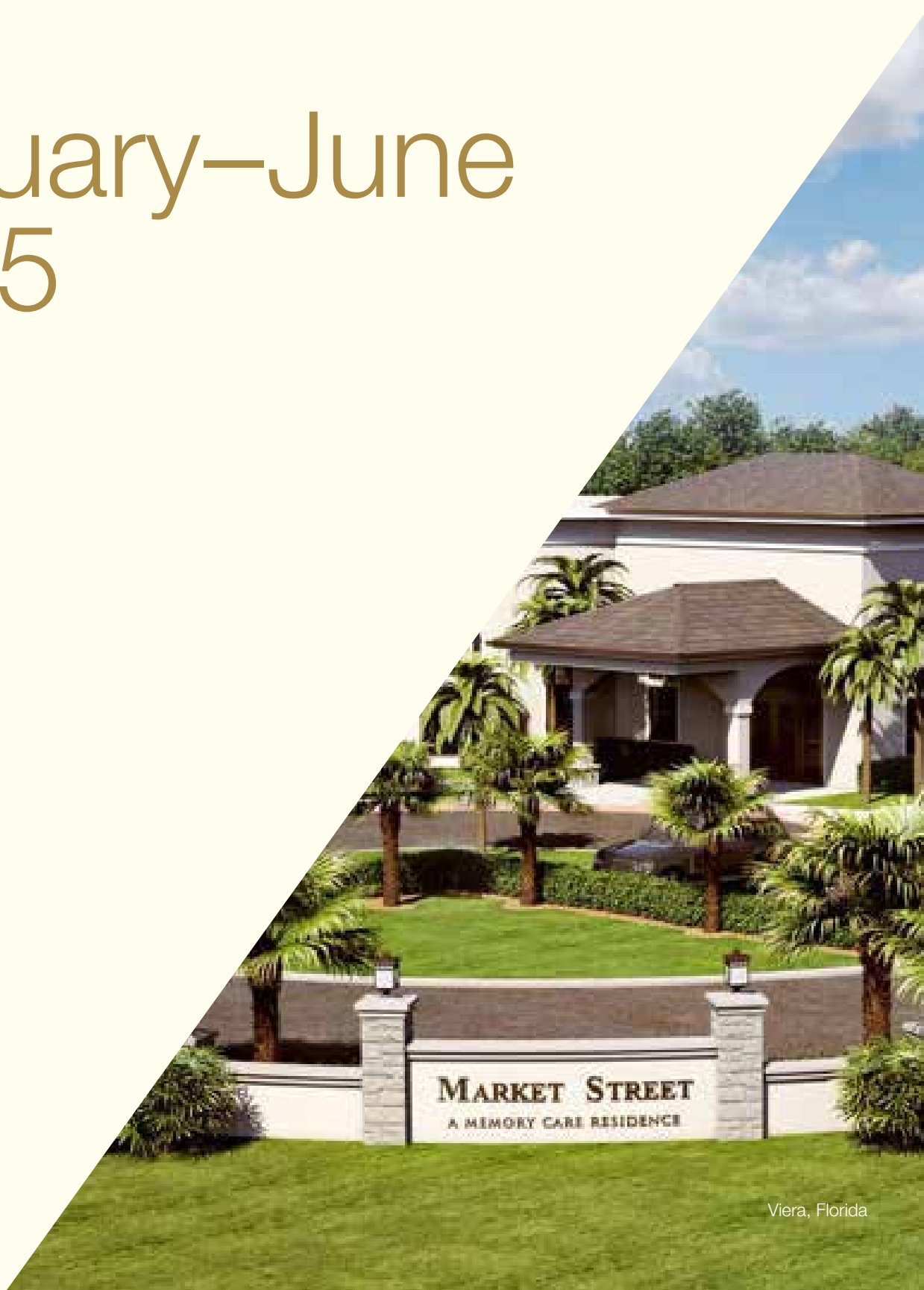




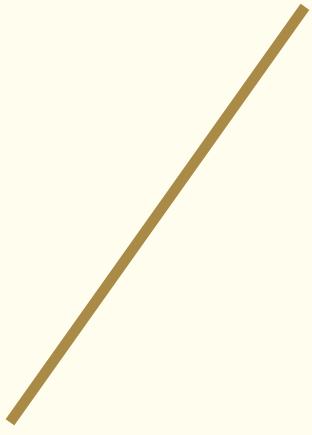
**Interim Report Second Quarter 2015**  
Index International AB (publ)

# January–June 2015



Viera, Florida





# 1. Executive Summary.

# Highlights

## The Group

### Equity/assets ratio (%)

2014	46
2013	51
2012	62
2011	58
2010	58
2009	52

### Total assets

2014	2,627,624
2013	1,909,880
2012	1,591,200
2011	1,524,841
2010	1,635,142
2009	991,640

### Equity

2014	1,084,495
2013	978,855
2012	982,495
2011	881,737
2010	950,708
2009	517,931

## Parent Company

### Equity/assets ratio (%)

2014	30
2013	35
2012	53
2011	72
2010	72
2009	66

### Total assets

2014	1,606,420
2013	1,224,302
2012	832,469
2011	681,119
2010	754,059
2009	812,203

### Equity

2014	488,136
2013	428,105
2012	437,988
2011	491,124
2010	543,104
2009	544,271

## Letter from the CEO



### Welcome to Index International!

We are a lean and dynamic real estate company creating high-end residential properties and delivering exceptional results. Our uniqueness is our dual market strategy which allows us to adjust to the different cycles of North America and Sweden

Tried and tested. Index has consistently developed successful projects with reliable returns through sound investment policies and creative property development.

We believe in a passionate process of Intelligent Acquisitions, Creative Property Development, and first-class Project Branding. Combined with Excellence in Construction and Financial Stability this leads to sustainable residential areas very high in demand.

As an employer, Index strives to attract and nurture a dedicated and professional Team of Experts. Our goal is to do that by empowering our staff with trust, by encouraging the individual to assume responsibility and by maintaining an inspiring work environment.

By hiring the best outside contractors available we will ensure that our projects aspire to the highest levels of quality and attractiveness. (plus that we also will maintain a lean and efficient organization committed to project excellence).

As a partner, we aim to be the preferred choice. We always strive to treat our partners as we want to be treated ourselves - with reliability, honesty and respect.

Thank you for your interest in our company!

**Rickard Haraldsson**  
Chief Executive Officer

# Index Portfolio

## Total units under planning/zoning:

2015:	955*
2014:	1263
2013:	275
2012:	275

## Total units in production:

2015:	329*
2014:	131
2013:	265
2012:	464

## Total units leased/sold

2015:	55*
2014:	134
2013:	199
2012:	151

## Sum total of units in portfolio:

2015:	1668*
2014:	1668
2013:	720
2012:	919

\* = first six months of year

## Index Products

### Developing high-end residential properties

#### The Index Lifestyle

Who lives Index? They are not a socially defined group or a “demographic”. They are rather individuals that desire a home that is both a sound investment but also meet their needs and demands of ambiance and well-being.

The Index lifestyle belongs to people with an open mindset, people who share a yearning for something finer and who desire context. They are people who are searching for that special place and value that extra touch.

#### The Index Brands

Index offers Stylish Homes in Harmonious Environments under the banner of two brands - Index Residence and Index Living. Combining style and functionality with purposeful architecture, we enhance the environments we develop in order to help our customers find harmony at home.

**Index Living** is our above average standard brand and provides “Friendly Communities that enable a Life in Balance”.

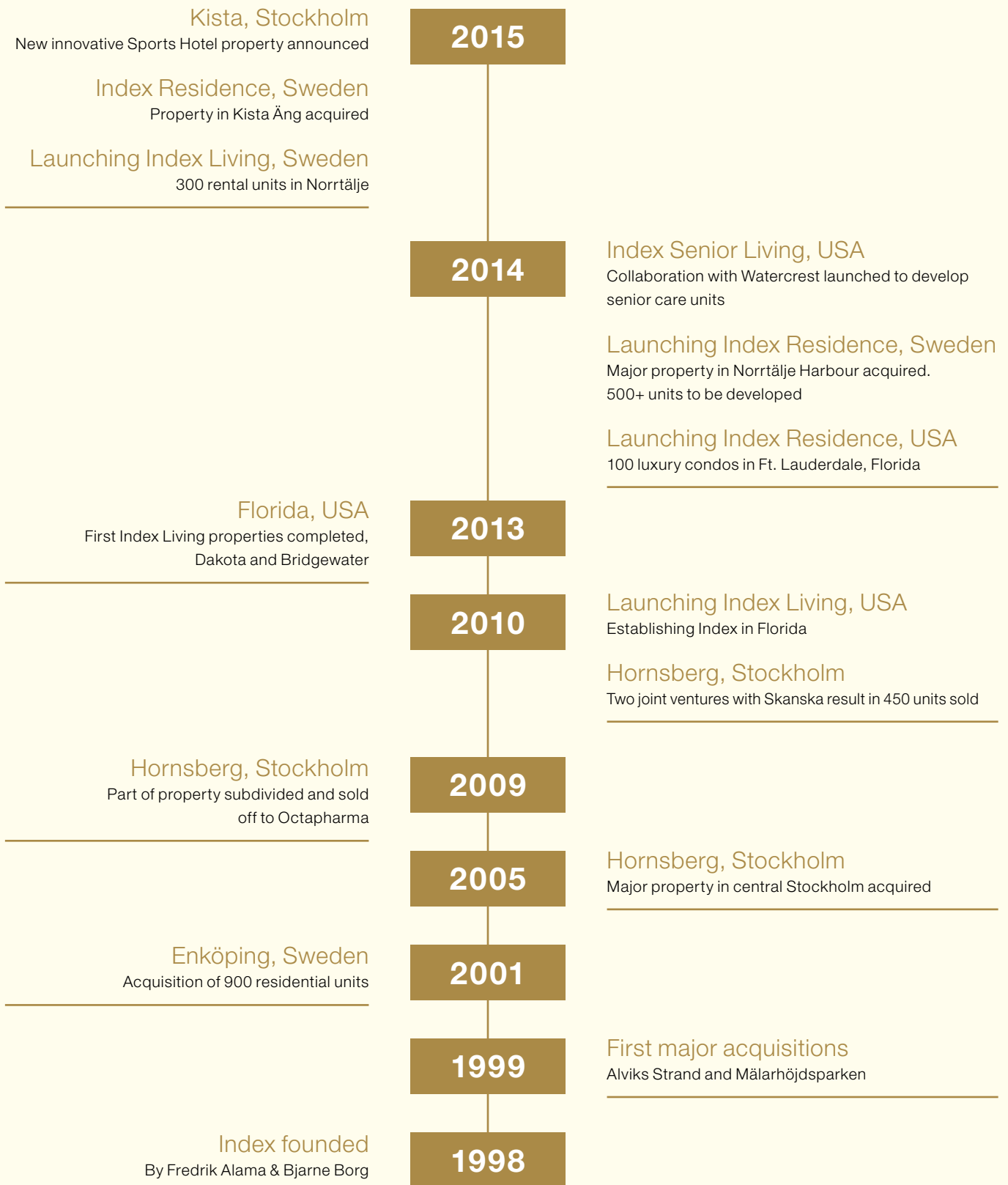
**Index Residence** is our premium brand and offers “International Style with a distinct Swedish touch of Elegance”.

You know you are in an Index home when design and technology are in perfect balance. Our homes have a top-quality finish through and through, with elegant kitchens that are designed for optimal joy (of both cooking and social interaction) and modern and spacious bathrooms.

That’s the Index touch!



## Company History and Milestones





## Sample Index Projects



1999. Mälarhöjdsparken



2005. Västermalms Strand, Stockholm



2010. The Dakota, an Index Living property



2014. Senior Living Facility Lake Nona, Florida, U.S.



2014. Riva, Ft. Lauderdale, Florida



2015. Norrtälje Torn

## Index Project Overview: Florida



## Index Project Overview: Greater Stockholm region





## Index Core Values

### Values we live by

#### **Ambition**

Our ambition has always been to build and create a prosperous company. But we don't have to stop there. At Index International we aim to achieve more than just profit. Our ambition besides growth and prosperity, is to develop enhanced value by creating meaningful environments in all our projects.

#### **Endurance**

Established in 1998, we have already been around for more than 15 years. Having witnessed the volatile markets over the past decade, Index International is tried and tested, and has shown dependable endurance. Built from the ground up, you can trust that we are here to stay!

#### **Adaptability**

At the core of Index Internationals strenght and success is our capacity to adapt. Our flexible business model allows us to adjust the weight of our portfolio from commercial to residential projects as we see fit. The same goes for adjusting geographical focus. In todays fast-changing market it is absolutely necessary to be able to be responsive and adapt to the challenges.

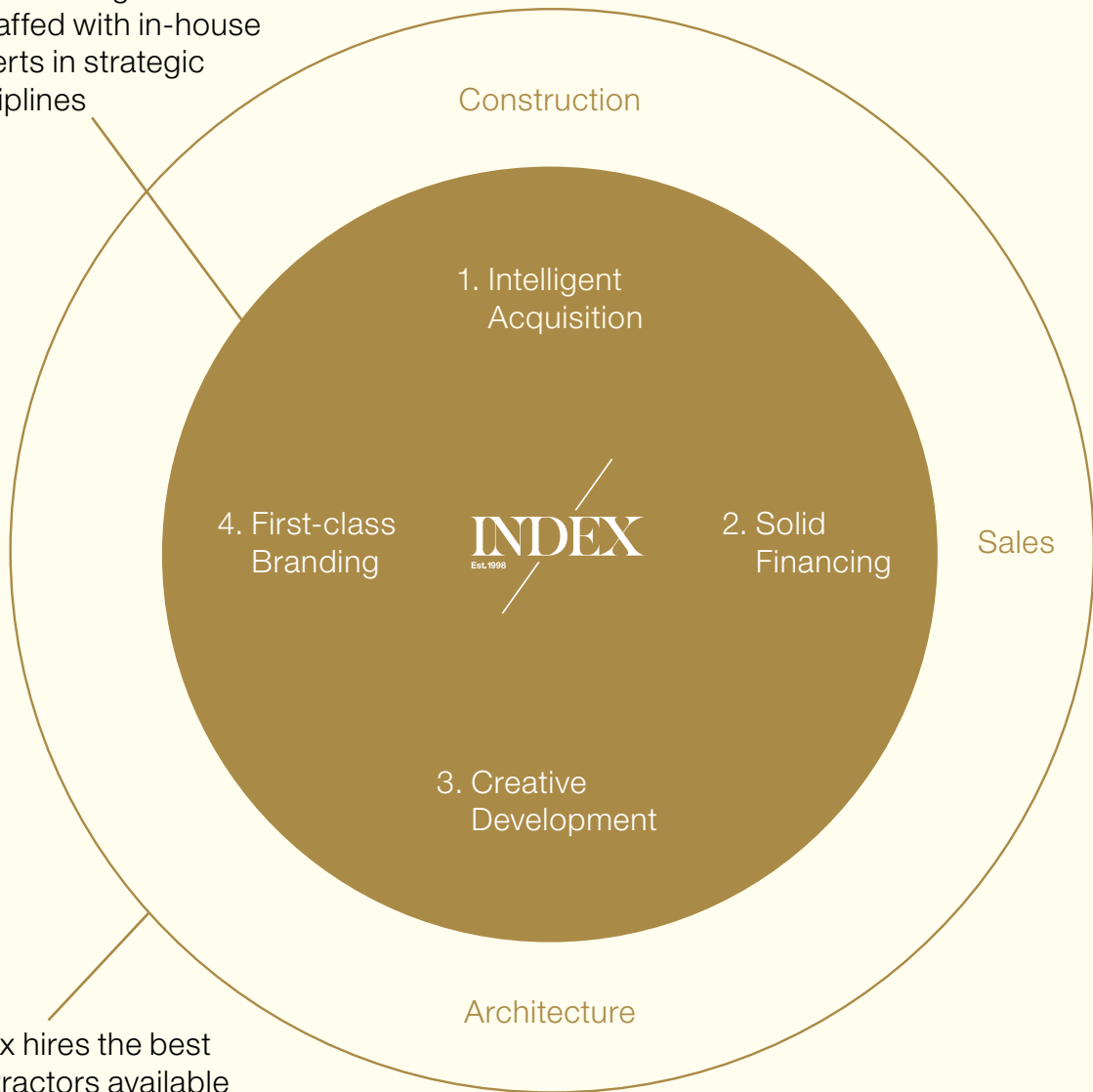
#### **Competence**

Able to read the markets, and knowing when to shift focus.  
Knowing when to speed up versus when to hit the brakes.  
Understanding every business opportunity and its unique conditions at the time. These are fundamental skills that we at Index International have developed, and continue to sharpen.

# Index Core Competencies

## Lean and dynamic organization

The Index organization is staffed with in-house experts in strategic disciplines



**1. Intelligent Acquisition**  
 Idea & Vision  
 Market Analysis  
 Commercial DD

**2. Solid Financing**  
 Appraisal  
 Procurement  
 Due diligence

**3. Creative Development**  
 Zoning  
 Planning  
 Architecture & Design

**4. First-class Branding**  
 Product  
 Concept  
 Marketing

## Executive Management Team



### Rickard Haraldsson, CEO

Rickard re-joined the Index Group in November 2014, previously the CEO of Index in the period 2009 – 2013. MBA from University of Southampton School of Management. BA (Hons) Business degree from University of Westminster. Head of Corporate Finance Avanza, Grant Thornton Corporate Finance Stockholm and London.



### Marie-Louise Alamaa, CFO

Marie-Louise joined Index Group in 2009 as CFO (CEO 2013–2014). Previous experience includes nine years in the pharmaceutical industry as well as the Swedish tax authorities.



### Peter Egli, CIO

Peter joined Index Group in August 2014. He has an extensive experience in commercial real estate financing from both the domestic (Spintab, SBAB) as the international bank sector (Nord/LB, DnB).

## Board of Directors



### Bjarne Borg, Co-Founder and Chairman of the Board

Bjarne co-founded Index International AB together with Fredrik Alama in 1998. An entrepreneur at heart Bjarne launched his first business venture already at the age of 14. He has founded several businesses and held positions as consultant, manager and board member in the fields of sales, accounting, tax, real estate/ construction and general business up until launching Index. His strong analytical skills combined with his relentless attention to detail, has been crucial to the development of the company.



### Fredrik Alama, Co-Founder

Fredrik co-founded Index International AB together with Bjarne Borg in 1998. Fredrik started his career with his first property acquisition at the age of 20 and has since been a business entrepreneur. He has a wealth of experience as real estate broker with a highly developed sense of what makes the market tick and where the wind is blowing.



### Arne Weinz, Member of the Board

Arne is a serial entrepreneur with a broad experience of several branches, particularly the Call Center-industry where he still is active as Chairman of GoExcellent Group. Being CEO in two decades he has developed his own leadership philosophy that can be studied in his book "Den snabbaste vägen". Born 1957 with a Master degree in Industrial Management and Engineering at Institute of Technology in Linköping (LITH).



### Brian Borg, Member of the Board

Brian has worked for various Index-owned companies for approximately ten years and is Member of the Board of Index International AB (publ) since 2013. He has extensive experience of Real Estate Property Management.



# 2. Market Overview.



### Summary of the second quarter of 2015

- Net sales increased with 69,07% to 25,157 ksek (14,880 ksek)
- Operating income increased to 54,786 ksek (-9,403 ksek)
- Profit/Loss after tax amounted to 26,267 ksek (20,934 ksek)
- The equity/assets ratio amounted to 42.85% (46.78%)
- Earnings per share before dilution 253 sek (247 sek)\*
- Number of apartments under zoning planning 955 (783)
- Number of apartments under production 329 (225)
- Number of occupied apartments during the period 55 (0)
- Number of apartments in the portfolio 1,668 (1,188)

\*Dilution effects do not occur

KSEK – SEK in thousands	Apr–Jun 2015	Apr–Jun 2014	Jan–Jun 2015	Jan–Jun 2014	Jan–Dec 2014
Net sales	25,157	14,880	42,134	30,375	72,943
Operating income	54,786	-9,403	50,993	-9,732	5,512
Financial items, net	-30,056	21,321	34,697	7,457	104,446
Profit/Loss for the period	25,307	24,719	95,185	8,487	105,640
Balance sheet total	2,757,678	2,110,677	2,757,678	2,110,677	2,627,624
Result after tax	26,267	20,934	95,175	5,355	101,530
Earnings per share	253.07	247.19	951.85	84.87	1,056.40
Operating margin, %	217.78	-63.19	121.03	-32.04	7.56
Solidity %	42.85	46.78	42.85	46.78	41.27
Number of apartments under zoning planning	955	783	955	783	1,263
Number of apartments under production	329	225	329	225	131
Number of occupied/completed apartments during the period	55	0	110	0	134
Number of apartments in the portfolio	1,668	1,188	1,668	1,188	1,668

### Significant events during the period

In Norrtälje Hamn, the demolition of the existing silos and old industrial buildings has started in preparation for the production of new housing. The detailed zoning plan for Norrtälje hamn's first stage is expected to gain legal force during the second quarter of 2016.

External valuations of investment properties have been made during the period and the value of the properties is on par with the 2014 values. Therefore, no fair value adjustments on investment properties have been made.

### Market development

Market development in residentials in Greater Stockholm and Mälardalen remains very strong. In the first three months the price of condominiums increased with five percent.

### Earning and positions, April – June 2015

Consolidated profit before tax amounted to 25 msek (12 msek) and the balance sheet total amounted to 2,758 msek (2,111 msek). The appreciation of the US dollar has slowed down during the second quarter and also the CAD has weakened against the Swedish krona. This has resulted in a negative currency effect of 40 msek for the quarter. Currency effects are related to foreign currency lending for financing the sister group's operations in Florida. Rental income amounted to 13,1 msek (14,8 msek). The parent company received dividend of 138 msek from a joint venture company. The dividend has previously been recognized as income in the group why it only appears in the parent company's income statement. Furthermore, the additional purchase price of the housing project Fröjden AB has been up valued with 22.8 msek.

### Equity/assets ratio

The equity/assets ratio amounted to 42.85% (46.78%).

### Cash flow

The Group is currently in an intensive expansion phase. Developing real estate is very capital intensive. Cash flow for the Group's investments will mainly be from equity, bank loans, bonds and rental income. The Group obtains positive cash flow only when full leasehold has been achieved. The Group invests mainly in developing properties where the company is helping to achieve the zoning plan. The positive aspects to invest in projects at an early stage is that the company thereby can take part of the entire value chain. This provides higher profits but also longer lead times.

### Liquidity

The Group's cash and cash equivalents for the period amounted to 138 msek (154 msek). The company focuses strongly on liquidity monitoring. One-year and four-year forecasts are continually drawn up.

### Significant risks and uncertainties in the business

Significant risks and uncertainties are described in the Annual report of 2014. No significant changes have occurred during this interim period.

### Restructuring

In 2015 the Company continued its restructuring work. It is intended to streamline operations and clarify the group's core operation in conjunction with the optimization of the capital structure. With an expansive business the optimization of the capital structure is an important component. As part of this restructuring, Index International AB (publ) sold the subsidiary Index Investment LLC which has activities outside non-core business. Furthermore Index International AB has acquired 100% of the shares in Vector Finance LLC. The acquisition was made at market value.

### Events after the reporting period

No significant events occurred after the reporting period.

### Future prospects

The Group's prospects are good. The Group has a project portfolio of about 3,000 residential units under development. This also includes the sister group's, Index Enterprise LLC, ongoing and future production in Florida, USA, financed by Index International (publ) AB. The Swedish project portfolio amounts to 1,700 residential units.

### Transactions with related parties

Related parties to the parent company's subsidiaries are Index Enterprise LLC Group, Index Equity Sweden AB Group and associated companies and joint ventures. The parent company's transactions with related companies have been mainly of a financial nature. Transactions have taken place on market terms.

### THE GROUP

Sales and profits for the second quarter of 2015

Amounts in SEK millions	Q2 / 15	Q2 / 14
Net sales	25	15
Operating income	55	-9

# Financial Statements

## Consolidated Income Statement in Summary

Amounts in SEK thousands	Note	Apr–jun 2015	Apr–jun 2014	Jan–jun 2015	Jan–juni 2014	Jan–dec 2014
<b>Operating income</b>	5					
Net sales		13,099	14,771	28,010	30,097	56,572
Other operating income		12,058	109	14,124	278	16,371
<b>Total</b>		<b>25,157</b>	<b>14,880</b>	<b>42,134</b>	<b>30,375</b>	<b>72,943</b>
<b>Operating expenses</b>	5					
Purchase of goods and services		-8,786	-3,741	-14,003	-8 856	-51,455
Other external expenses		-4,614	-7,224	-13,625	-14,729	-27,921
Personnel costs		-6,947	-2,215	-13,138	-4,291	-13,381
Depreciation/amortization of property, plant and equipment and intangible fixed assets		-655	-1,228	-1,020	-2,687	-5,419
Write-downs of sold properties		-	20	-	-	-
Change in value of properties		-	-7,902	-	-7,923	32,560
Other operating expenses		-	26	-	26	-
Result from participations in group companies		25,509	-	25,509	-	-
Result from participations in associates and joint venture		25,122	-2,019	25,136	-1,647	-1,815
<b>Total operating expenses</b>		<b>29,629</b>	<b>-24,283</b>	<b>8,859</b>	<b>-40,107</b>	<b>-67,431</b>
<b>Operating result</b>		<b>54,786</b>	<b>-9,403</b>	<b>50,993</b>	<b>-9,732</b>	<b>5,512</b>
Financial income		51,336	28 633	142,088	50,028	183,464
Financial expenses		-81,392	-7 312	-107,391	-42,571	-79,018
Net financial items	5	-30,056	21,321	34,697	7,457	104,446
Participations in associates and joint ventures		-	-	-	-	-
<b>Result before tax</b>		<b>24,730</b>	<b>11,918</b>	<b>85,690</b>	<b>-2,275</b>	<b>109,958</b>
Tax		1,537	9,016	9,485	7,630	-8,428
<b>Result for the period</b>		<b>26,267</b>	<b>20,934</b>	<b>95,175</b>	<b>5,355</b>	<b>101,530</b>
<b>Other comprehensive income</b>						
Items that may later be reserved in the income statement:						
Exchange differences		-1,077	3,785	-12	3,132	4,200
Exchange differences, non-controlling interests		117	-	22	-	-90
Other comprehensive income for the year, net of tax		-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>25,307</b>	<b>24,719</b>	<b>95,185</b>	<b>8,487</b>	<b>105,640</b>
<b>Result for the period attributable to:</b>						
Parent company shareholders		26,733	20,913	96,008	5,347	102,836
Non-controlling interests		-466	21	-833	8	-1,306
<b>Total comprehensive income attributable to:</b>						
Parent company shareholders		25,656	24,698	95,996	8,479	107,036
Non-controlling interests		-349	21	-811	8	-1,396
Earnings per share before dilution, SEK		256,56	246,98	96,00	8,48	107,04
Earnings per share after dilution, SEK		256,56	246,98	96,00	8,48	107,04

## Consolidated Balance Sheet in Summary

Amounts in SEK thousands	Note	2015-06-30	2014-06-30	2014-12-31
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>Intangible assets</b>				
Concessions		10,667	11,355	11,011
Trademarks		–	5,461	–
<b>Total Intangible assets</b>		<b>10,667</b>	<b>16,816</b>	<b>11,011</b>
<b>Property, plant and equipment</b>				
Investment properties	5	464,142	537,600	461,742
Buildings and land		240,238	31,200	192,695
Equipment, tools, fixtures and fittings		2,351	3,878	2,984
Constructions in progress	5	671,435	457,440	650,675
<b>Total property, plant and equipment</b>		<b>1,378,166</b>	<b>1,030,118</b>	<b>1,308,096</b>
<b>Non-current financial assets</b>				
Investments in associates		583	30,153	12,560
Investments in joint ventures		10,792	13,144	12,273
Receivable from associates and joint ventures		–	26,154	44,388
Other non-current receivables	4	892,096	410,271	687,394
Financial assets available for sale	4	–	248,697	239,000
<b>Total non-current financial assets</b>		<b>903,471</b>	<b>728,419</b>	<b>995,615</b>
Deferred tax assets		947	578	904
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,293,251</b>	<b>1,775,931</b>	<b>2,315,626</b>
<b>CURRENT ASSETS</b>				
<b>Inventories</b>				
Raw materials and consumables		70,019	197	54,868
Accounts receivables		4,711	8,049	3,580
Tax assets		4,803	3,062	1,975
Receivable associates		–	19,862	–
Other receivables		51,186	141,192	51,096
Financial assets available for sale	4	123,000	–	–
Prepaid expenses and accrued income		6,150	8,089	8,128
Derivatives	4	5,803	–	–
Cash and cash equivalents		138,755	154,295	132,351
Non-current assets held for sale		60,000	–	60,000
<b>Total current assets</b>		<b>464,427</b>	<b>334,746</b>	<b>311,998</b>
<b>TOTAL ASSETS</b>		<b>2,757,678</b>	<b>2,110,677</b>	<b>2,627,624</b>

## Consolidated Balance Sheet in Summary, continued

Amounts in SEK thousands	Note	2015-06-30	2014-06-30	2014-12-31
<b>EQUITY</b>				
<b>Equity attributable to Parent company shareholders</b>				
Share capital		10,000	10,000	10,000
Reserves		3,975	9,145	10,213
Retained earnings including comprehensive income for the year		1,164,380	964,657	1,062,146
Non-controlling interests		3,356	3,508	2,136
<b>Total equity</b>		<b>1,181,711</b>	<b>987,310</b>	<b>1,084,495</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	4	656,786	413,784	581,908
Bond loan	4	368,874	366,938	367,838
Derivatives	4	12,161	–	10,591
Other non-current liabilities		21,628	1,656	21,628
Deferred tax liabilities		140,919	116,430	115,437
Other provisions		117,500	–	117,500
<b>Total long-term liabilities</b>		<b>1,317,868</b>	<b>898,808</b>	<b>1,214,902</b>
<b>Current liabilities</b>				
Borrowings	4	21,958	72,791	26,166
Accounts payable		60,880	63,123	52,297
Current tax liabilities		28,938	96	11,580
Liabilities to associates		–	270	136,816
Derivatives	4	2,557	2,348	–
Other current liabilities		125,058	44,146	52,623
Accrued expenses and deferred income		18,708	41,785	48,746
<b>Total current liabilities</b>		<b>258,099</b>	<b>224,559</b>	<b>328,227</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,757,678</b>	<b>2,110,677</b>	<b>2,627,624</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	–	–	5,347	5,347	8	5,355
Other comprehensive income	–	3,132	–	3,132	–32	3,100
<b>Closing balance 30 June 2014</b>	<b>10,000</b>	<b>9,145</b>	<b>964,657</b>	<b>983,802</b>	<b>3,508</b>	<b>987,310</b>
<b>Opening balance 1 januari 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
<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>

## Consolidated Cash Flow Statement in Summary

Amounts in SEK thousands	Note	2015-06-30	2014-06-30	2014-12-31
<b>Cash flow from operating activities</b>				
Result after financial items		85,690	-628	111,773
Depreciation/amortization		1,020	2,687	5,419
Other non-cash items		-78,564	12,332	-134,227
Interest paid		-21,946	-33,889	-60,892
Interest received		11,229	20	5,582
Income tax		-1,601	-1,044	-5,977
<b>Net cash flow from operating activities before changes in working capital</b>		<b>-4,172</b>	<b>-20,522</b>	<b>-78,822</b>
<b>Cash flows from changes in working capital</b>				
Change in inventories and work in progress		-11,151	-1	-22,380
Change in current receivables		139,558	-38,664	17,781
Change in current liabilities		6,980	-28,321	31,010
<b>Total cash flows from changes in working capital</b>		<b>135,927</b>	<b>-66,986</b>	<b>26,411</b>
<b>Cash flows from operating activities</b>		<b>131,215</b>	<b>-87,508</b>	<b>-52,411</b>
<b>Cash flows from investing activities</b>				
Investments in tangible fixed assets		-36,768	-154,559	-332,663
Sales of participation of group companies		-	50,000	104,819
Sales of tangible fixed assets		-	-	-
Investments in subsidiaries		-	-	-49,977
Investments in associated companies and joint ventures		420	-1,099	-720
Change in receivables in associated companies		922	67,710	188,966
Change in other financial non-current assets		-84,360	-17,668	-176,090
<b>Total cash flows from investing activities</b>		<b>-119,786</b>	<b>-55,616</b>	<b>-265,665</b>
<b>Cash flows from financing activities</b>				
Borrowings		137,399	233,572	427,594
Repayment of debt		-141,544	-40,764	-86,994
Dividends paid		-	600	600
<b>Total cash flow from financing activities</b>		<b>-4,145</b>	<b>193,408</b>	<b>341,200</b>
<b>Changes in cash and cash equivalents</b>				
Opening balance, cash and cash equivalents		132,351	101,724	101,724
Exchange effect in cash and cash equivalents		-880	2,287	7,503
<b>Closing balance, cash and cash equivalents</b>		<b>138,755</b>	<b>154,295</b>	<b>132,351</b>

## Parent Company Income Statement

Amounts in SEK thousands	Note	Apr–jun 2015	Apr–jun 2014	Jan–jun 2015	Jan–jun 2014	Jan–dec 2014
<b>Operating income</b>						
Net sales		319	611	471	782	2,242
<b>Total operating income</b>		<b>319</b>	<b>611</b>	<b>471</b>	<b>782</b>	<b>2,242</b>
Operating expenses						
Purchases of goods and services		–	–52	–	–103	–190
Other external expenses		–2,398	–3,950	–8,035	–9,324	–16,171
Personnel costs		–2,301	–899	–4,284	–1,641	–5,254
Depreciation/amortization of property, plant and equipment		–18	–22	–35	–43	–90
<b>Total operating expenses</b>		<b>–4,717</b>	<b>–4,922</b>	<b>–12,534</b>	<b>–11,111</b>	<b>–21,704</b>
<b>Operating result</b>		<b>–4,398</b>	<b>–4,311</b>	<b>–11,883</b>	<b>–10,329</b>	<b>–19,462</b>
Result from investments in group companies						
		–	–	919	–	1,100
Result from investments in associates and joint ventures						
		1,763	1,931	138,800	1,931	1,931
Result from other securities and receivables accounted for as fixed assets						
		51,391	40,770	51,084	29,131	97,246
Other interest income and similar result items						
		45,709	22,880	143,282	52,688	122,254
Interest expenses and similar result items						
		–117,294	–28,239	–127,370	–48,724	–63,267
<b>Result after financial items</b>		<b>–22,829</b>	<b>33,030</b>	<b>194,832</b>	<b>24,697</b>	<b>139,802</b>
<b>Result before tax</b>		<b>–22,829</b>	<b>33,030</b>	<b>194,832</b>	<b>24,697</b>	<b>139,802</b>
Appropriations						
		384	–	1,220	–	–68,220
Tax on earnings for the period						
		7,482	5,034	–12,249	4,741	–11,551
<b>Result for the period</b>		<b>–14,963</b>	<b>38,065</b>	<b>183,803</b>	<b>29,438</b>	<b>60,031</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	2015-06-30	2014-06-30	2014-12-31
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Property, plant and equipment</b>				
Building equipment		–	31	–
Equipment, tools, fixtures and fittings		859	810	880
<b>Non-current financial assets</b>				
Investments in Group companies		281,969	248,415	248,315
Receivables from Group companies		675,871	603,088	668,804
Investments in associates		12,632	13,252	180
Investments in joint ventures		–	–	12,032
Receivables from associates and joint ventures		–	540	922
Other non-current receivables		703,291	331,933	540,825
<b>Total non-current financial assets</b>		<b>1,673,763</b>	<b>1,197,227</b>	<b>1,471,078</b>
<b>Total non-current assets</b>		<b>1,674,622</b>	<b>1,198,069</b>	<b>1,471,958</b>
<b>Current assets</b>				
<b>Current receivables</b>				
Trade receivables		474	271	499
Receivables from group companies		107,278	87,973	93,458
Receivables from associates and joint ventures		–	–	–
Tax assets		–	94	–
Other receivables		3,722	3,991	3,591
Prepaid expenses and accrued income		294	1,767	2,009
<b>Total current receivables</b>		<b>111,768</b>	<b>94,097</b>	<b>99,557</b>
Cash and cash equivalents		6,119	70,450	34,905
<b>Total current assets</b>		<b>117,887</b>	<b>164,547</b>	<b>134,462</b>
<b>TOTAL ASSETS</b>		<b>1,792,509</b>	<b>1,362,616</b>	<b>1,606,420</b>



## Parent Company Balance Sheet, continued.

Amounts in SEK thousands	Note	2015-06-30	2014-06-30	2014-12-31
<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		476,137	433,018	416,105
Result for the period		183,803	29,438	60,031
<b>Total non-restricted equity</b>		<b>659,940</b>	<b>462,456</b>	<b>476,136</b>
<b>Total Equity</b>		<b>671,940</b>	<b>474,456</b>	<b>488,136</b>
Untaxed reserves		17,500	–	17,500
<b>Provisions</b>				
Other provisions		8,915	2,348	10,591
<b>Non-current liabilities</b>				
Bond loan		368,874	366,938	367,838
Liabilities to Group companies		566,977	463,670	527,502
<b>Total non-current liabilities</b>		<b>962,266</b>	<b>832,956</b>	<b>923,432</b>
<b>Current liabilities</b>				
Trade payables		339	742	739
Liabilities to Group companies		35,916	18,828	12,546
Liabilities to associates		–	–	136,503
Tax liabilities		23,706	–	11,490
Other liabilities		94 029	14,927	29,116
Accrued expenses and deferred income		4,313	20,709	4,458
<b>Total current liabilities</b>		<b>158,303</b>	<b>55,205</b>	<b>194,852</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,792,509</b>	<b>1,362,616</b>	<b>1,606,420</b>
Pledged assets		1,040	2,522	1,040
Contingent liabilities		700,773	402,631	464,068

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



Key ratios	Apr–jun 2015	Apr–jun 2014	Jan–Jun 2015	Jan–jun 2014	Jan–dec 2014
<b>Return on equity</b>					
Return on total equity in %	0.90	0.56	3.11	-0.11	4.18
Return on equity in %	2.09	1.21	7.25	-0.23	10.14
Return on total equity in % (Parent company)	-1.27	2.42	10.87	1.81	8.70
Return on equity in % (Parent company)	-3.40	6.96	29.00	5.21	28.64
EBITDA, SEK in thousands	55,441	-8,175	52,013	-7,045	10,931

### Profit/Loss

Operating income in SEK thousands	54,786	-9,403	50,993	-9,732	5,512
Operating margin in %	217.78	-63.19	121.03	-32.04	7.56

### Key ratio – financial position

Cash liquidity in %	180	149	180	149	95
Solidity i %	42.85	46.78	42.85	46.78	41.27
Equity in SEK thousands	1,181,711	987,310	1,181,711	987,310	1,084,495
Equity per share, SEK	11,817	9,873	11,817	9,873	10,845
Net income per share before dilution, SEK	253.07	247.19	951.85	84.87	1,056.40
Net income per share after dilution, SEK*	253.07	247.19	951.85	84.87	1,056.40
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
Average number of shares after dilution*	-	-	-	-	-
Number of apartments under zoning planning	955	783	955	783	1,263
Number of apartments under production	329	225	329	225	131
Number of occupied apartments	55	0	110	0	134
Number of apartments in the portfolio	1,668	1,188	1,668	1,188	1,668

### 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

\*Dilution effects do not occur

## Notes

### Not 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 co-generation power plant located in Ajax outside of Toronto, Province of Ontario.

On August 28, 2015 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.

### 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 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, 2014.

### Note 3 Accounting principles

#### Associated company

Associates are companies in which Index International has significant influence in but not control, which generally follows a shareholding of between 33–50%. Investments in associates are reported according to the capital method. The group has decided to change the principles, and now report net income of associated companies in operating profit when operations in these companies are real estate related and is in line with the Group's other activities. In prior years, the Group has reported share of net income of associated companies under financial items.

Otherwise the accounting policies are consistent with the principles applied in the previous financial year. See full accounting principles described in the Annual Report for 2014.

### 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		
	2015-06-30	2014-06-30	2014-12-31	2015-06-30	2014-06-30	2014-12-31
Oth non-curr rec.	892,096	410,271	687,394	892,096	410,271	687,394
Borrowing	-656,786	-413,784	-581,908	-656,786	-413,784	-581,908
Bond loan	-368,874	-366,938	-367,838	-368,874	-366,938	-367,838
<b>Total long-term lending and borrowing</b>	<b>-133,564</b>	<b>-370,451</b>	<b>-262,352</b>	<b>-133,564</b>	<b>-370,451</b>	<b>-262,352</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, 2015.

(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			–	5,803
Real Estate projects			–	123,000
<b>Total assets</b>			–	<b>5,803</b>
<b>Liabilities</b>				
Financial liabilities at fair value through income statement				
– Derivatives held for trading:				
Currency Option			–	2,557
Interest Rate Swap			–	12,161
<b>Total liabilities</b>			–	<b>14,718</b>

The following table shows the Group's financial assets and liabilities measured at fair value as of June 30, 2014.

(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				
– Financial assets held for sale				248,697
<b>Total assets</b>				<b>248,697</b>
<b>Liabilities</b>				
Financial liabilities at fair value through income statement				
– Derivatives held for trading:				
Currency Option				2,348
<b>Total liabilities</b>				<b>2,348</b>

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
<b>Total assets</b>				<b>239,000</b>
<b>Liabilities</b>				
<b>Financial liabilities at fair value through income statement</b>				
– Derivatives held for trading:				
Currency Options				10,591
<b>Total liabilities</b>				<b>10,591</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.

## Notes

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.

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)	2015-06-30	2014-06-30	2014-12-31
<b>Opening balance</b>	<b>239,000</b>	<b>257,685</b>	<b>257,685</b>
Transfer to level 3	-138,800	-8,988	-18,685
Gains and losses recognized in the income statement	22,800	-	-
<b>Closing balance</b>	<b>123,000</b>	<b>248,697</b>	<b>239,000</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.

### Not 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.

#### 2015-04-01 – 2015-06-30

(SEK in thousands)	Sweden	North America	Elimination	Group
<b>Operating income</b>				
Net sales	11,594	1,505	-	13,099
Other operating income	-822	12,880	-	12,058
<b>Total</b>	<b>10,772</b>	<b>14,385</b>	<b>-</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	-179	-304	-172	-655
Other operating expenses	50,631	-1,256	1,256	50,631
<b>Total operating expenses</b>	<b>35,276</b>	<b>-6,731</b>	<b>1,084</b>	<b>29,629</b>
<b>Operating result</b>	<b>46,048</b>	<b>7,654</b>	<b>1,084</b>	<b>54,786</b>
Financial items – net	-7,526	-1,255	-21,275	-30,056
<b>Result before tax</b>	<b>38,522</b>	<b>6,399</b>	<b>-20,191</b>	<b>24,730</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 detailed zoning plan	955	-	-	955
Number of apartments under development	329	-	-	329
Number of occupied apartments during the period	55	-	-	55
Number of apartments in the portfolio	1,668	-	-	1,668

## Notes

### 2014-04-01 – 2014-06-30

(SEK in thousands)	Sweden	North America	Elimination	Group
<b>Operating income</b>				
Net sales	13,767	1,004	–	14,771
Other operating income	61	48	–	109
<b>Total</b>	<b>13,828</b>	<b>1,052</b>	<b>–</b>	<b>14,880</b>
<b>Operating expenses</b>				
Purchase of goods and services	–3,725	–16	–	–3,741
Other external expenses	–6,222	–1,002	–	–7,224
Personnel costs	–1,751	–464	–	–2,215
Depreciation and write-downs of tangible and intangible fixed assets	–1,165	129	–172	–1,208
Change in value of properties	–7,902			–7,902
Other operating expenses	3,798	–264	–5,527	–1,993
<b>Total operating expenses</b>	<b>–16,967</b>	<b>–1,617</b>	<b>–5,699</b>	<b>–24,283</b>
<b>Operating result</b>	<b>–3,139</b>	<b>–565</b>	<b>–5,699</b>	<b>–9,403</b>
Financial items – net	32,584	–586	–10,677	21,321
<b>Result before tax</b>	<b>29,445</b>	<b>–1,151</b>	<b>–16,376</b>	<b>11,918</b>
<b>Assets</b>				
Investment properties	512,375	25,225	–	537,600
Construction work in progress	–	457,440	–	457,440
Number of apartments under zoning planning	783	–	–	783
Number of apartments under development	225	–	–	225
Number of occupied apartments during the period	–	–	–	–
Number of apartments in the portfolio	1,188	–	–	1,188

## Notes

### 2015-01-01 – 2015-06-30

(SEK in thousands)	Sweden	North America	Elimination	Group
<b>Operating income</b>				
Net sales	25,476	2,534	–	28,010
Other operating income	356	13,768	–	14,124
<b>Total</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	-386	-290	-344	-1,020
Change in value of properties				
Other operating expenses	51,901	-1,256	–	50,645
<b>Total operating expenses</b>	<b>21,784</b>	<b>-12,581</b>	<b>-344</b>	<b>8,859</b>
<b>Operating result</b>	<b>47,616</b>	<b>3,721</b>	<b>-344</b>	<b>50,993</b>
Financial items – net	73,206	-8,654	-29,855	34,697
<b>Result before tax</b>	<b>120,822</b>	<b>-4,933</b>	<b>-30,199</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	1,668	–	–	1,668

## Notes

### 2014-01-01 – 2014-12-31

(SEK in thousands)	Sweden	North America	Elimination	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>–</b>	<b>72,943</b>
<b>Operating expenses</b>				
Purchase of goods and services	–50,899	–556	–	–51,455
Other external expenses	–21,929	–5,992	–	–27,921
Personnel costs	–8,560	–4,821	–	–13,381
Depreciation and write-downs of tangible and intangible fixed assets	–4,167	–564	–688	–5,419
Change in value of properties	32,560	–	–	32,560
Other operating expenses	6,358	–2	–8,171	–1,815
<b>Total operating expenses</b>	<b>–46,637</b>	<b>–11,935</b>	<b>–8,859</b>	<b>–67,431</b>
<b>Operating result</b>	<b>8,826</b>	<b>5,545</b>	<b>–8,859</b>	<b>5,512</b>
Financial items – net	154,779	–6,441	–43,892	104,446
<b>Result before tax</b>	<b>163,605</b>	<b>–896</b>	<b>–52,751</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



## Notes

### 2013-01-01 – 2013-12-31

(SEK in thousands)	Sweden	North America	Elimination	Group
<b>Operating income</b>				
Net sales	60,626	3,678	–	64,304
Other operating income	175	206	–	381
<b>Total</b>	<b>60,801</b>	<b>3,884</b>	<b>–</b>	<b>64,685</b>
<b>Operating expenses</b>				
Purchase of goods and services	–19,847	–205	–	–20,052
Other external expenses	–18,155	–3,526	–	–21,681
Personnel costs	–5,463	–1,304	–	–6,767
Depreciation and write-downs of tangible and intangible fixed assets	–4,505	–601	–688	–5,794
Change in value of properties	–29,700	–	–	–29,700
Other operating expenses	–1,451	–	4,071	2,620
<b>Total operating expenses</b>	<b>–79,121</b>	<b>–5,636</b>	<b>3,383</b>	<b>–81,374</b>
<b>Operating result</b>	<b>–18,320</b>	<b>–1,752</b>	<b>3,383</b>	<b>12,979</b>
Financial items – net	52,929	–20,509	–19,441	12,979
<b>Result before tax</b>	<b>34,609</b>	<b>–22,261</b>	<b>–16,058</b>	<b>–3,710</b>
<b>Assets</b>				
Investment properties	416,981	24,519	–	79,515
Construction work in progress	–	303,036	–	303,036
Number of apartments under zoning planning	275	–	–	275
Number of apartments under development	265	–	–	265
Number of occupied apartments during the period	199	–	–	199
Number of apartments in the portfolio	720	–	–	720

## Notes

### 2012-01-01 – 2012-12-31

(SEK in thousands)	Sweden	North America	Elimination	Group
<b>Operating income</b>				
Net sales	65,812	13,703	–	79,515
Other operating income	6,405	5,958	–	12,363
<b>Total</b>	<b>72,217</b>	<b>19,661</b>	<b>–</b>	<b>91,878</b>
<b>Operating expenses</b>				
Purchase of goods and services	–30,179	–7,160	–	–37,339
Other external expenses	–19,071	–11,815	–25	–30,911
Personnel costs	–5,931	–4,815	–	–10,746
Depreciation and write-downs of tangible and intangible fixed assets	–206,181	–1,092	–688	–207,961
Change in value of properties	–3,699	–	–	–3,699
Other operating expenses	–18,555	184	489	–17,882
<b>Total operating expenses</b>	<b>–283,616</b>	<b>–24,698</b>	<b>–224</b>	<b>–308,538</b>
<b>Operating result</b>	<b>–211,399</b>	<b>–5,037</b>	<b>–224</b>	<b>–216,660</b>
Financial items – net	227,877	–18,355	–15,048	194,474
<b>Result before tax</b>	<b>16,478</b>	<b>–23,392</b>	<b>–15,272</b>	<b>–22,186</b>
<b>Assets</b>				
Investment properties	572,870	26,983	–	599,853
Construction work in progress	–	99,372	–	99,372
Number of apartments under zoning planning	275	–	–	275
Number of apartments under development	464	–	–	464
Number of occupied apartments during the period	151	–	–	151
Number of apartments in the portfolio	919	–	–	919

## Notes

### Note 6 Pledged assets

Group	2015-06-30	2014-06-30	2014-12-31
Real estate mortgages	329,435	396,804	319,935
Restricted cash	67,975	63,616	67,196
Pledged shares	242	2,593	1,723
<b>Total Group</b>	<b>397,652</b>	<b>458,482</b>	<b>388,854</b>
Parent company	2015-06-30	2014-06-30	2014-12-31
Pledged shares	1,040	2,522	1,040
<b>Total parent company</b>	<b>1,040</b>	<b>2,522</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	2015-06-30	2014-06-30	2014-12-31
General guarantees for subsidiary loans	312,200	238,969	274,400
General guarantees for other company loans	395,038	163,662	189,668
<b>Total parent company</b>	<b>707,238</b>	<b>402,631</b>	<b>464,068</b>

The Group's parent company has a guarantee for mortgage loans with property Hornsberg 10, a total of 292,000 ksek (Jan–Jun 2014: 238,969 ksek and Jan–Dec 2014: 274,400 ksek). Of total liabilities includes construction loans 395,038 ksek (Jan–Jun 2014: 163,662 ksek and Jan–Dec 2014: 189,668 ksek) for projects in Florida, US.

### Note 8 Events post reporting date

#### Upcoming reporting dates

- November 27, 2015: Interim report for period January – September 2015
- February 29, 2015: Interim report for period January – December 2015



Stockholm, 28th of August 2015

**Bjarne Borg**  
Chairman of the Board

**Rickard Haraldsson**  
CEO

**Arne Weinz**  
Board member

**Brian Borg**  
Board member

