Currency Options	–	10,870	–	10,870
<b>Total liabilities</b>	<b>–</b>	<b>10,870</b>	<b>–</b>	<b>10,870</b>



Fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices from an exchange, broker, industry group, pricing service or regulatory agency are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. The Group has no financial instruments classified in Level 1.

Fair value of financial instruments not traded in an active market (such as OTC derivatives) is determined using valuation specialists. The Group uses (as far as possible) market data where it is available and company-specific information is used as little as possible. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Consolidated financial instruments included in level 2 consists of currency options.

In cases where one or more significant inputs not based on observable market data, the instrument is classified in level 3. Following table shows the changes in fair value of financial assets held for sale:

(SEK in thousands)	2014-12-31	2013-12-31
<b>Opening balance</b>	<b>257,685</b>	<b>272,509</b>
Transfer to level 3	-18,685	21,300
Gains and losses recognized in the income statement		-36,124
<b>Closing balance</b>	<b>239,000</b>	<b>257,685</b>

The real value in the table is based on the forecast net profit of fixed revenues from sales of newly built condominiums (to the condominium association), the costs of the works in construction projects. Forecasts of projects based largely on fixed income, and expenses, resulting in a minimal margin of error for its results.

**NOTE 5 Segment information**

Group-wide information

A breakdown of the revenues from all products and services as follows:

	Jan-Dec 2014	Jan-Dec 2013
<b>Analysis of revenue by revenue source:</b>		
– Sale of goods	–	33
– Property rents	55,392	62,372
– Sale of services	17,481	1,899
<b>Total</b>	<b>72,873</b>	<b>64,304</b>

The Group is headquartered in Sweden. Revenues from external customers in Sweden amounts to 55,392 ksek (Jan–Dec 2013: 60,626 ksek) and total revenue from external customers in other countries amounted to 17,861 ksek (Jan–Dec 2013: 3,678 ksek).

Total non-current assets other than financial instruments and deferred tax assets (there are no assets related to post-retirement benefits or rights under insurance contracts), which are located in Sweden amounts to 706,609 ksek (2013-12-31: 750,773 ksek) and the total of such assets located in other countries amounted to 598,954 ksek (2013-12-31: 349,862 ksek).

Revenues of approximately 7,168 ksek (Jan–Dec 2013: 7 883 ksek) relates to a single external customer. These revenues are attributable to rental of premises.

**NOTE 6 Pledged assets**

Group	2014-12-31	2013-12-31
Real estate mortgages	319,395	396,804
Restricted cash	67,196	61,055
Pledged shares	1,723	1,286
<b>Total Group</b>	<b>577,371</b>	<b>459,145</b>
<b>Parent company</b>		
Pledged shares	1,482	1,482
<b>Total parent company</b>	<b>1,482</b>	<b>1,482</b>

Real estate mortgages and share pledges are pledged as collateral for the Group's interest-bearing liabilities.

**NOTE 7 Contingent liabilities**

Group	2014-12-31	2013-12-31
General guarantees for subsidiary loans	276,500	234,650
General guarantees for other company loans	300,871	303,057
<b>Total Group</b>	<b>466,168</b>	<b>537,707</b>

  

Parent company	2014-12-31	2013-12-31
General guarantees for subsidiary loans	276,500	234,650
General guarantees for other company loans	189,668	303,057
<b>Total parent company</b>	<b>466,168</b>	<b>537,707</b>

The Group's parent company has a guarantee for mortgage loans with property Hornsberg 10, a total of 276 500 ksek (Jan–Dec 2013: 234,650 ksek).

**NOTE 8 Events post reporting date****Upcoming reporting dates**

- May 29, 2015: Interim report for the period January – March 2015
- August 28, 2015: Interim report for the period January – June 2015
- November 27, 2015: Interim report for the period January – September 2015

**Stockholm, 28th of February 2015**



**Bjarne Borg**  
Chairman of the Board



**Rickard Haraldsson**  
CEO



**Brian Borg**  
Board member



**Arne Weinz**  
Board member