

# INDEX

RESIDENCE/

*JULY-  
SEPTEMBER  
2016*

**Interim Report Third Quarter 2016**  
Index Residence AB (publ)

# Highlights

## The Group

### Equity/assets ratio (%)

2016	65
2015	47
2014	41
2013	51
2012	62
2011	58
2010	58
2009	52

### Total assets

2016	2,075,861
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

### Equity

2016	1,346,640
2015	1,113,953
2014	1,084,495
2013	978,855
2012	982,495
2011	881,737
2010	950,708
2009	517,931

## Parent Company

### Equity/assets ratio (%)

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

### Total assets

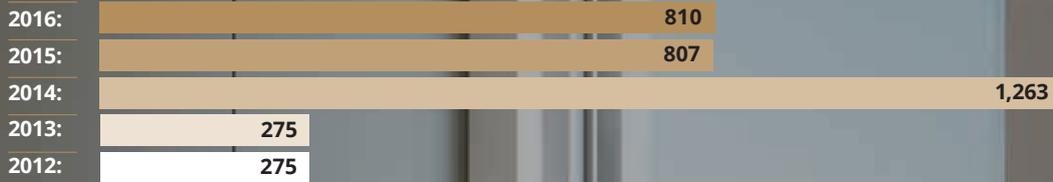
2016	1,794,430
2015	1,717,587
2014	1,606,420
2013	1,224,302
2012	832,469
2011	681,119
2010	754,059
2009	820,569

### Equity

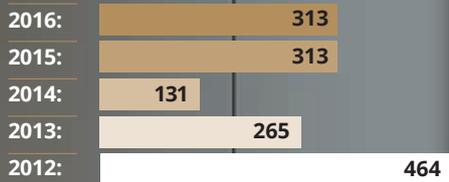
2016	642,838
2015	538,618
2014	488,137
2013	428,105
2012	437,988
2011	491,124
2010	543,104
2009	544,271

# 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	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
<b>Operating income</b>	5					
Net sales		811	12,229	16,070	40,239	43,594
Other operating income		653	791	1,682	14,915	15,405
<b>Total</b>		<b>1,464</b>	<b>13,020</b>	<b>17,752</b>	<b>55,154</b>	<b>58,999</b>
<b>Operating expenses</b>	5					
Purchase of goods and services		-929	-8,142	-15,471	-22,145	-21,239
Other external expenses		-4,897	-13,300	-29,960	-26,925	-27,511
Personnel costs		-3,985	-3,701	-12,354	-16,839	-21,049
Depreciation/amortization of property, plant and equipment and intangible fixed assets		-147	-120	-667	-1,140	-3,477
Change in value of properties		-	-	-	-	-9,795
Result from participations in group companies		-14,196	-553	193,382	24,956	8,459
Result from participations in associates and joint venture		1,977	123	13,268	25,259	31,821
<b>Total operating expenses</b>		<b>-22,177</b>	<b>-25,693</b>	<b>148,198</b>	<b>-16,834</b>	<b>-42,791</b>
<b>Operating result</b>		<b>-20,713</b>	<b>-12,673</b>	<b>165,950</b>	<b>38,320</b>	<b>16,208</b>
Financial income		52,526	54,148	218,009	196,236	233,759
Financial expenses		-7,762	-47,577	-99,095	-154,968	-267,387
<b>Net financial items</b>	5	<b>44,764</b>	<b>6,571</b>	<b>118,914</b>	<b>41,268</b>	<b>33,628</b>
<b>Result before tax</b>		<b>24,051</b>	<b>-6,102</b>	<b>284,864</b>	<b>79,588</b>	<b>17,420</b>
Tax		2,691	44,079	-15,971	53,564	75,969
<b>Result for the period</b>		<b>26,742</b>	<b>37,977</b>	<b>268,893</b>	<b>133,152</b>	<b>58,549</b>
<b>Other comprehensive income</b>						
Items that may later be reserved in the income statement:						
Exchange differences		785	-2,669	-8,206	-2,681	616
Exchange differences, non-controlling interests		-	-	-	22	-
<b>Total comprehensive income for the year</b>		<b>27,527</b>	<b>35,308</b>	<b>260,687</b>	<b>130,493</b>	<b>59,165</b>
Result for the period attributable to:						
Parent company shareholders		26,742	37,988	268,893	134,006	59,378
Non-controlling interests		-	-21	-	-854	-829
Total comprehensive income attributable to:						
Parent company shareholders		25,527	35,329	260,687	131,325	59,994
Non-controlling interests		-	-21	-	-832	-829
Earnings per share before dilution, SEK		255,27	353,29	2,606,87	1313,25	599,94
Earnings per share after dilution, SEK		255,27	353,29	2,606,87	1313,25	599,94

## Consolidated Balance Sheet in Summary

Amounts in SEK thousands	Note	2016-09-30	2015-09-30	2015-12-31
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>Intangible assets</b>				
Concessions		-	10,495	10,323
Trademark		1,814	-	277
<b>Total Intangible assets</b>		<b>1,814</b>	<b>10,495</b>	<b>10 600</b>
<b>Property, plant and equipment</b>				
Investment properties	5	31,928	48,165	77,209
Buildings and land		-	239,737	-
Equipment, tools, fixtures and fittings		863	2,256	2,129
Constructions in progress	5	-	648,127	642,298
<b>Total property, plant and equipment</b>		<b>32,791</b>	<b>938,285</b>	<b>721,636</b>
<b>Non-current financial assets</b>				
Investments in associates		11,045	800	751
Investments in joint ventures		6,505	10,898	2,941
Other non-current receivables	4	1,462,907	960,925	991,914
Financial assets available for sale	4	5,000	-	7,500
<b>Total non-current financial assets</b>		<b>1,485,457</b>	<b>972,623</b>	<b>1,003,106</b>
Deferred tax assets		-	647	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,520,062</b>	<b>1,922,050</b>	<b>1,735,342</b>
<b>Current assets</b>				
<b>Inventories</b>				
Residential units under development		256,463	55,259	242,372
Securities		90,602	-	56,751
Inventories		-	-	137
Accounts receivables		7,500	6,222	10,358
Tax assets		100	5,331	62
Receivables to associates		60,147	-	-
Other receivables		19,626	41,394	44,100
Financial assets available for sale	4	-	123,000	15,000
Prepaid expenses and accrued income		166	5,629	7,307
Derivatives	4	1,882	10,775	6,924
Cash and cash equivalents		119,313	187,369	186,407
Non-current assets held for sale		-	60,000	49,000
<b>TOTAL CURRENT ASSETS</b>		<b>555,799</b>	<b>494,979</b>	<b>618,418</b>
<b>TOTAL ASSETS</b>		<b>2,075,861</b>	<b>2,417,029</b>	<b>2,353,760</b>

## Consolidated Balance Sheet in Summary, Continued

Amounts in SEK thousands	Note	2016-09-30	2015-09-30	2015-12-31
<b>EQUITY</b>				
<b>Equity attributable to Parent company shareholders</b>				
Share capital		10,000	10,000	10,000
Reserves		2,623	1,306	10,829
Retained earnings including comprehensive income for the year		1,334,017	1,202,378	1,093,124
Non-controlling interests		–	3,335	–
<b>Total equity</b>		<b>1,346,640</b>	<b>1,217,019</b>	<b>1,113,953</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	4	55,374	351,571	379,190
Bond loan	4	371,463	369,392	369,909
Derivatives	4	11,259	12,524	73,986
Other non-current liabilities		–	21,538	1,628
Deferred tax liabilities		60,144	95,633	73,097
Other provisions		119,524	121,500	120,662
<b>Total long-term liabilities</b>		<b>617,764</b>	<b>972,158</b>	<b>1,018,472</b>
<b>Current liabilities</b>				
Borrowings		3,617	10,078	13,414
Accounts payable		5,057	66,986	77,515
Current tax liabilities		23,743	28,374	25,581
Derivatives	4	9,606	13,267	1,410
Other current liabilities		64,677	94,733	86,241
Accrued expenses and deferred income		4,757	14,414	17,174
<b>Total current liabilities</b>		<b>111,457</b>	<b>227,852</b>	<b>221,335</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,075,861</b>	<b>2,417,029</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	-	-	134,006	134,006	-854	133,152
Other comprehensive income	-	-8,907	6,226	-2,681	22	-2,659
Disposal of the subsidiaries	-	-	-	-	2,031	2,031
<b>Closing balance 30 September 2015</b>	<b>10,000</b>	<b>1,306</b>	<b>1,202,378</b>	<b>1,213,684</b>	<b>3,335</b>	<b>1,217,019</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	-	-	268,893	268,893	-	268,893
Other comprehensive income	-	-8,206	-	-8,206	-	-8,206
Paid Dividend	-	-	-28,000	-28,000	-	-28,000
<b>Closing balance 30 September 2016</b>	<b>10,000</b>	<b>2,623</b>	<b>1,334,017</b>	<b>1,346,640</b>	<b>-</b>	<b>1,346,640</b>

## Consolidated Cash Flow Statement in Summary

Amounts in SEK thousands	Note	2016-09-30	2015-09-30	2015-12-31
<b>Cash flow from operating activities</b>				
Result after financial items		284,864	79,588	-17,420
Depreciation/amortization		667	1,140	3,477
Other non-cash items		-240,549	-67,977	15,548
Interest paid		-44,467	-34,549	-49,313
Interest received		26,733	38,590	32,998
Income tax		-28,742	-2,178	-1,215
<b>Net cash flow from operating activities before changes in working capital</b>		<b>-1,494</b>	<b>14,614</b>	<b>-15,925</b>
<b>Cash flows from changes in working capital</b>				
Change in inventories and work in progress		-3,905	7,109	2,400
Change in current receivables		-6 298	148,359	239
Change in current liabilities		-35,061	-13	13,962
<b>Total cash flows from changes in working capital</b>		<b>-45,264</b>	<b>155,455</b>	<b>16,601</b>
<b>Cash flows from operating activities</b>		<b>-46,758</b>	<b>170,069</b>	<b>676</b>
<b>Cash flows from investing activities</b>				
Investments in intangible fixed assets		-1,840	-66,972	-282
Investments in tangible fixed assets		-	-	-101,921
Sales/Investments in subsidiaries		-149,196	409,504	422,004
Sales/Investments in associated companies and joint venture		17,633	-620	254,180
Change in receivables in associated companies		-60,147	922	922
Change in other financial non-current assets		222,219	-122,832	-158,131
<b>Total cash flows from investing activities</b>		<b>28,699</b>	<b>220,002</b>	<b>416,772</b>
<b>Cash flows from financing activities</b>				
Borrowings		4,881	137,604	108,851
Repayment of debt		-27,191	-466,327	-434,352
Dividends received/paid		-28,000	-	-28,400
<b>Total cash flow from financing activities</b>		<b>50,310</b>	<b>-328,723</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		1,305	-6,330	-9 491
<b>Closing balance, cash and cash equivalents</b>		<b>119,313</b>	<b>187,369</b>	<b>186,407</b>

## Parent Company Income Statement

Amounts in SEK thousands	Note	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
<b>Operating income</b>						
Net sales		781	307	1,564	778	1,897
<b>Total operating income</b>		<b>781</b>	<b>307</b>	<b>1,564</b>	<b>778</b>	<b>1,897</b>
<b>Operating expenses</b>						
Purchases of goods and services		-	-	-	-	-15
Other external expenses		-3,566	-4,900	-15,189	-12,935	-17,803
Personnel costs		-2,705	-2,708	-7,552	-6,992	-10,566
Depreciation/amortization of property, plant and equipment		-27	-17	-75	-52	-70
<b>Total operating expenses</b>		<b>-6,298</b>	<b>-7,625</b>	<b>-22,816</b>	<b>-19,979</b>	<b>-28,454</b>
<b>Operating result</b>		<b>-5,517</b>	<b>-7,318</b>	<b>-21,252</b>	<b>-19,201</b>	<b>-26,557</b>
Result from investments in group companies		11,847	593	11,847	1,512	-208,174
Result from investments in associates and joint ventures		2,700	-	28,200	138,800	244,300
Result from other securities and receivables accounted for as fixed assets		7,477	-31,433	62,975	19,651	-2,121
Other interest income and similar result items		42,884	-17,765	146,703	125,517	169,204
Interest expenses and similar result items		-6,526	51,497	-62,754	-75,873	-94,910
<b>Result after financial items</b>		<b>52,855</b>	<b>-4,426</b>	<b>165,719</b>	<b>190,406</b>	<b>81,742</b>
<b>Result before tax</b>		<b>52,855</b>	<b>-4,426</b>	<b>165,719</b>	<b>190,406</b>	<b>81,742</b>
Appropriations		11,875	15,326	-7,105	16,546	10,696
Tax on earnings for the period		-5,974	-3,968	-26,394	-16,217	-13,557
<b>Result for the period</b>		<b>35,006</b>	<b>6,932</b>	<b>132,220</b>	<b>190,735</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	2016-09-30	2015-09-30	2015-12-31
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Software		219	-	-
<b>Property, plant and equipment</b>				
Equipment, tools, fixtures and fittings		772	841	824
<b>Non-current financial assets</b>				
Investments in Group companies		52,342	281,969	58,932
Receivables from Group companies		141,690	668,278	722,548
Investments in associates		817	800	800
Investments in joint ventures		1,532	12,032	1,532
Other non-current receivables		1,370,421	757,856	792,293
<b>Total non-current financial assets</b>		<b>1,566,802</b>	<b>1,720,935</b>	<b>1,576,105</b>
<b>Total non-current assets</b>		<b>1,567,793</b>	<b>1,721,776</b>	<b>1,576,929</b>
<b>Current assets</b>				
<b>Current receivables</b>				
Trade receivables		818	721	1,487
Receivables from group companies		99,063	110,264	89,478
Receivables from associates		4,017	-	-
Other receivables		7,433	2,360	4,387
Prepaid expenses and accrued income		75	154	2,478
<b>Total current receivables</b>		<b>111,406</b>	<b>113,499</b>	<b>97,830</b>
Cash and cash equivalents		115,231	51,744	42,828
<b>Total current assets</b>		<b>226,637</b>	<b>165,243</b>	<b>140,658</b>
<b>TOTAL ASSETS</b>		<b>1,794,430</b>	<b>1,887,019</b>	<b>1,717,587</b>

## Parent Company Balance Sheet, Continued.

Amounts in SEK thousands	Note	2016-09-30	2015-09-30	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		132,220	190,735	78,881
<b>Total non-restricted equity</b>		<b>630,838</b>	<b>666,872</b>	<b>526,618</b>
<b>Total Equity</b>		<b>642,838</b>	<b>678,872</b>	<b>538,618</b>
Untaxed reserves		35,200	17,500	35,200
<b>Provisions</b>				
Other provisions		18,983	15,018	6,443
<b>Non-current liabilities</b>				
Bond loan		371,462	369,391	369,909
Liabilities to Group companies		672,280	697,209	661,968
<b>Total non-current liabilities</b>		<b>1,043,742</b>	<b>1,066,600</b>	<b>1,031,877</b>
<b>Current liabilities</b>				
Trade payables		830	1,544	949
Liabilities to Group companies		5,017	12,244	31,459
Tax liabilities		22,545	27,657	21,112
Other liabilities		20,230	63,768	42,808
Accrued expenses and deferred income		5,045	3,816	9,121
<b>Total current liabilities</b>		<b>53,667</b>	<b>109,029</b>	<b>105,449</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,794,430</b>	<b>1,887,019</b>	<b>1,717,587</b>

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

Group key ratios	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
<b>Return on equity</b>					
Return on total equity in %	1.16	-0.25	13.72	3.29	0.74
Return on equity in %	1.79	-0.50	21.15	6.54	-1,56
Return on total equity in % (Parent company)	2.95	-0.23	9.24	10.09	4.76
Return on equity in % (Parent company)	7.89	-0.64	24.72	27.49	14.44
EBITDA, SEK in thousands	-20,566	-12,533	166,617	39,460	19,685

### Profit/Loss

Operating income in SEK thousands	-20,713	-12,673	165,950	38,320	16,208
Operating margin in %	-1,414.82	-97.33	934,82	69.48	27.47

### Key ratio – financial position

Cash liquidity in %	499	217	499	217	279
Solidity i %	64.87	50.35	64,87	50.35	47.33
Equity in SEK thousands	1,346,640	1,217,019	1,346,640	1,217,019	1,113,953
Equity per share, SEK	13,466	12,170	13,191	12,170	11,140
Net income per share before dilution, SEK	275.27	353.29	2,606,87	1,313.25	599.94
Net income per share after dilution, SEK*	275.27	353.29	2,606,87	1,313.25	599.94
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	810	955	810	955	807
Number of apartments under production	313	308	313	308	313
Number of occupied apartments	0	21	0	110	131
Number of apartments in the portfolio	1,123	1,464	1,123	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

## 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 November 29, 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 principles 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		
	2016-09-30	2015-09-30	2015-12-31	2016-09-30	2015-09-30	2015-12-31
Oth non-curr rec.	1,462,907	960,925	991,914	1,462,907	960,925	991,914
Borrowing	-55,374	-351,571	-379,190	-55,374	-351,571	-379,190
Bond loan	-371,463	-369,392	-369,909	-371,463	-369,392	-369,909
<b>Total long-term lending and borrowing</b>	<b>1,036,070</b>	<b>239,962</b>	<b>242,815</b>	<b>1,036,070</b>	<b>239,962</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 September 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	-	1,882	-	1,882
Real Estate projects	-	-	5,000	5,000
<b>Total assets</b>	<b>-</b>	<b>1,882</b>	<b>5,000</b>	<b>6,882</b>

### Liabilities

Financial liabilities at fair value through income statement				
- Derivatives held for trading:				
Currency Option	-	9,606	-	9,606
Interest Rate Swap	-	11,259	-	11,259
<b>Total liabilities</b>	<b>-</b>	<b>20,865</b>	<b>-</b>	<b>20,865</b>

The following table shows the Group's financial assets and liabilities measured at fair value as of September 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	-	10,775	-	10,775
- Financial assets held for sale	-	-	123,300	123,000
<b>Total assets</b>	<b>-</b>	<b>10,775</b>	<b>123,000</b>	<b>133,775</b>

### Liabilities

Financial liabilities at fair value through income statement				
- Derivatives held for trading:				
Currency Option	-	13,267	-	13,267
Interest rate swap	-	12,524	-	12,524
<b>Total liabilities</b>	<b>-</b>	<b>25,791</b>	<b>-</b>	<b>25,791</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. In cases where one or more significant inputs not based on observable market data, the instrument is classified in level 3.

## Notes

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

(SEK in thousands)	2016-09-30	2015-09-30	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	5,000	22,800	22,500
<b>Closing balance</b>	<b>5,000</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 construc-

tion 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.

#### 2016-07-01 – 2016-09-30

(SEK in thousands)	Sweden	North America	Group
<b>Operating income</b>			
Net sales	357	454	811
Other operating income	641	12	653
<b>Total income</b>	<b>998</b>	<b>466</b>	<b>1,464</b>
<b>Operating expenses</b>			
Purchase of goods and services	-873	-56	-929
Other external expenses	-5,090	193	-4,897
Personnel costs	-3,985	-	-3,985
Depreciation and write-downs of tangible and intangible fixed assets	-145	-2	-147
Change in value of properties	-	-	-
Result from participants in Group companies	-14,041	-155	-14,196
Result from participants in associated companies	1,977	-	1,977
<b>Total operating expenses</b>	<b>-22,157</b>	<b>-20</b>	<b>-22,177</b>
<b>Operating result</b>	<b>-21,159</b>	<b>446</b>	<b>-20,713</b>
Financial items – net	44,740	24	44,764
<b>Result before tax</b>	<b>23,581</b>	<b>470</b>	<b>24,051</b>
<b>Assets</b>			
Investment properties	-	31,928	31,928
Construction work in progress	-	-	-
Residential units under development	256,643	-	256,643
Number of apartments under detailed zoning plan	810	-	810
Number of apartments under development	313	-	313
Number of occupied apartments during the period	-	-	-
Number of apartments in the portfolio	1,123	-	1,123

## Notes

### 2015-07-01 – 2015-09-30

(SEK in thousands)	Sweden	North America	Group
<b>Operating income</b>			
Net sales	9,907	2,322	12,229
Other operating income	126	665	791
<b>Total income</b>	<b>10,033</b>	<b>2,987</b>	<b>13,020</b>
<b>Operating expenses</b>			
Purchase of goods and services	-3,949	-193	-4,142
Other external expenses	-6,318	18	-6,300
Personnel costs	-3,701	-	-3,701
Depreciation and write-downs of tangible and intangible fixed assets	-62	-58	-120
Result from participants in Group companies	-17,688	-	-17,688
Result from participants in associated companies	6,258	-	6,258
<b>Total operating expenses</b>	<b>-25,460</b>	<b>-233</b>	<b>-25,693</b>
<b>Operating result</b>	<b>-15,427</b>	<b>2,754</b>	<b>-12,673</b>
Financial items – net	11,324	-4,756	6,571
<b>Result before tax</b>	<b>-4,103</b>	<b>-1,999</b>	<b>-6,102</b>
<b>Assets</b>			
Investment properties	19,565	28,600	48,165
Construction work in progress	648,127	-	648,127
Number of apartments under zoning planning	955	-	955
Number of apartments under development	308	-	308
Number of occupied apartments during the period	110	-	110
Number of apartments in the portfolio	1,464	-	1,464

# Notes

## 2016-01-01 – 2016-09-30

(SEK in thousands)	Sweden	North America	Group
<b>Operating income</b>			
Net sales	5,736	10,334	16,070
Other operating income	1,166	516	1,682
<b>Total income</b>	<b>6,902</b>	<b>10,850</b>	<b>17,752</b>
<b>Operating expenses</b>			
Purchase of goods and services	-3,773	-11,698	-15,471
Other external expenses	-19,596	-10,364	-29,960
Personnel costs	-10,788	-1,566	-12,354
Depreciation and write-downs of tangible and intangible fixed assets	-604	-63	-667
Result from participants in Group companies	193,549	-167	193,382
Result from participants in associated companies	13,268	-	13,268
<b>Total operating expenses</b>	<b>172,056</b>	<b>-23,858</b>	<b>148,198</b>
<b>Operating result</b>	<b>178,958</b>	<b>-13,008</b>	<b>165,950</b>
Financial items – net	149,860	-30,946	118,914
<b>Result before tax</b>	<b>328,818</b>	<b>-43,954</b>	<b>284,864</b>
<b>Assets</b>			
Investment properties	-	31,928	31,928
Construction work in progress	256,463	-	256,463
Number of apartments under zoning planning	810	-	810
Number of apartments under development	313	-	313
Number of occupied apartments during the period	-	-	-
Number of apartments in the portfolio	1,123	-	1,123

## Notes

### 2015-01-01 – 2015-09-30

(SEK in thousands)	Sweden	North America	Group
<b>Operating income</b>			
Net sales	35,383	4,856	40,239
Other operating income	475	14,440	14,915
<b>Total income</b>	<b>35,858</b>	<b>19,296</b>	<b>55,154</b>
<b>Operating expenses</b>			
Purchase of goods and services	-17,233	-912	-18,145
Other external expenses	-16,664	-3,261	-19,925
Personnel costs	-9,795	-7,044	-16,839
Depreciation and write-downs of tangible and intangible fixed assets	-572	-568	-1,140
Result from participants in Group companies	7,821	-	7,821
Result from participants in associated companies	32,650	-1,256	31,394
<b>Total operating expenses</b>	<b>-3,793</b>	<b>-13,041</b>	<b>-16,834</b>
<b>Operating result</b>	<b>32,065</b>	<b>6,255</b>	<b>38,320</b>
Financial items – net	84,529	-43,261	41,268
<b>Result before tax</b>	<b>116,594</b>	<b>-37,006</b>	<b>79,588</b>
<b>Assets</b>			
Investment properties	19,565	28,600	48,165
Construction work in progress	648,128	-	648,127
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	2016-09-30	2015-09-30	2015-12-31
Real estate mortgages	15,589	33,885	394,053
Restricted cash	–	70,289	61,946
Pledged shares	2,312	348	242
<b>Total Group</b>	<b>17,901</b>	<b>104,522</b>	<b>456,241</b>

Parent company	2016-06-30	2015-09-30	2015-12-31
Pledged shares	1,040	2,090	1,040
<b>Total parent company</b>	<b>1,040</b>	<b>2,090</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	2016-09-30	2015-09-30	2015-12-31
General guarantees for subsidiary loans	128,217	20,000	60,000
General guarantees for other company loans	11,287	470,058	557,818
<b>Total parent company</b>	<b>139,504</b>	<b>490,058</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–Sep 2015: 0 ksek). Of total liabilities includes construction loans 11,287 ksek (Jan–Sep 2015: 470,058 ksek) for projects in Florida, US.

## Note 8 Events post reporting date

### Upcoming reporting dates

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

Stockholm, 29<sup>th</sup> of November 2016



**Bjarne Borg**  
Chairman of the Board



**Rickard Haraldsson**  
CEO /Board member



**Arne Weinz**  
Board member

