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OCTOBER– DECEMBER <u>2016</u>

Interim Report Fourth Quarter 2016 Index Residence AB (publ) Highlights

The Group

Equity/as	ssets ratio (%)
2016	65
2015	47
2014	41
2013	51
2012	62
2011	58
2010	58
2009	52



Parent Company

Equity/as	ets ratio (%)	
2016	37	
2015	33	
2014	30	
2013	35	
2012	53	
2011	72	
2010	72	
2009	66	

Total ass	ets
2016	2,102,424
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
	22/00/01/0000

2016	1,827,272	
2015	1,717,587	
2014	1,606,420	
2013	1,224,302	
2012	832,469	
2011	681,119	
2010	754,059	
2009	820,569	

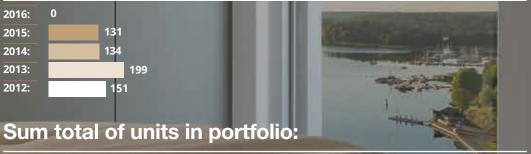
Equity		
2016		1,365,680
2015	1,113,953	
2014	1,084,495	
2013	978,855	
2012	982,495	
2011	881,737	
2010	950,708	
2009	517,931	
2012 2011 2010	982,495 881,737 950,708	

Equity	and the second
2016	606,945
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:

2016:	545			
2015:		807		
2014:			1,263	
2013: 27	5			
2012: 27	5			
Total units in p	production:			
2016:	453			
2015:	313			
2014: 131				
2013: 265				
2012:	464			
Total units lea	sed/sold:			



2016:	998
2015:	1,300
2014:	1,668
2013:	720
2012:	919

Summary of the forth quarter of 2016

- Sales increased to 38,629 ksek (3,845 ksek)
- Operating income increased to –1,585 ksek (–22,112 ksek)
- Profit/Loss after tax amounted to 12,020 ksek (–74,603 ksek)
- The equity/assets ratio amounted to 64,96% (47,33%)
- Earnings per share before dilution 138,65 sek (–713,28 sek)*
- Number of apartments under zoning planning 545 (807)
- Number of apartments under production 453 (313)
- Numbers of sold apartments during the period 47 (0)
- Number of occupied apartments during the period 0 (0)
- Number of apartments in the portfolio 998 (1,300)

KSEK – SEK in thousands	Oct–Dec 2016	Oct-Dec 2015	Jan–Dec 2016	Jan–Dec 2015
Net sales	38,629	3,845	56,381	58,999
Operating income	-1,585	-22,112	162,666	16,208
Financial items, net	19,301	-74,896	139,914	-33,628
Profit/Loss for the period	13,865	-71,328	274,552	59,165
Balance sheet total	2,102,424	2,353,760	2,102,424	2,353,760
Result after tax	12,020	-74,603	280,913	58,549
Earnings per share	138.65	-713.28	2,745.52	591.65
Opearting margin, %	-4.10	-575.08	288.51	27.47
Solidity %	64.96	47.33	64.96	47.33
Number of apartments under				
zoning planning	545	807	545	807
Number of apartments under pro Numbers of sold apartments	oduction 453	313	453	313
during the period Number of occupied/completed	47		105	
apartments during the period	0	0	0	131
Number of apartments in the po	rtfolio 998	1,300	998	1,300

Significant events during the quarter

Index Residence AB (publ) has worked intensively over the last year to develop a communication strategy and brand platform for the Group. The project is now completed and the new portals for indexresidence.se and indexresidence.com were launched this quarter.

Index Residence AB (publ) sold its daughter-daughter company Fastighets AB Kalmarsand in December 2016. The profit, amounting to 3 MSEK is reported in Result from participations in group companies.

Index has sold land in Norrtälje to the Municipal for 36,2 MSEK, which is reported in Other operating income.

During the fourth quarter, the interest rate on the lending to Index Energy Mills Road Corporation was adjusted from 12% to 4%. This adjustment applies from April 1, 2016 and the total result from this adjustment is taken in this quarter.

The project Juvelen 1 and Juvelen 2, located behind the Municipal House in Norrtälje, are comprised of 300 intelligently designed apartments.

Sales activity in Juvelen 1 is divided into 2 phases. The first phase includes 83 residential apartments. Sale of the first 5 of a total of 11 sections in Jewel 1 commenced in December. By December, 32 out of a total of 83 residential apartments were sold and to this date 60 residential apartments have been sold. Occupancy is scheduled for March 2017. Occupancy in the other sections are planned progressively until December 2017. Juvelen 1 will consist of 186 residential apartments. Sales activity for the remaining 102 apartments are planned to start in March 2017.

Construction of Juvelen 2 will commence in October 2017 and will include 127 apartments with an estimated occupancy in 2019.

Index is developing 467 highly desirable residential apartments in Norrtälje harbor that spans 5 blocks. Sales activity for the first block, Soltornet commenced in August 2016 and by the end of December

The second block, Magasinet will comprise a total of 45 residential apartments. Sales activity is

Preparation of the local plan for the remaining 3 blocks continues according to schedule and are expected to gain legal force during first quarter in 2017, 2018 and 2019. These blocks consist of 335 residential apartments and the start of construction is schedule to February 2018.

Market development

The residential market in the Greater Stockholm area and Mälardalen remains very strong.

Earning and positions, October-December 2016

Consolidated profit before tax amounted to 17,716 ksek (–97,008 ksek) and the balance sheet total amounted to 2,102 msek (2,354 msek). Net finance items can be summed up to 12,020 ksek (–74,603 msek).Net financial items amounted to 19,301 ksek (–74 896 ksek) Both USD and CAD has developed stronger than SEK in this quarter. This has resulted in a currency effect of 40 msek (–14 msek). Currency effects are related to foreign currency lending for financing the two sister group's operations in Florida, US and Ontario, Canada.

Equity/assets ratio

The equity/assets ratio amounted to 64.96% (47.33%).

Cash flow

Cash flow for the Group's investments derives mainly from equity, bank loans, bonds and rental income. The Group obtains positive cash flow upon becoming fully leased. The Group invests predominantly in development properties where the Company increases the value of the property through planning and zoning, construction and the sale or lease up of completed properties to the end user. The benefit of investing in the early stages of projects allow the company to take part in the entire value chain. This investment process allows for higher profits but also longer lead times which in general create cyclical cash flows.

Liquidity

The Group's cash and cash equivalents for the period amounted to 53 msek (186 msek). The company focuses heavily on monitoring liquidity. One-year and four-year forecasts are reported on a continuous basis.

Significant risks and uncertainties in the business

Significant risks and uncertainties are described in the Annual report for financial year 2015. No significant changes have occurred during this interim period.

Restructuring

In 2016 the Company continued its restructuring work. This is continued as part of an effort to streamline operations and clarify the group's core operation. Optimization of the capital structure is an important component of the business operations.

Events after the reporting period

No significant events occurred after the reporting period

Future prospects

The Group's prospects are good. The Swedish project portfolio amounts to 998 residential units. The Groups has a project portfolio of about 2,600 residential units under development. This also includes the sister group's, Index Enterprise LLC, ongoing and future development in Florida, USA, financed by Index Residence (publ) AB

Transactions with related parties

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

THE GROUP

Sales and profits for the forth quarter of 2016

Amounts in SEK millions	Q4 / 16	Q4 / 15
Net sales	39	
Operating income	-2	-22

Consolidated Income Statement in Summary

	Note	Oct-Dec 2016	Oct-Dec 2015	Jan–Dec 2016	Jan–Dec 201
Operating income	5				
Net sales		1,733	3,355	17,803	43,594
Other operating income		36,896	490	38,578	15,40
Total		38,629	3,845	56,381	58,999
Operating expenses	5				
Purchase of goods and services		-15,084	-3,094	-30,555	-21,239
Other external expenses		-10,359	-7,586	-40,319	-27,51
Personnel costs		-4,671	-4,210	-17,025	-21,04
Depreciation/amortization of property, plant and equipment and intangible fixed assets		-12,407	-2,337	-13,074	-3,47
Change in value of properties		-	-9,795	-	-9,79
Result from participations in group companies		-345	638	191,338	8,459
Result from participations in associates					
and joint venture		2,652	427	15,920	31,82
Total operating expenses		-40,214	-25,957	106,285	-42,79
Operating result		-1,585	-22,112	162,666	16,208
Financial income		81,503	37,523	301,211	233,759
Financial expenses		-62,202	-112,419	-161,297	-267,387
Net financial items	5	19,301	-74,896	139,914	-33,628
Result before tax		17,716	-97,008	302,580	-17,420
Tax		-5,696	22,405	-21,667	75,969
Result for the period		12,020	-74,603	280,913	58,549
Other comprehensive income					
the second se					
Items that may later be reserved in the income state	ment:				
	ment:	1,845	3,297	-6,361	610
Items that may later be reserved in the income state	ment:	1,845 -	3,297 -22	-6,361 -	616
Items that may later be reserved in the income state Exchange differences		1,845 - 13,865		-6,361 - 274,552	•
Items that may later be reserved in the income state Exchange differences Exchange differences, non-controlling interests		-	-22	-	
Items that may later be reserved in the income state Exchange differences Exchange differences, non-controlling interests Total comprehensive income for the yea		-	-22	-	59,165
Items that may later be reserved in the income state Exchange differences Exchange differences, non-controlling interests Total comprehensive income for the yea Result for the period attributable to:		- 13,865	-22 -71,328	274,552	59,165
Items that may later be reserved in the income state Exchange differences Exchange differences, non-controlling interests Total comprehensive income for the yea Result for the period attributable to: Parent company shareholders		- 13,865	-22 -71,328 -74,628	274,552	59,165
Items that may later be reserved in the income state Exchange differences Exchange differences, non-controlling interests Total comprehensive income for the yea Result for the period attributable to: Parent company shareholders Non-controlling interests		- 13,865	-22 -71,328 -74,628	274,552	616 59,165 59,378 -829 59,994
Items that may later be reserved in the income state Exchange differences Exchange differences, non-controlling interests Total comprehensive income for the yea Result for the period attributable to: Parent company shareholders Non-controlling interests Total comprehensive income attributable to:		- 13,865 12,020 -	-22 -71,328 -74,628 25	- 274,552 280,913 -	59,165 59,378 –829
Items that may later be reserved in the income state Exchange differences Exchange differences, non-controlling interests Total comprehensive income for the yea Result for the period attributable to: Parent company shareholders Non-controlling interests Total comprehensive income attributable to: Parent company shareholders		- 13,865 12,020 -	-22 -71,328 -74,628 25 -71,331	- 274,552 280,913 -	59,165 59,378 -829 59,994

Consolidated Balance Sheet in Summary

Amounts in SEK thousands	Note	2016-12-31	2015-12-31
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Consessions		-	10,323
Capitalised expenditure for software		1,707	277
Total Intangible assets		1,707	10,600
Property, plant and equipment			
Investment properties	5	32,607	77,209
Buildings and land		-	-
Equipment, tools, fixtures and fittings		4,929	2,129
Constructions in progress	5	-	642,298
Total property, plant and equipment		37,536	721,636
Non-current financial assets			
Investments in associates		21,106	751
Investments in joint ventures		6,396	2,941
Other non-current receivables	4	1,542,666	991,914
Financial assets available for sale	4	5,000	7,500
Total non-current financial assets		1,575,168	1,003,106
Deferred tax assets		-	-
TOTAL NON-CURRENT ASSETS		1,614,411	1,735,342
Current assets			
Inventories			
Residential units under development		223,200	242,372
Securities		85,649	56,751
Inventories		-	137
Accounts receivables		8,808	10,358
Tax assets		129	62
Receivables to associates		89,935	-
Other receivables		20,779	44,100
Financial assets available for sale	4	-	15,000
Prepaid expenses and accrued income		2,993	7,307
Derivatives	4	3,410	6,924
Cash and cash equivalents		53,110	186,407
Non-current assets held for sale		-	49,000
TOTAL CURRENT ASSETS		488,013	618,418
TOTAL ASSETS		2,102,424	2,353,760

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Consolidated Balance Sheet in Summary, Continued

Amounts in SEK thousands	Note	2016-12-31	2015-12-31
EQUITY			
Equity attributable to Parent company shareholders			
Share capital		10,000	10,000
Reserves		4,468	10,829
Retained earnings including comprehensive income for the year		1,351,212	1,093,124
Non-controlling interests		_	
Total equity		1,365,680	1,113,953
LIABILITIES			
Non-current liabilities			
Borrowings	4	55,753	379,190
Bond loan	4	371,980	369,909
Derivatives	4	9,413	73,986
Other non-current liabilities		-	1,628
Deferred tax liabilities		63,639	73,097
Other provisions		86,986	120,662
Total long-term liabilities		587,771	1,018,472
Current liabilities			
Borrowings		3,793	13,414
Accounts payable		11,783	77,515
Current tax liabilities		20,564	25,581
Derivatives	4	43,136	1,410
Other current liabilities		65,655	86,241
Accrued expenses and deferred income		4,042	17,174
Total current liabilities		148,973	221,335
TOTAL EQUITY AND LIABILITIES		2,102,424	2,353,760

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

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/ 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
Opening balance 1 January 2015	10,000	10,213	1,062,146	1,082,359	2,136	1,084,495
Profit/Loss for the period	-	-	59,378	59,378	-829	58,549
Other comprehensive income	-	616		616		616
Disposal of the subsidiaries	-	-	-	-	-1,307	-1,307
Closing balance 31 December 2015	10,000	10,829	1,093,124	1,113,953		-1,113,953
Opening balance 1 januari 2016	10,000	10,829	1,093,124	1,113,953	-	1,113,953
Profit/Loss for the period	-	-	280,913	280,913	-	280,913
Other comprehensive income	-	-6361	-	-6,361	-	-6,361
Paid Dividend			-28,000	-28,000		-28,000
Capital contributions			5,175	5,175		5,175
Closing balance 31 december 2016	10,000	4,468	1,351,212	1,365,680	-	1,365,680

Consolidated Cash Flow Statement in Summary

Amounts in SEK thousands	Note	2016-12-31	2015-12-31
Cash flow from operating activities			
Result after financial items		302,580	-17,420
Depreciation/amortization		824	3,477
Other non-cash items		-247,788	15,548
Interest paid		-54,940	-49,313
Interest received		28,851	32,998
Income tax		-32,949	-1,215
Net cash flow from operating activities before changes in working capital		-3,422	-15,925
Cash flows from changes in working capital			
Change in inventories and work in progress		-9,748	2,400
Change in current receivables		-15,928	239
Change in current liabilities		-34,842	13,962
Total cash flows from changes in working capital		-60,518	16,601
Cash flows from operating activities		-63,940	676
Cash flows from investing activities			
Investments in intangible fixed assets		-1,839	-282
Investments in tangible fixed assets		-4,211	-101,921
Sales/Investments in subsidiaries		-135,159	422,004
Sales/Investments in associated companies and joint venture		11,357	254,180

Change in receivables in associated companies Change in other financial non-current assets Total cash flows from investing activities

Cash flows from financing activities

Total cash flow from financing activities	-77,404	-353,901
Capital contributions	5,175	
Dividends received/paid	-28,000	-28,400
Repayment of debt	-59,839	-434,352
Borrowings	5,260	108,851

-89,935

225,006

5,219

922

-158,131

416,772

Changes in cash and cash equivalents

Opening balance, cash and cash equivalents	186,407	132,351
Exchange effect in cash and cash equivalents	3,528	-9 491
Closing balance, cash and cash equivalents	53,810	186,407

Parent Company Income Statement

Amounts in SEK thousands Note	Oct-Dec 2016	Oct-Dec 2015	Jan–Dec 2016	Jan–Dec 2015
Operating income				
Net sales	379	1,119	1,942	1,897
Total operating income	379	1,119	1,942	1,897
Operating expenses				
Purchases of goods and services	-	-15	-	-15
Other external expenses	-5,345	-4,868	-20,534	-17,803
Personnel costs	-2,712	-3,574	-10,264	-10,566
Depreciation/amortization of property,				
plant and equipment	-28	-18	-103	-70
Total operating expenses	-8,085	-8,475	-30,901	-28,454
Operating result	-7,706	-7,356	-28,959	-26,557
Result from investments in group companies	-13	10,647	11,834	-208,174
Result from investments in associates and joint ventures		105,500	28,200	244,300
Result from other securities and receivables				
accounted for as fixed assets	41,220	-21,772	104,195	-2,121
Other interest income and similar result items	30,751	43,688	177,454	169,204
Interest expenses and similar result items	-55,864	-19,038	-118,618	-94,910
Result after financial items	8,388	111,669	174,107	81,742
Result before tax	8,388	111,669	174,107	81,742
Appropriations	-42,705	-5,850	-49,810	10,696
Tax on earnings for the period	-1,576	2,660	-27,970	-13,557
Result for the period	-35,893	108,479	96,327	78,881

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 2016-12-3	1 2015-12-3
ASSETS		
Non-current assets		
Intangible assets		
Software	20	7
Property, plant and equipment		
Equipment, tools, fixtures and fittings	75	7 82
Non-current financial assets		
Investments in Group companies	154,79	2 58,93
Receivables from Group companies	77,10	1 722,54
Investments in associates		- 80
Investments in joint ventures	1,53	2 1,53
Other non-current receivables	1,424,49	0 792,29
Total non-current financial assets	1,657,91	5 1,576,10
Total non-current assets	1,658,87	9 1,576,92
Current assets		
Current receivables		
Trade receivables	1,76	1 1,48
Receivables from group companies	112,27	5 89,47
Receivables from associates	4,04	7
Other receivables	8,20	5 4,38
Prepaid expenses and accrued income	2,35	3 2,47
Total current receivables	128,64	1 97,83
Cash and cash equivalents	39,75.	2 42,82
Total current assets	168,39	3 140,65
TOTAL ASSETS	1,827,27	2 1,717,58

Parent Company Balance Sheet, Continued.

Amounts in SEK thousands	Note	2016-12-31	2015-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		10,000	10,000
Statutory reserve		2,000	2,000
Total restricted equity		12,000	12,000
Non-restricted equity			
Non-restricted reserves		498,618	447,737
Result for the period		96,327	78,881
Total non-restricted equity		594,945	526,618
Total Equity		606,945	538,618
Untaxed reserves		77,500	35,200
Provisions			
Other provisions		49,139	6,443
Non-current liabilities			
Bond loan		371,980	369,909
Liabilities to Group companies		660,653	661,968
Total non-current liabilities		1,032,633	1,031,877
Current liabilities			
Trade payables		1,802	949
Liabilities to Group companies		12,442	31,459
Tax liabilities		20,335	21,112
Other liabilities		20,950	42,808
Accrued expenses and deferred income		5,526	9,121
Total current liabilities		61,055	105,449
TOTAL EQUITY AND LIABILITIES		1,827,272	1,717,587

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

Group key ratios	Oct–Dec 2016	Oct–Dec 2015	Jan–Dec 2016	Jan–Dec 2015
Return on equity				
Return on total equity in %	0.84	-4.01	14.39	0.74
Return on equity in %	1.30	-7.97	22.16	-1.56
Return on total equity in % (Parent company)	0.46	6.50	9.53	4.76
Return on equity in % (Parent company)	1.26	19.73	26.09	14.44
EBITDA, SEK in thousands	10,822	-23,620	175,740	19,685
Profit/Loss				
Operating income in SEK thousands	-1,585	-22,112	162,666	16,208
Operating margin in %	-4.10	-575.08	288.51	27.47
Key ratio – financial position				
Cash liquidity in %	328	279	328	279
Solidity i %	64.96	47.33	64.96	47.33
Equity in SEK thousands	1,365,680	1,113,953	1,365,680	1,113,953
Equity per share, SEK	13,657	11,140	13,657	11,140
Net income per share before dilution, SEK	138.65	-713.31	2,745.52	599.94
Net income per share after dilution, SEK*	138.65	-713.31	2,745.52	599.94
Number of share	100,000	100,000	100,000	100,000
Average number of shares	100,000	100,000	100,000	100,000
Number of apartments under zoning planning	545	807	545	807
Number of apartments under production	453	313	453	313
Numbers of sold apartments	47	0	105	0
Number of occupied apartments	0	0	0	131
Number of apartments in the portfolio	998	1,300	998	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 devided 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



Note 1 General information

Index Residence AB (publ), corporate identity number Index Group manages and develops real estate. 556561-0770 is parent company in Index-Group. Index Residence AB (publ) is headquartered in Stockholm with address Kungs-On February 28, 2017 this Interim report was approved by the trädgårdsgatan 18, Box 7744, 103 95 Stockholm, Sweden. Board of directors for publication. The operations of the Parent Company consists of group func-This report has not been reviewed by the Index Residence's tions and organization with CEO and administrative functions. auditors. Organization of projects and management of real estate is All amounts are reported in thousands of Swedish kronor (ksek) headed by subsidiaries of the Group. No properties is owned unless otherwise stated. directly by the parent company.

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	
	2016-12-31	2015-12-31	2016-12-31	2015-12-31
Oth non-curr rec.	1,542,666	991,914	1,542,666	991,914
Borrowing	-55,753	-379,190	-55,753	-379,190
Bond loan	-371,980	-369,909	-371,980	-369,909
Total long-term lending and borrowing	1,114,933	242,815	1,114,933	242,815

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 December 31, 2016.

(SEK in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through income statement	-	-	-	-
– Financial assets held for sale:				
Currency Option	-	3,410	-	3,410
Real Estate projects	-	-	5,000	5,000
Total assets	-	3,410	5,000	8,410

Liabilities

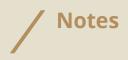
Total liabilities	-	52,549	-	52,549
Interest Rate Swap	-	9,413	-	9,413
Currency Option	-	43,136	-	43,136
– Derivatives held for trading:				
Financial liabilities at fair value through income statement				

The following table shows the Group's financial assets and liabilities measured at fair value as of December 31, 2015.

(SEK in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through income statement				
– Derivatives held for trading:				
Currency Option	-	6,924	-	6,924
– Financial assets held for sale	-	-	22,500	22,500
Total assets	-	6,924	22,500	29,424
		- 6,924		

Total liabilities	-	75,396	-	75,396
Interest rate swap	-	73,986	-	73,986
Currency Option	-	1,410	-	1,410
– Derivatives held for trading:				
Financial liabilities at fair value through income statement				

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.



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

(SEK in thousands)	2016-12-31	2015-12-31
Opening balance	22,500	239,000
Transfer to level 3	-22,500	-239,000
Gains and losses recognized in the income statement	5,000	22,500
Closing balance	5,000	22,500

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 is 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.

2016-10-01 - 2016-12-31

	Sweden		C
(SEK in thousands)	Sweden	North America	Group
Operating income			
Net sales	408	1,325	1,733
Other operationg income	36,893	3	36,896
Total income	37,301	1,328	38,629
Operating expenses			
Purchase of goods and services	-15,140	56	-15,084
Other external expenses	-6,657	-3,702	-10,359
Personnel costs	-4,671	-	-4,671
Depreciation and write-downs of tangible and intangible fixed assets	-12,003	-404	-12,407
Change in value of properties	-	-	-
Result from participants in Group companies	-178	-167	-345
Result from participants in associaded companies	2,652	-	2,652
Total operating expenses	-35,997	-4,217	-40,214
Operating result	1,304	-2,889	-1,585
Financial items – net	19,277	24	19,301
Result before tax	20,581	-2,865	17,716
Assets			
Investment properties	406	32,201	32,607
Construction work in progress	-	-	-
Residential units under development	223,200	-	223,200
Number of apartments under detailed zoning plan	545	-	545
Number of apartments under development	453	-	453
Number of occupied apartments during the period	-	-	-
Number of apartments in the portfolio	998	-	998

Notes

2015-10-01 - 2015-12-31

(SEK in thousands)	Sweden	North America	Group
Operating income			
Net sales	3,830	-475	3,355
Other operationg income	156	334	490
Total income	3986	-141	3,845
Operating expenses			
Purchase of goods and services	-2,978	-116	-3,094
Other external expenses	-6,843	-743	-7,586
Personnel costs	-4,210	-	-4,210
Depreciation and write-downs of tangible and intangible fixed assets	-1,682	-655	-2,337
Change in property	-11,000	1,205	-9,795
Result from participants in Group companies	638	-	638
Result from participants in associaded companies	427	-	427
Total operating expenses	-25,648	-309	-25,957
Operating result	-21,662	-450	-22,112
Financial items – net	875	-75,771	-74,896
Result before tax	-20,787	-76,221	-97,008
Assets			
Investment properties	48,436	28,773	77,209
Construction work in progress		642,298	642,298
Number of apartments under zoning planning	807	-	807
Number of apartments under development	313		313
Number of occupied apartments during the period	-	-	-
Number of apartments in the portfolio	1,300	-	1,300



2016-01-01 - 2016-12-31

(SEK in thousands)	Sweden	North America	Group
Operating income			
Net sales	6,144	11,659	17,803
Other operationg income	38,059	519	38,578
Total income	44,203	12,178	56,381
Operating expenses			
Purchase of goods and services	-18,913	-11,642	-30,555
Other external expenses	-26,253	-14,066	-40,319
Personnel costs	-15,459	-1,566	-17,025
Depreciation and write-downs of tangible and intangible fixed assets	-12,607	-467	-13,074
Result from participants in Group companies	189,647	-1,691	191,338
Result from participants in associaded companies	15,920	-	15,920
Total operating expenses	132,335	-26,050	106,285
Operating result	176,538	-13,872	162,666
Financial items – net	176,411	-36,497	139,914
Result before tax	400,653	-50,369	302,580
Assets			
Investment properties	406	32,201	32,607
Construction work in progress	-	-	-
Warehouse properties	223,200	-	223,200
Number of apartments under zoning planning	545	-	810
Number of apartments under development	453		453
Number of occupied apartments during the period	-	-	-
Number of apartments in the portfolio	998	-	998

Notes

2015-01-01 - 2015-12-31

(SEK in thousands)	Sweden	North America	Group
Operating income			
Net sales	39,213	4,381	43,594
Other operationg income	-326	15,731	15,405
Total income	38,887	20,112	58,999
Operating expenses			
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 property	-11,000	1,205	-9,795
Result from participants in Group companies	8,459	-	8,459
Result from participants in associaded companies	31,821		31,821
Total operating expenses	-30,696	12,095	-42,791
Operating result	8,191	8,017	16,208
Financial items – net	36,678	-70,306	-33,628
Result before tax	44,869	-62,289	-17,420
Assets			
Investment properties	48,436	28,773	77,209
Construction work in progress	-	642,298	642,298
Warehouse properties	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



2014-01-01 - 2014-12-31

(SEK in thousands)	Sweden	North America	Group
Operating income			
Net sales	54,812	1,760	56,572
Other operating income	651	15,720	16,371
Total	55,463	17,480	72,943
Operating expenses			
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
Total operating expenses	-54,807	-12,624	-67,431
Operating result	656	4,856	5,512
Financial items – net	162,952	-58,506	104,446
Result before tax	163,608	-53,650	109,958
Assets			
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

Note 6 Pledged assets

Group	2016-12-31	2015-12-31
Real estate mortgages	15,975	394,053
Restricted cash	-	61,946
Pledged shares	2,409	242
Total Group	18,384	456,241
Parent company	2016-12-31	2015-12-31
Pledged shares	1,040	1,040
Total parent company	1,040	1,040

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

Note 7 Contingent liabilities

Parent company	2016-12-31	2015-12-31
General guarantees for subsidiary loans	60,000	60,000
General guarantees for other company loans	411,332	557,818
Total parent company	471,332	617,818

Of total liabilities includes construction loans 0 ksek (Jan-Dec 2015: 470,058 ksek) for projects in Florida, US.



Note 8 Events post reporting date

Upcoming reporting dates

- April 28, 2017 Annual report for period January December 2016
- May 31, 2017 Interim report for period January March 2017
- August 31, 2017 Interim report for period January June 2017
- November 30, 2017 Interim report for period January –September 2017

Stockholm, 28th of February 2017

Bjarne Borg Chairman of the Board

Arne Weinz Board member

Veralez

Rickard Haraldsson CEO /Board member

