

**INDEX**  
RESIDENCE /

*APRIL -  
JUNE  
2016*

# Highlights

## The Group

### Equity/assets ratio (%)

2016	60
2015	47
2014	41
2013	51
2012	62
2011	58
2010	58
2009	52

## Parent Company

### Equity/assets ratio (%)

2016	36
2015	33
2014	30
2013	35
2012	53
2011	72
2010	72
2009	66

### Total assets

2016	2,180,476
2015	2,353,760
2014	2,627,624
2013	1,909,880
2012	1,591,200
2011	1,524,841
2010	1,635,142
2009	991,640

### Total assets

2016	1,776,191
2015	1,717,587
2014	1,606,420
2013	1,224,302
2012	832,469
2011	681,119
2010	754,059
2009	820,569

### Equity

2016	1,319,113
2015	1,113,953
2014	1,084,495
2013	978,855
2012	982,495
2011	881,737
2010	950,708
2009	517,931

### Equity

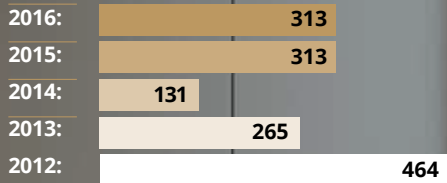
2016	607,832
2015	538,618
2014	488,137
2013	428,105
2012	437,988
2011	491,124
2010	543,104
2009	544,271

# Index Portfolio

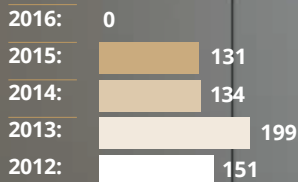
## Total units under planning/zoning:



## Total units in production:



## Total units leased/sold:



## Sum total of units in portfolio:







## Consolidated Income Statement in Summary

Amounts in SEK thousands	Note	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
<b>Operating income</b>						
	5					
Net sales		3,941	13,099	15,259	28,010	43,594
Other operating income		395	12,058	1,029	14,124	15,405
<b>Total</b>		<b>4,336</b>	<b>25,157</b>	<b>16,288</b>	<b>42,134</b>	<b>58,999</b>
<b>Operating expenses</b>						
	5					
Purchase of goods and services		-1,243	-8,786	-14,542	-14,003	-21,239
Other external expenses		-9,295	-4,614	-25,063	-13,625	-27,511
Personnel costs		-3,317	-6,947	-8,369	-13,138	-21,049
Depreciation/amortization of property, plant and equipment and intangible fixed assets		-217	-655	-520	-1,020	-3,477
Change in value of properties		-	-	-	-	-9,795
Result from participations in group companies		-5,035	25,509	207,578	25,509	8,459
Result from participations in associates and joint venture		10,124	25,122	11,291	25,136	31,821
<b>Total operating expenses</b>		<b>-8,983</b>	<b>29,629</b>	<b>170,375</b>	<b>8,856</b>	<b>-42,791</b>
<b>Operating result</b>		<b>-4,647</b>	<b>54,786</b>	<b>186,663</b>	<b>50,993</b>	<b>16,208</b>
Financial income		107,063	51,336	165,483	142,088	233,759
Financial expenses		-27,299	-81,392	-91,333	-107,391	-267,387
<b>Net financial items</b>	5	<b>79,764</b>	<b>-30,056</b>	<b>74,150</b>	<b>34,697</b>	<b>33,628</b>
<b>Result before tax</b>		<b>75,117</b>	<b>24,730</b>	<b>260,813</b>	<b>85,690</b>	<b>17,420</b>
Tax		-13,079	1,537	-18,662	9,485	75,969
<b>Result for the period</b>		<b>62,038</b>	<b>26,267</b>	<b>242,151</b>	<b>95,175</b>	<b>58,549</b>
<b>Other comprehensive income</b>						
Items that may later be reserved in the income statement:						
Exchange differences		2,595	-1,077	-8,991	-12	616
Exchange differences, non-controlling interests		-	117	-	22	-
<b>Total comprehensive income for the year</b>		<b>64,633</b>	<b>25,307</b>	<b>233,160</b>	<b>95,185</b>	<b>59,165</b>
Result for the period attributable to:						
Parent company shareholders		62,038	26,733	242,151	96,008	59,378
Non-controlling interests		-	-466	-	-833	-829
Total comprehensive income attributable to:						
Parent company shareholders		64,633	25,656	233,160	95,966	59,994
Non-controlling interests		-	-349	-	-811	-829
Earnings per share before dilution, SEK		646.33	256.56	2,331.60	96.00	599.94
Earnings per share after dilution, SEK		646.33	256.56	2,331.60	96.00	599.94

## Consolidated Balance Sheet in Summary

Amounts in SEK thousands	Note	2016-06-30	2015-06-30	2015-12-31
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Concessions		-	10,667	10,323
Trademark		1,920	-	277
<b>Total Intangible assets</b>		<b>1,920</b>	<b>10,667</b>	<b>10 600</b>
<b>Property, plant and equipment</b>				
Investment properties	5	175,039	464,142	77,209
Buildings and land		-	240,238	-
Equipment, tools, fixtures and fittings		1,743	2,351	2,129
Constructions in progress	5	-	671,435	642,298
<b>Total property, plant and equipment</b>		<b>176,782</b>	<b>1,378,166</b>	<b>721,636</b>
<b>Non-current financial assets</b>				
Investments in associates		13,272	583	751
Investments in joint ventures		4,003	10,792	2,941
Other non-current receivables	4	1,414,207	892,096	991,914
Financial assets available for sale	4	4,300	-	7,500
<b>Total non-current financial assets</b>		<b>1,435,782</b>	<b>903,471</b>	<b>1,003,106</b>
Deferred tax assets		-	947	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,614,484</b>	<b>2,293,251</b>	<b>1,735,342</b>
<b>Current assets</b>				
<b>Inventories</b>				
Residential units under development		259,136	69,822	242,372
Securities		86,107	-	56,751
Inventories		123	197	137
Accounts receivables		5,624	4,711	10,358
Tax assets		95	4,803	62
Receivables to associates		30,503	-	-
Other receivables		81,021	51,186	44,100
Financial assets available for sale	4	2,700	123,000	15,000
Prepaid expenses and accrued income		955	6,150	7,307
Derivatives	4	1,528	5,803	6,924
Cash and cash equivalents		49,200	138,755	186,407
Non-current assets held for sale		49,000	60,000	49,000
<b>TOTAL CURRENT ASSETS</b>		<b>565,992</b>	<b>464,427</b>	<b>618,418</b>
<b>TOTAL ASSETS</b>		<b>2,180,476</b>	<b>2,757,678</b>	<b>2,353,760</b>

## Consolidated Balance Sheet in Summary, Continued

Amounts in SEK thousands	Note	2016-06-30	2015-06-30	2015-12-31
<b>EQUITY</b>				
<b>Equity attributable to Parent company shareholders</b>				
Share capital		10,000	10,000	10,000
Reserves		1,838	3,975	10,829
Retained earnings including comprehensive income for the year		1,307,275	1,164,380	1,093,124
Non-controlling interests		–	3,356	–
<b>Total equity</b>		<b>1,319,113</b>	<b>1,181,711</b>	<b>1,113,953</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	4	141,324	656,786	379,190
Bond loan	4	370,945	368,874	369,909
Derivatives	4	12,631	12,161	73,986
Other non-current liabilities		–	21,628	1,628
Deferred tax liabilities		67,862	140,919	73,097
Other provisions		119,824	117,500	120,662
<b>Total long-term liabilities</b>		<b>712,586</b>	<b>1,317,868</b>	<b>1,018,472</b>
<b>Current liabilities</b>				
Borrowings		8,000	21,958	13,414
Accounts payable		33,344	60,880	77,515
Current tax liabilities		21,907	28,938	25,581
Derivatives	4	11,691	2,557	1,410
Other current liabilities		62,043	125,058	86,241
Accrued expenses and deferred income		11,792	18,708	17,174
<b>Total current liabilities</b>		<b>148,777</b>	<b>258,099</b>	<b>221,3355</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,180,476</b>	<b>2,757,678</b>	<b>2,353,760</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 2015</b>	<b>10,000</b>	<b>10,213</b>	<b>1,062,146</b>	<b>1,082,359</b>	<b>2,136</b>	<b>1,084,495</b>
Profit/Loss for the period	-	-	96,008	96,008	-833	95,175
Other comprehensive income	-	-6,238	6,226	-12	22	10
Disposal of the subsidiaries	-	-	-	-	2,031	2,031
<b>Closing balance 30 June 2015</b>	<b>10,000</b>	<b>3,975</b>	<b>1,164,380</b>	<b>1,178,355</b>	<b>3,356</b>	<b>1,181,711</b>
<b>Opening balance 1 januari 2016</b>	<b>10,000</b>	<b>10,829</b>	<b>1,093,124</b>	<b>1,113,953</b>	<b>-</b>	<b>1,113,953</b>
Profit/Loss for the period	-	-	242,151	242,151	-	242,151
Other comprehensive income	-	-8,991	-	-8,991	-	-8,991
Paid Dividend	-	-	-28,000	-28,000	-	-28,000
<b>Closing balance 30 June 2016</b>	<b>10,000</b>	<b>1,838</b>	<b>1,307,275</b>	<b>1,319,113</b>	<b>-</b>	<b>1,319,113</b>

## Consolidated Cash Flow Statement in Summary

Amounts in SEK thousands	Note	2016-06-30	2015-06-30	2015-12-31
<b>Cash flow from operating activities</b>				
Result after financial items		260,813	85,690	-17,420
Depreciation/amortization		520	1,020	3,477
Other non-cash items		-213,442	-78,564	15,548
Interest paid		-35,149	-21,946	-49,313
Interest received		24,482	11,229	32,998
Income tax		-25,546	-1,601	-1,215
<b>Net cash flow from operating activities before changes in working capital</b>		<b>11,678</b>	<b>-4,172</b>	<b>-15,925</b>
<b>Cash flows from changes in working capital</b>				
Change in inventories and work in progress		-6,654	-11,151	2,400
Change in current receivables		26,868	139,558	239
Change in current liabilities		-13,274	6,980	13,962
<b>Total cash flows from changes in working capital</b>		<b>6,940</b>	<b>135,387</b>	<b>16,601</b>
<b>Cash flows from operating activities</b>		<b>18,618</b>	<b>131,215</b>	<b>676</b>
<b>Cash flows from investing activities</b>				
Investments in intangible fixed assets		-1,840	-36,768	-282
Investments in tangible fixed assets		-95,469	-	-101,921
Sales/Investments in subsidiaries		-179,206	-	422,004
Sales/Investments in associated companies and joint venture		-12,525	420	254,180
Change in receivables in associated companies		-30,503	922	922
Change in other financial non-current assets		126,656	-84,360	-158,131
<b>Total cash flows from investing activities</b>		<b>-192,887</b>	<b>-119,786</b>	<b>416,7722</b>
<b>Cash flows from financing activities</b>				
Borrowings		65,511	137,399	108,851
Repayment of debt		-1,125	-141,544	-434,352
Dividends received/paid		-28,000	-	-28,400
<b>Total cash flow from financing activities</b>		<b>36,386</b>	<b>-4,145</b>	<b>-353,901</b>
<b>Changes in cash and cash equivalents</b>				
Opening balance, cash and cash equivalents		186,407	132,351	132 351
Exchange effect in cash and cash equivalents		676	-880	-9 491
<b>Closing balance, cash and cash equivalents</b>		<b>49,200</b>	<b>138,735</b>	<b>186,407</b>

## Parent Company Income Statement

Amounts in SEK thousands	Note	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
<b>Operating income</b>						
Net sales		495	319	783	471	1,897
<b>Total operating income</b>		<b>495</b>	<b>319</b>	<b>783</b>	<b>471</b>	<b>1,897</b>
<b>Operating expenses</b>						
Purchases of goods and services		-122	-	-122	-	-15
Other external expenses		-6,451	-2,398	-11,501	-8,035	-17,803
Personnel costs		-2,353	-2,301	-4,847	-4,284	-10,566
Depreciation/amortization of property, plant and equipment		-28	-18	-48	-35	-70
<b>Total operating expenses</b>		<b>-8,954</b>	<b>-4,717</b>	<b>-16,518</b>	<b>-12,534</b>	<b>-28,454</b>
<b>Operating result</b>		<b>-8,459</b>	<b>-4,398</b>	<b>-15,735</b>	<b>-11,883</b>	<b>-26,557</b>
Result from investments in group companies		-	-	-	919	-208,174
Result from investments in associates and joint ventures		24,000	1,763	25,500	138,800	244,300
Result from other securities and receivables accounted for as fixed assets		45,565	51,391	55,498	51,084	2,121
Other interest income and similar result items		57,873	45,709	103,819	143,282	169,204
Interest expenses and similar result items		-26,912	-117,294	-56,218	-127,370	-94,910
<b>Result after financial items</b>		<b>92,067</b>	<b>-22,829</b>	<b>112,864</b>	<b>194,832</b>	<b>81,742</b>
<b>Result before tax</b>		<b>92,067</b>	<b>-22,829</b>	<b>112,864</b>	<b>194,832</b>	<b>81,742</b>
Appropriations		4,770	384	4,770	1,220	10,696
Tax on earnings for the period		-15,900	7,482	-20,420	-12,249	-13,557
<b>Result for the period</b>		<b>80,937</b>	<b>-14,963</b>	<b>97,214</b>	<b>183,803</b>	<b>78,881</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	2016-06-30	2015-06-30	2015-12-31
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Software		231	-	-
<b>Property, plant and equipment</b>				
Equipment, tools, fixtures and fittings		787	859	824
<b>Non-current financial assets</b>				
Investments in Group companies		52,652	281,969	58,932
Receivables from Group companies		174,890	675,871	722,548
Investments in associates		2,800	12,632	800
Investments in joint ventures		1,532	-	1,532
Other non-current receivables		1,393,600	703,291	792,293
<b>Total non-current financial assets</b>		<b>1,625,474</b>	<b>1,673,763</b>	<b>1,576,105</b>
<b>Total non-current assets</b>		<b>1,626,492</b>	<b>1,674,622</b>	<b>1,576,929</b>
<b>Current assets</b>				
<b>Current receivables</b>				
Trade receivables		502	474	1,487
Receivables from group companies		106,277	107,278	89,478
Other receivables		4,141	3,722	4,387
Prepaid expenses and accrued income		224	294	2,478
<b>Total current receivables</b>		<b>111,144</b>	<b>111,768</b>	<b>97,830</b>
Cash and cash equivalents		38,555	6,119	42,828
<b>Total current assets</b>		<b>149,699</b>	<b>117,887</b>	<b>140,658</b>
<b>TOTAL ASSETS</b>		<b>1,776,191</b>	<b>1,792,509</b>	<b>1,717,587</b>

## Parent Company Balance Sheet, Continued.

Amounts in SEK thousands	Note	2016-06-30	2015-06-30	2015-12-31
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Restricted equity</b>				
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		498,618	476,137	447,737
Result for the period		97,214	183,803	78,881
<b>Total non-restricted equity</b>		<b>595,832</b>	<b>659,940</b>	<b>526,618</b>
<b>Total Equity</b>		<b>607,832</b>	<b>671,940</b>	<b>538,618</b>
Untaxed reserves		35,200	17,500	35,200
<b>Provisions</b>				
Other provisions		22,793	8,915	6,443
<b>Non-current liabilities</b>				
Bond loan		370,945	368,874	369,909
Liabilities to Group companies		660,205	566,977	661,968
<b>Total non-current liabilities</b>		<b>1,031,150</b>	<b>935,851</b>	<b>1,031,877</b>
<b>Current liabilities</b>				
Trade payables		3,248	339	949
Liabilities to Group companies		31,031	35,916	31,459
Tax liabilities		20,243	23,706	21,112
Other liabilities		19,654	94,029	42,808
Accrued expenses and deferred income		5,040	4,313	9,121
<b>Total current liabilities</b>		<b>79,216</b>	<b>158,303</b>	<b>105,449</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,776,191</b>	<b>1,792,509</b>	<b>1,717,587</b>
Pledged assets		1,040	1,040	1,040
Contingent liabilities		231,375	707,238	617,818

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

Group key ratios	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
<b>Return on equity</b>					
Return on total equity in %	3.44	0.90	11.96	3.11	0.74
Return on equity in %	5.69	2.09	19.77	7.69	-1,56
Return on total equity in % (Parent company)	5.18	-1.27	1.17	10.87	4.76
Return on equity in % (Parent company)	14.49	-3.33	3.27	28.42	14.44
EBITDA, SEK in thousands	-4,430	55,441	187,183	52,013	19,685

### Profit/Loss

Operating income in SEK thousands	-4,647	54,786	186,663	-50,993	16,208
Operating margin in %	-107.17	217.78	1,146.02	121.03	27.47

### Key ratio – financial position

Cash liquidity in %	361	180	361	180	279
Solidity i %	60.50	42.85	60.50	42.85	47.33
Equity in SEK thousands	1,319,113	1,181,711	1,319,113	1,181,711	1,113,953
Equity per share, SEK	13,191	11,817	13,191	11,817	11,140
Net income per share before dilution, SEK	646.33	256.56	2,331.60	959.96	599.94
Net income per share after dilution, SEK*	-	-	-	-	-
Number of share	100,000	100,000	100,000	100,000	100,000
Average number of shares	100,000	100,000	100,000	100,000	100,000
Number of apartments under zoning planning	801	955	801	955	807
Number of apartments under production	313	329	313	329	313
Number of occupied apartments	0	55	0	110	131
Number of apartments in the portfolio	1,294	1,464	1,294	1,464	1,300

### 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

\*Dilution does not occur.

## Notes

### Note 1 General information

Index Residence AB (publ), corporate identity number 556561-0770 is parent company in Index-Group. Index Residence 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.

On August 30, 2016 this Interim report was approved by the Board of directors for publication.

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

All amounts are reported in thousands of Swedish kronor (ksek) unless otherwise stated.

### Note 2 Basis for establishing of the reports

Index Residence 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 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, 2015.

### Note 3 Accounting principles

The accounting policies are consistent with the principles applied in the previous financial year. See full accounting princi-

ples described in the Annual Report for 2015.

### 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		
	2016-06-30	2015-06-30	2015-12-31	2016-06-30	2015-06-30	2015-12-31
Oth non-curr rec.	1,414,207	892,096	991,914	1,414,207	892,096	991,914
Borrowing	-141,324	-656,786	-379,190	-141,324	-656,786	-379,190
Bond loan	-370,945	-368,874	-369,909	-370,945	-368,874	-369,909
<b>Total long-term lending and borrowing</b>	<b>901,938</b>	<b>-133,564</b>	<b>242,815</b>	<b>901,938</b>	<b>-133,564</b>	<b>242,815</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).
- The value of the asset or liability are not based on observable market data, it is financial forecasts underlying the calculation of the value. Input for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

## Notes

The following table shows the Group's financial assets and liabilities measured at fair value as of June 30, 2016.

(SEK in thousands)	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through income statement	-	-	-	-
- Financial assets held for sale:				
Currency Option	-	1,528	-	1,528
Real Estate projects	-	-	7,000	7,000
<b>Total assets</b>	<b>-</b>	<b>1,528</b>	<b>7,000</b>	<b>8,523</b>

### Liabilities

Financial liabilities at fair value through income statement				
- Derivatives held for trading:				
Currency Option	-	11,691	-	11,691
Interest Rate Swap	-	12,631	-	12,631
<b>Total liabilities</b>	<b>-</b>	<b>24,322</b>	<b>-</b>	<b>24,322</b>

The following table shows the Group's financial assets and liabilities measured at fair value as of June 30, 2015.

(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	-	5,803	-	5,803
- Financial assets held for sale	-	-	123,300	123,000
<b>Total assets</b>	<b>-</b>	<b>5,803</b>	<b>123,000</b>	<b>128,803</b>

### Liabilities

Financial liabilities at fair value through income statement				
- Derivatives held for trading:				
Currency Option	-	2,557	-	2,557
Interest rate swap	-	12,161	-	12,161
<b>Total liabilities</b>	<b>-</b>	<b>14,718</b>	<b>-</b>	<b>14,718</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 are included in level 2 consists of currency options.



## Notes

In cases where one or more significant inputs not based on observable market data, the instrument is classified in level 3. Fol-

lowing table shows the changes in fair value of financial assets held for sale:

(SEK in thousands)	2016-06-30	2015-06-30	2015-12-31
<b>Opening balance</b>	<b>22,500</b>	<b>239,000</b>	<b>239,000</b>
Transfer to level 3	-22,500	-138,800	-239,000
Gains and losses recognized in the income statement	7,000	22,800	22,500
<b>Closing balance</b>	<b>7,000</b>	<b>123,000</b>	<b>22,500</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

The Group's operation are managed and reported by business area as follows. Segment consolidation is based on the same

principles as for the whole Group. Transactions between segments are based on market conditions.

#### 2016-04-01 – 2016-06-30

(SEK in thousands)	Sweden	North America	Group
<b>Operating income</b>			
Net sales	2,804	1,137	3,941
Other operating income	397	-2	395
<b>Total income</b>	<b>3,201</b>	<b>1,135</b>	<b>4,336</b>
<b>Operating expenses</b>			
Purchase of goods and services	-1,243	-	-1,243
Other external expenses	-8,509	-786	-9,295
Personnel costs	-3,317	-	-3,317
Depreciation and write-downs of tangible and intangible fixed assets	-236	19	-217
Change in value of properties	-	-	-
Result from participants in Group companies	-5,023	-12	-5,035
Result from participants in associated companies	10,124	-	10,124
<b>Total operating expenses</b>	<b>-8,204</b>	<b>-779</b>	<b>-8,983</b>
<b>Operating result</b>	<b>-5,003</b>	<b>356</b>	<b>-4,647</b>
Financial items – net	83,365	-3,601	79,764
<b>Result before tax</b>	<b>78,362</b>	<b>-3,245</b>	<b>75,117</b>
<b>Assets</b>			
Investment properties	143,836	31,203	175,039
Construction work in progress	-	-	-
Residential units under development	259,136	-	259,136
Number of apartments under detailed zoning plan	801	-	801
Number of apartments under development	313	-	313
Number of occupied apartments during the period	-	-	-
Number of apartments in the portfolio	1,294	-	1,294

## Notes

### 2015-04-01 – 2015-06-30

(SEK in thousands)	Sweden	North America	Group
<b>Operating income</b>			
Net sales	11,594	1,505	13,099
Other operating income	-822	12,880	12,058
<b>Total income</b>	<b>10,772</b>	<b>14,385</b>	<b>25,157</b>
<b>Operating expenses</b>			
Purchase of goods and services	-8,266	-520	-8,786
Other external expenses	-3,630	-984	-4,614
Personnel costs	-3,280	-3,667	-6,947
Depreciation and write-downs of tangible and intangible fixed assets	-353	-302	-655
Result from participants in Group companies	25,509	-	25,509
Result from participants in associated companies	25,122	-	25,122
<b>Total operating expenses</b>	<b>35,102</b>	<b>-5,473</b>	<b>29,629</b>
<b>Operating result</b>	<b>45,874</b>	<b>8,912</b>	<b>54,786</b>
Financial items – net	-37,841	7,785	-30,056
<b>Result before tax</b>	<b>8,033</b>	<b>16,697</b>	<b>24,730</b>
<b>Assets</b>			
Investment properties	433,400	30,742	464,142
Construction work in progress	1,617	699,818	671,435
Number of apartments under zoning planning	955	-	955
Number of apartments under development	329	-	329
Number of occupied apartments during the period	55	-	55
Number of apartments in the portfolio	1,464	-	1,464

# Notes

## 2016-01-01 – 2016-06-30

(SEK in thousands)	Sweden	North America	Group
<b>Operating income</b>			
Net sales	5,379	9,880	15,259
Other operating income	525	504	1,029
<b>Total income</b>	<b>5,904</b>	<b>10,384</b>	<b>16,288</b>
<b>Operating expenses</b>			
Purchase of goods and services	-2,900	-11,642	-14,542
Other external expenses	-14,506	-10,557	-25,063
Personnel costs	-6,803	-1,566	-8,369
Depreciation and write-downs of tangible and intangible fixed assets	-459	-61	-520
Result from participants in Group companies	207,590	-12	207,578
Result from participants in associated companies	11,291	-	11,291
<b>Total operating expenses</b>	<b>194,213</b>	<b>-23,838</b>	<b>170,375</b>
<b>Operating result</b>	<b>200,117</b>	<b>-13,454</b>	<b>186,663</b>
Financial items – net	112,948	-38,798	74,150
<b>Result before tax</b>	<b>313,065</b>	<b>-52,252</b>	<b>260,813</b>
<b>Assets</b>			
Investment properties	143,836	31,203	175,039
Construction work in progress	259,136	-	259,136
Number of apartments under zoning planning	801	-	801
Number of apartments under development	313	-	313
Number of occupied apartments during the period	-	-	-
Number of apartments in the portfolio	1,294	-	1,294

## Notes

### 2015-01-01 – 2015-06-30

(SEK in thousands)	Sweden	North America	Group
<b>Operating income</b>			
Net sales	25,476	2,534	28,010
Other operating income	356	13,768	14,124
<b>Total income</b>	<b>25,832</b>	<b>16,302</b>	<b>42,134</b>
<b>Operating expenses</b>			
Purchase of goods and services	-13,284	-719	-14,003
Other external expenses	-10,353	-3,272	-13,625
Personnel costs	-6,094	-7,044	-13,138
Depreciation and write-downs of tangible and intangible fixed assets	-730	-290	-1,020
Result from participants in Group companies	25,509	-	25,509
Result from participants in associated companies	23,880	1,256	25,136
<b>Total operating expenses</b>	<b>18,928</b>	<b>-10,069</b>	<b>8,859</b>
<b>Operating result</b>	<b>44,760</b>	<b>6,233</b>	<b>50,993</b>
Financial items – net	72,441	-37,744	34,697
<b>Result before tax</b>	<b>117,201</b>	<b>-31,511</b>	<b>85,690</b>
<b>Assets</b>			
Investment properties	433,400	30,742	464,142
Construction work in progress	1,617	669,818	671,435
Number of apartments under zoning planning	955	-	955
Number of apartments under development	329	-	329
Number of occupied apartments during the period	110	-	110
Number of apartments in the portfolio	1,464	-	1,464

# Notes

## 2015-01-01 – 2015-12-31

(SEK in thousands)	Sweden	North America	Group
<b>Operating income</b>			
Net sales	39,213	4,381	43,594
Other operating income	-326	15,731	15,405
<b>Total income</b>	<b>38,887</b>	<b>20,112</b>	<b>58,999</b>
<b>Operating expenses</b>			
Purchase of goods and services	-20,211	-1,028	-21,239
Other external expenses	-23,507	-4,004	-27,511
Personnel costs	-14,004	-7,045	-21,049
Depreciation and write-downs of tangible and intangible fixed assets	-2,254	-1,223	-3,477
Change in value of properties	-11,000	1,205	-9,795
Result from participants in Group companies	8,459	-	8,459
Result from participants in associated companies	31,821	-	31,821
<b>Total operating expenses</b>	<b>-30,696</b>	<b>12,095</b>	<b>-42,791</b>
<b>Operating result</b>	<b>8,191</b>	<b>8,017</b>	<b>16,208</b>
Financial items – net	36,678	-70,306	-33,628
<b>Result before tax</b>	<b>44,869</b>	<b>-62,289</b>	<b>-17,420</b>
<b>Assets</b>			
Investment properties	48,436	28,773	77,209
Construction work in progress	-	642,298	642,298
Residential units under development	242,372	-	242,372
Number of apartments under zoning planning	807	-	807
Number of apartments under development	313	-	313
Number of occupied apartments during the period	131	-	131
Number of apartments in the portfolio	1,300	-	1,300

## Notes

### 2014-01-01 – 2014-12-31

(SEK in thousands)	Sweden	North America	Group
<b>Operating income</b>			
Net sales	54,812	1,760	56,572
Other operating income	651	15,720	16,371
<b>Total</b>	<b>55,463</b>	<b>17,480</b>	<b>72,943</b>
<b>Operating expenses</b>			
Purchase of goods and services	-51,451	-4	-51,455
Other external expenses	-21,376	-6,545	-27,921
Personnel costs	-8,560	-4,821	-13,381
Depreciation and write-downs of tangible and intangible fixed assets	-4,167	-1,252	-5,419
Change in value of properties	32,560	-	32,560
Result from participants in Group companies	-1,813	-2	-1,815
<b>Total operating expenses</b>	<b>-54,807</b>	<b>-12,624</b>	<b>-67,431</b>
<b>Operating result</b>	<b>656</b>	<b>4,856</b>	<b>5,512</b>
Financial items – net	162,952	-58,506	104,446
<b>Result before tax</b>	<b>163,608</b>	<b>-53,650</b>	<b>109,958</b>
<b>Assets</b>			
Investment properties	431,000	30,742	461,742
Construction work in progress	6,049	644,626	650,675
Number of apartments under zoning planning	1,263	-	1,263
Number of apartments under development	131	-	131
Number of occupied apartments during the period	134	-	134
Number of apartments in the portfolio	1,668	-	1,668

## Note 6 Pledged assets

Group	2016-06-30	2015-06-30	2015-12-31
Real estate mortgages	256,141	329,435	394,053
Restricted cash	–	67,975	61,946
Pledged shares	153	242	242
<b>Total Group</b>	<b>256,294</b>	<b>397,652</b>	<b>456,241</b>
Parent company	2016-06-30	2015-06-30	2015-12-31
Pledged shares	1,040	1,040	1,040
<b>Total parent company</b>	<b>1,040</b>	<b>1,040</b>	<b>1,040</b>

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

## Note 7 Contingent liabilities

Parent company	2016-06-30	2015-06-30	2015-12-31
General guarantees for subsidiary loans	121,146	312,200	60,000
General guarantees for other company loans	110,229	395,038	557,818
<b>Total parent company</b>	<b>231,375</b>	<b>707,238</b>	<b>617,818</b>

The Group's parent company has a guarantee for mortgage loans with property Hornsberg 10, a total of 0 ksek (Jan–Jun 2015: 294,500 ksek). Of total liabilities includes construction loans 110,229 ksek (Jan–Jun 2015: 391,460 ksek) for projects in Florida, US.

## Note 8 Events post reporting date

### Upcoming reporting dates

- November 30, 2016 Interim report for period January – September 2016
- February 28, 2017 Interim report for period January – December 2016
- April 28, 2017 Annual report for period January – December 2016

Stockholm, 30<sup>th</sup> of August 2016



**Bjarne Borg**  
Chairman of the Board



**Rickard Haraldsson**  
CEO /Board member



**Arne Weinz**  
Board member

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