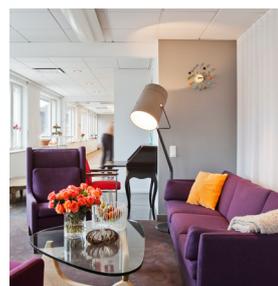


Fastighets AB Balder Interim report January–September 2012

- Profit from property management before tax amounted to SEK 508m (370), corresponding to SEK 2.74 per ordinary share (2.21)
- Rental income amounted to SEK 1,258m (1,097)
- Profit after tax amounted to SEK 665m (373), corresponding to SEK 3.73 per ordinary share (2.23)
- Shareholders' equity amounted to SEK 39.24 per ordinary share (32.96)

Fastighets AB Balder is a listed property company which shall meet the needs of different customer groups for premises and housing through local support. Balder's real estate portfolio had a value of SEK 20.7 billion (16.5) as of 30 September 2012. The Balder share is listed on NASDAQ OMX Stockholm, Mid Cap.



Net profit for the period in brief

Comparisons stated in parenthesis refer to the corresponding period of the previous year

Rental income

Rental income increased to SEK 1,258m (1,097).

Property costs

Property costs amounted to SEK 388m (353).

Profit from property management

Profit from property management amounted to SEK 508m (370), which corresponds to SEK 2.74 per ordinary share (2.21).

Changes in value of investment properties

The carrying amount of the properties amounted to SEK 20,667m (16,499). The result was impacted by positive unrealised changes in value of SEK 447m (474) and realised changes in value of SEK 2m (12). The average yield requirement amounted to 6.0 per cent (6.3).

Changes in value of derivatives

Unrealised changes in value of interest rate derivatives have impacted the result by SEK –51m (–378).

Profit after tax

Net profit after tax for the period amounted to SEK 665m (373), which corresponds to SEK 3.73 per ordinary share (2.23).

	Jan–Sep 2012	Jan–Sep 2011	Jan–Dec 2011	Jan–Dec 2010	Jan–Dec 2009	Jan–Dec 2008	Jan–Dec 2007	Jan–Dec 2006
Rental income, SEKm	1,258	1,097	1,466	1,333	854	633	678	524
Profit from property management before tax, SEKm	508	370	516	417	315	174	179	160
Changes in value of properties, SEKm	449	486	990	1,047	4	–201	642	212
Changes in value of derivatives, SEKm	–51	–378	–520	148	–23	–333	7	–
Changes in value of financial investments, SEKm	–	–11	–7	90	–	–	–	–
Profit after tax, SEKm	665	373	812	1,338	248	–388	785	441
Carrying amount of properties, SEKm	20,667	16,499	17,556	14,389	12,669	7,086	6,758	6,997
Data per ordinary share								
Average number of shares, thousands	159,537	158,359	158,656	149,487	112,902	95,910	97,318	94,050
Profit after tax, SEK	3.73	2.23	4.87	8.95	2.20	–4.04	8.07	4.69
Profit from property management before tax, SEK	2.74	2.21	3.00	2.79	2.79	1.81	1.84	1.70
Outstanding number of shares, thousands	159,537	159,537	159,537	149,487	149,487	94,458	97,318	97,318
Carrying amount of properties, SEK	129.54	103.42	110.04	96.25	84.75	75.02	69.44	71.90
Shareholders' equity, SEK	39.24	32.96	35.57	31.13	22.19	19.63	23.49	15.42
Long-term net asset value (EPRA NAV), SEK	47.12	37.58	41.83	32.89	22.16	20.95	22.33	13.06
Share price on closing date, SEK	36.10	25.00	25.30	29.40	12.50	7.00	13.33	17.00

CEO's comments

Profit from property management

Our third quarter can be summarized by the phrase "all is quiet here on the West side". Things have just rolled along nicely, no new acquisitions were carried out and only one smaller property was divested. The increase in net operating income during the third quarter was 20 per cent, like in the second quarter, and amounted to SEK 317m. Profit from property management exceeded SEK 200m for the first time in a single quarter and amounted to SEK 205m, which was an increase of 27 per cent compared to the previous year. The improvement in earnings was mainly due to a larger property portfolio but also to a favourable interest rate level and efficient property management, which has generated increased net operating income in the existing portfolio.

Property transactions

Nothing happened during the quarter but we made a major acquisition in October when we acquired and took possession of the property Spårvagnen 4 in Stockholm. The property has a lettable area of just over 23,000 sq.m. with stable leases and attractive customers. We are pleased with the transaction, which will give us good cash flow and a decent increase in value over time.

We carried out a new issue of 1 million preference shares in connection with this transaction, at a price of SEK 300 per share. This was our second issue during 2012. Each issue consisted of 1 million shares and both issues have brought us many new shareholders.

Changes in value of properties

Thanks to a continued positive change in our income streams, we can report positive changes in value during the third quarter of SEK 201m and of SEK 447m for the entire period. Our average yield requirement amounts to 6.0 per

cent and is in fact a fall of 0.2 percentage since year-end. However, the fall is attributable to large residential property acquisitions, which were carried out at a lower yield. Comparably, the real estate portfolio has an unchanged yield requirement.

Changes in value of interest rate derivatives

The downward trend in the long-term interest rate during the second quarter continued in the third quarter. This means that we also had large negative unrealised changes in value in respect of our interest rate derivatives during the third quarter. These changes amounted to SEK 200m during the quarter and they were also negative for the entire period, when they amounted to SEK 51m.

However, new financing has been positively impacted by the downward interest rate trend, which has meant a decrease in our average interest expense, thus affecting our profit from property management. In addition, the deficit on our derivatives will gradually move towards zero, without any cash flow effect but with a positive effect on our income statement and balance sheet.

The future

Demand in our rental market is good and the level of interest rates is still attractive. The equity/assets ratio adjusted for the deficit on our interest rate derivatives amounts to 37 per cent. Taken together, this gives us a good basis for investing when the right object appears and to continue improving our profit from property management over time.

Erik Selin
Chief Executive Officer

Current earning capacity

Balder presents its earning capacity on a twelve-month basis in the table below. It is important to note that the current earning capacity should not be placed on a par with a forecast for the coming 12 months. For instance, the earning capacity contains no estimate of rental, vacancy or interest rate developments.

Balder's income statement is also impacted by the development in the value of the real estate portfolio as well as future property acquisitions and/or property divestments. Additional items affecting the operating result are changes in value of derivatives. None of the above has been considered in the current earning capacity.

The earning capacity is based on the real estate portfolio's contracted rental income, estimated property costs during a normal year as well as administrative costs. The costs of the interest-bearing liabilities are based on the group's average interest rate level including effect of derivative instruments. The tax is calculated using a standard tax rate of 26.3 per cent, which largely consists of deferred tax and therefore does not affect the cash flow.

Current earning capacity on a twelve-month basis

SEKm	30 Sep 2012	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Rental income	1,790	1,710	1,685	1,530	1,480	1,450	1,405	1,405	1,345
Property costs	-560	-530	-525	-465	-455	-445	-430	-430	-420
Net operating income	1,230	1,180	1,160	1,065	1,025	1,005	975	975	925
Property and administrative expenses	-115	-115	-110	-105	-100	-100	-105	-105	-100
Profit from property management from associated companies	110	95	95	90	85	85	30	20	20
Operating profit	1,225	1,160	1,145	1,050	1,010	990	900	890	845
Net financial items	-505	-500	-505	-445	-420	-410	-425	-440	-395
Profit from property management	720	660	640	605	590	580	475	450	450
Taxes	-189	-174	-168	-159	-155	-153	-125	-118	-118
Profit after tax	531	486	471	446	435	427	350	332	332
Profit after tax attributable to									
Ordinary shareholders	411	386	371	366	355	347	350	332	332
Preference shareholders	120	100	100	80	80	80	—	—	—
Profit from property management before tax per ordinary share, SEK	3.76	3.51	3.38	3.29	3.20	3.13	2.98	3.01	3.01

The acquired property Spårvagnen 4 in Stockholm per 01-10-2012 is included in the table above.

Results, income and costs

Result

Profit from property management for the period increased by 37 per cent and amounted to SEK 508m (370), which corresponds to SEK 2.74 per ordinary share (2.21). Profit from property management includes SEK 77m (34) in respect of associated companies.

Net profit after tax for the period amounted to SEK 665m (373), corresponding to SEK 3.73 per ordinary share (2.23). Profit before tax was affected by changes in value in respect of properties of SEK 449m (486), changes in value in respect of interest rate derivatives of SEK –51m (–378) and profit from participations in associated companies of SEK 58m (52).

Rental income

Rental income increased by 15 per cent to SEK 1,258m (1,097). The increase was primarily due to a larger real estate portfolio. The leasing portfolio was estimated to have a rental value on 30 September of SEK 1,828m (1,583). The average rental level for the entire real estate portfolio amounted to SEK 1,203/sq.m. (1,142).

The rental income shows a considerable diversification of risks as regards tenants, sectors and locations. The economic occupancy rate amounted to 94 per cent (94) on 30 September. On 30 September, the total rental value for unlet areas amounted to SEK 118m (101) on an annual basis.

Property costs

Property costs amounted to SEK 388m (353) during the period. The increase in property costs was due to a larger real estate portfolio.

Net operating income increased by 17 per cent to SEK 870m (744), which implies a surplus ratio of 69 per cent (68). Operating costs normally vary with the seasons. The first and fourth quarters have higher costs compared to the other quarters, while the third quarter usually has the lowest cost level.

Changes in value of investment properties

Balder carried out an individual internal valuation on 30 September, based on a ten-year cash flow model, of the entire real estate portfolio. Unrealised changes in value for the period amounted to SEK 447m (474). Realised changes in value amounted to SEK 2m (12).

The average yield requirement amounted to 6.0 per cent (6.3) as of 30 September, which is unchanged compared to the previous quarter. The change in value during the period of SEK 447m is mainly attributable to improved net operating income due to increased rental income.

Property and administrative costs

Property and administrative costs amounted to SEK 87m (76) during the period. The increase was primarily due to changes in the real estate portfolio.

Participations in the profit of associated companies

Balder has associated companies with property holdings and a project development company, Boverian AB, which are all 50 per cent-owned and shares in Collector, where the participating interest amounts to 37 per cent. Profit from participations in associated companies amounted to SEK 58m (52) during the year and Balder's participation in the associated companies' profit from property management amounted to SEK 77m (34). Profit before tax was impacted by unrealised changes in value in respect of properties and interest rate derivatives of SEK 1m (36).

Net financial items and unrealised changes in value of derivatives

Net financial items amounted to SEK –353m (–331) and unrealised changes in value of interest rate derivatives amounted to SEK –51m (–378). The negative change in value during the period was due to a decrease in the level of interest rates since year-end. The change in value has not affected the cash flow.

Net financial items are equivalent to borrowing at an average interest rate of 3.8 per cent (4.3) including the effect of accrued interest from interest rate derivatives.

Taxes

Balder reported a current tax expense for the period of SEK 1m (4) and a deferred tax expense of SEK 207m (96).

Current tax only arises in exceptional cases due to the possibilities of making tax write-offs, tax deductions for certain investments in properties and use of existing loss carry-forwards. Current tax arises for subsidiaries where no group contributions for tax purposes exist.

The group's deferred tax liability has been calculated as the value of the net of fiscal deficits and the temporary differences between the carrying amounts and values for tax purposes of properties and interest rate derivatives. Deferred tax liabilities amounted to SEK 410m (82). If the proposed legislative proposal for a reduction of corporate tax to 22 per cent starting in 2013 becomes legally binding, it will have a positive impact on the company's deferred tax liability. If the proposed corporate tax rate had been used in calculation of temporary differences on 30 September, it would have reduced the company's deferred tax liability by approximately SEK 70m.

The third quarter 2012

Profit from property management for the third quarter 2012 increased by 27 per cent and amounted to SEK 205m (162), which corresponds to SEK 1.13 per ordinary share (0.89). Profit from property management includes SEK 32m (23) in respect of associated companies. Rental income amounted to SEK 423m (365) and property costs totalled SEK 105m (100), which means that net operating income increased by 20 per cent and resulted in net operating income for the third quarter of SEK 317m (265). The surplus ratio amounted to 75 per cent (73).

Net profit after tax for the period amounted to SEK 151m (–80), corresponding to SEK 0.79 per ordinary share (–0.63). The change in profit was due to improved profit from property management, increased positive unrealised changes in value in respect of properties and decreased negative unrealised changes in value in respect of interest rate derivatives.

Profit before tax was affected by changes in value in respect of properties of SEK 202m (98), unrealised changes in value in respect of interest rate derivatives of SEK –200m (–398) and profit from participations in associated companies of SEK 24m (43).

Cash flow

The cash flow from operating activities before changes in working capital amounted to SEK 411m (322). Investing activities have burdened the cash flow by SEK 2,660m (2,005). During the period, acquisition of properties of SEK 2,628m (3,157), investments in existing properties of SEK 185m (145) and investments in plant and equipment, financial investments, associated companies etc. and non-controlling interests of SEK 78m (418) have been financed through cash flow from operating activities of SEK 324m (285), by sales of properties of SEK 72m (1,683) and financial investments of SEK 141m (31), dividends from associated companies of SEK 18m (–), a new issue of SEK 265m (1,251) and net borrowings of SEK 2,088m (453), including dividends paid of SEK 70m (20).

The cash flow for the period amounted to SEK 18m (–15). The group's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 335m (374) on 30 September.

Employees and organisation

The number of employees on 30 September amounted to 211 persons (207), of which 67 (70) were women. Balder is organised into five regions with 13 areas in total. The head office with group-wide functions is located in Gothenburg.

Parent Company

The parent company's operations mainly consist of performing group-wide services but an important part also relates to sales of services, principally to associated companies. Sales in the parent company amounted to SEK 70m (59) during the period.

Net profit after tax for the period amounted to SEK 390m (–93). The result was positively affected by dividends received from subsidiaries and associated companies of SEK 351m (135). Changes in value in respect of unrealised interest rate derivatives amounted to SEK –68m (–335).

Real estate holdings

On 30 September, Balder owned 439 properties (431) with a lettable area of approximately 1,520,000 sq.m. (1,361,000) with a value of SEK 20,667m (16,499). Balder's total rental value amounted to SEK 1,828m (1,583) on 30 September.

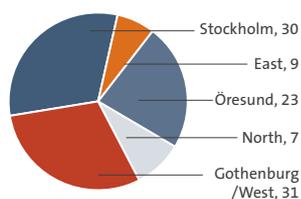
Balder's commercial properties are located in the centre and immediate suburbs of big cities and surrounding municipal areas. Balder's residential properties are located in places that are growing and developing positively. Balder's ambition is to continue growing in selected markets.

Balder's real estate portfolio as of 30-09-2012 ¹⁾

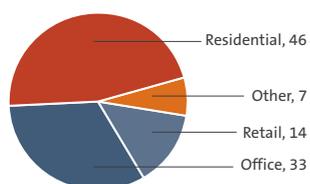
	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	55	375,986	538	1,430	495	92	6,179	30
Göteborg/West	190	530,369	601	1,133	570	95	6,465	31
Öresund	58	264,049	372	1,409	344	92	4,847	23
East	56	195,703	176	897	164	93	1,764	9
North	80	153,754	142	926	137	96	1,412	7
Total	439	1,519,861	1,828	1,203	1,710	94	20,667	100
Distributed by property category								
Residential	303	881,737	855	970	822	96	9,612	46
Office	67	399,655	616	1,541	552	90	6,791	33
Retail	34	132,969	229	1,725	215	94	2,864	14
Other	35	105,500	128	1,213	120	94	1,399	7
Total	439	1,519,861	1,828	1,203	1,710	94	20,667	100

¹⁾ The above table refers to the properties owned by Balder at the end of the period. Sold properties have been excluded and acquired properties have been revalued using full-year values. Other properties include hotel, educational, nursing, industrial and mixed-use properties.

Distributed by region, %



Distributed by property category, %



Change in real estate portfolio

The value of Balder's real estate portfolio is based on internal valuations. All properties have been valued using the yield method, which means that each property is valued by discounting the estimated future cash flows. An estimate is also made of the future development of the immediate surroundings and the position of the property within its market segment. On 30 September, Balder's average yield requirement amounted to 6.0 per cent, which is 0.2 per cent lower than at the start of the year. The reduction in the yield requirement is attributable to the large property acquisitions that were carried out at a lower yield requirement compared to the previous average yield requirement of the portfolio. Comparably, the real estate portfolio has an unchanged yield requirement.

In order to quality-assure the company's internal valuations, Balder allows external valuation of portions of its portfolio regularly during the year and at each year-end. On 31 August, Balder's entire property portfolio was externally valued. The external valuation exceeded Balder's internal valuation by less than 1 per cent.

Unrealised changes in value

The overall carrying amount of Balder's 439 properties (431) amounted to SEK 20,667m (16,499) on 30 September. The unrealised change in value during the period amounted to SEK 447m (474). The change is a result of higher net operating income mainly due to increased rental income.

Investments, acquisitions and sales

During the period, a total of SEK 2,813m (3,302) was invested, of which SEK 2,628m (3,157) relates to acquisitions and SEK 185m (145) relates to investments in existing properties. About 60 per cent of acquisitions during the period related to acquisitions of residential properties in Copenhagen. Properties to a value of SEK 72m (1,683) were sold during the period.

The change in the real estate portfolio during the year may be seen in the following table.

Change in carrying amounts of properties

	2012		2011	
	SEKm	Number	SEKm	Number
Real estate portfolio, 1 January	17 556	433	14 389	432
Investments in existing properties	185		145	
Acquisitions	2 628	12	3 157	38
Sales	-70	-6	-1 670	-39
Change in value of investment properties, unrealised	447		474	
Changes in foreign exchange rates	-78		5	
Real estate portfolio, 30 September	20 667	439	16 499	431

Real estate transactions 2012

Quarter	Number	Property name	Municipality	Property category	Lettable area, sq.m.
Acquisitions					
One	1	Rosen 9	Malmö	Other	11,207
One	6	Biskopsgården 7:1-7:3 m fl	Gothenburg	Residential	45,107
One	1	Österfaelled Torv	Copenhagen	Residential	43,500
One	1	Stævnens Örestad	Copenhagen	Residential	6,830
Two	1	Lorensberg 46:5	Gothenburg	Retail	967
Two	1	Granen 21	Stockholm	Office	4,292
Two	1	Lejonet 2	Malmö	Office	5,852
Total	12				117,755

Divestments

Two	1	Syllen 3	Stockholm	Office	5,220
Two	1	Karlstorps-Råsa 3:116	Vetlanda	Residential	308
Two	1	Karlstorps-Råsa 3:117	Vetlanda	Other	339
Two	1	Lillhagen 2:11	Gävle	Other	305
Three	2	Kastet 6:2, 6:3	Gävle	Residential	432
Total	6				6,604

Associated companies

Balder has associated companies with property holdings and a project development company, Bovieran AB, which are all 50 per cent-owned and shares in Collector, where the participating interest amounts to 37 per cent.

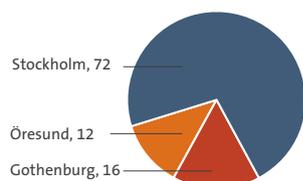
In order to illustrate Balder's holdings in associated companies, Balder's participations in the balance sheets and real estate holdings of associated companies with property holdings are reported below, and presented according to IFRS accounting policies.

The associated companies own 43 properties (41) in total. Balder's participation in the lettable area of the real estate holdings amounts to approximately 135,000 sq.m. (125,000) with a rental value of SEK 166m (154). The economic occupancy rate amounted to 96 per cent (97).

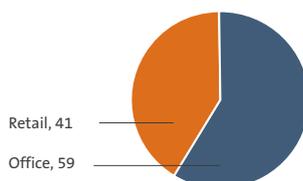
Balder's participation in associated companies with property holdings as of 30-09-2012

	Number of properties	Lettable area, sq.m.	Rental value, SEKm	Rental value, SEK/sq.m.	Rental income, SEKm	Economic occupancy rate, %	Carrying amount, SEKm	Carrying amount, %
Distributed by region								
Stockholm	26	80,454	116	1,446	112	96	1,559	72
Gothenburg	10	30,076	27	895	27	98	335	16
Öresund	7	24,282	23	941	21	93	263	12
Total	43	134,811	166	1,232	159	96	2,157	100
Distributed by property category								
Office	16	53,680	91	1,686	86	95	1,262	59
Retail	27	81,132	76	932	73	97	894	41
Total	43	134,811	166	1,232	159	96	2,157	100

Distributed by region, %



Distributed by property category, %



Balder's participation in balance sheet of associated companies with property holdings

SEKm	30 sep 2012	30 sep 2011
Assets		
Properties	2,157	1,938
Other assets	13	28
Cash and cash equivalents	16	29
Total assets	2,185	1,995
Shareholders' equity and liabilities		
Shareholders' equity/owner loan	690	594
Interest-bearing liabilities	1,363	1,300
Other liabilities	133	101
Total equity and liabilities	2,185	1,995

Customers

In order to limit the risk of lower rental income and consequently a weakened occupancy rate, Balder strives to develop long-term relationships with the company's existing customers. Balder has a good diversification as regards the distribution between commercial properties and residential properties as well as the geographical distribution. This diversification strengthens the possibilities of maintaining a satisfactory occupancy rate.

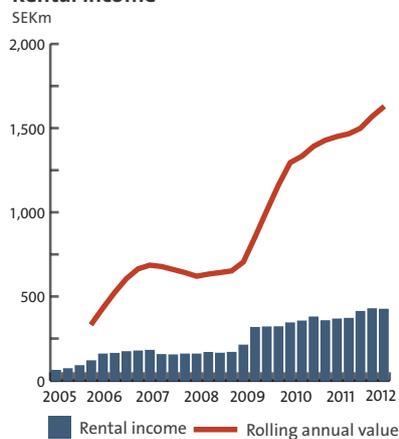
Balder's commercial leases have an average lease term of 4.4 years (3.9). Balder's 10 largest leases represent 8.4 per cent (7.3) of the total rental income, and their average lease term amounts to 10.7 years (8.9). No individual lease accounts for more than 1.7 per cent (1.9) of Balder's total rental income and no individual customer accounts for more than 2.7 per cent (2.4) of total rental income.

Leasing contract structure 30-09-2012

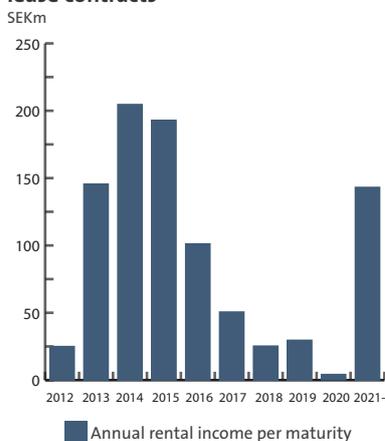
Maturity date	Number of leasing contracts	Share, %	Contracted leases, SEKm	Share, %
2012	115	5	25	1
2013	772	36	131	8
2014	507	24	205	12
2015	428	20	200	12
2016–	325	15	356	21
Total	2,147	100	917	54
Residential ¹⁾	10,934		751	44
Car park ¹⁾	3,400		11	1
Garage ¹⁾	3,039		30	2
Total	19,520		1,710	100

1) Normally runs subject to a period of notice of three months.

Rental income



Maturity structure of commercial lease contracts



Balder's 10 largest customers

per 30-09-2012

- Domstolsverket
- ICA Sverige
- Järfälla Kommun
- Magnora
- Nokas Värdehantering
- Rasta Group
- SHG Rosen R Hotel
- Stureplansgruppen
- Veidekke Bostad
- Västra Götalands Läns Landsting

Financing

Shareholders' equity

Consolidated equity amounted to SEK 7,525m (6,258) on 30 September and the equity/assets ratio amounted to 34.1 per cent (35.0). Shareholders' equity increased during the period by SEK 265m through a directed issue of one million preference shares which Balder acquired in January and through comprehensive income for the period of SEK 655m (373). During the period, shareholders' equity decreased by SEK 70m (20) on account of dividend to the preference shareholders, which is paid quarterly.

Interest-bearing liabilities

The group's interest-bearing liabilities in respect of properties amounted to SEK 12,807m (10,201) on 30 September, corresponding to a loan-to-value ratio of 62.0 per cent (61.8). Balder's commercial paper programme has a framework amount of SEK 1,000m and had an outstanding volume of about SEK 700m on 30 September. The commercial paper programme is secured with revolving back-up facilities corresponding to the entire framework amount. The average fixed interest term amounted to 5.2 years (3.4) on 30 September, which is just over one year longer than at the beginning of the year. The fixed credit term amounted to 6.4 years (5.6) and the average interest rate was 3.7 per cent (4.0), including the effect of accrued interest from interest rate derivative instruments which are presented as fixed interest borrowing in the table.

Interest rate derivative instruments are deployed in order to obtain preferred interest rate fixing targets. Derivatives are continually reported at fair value in the balance sheet with changes in value reported in the income statement without using hedge accounting. Unrealised changes in value during the period amounted to SEK -51m (-378). The deficit on derivatives, SEK 848m (656), will be released during the remaining term and reported as income. This means that Balder has a reserve of SEK 848m which will be reversed in its entirety to equity, adjusted by deferred tax, concurrently with the expiry of interest rate derivatives.

Liquidity

The group's cash and cash equivalents, financial investments and unutilised credit facilities amounted to SEK 335m (374) at the end of the accounting period.

Financial goals

The proportion of equity is impacted by the chosen level of financial risk which in turn is impacted by lenders' equity requirements for offering market-based financing. Balder's financial goals are that the equity/assets ratio shall not be less than 30 per cent over time and that the interest coverage ratio should not be less than 1.5 times. As of 30 September, the equity/assets ratio was 34.1 per cent (35.0) and the interest coverage ratio was 2.4 times (2.1).

Financial targets and outcome

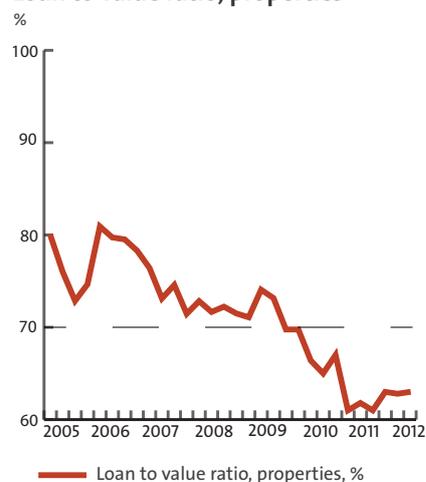
	Target	Outcome
Equity/assets ratio, %	30,0	34,1
Debt/assets ratio, multiple	1,5	2,4
Return on equity, % ¹⁾		11,1

1) Return on equity which exceeds the risk-free rate of interest over time. The risk-free rate of interest, the yearly average of a five-year government bond, amounted to 1,19 percent per 2012-09-30.

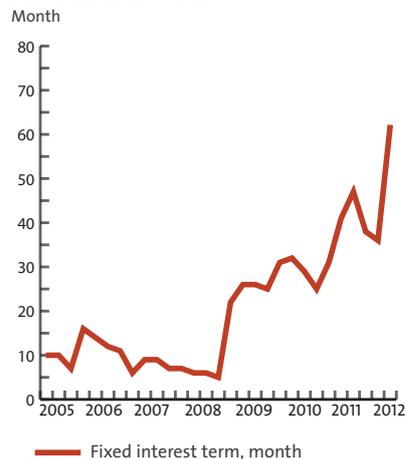
Interest maturity structure as of 30-09-2012

Year	Fixed interest term		
	SEKm	Interest, %	Share, %
Within one year	4,590	2.9	35.6
1-2 years	20	4.3	0.2
2-3 years	263	4.3	2.0
3-4 years	514	4.4	4.0
4-5 years	—	—	—
> 5 years	7,500	4.2	58.2
Total	12,887	3.7	100.0

Loan to value ratio, properties



Fixed interest term



Other information

Events after the end of the period

Balder acquired the property Spårvagnen 4 on Birger Jarlgatan in central Stockholm after the end of the period. The property has a lettable area of approximately 23,000 sq.m. and the purchase price amounted to approximately SEK 1,100m. Balder made a partial payment in connection with the acquisition of 1 million preference shares at a price of SEK 300 per share. The issue brought the company just over 800 new shareholders.

In October, Balder issued a bond loan of SEK 250m. The bond loan runs until 10 October 2015 with a coupon of STI-BOR 90 days plus 2.75 per cent, which corresponds to an interest rate of 4.28 per cent for the first period.

Related company transactions

Balder receives fees from associated companies and Erik Selin Fastigheter AB for property and company management. These fees amounted to SEK 11m (8) during the period and are reported in management and administrative costs.

Risks and uncertainty factors

Balder's operations, financial position and results may be affected by a number of risks and uncertainty factors. These are described in the annual report for 2011, on pages 42–45. Acquisitions have been carried out in Denmark since year-end which means that a limited currency position has arisen. No material changes have been noted in other respects.

Accounting policies

Balder applies IFRS (International Financial Reporting Standards) as adopted by the European Union in its consolidated accounts and the interpretations of these (IFRIC). This interim report is prepared in accordance with IAS 34, Interim Financial Reporting, and relevant provisions of the Swedish Annual Accounts Act and the Swedish Securities Markets Act have also been applied. The parent company has prepared its financial statements in accordance with the Annual Accounts Act, the Securities Markets Act and RFR 2, Accounting for Legal Entities.

The accounting policies and calculation methods applied are unchanged compared with the annual report for 2011.

Nomination Committee

Balder's annual general meeting on 9 May 2012, resolved that the nomination committee should be composed of one representative for each of the two largest owners or ownership spheres, together with Lars Rasin, who represents the other shareholders.

Balder's nomination committee has been established, based on the ownership as of 30 September 2012 and known changes thereafter Lars Rasin, chairman Christian Hahne, representing Erik Selin Fastigheter AB and Rikard Svensson, representing Arvid Svensson Invest AB.

The Annual General Meeting will be held on May 7, 2013 in Gothenburg. Shareholders who wish to contact the nomination committee may do so via e-mail to eve.knight@balder.se

Gothenburg, 8 November 2012

Erik Selin
Chief Executive Officer

Consolidated statement of comprehensive income

SEKm	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Oct/Sep 2011/2012	Jan-Dec 2011
Rental income	423	365	1,258	1,097	1,627	1,466
Property costs	-105	-100	-388	-353	-505	-471
Net operating income	317	265	870	744	1,122	996
Changes in value of properties, realised	1	2	2	12	2	12
Changes in value of properties, unrealised	201	96	447	474	950	978
Changes in value of financial investments	—	-10	—	-11	5	-7
Other income/expenses	-4	-4	-14	-12	-16	-13
Management and administrative costs	-26	-24	-87	-76	-114	-103
Participation in the profit from associated companies	24	43	58	52	139	133
Operating profit	514	368	1,276	1,183	2,089	1,995
Net financial items	-118	-102	-353	-331	-460	-438
Changes in value of derivatives, unrealised	-200	-398	-51	-378	-192	-520
Profit before tax	196	-132	873	473	1,437	1,037
Current tax	—	—	-1	-4	-7	-10
Deferred tax	-45	52	-207	-96	-325	-215
Net profit for the period/year	151	-80	665	373	1,105	812
Other comprehensive income						
Translation difference	-9	0	-10	0	-12	-2
Participation in other comprehensive income from associated companies	0	—	0	—	0	—
Net profit for the period/year	142	-80	655	373	1,092	810
Profit from property management before tax, SEKm	205	162	508	370	653	516
Profit from property management before tax per ordinary share, SEK	1.13	0.89	2.74	2.21	3.53	3.00
Profit after tax per ordinary share, SEK	0.79	-0.63	3.73	2.23	6.36	4.87

All of the comprehensive income for the period/year accrues to the parent company's shareholders. There is no dilutive effect as no potential shares arise.

Consolidated statement of financial position

SEKm	30 Sep 2012	30 Sep 2011	31 Dec 2011
Assets			
Investment properties	20,667	16,499	17,556
Other property, plant and equipment	148	151	148
Participations in associated companies etc.	708	537	654
Other receivables	473	470	455
Cash and cash equivalents and financial investments	89	207	165
Total assets	22,084	17,865	18,978
Shareholders' equity and liabilities			
Shareholders' equity	7,525	6,258	6,675
Non-controlling interests	—	4	4
Deferred tax liability	410	82	202
Interest-bearing liabilities ¹⁾	12,887	10,371	10,801
Derivatives	848	656	797
Other liabilities	415	494	499
Total equity and liabilities	22,084	17,865	18,978
1) Of which interest-bearing liabilities in respect of properties	12,807	10,201	10,635

Consolidated statement of changes in equity

Attributable to the Parent Company's shareholders, SEKm	Jan-Sep 2012	Jan-Sep 2011	Jan-Dec 2011
Opening equity	6,675	4,654	4,654
New issue	265	1,251	1,251
Dividend paid for preference shares	-70	-20	-40
Comprehensive income for the period/year	655	373	810
Closing equity	7,525	6,258	6,675

Consolidated statement of cash flows

SEKm	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Jan-Dec 2011
Net operating income	317	265	870	744	996
Other operating income/expenses	-4	-4	-14	-12	-13
Management and administrative expenses	-26	-24	-87	-76	-103
Reversal of depreciation and amortisation	3	4	11	11	15
Adjustment item	-2	-6	-1	-6	-2
Net financial items paid	-124	-102	-370	-335	-457
Taxes paid	—	—	-1	-4	-10
Cash flow from operating activities before change in working capital	165	133	409	322	426
Change in operating receivables	-7	-24	-0	-73	-65
Change in operating liabilities	-59	-10	-84	36	52
Cash flow from operating activities	99	99	325	285	414
Acquisition of properties	—	-452	-2,628	-3,157	-3,640
Acquisition of property, plant and equipment	-6	-1	-11	-122	-122
Purchase of financial investments	-23	—	-48	-12	-12
Investment in existing properties	-52	-51	-185	-145	-219
Sale of properties	5	3	72	1,683	1,683
Acquisitions from non-controlling interests	—	—	-4	—	—
Sale of financial investments	2	29	141	31	52
Acquisition of shares in associated companies etc.	—	-280	-15	-284	-320
Dividend paid preference share	—	—	18	—	—
Cash flow from investing activities	-74	-753	-2,660	-2,005	-2,579
New issue	—	—	265	1 251	1 251
Dividend paid for preference shares	-25	-20	-70	-20	-40
Loans raised	560	1,087	2,860	3,764	4,189
Amortisation/redemption of loans sold properties/change in credit facilities	-550	-536	-702	-3,291	-3,277
Cash flow from financing activities	-15	531	2,353	1,705	2,124
Cash flow for the period/year	9	-123	18	-15	-41
Cash and cash equivalents at the start of the period/year	16	156	8	48	48
Cash and cash equivalents at the end of the period/year	25	33	25	33	8
Unutilised credit facilities	246	167	246	167	133
Financial investments	64	174	64	174	157

Segment information

SEKm	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Okt/Sep 2011/2012	Jan-Dec 2011
Rental income						
Stockholm	119	120	354	343	471	460
Gothenburg/West	143	123	427	377	554	504
Öresund	87	49	252	159	304	210
East	40	40	123	121	164	161
North	34	32	101	98	134	130
Total	423	365	1,258	1,097	1,627	1,466
Net operating income						
Stockholm	92	92	248	241	331	325
Gothenburg/West	108	90	299	261	387	348
Öresund	67	35	180	110	211	141
East	26	27	78	75	106	102
North	24	21	65	58	87	80
Total	317	265	870	744	1,122	996

The group's internal reporting of operations is divided into the above segments. Total net operating income corresponds with the net operating income reported in the income statement. The difference between net operating income of SEK 1 258m (1 097) and profit before tax of SEK 665m (373) consists of changes in value of properties of SEK 449m (486), change in value of financial investments of SEK –m (–11), management and administrative expenses of SEK –87m (–76), other income/expenses of SEK –14m (–12), participations in profits of associated companies of SEK 58m (52), net financial items of SEK –353m (–331) and changes in value of derivatives of SEK –51m (–378).

During the period, the carrying amount in respect of properties of the Stockholm, Gothenburg/West and Öresund regions increased by SEK 313m, SEK 551m, and SEK 2,054m respectively.

Key ratios

SEKm	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Okt/Sep 2011/2012	Jan-Dec 2011
Share-related, ordinary shares ¹⁾						
<i>Average number of shares, thousands</i>	159,537	159,537	159,537	158,359	159,537	158,656
Profit after tax, SEK	0.79	-0.63	3.73	2.23	6.36	4.87
Profit after tax excluding unrealised changes in value, SEK	0.79	0.68	1.90	1.71	2.45	2.27
Profit from property management before tax, SEK	1.13	0.89	2.74	2.21	3.53	3.00
Net operating income, SEK	1.99	1.66	5.45	4.70	7.03	6.27
<i>Outstanding number of shares, thousands</i>	159,537	159,537	159,537	159,537	159,537	159,537
Carrying amount of properties, SEK	129.54	103.42	129.54	103.42	129.54	110.04
Shareholders' equity, SEK	39.24	32.96	39.24	32.96	39.24	35.57
Long-term net asset value (EPRA NAV), SEK	47.12	37.58	47.12	37.58	47.12	41.83
Share price on the closing date, SEK	36.10	25.00	36.10	25.00	36.10	25.30
1) There is no dilutive effect as no potential shares arise.						
Property-related						
Rental value full-year, SEK/sq.m.	1,203	1,142	1,203	1,142	1,203	1,163
Rental income full-year, SEK/sq.m.	1,125	1,069	1,125	1,069	1,125	1,088
Economic occupancy rate, %	94	94	94	94	94	94
Surplus ratio, %	75	73	69	68	69	68
Carrying amount, SEK/sq.m.	13,598	11,904	13,598	11,904	13,598	12,467
Number of properties	439	431	439	431	439	433
Lettable area, sq.m. thousands	1,520	1,386	1,520	1,386	1,520	1,408
Profit from property management before tax, SEKm	205	162	508	370	653	516
Financial						
Return on equity, %	8.1	4.6	11.1	8.5	16.0	14.3
Return on total assets, %	5.7	4.0	7.3	6.2	9.5	8.7
Interest coverage ratio, times	2.7	2.5	2.4	2.1	2.4	2.1
Equity/assets ratio, %	34.1	35.0	34.1	35.0	34.1	35.2
Debt/equity ratio, times	1.7	1.7	1.7	1.7	1.7	1.6
Loan-to-value ratio, %	58.4	58.1	58.4	58.1	58.4	56.9
Loan-to-value ratio properties, %	62.0	61.8	62.0	61.8	62.0	60.6

Condensed parent company income statement

SEKm	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Jan-Dec 2011
Net sales	21	21	70	59	82
Administrative expenses	-28	-23	-87	-70	-98
Change in value of financial investments	—	-10	—	-11	-7
Operating profit	-7	-12	-17	-22	-22
Profit from financial items					
Net financial items	58	35	490	183	212
Changes in value of derivatives, unrealised	-185	-327	-68	-335	-474
Profit before tax	-134	-303	405	-174	-285
Deferred tax	35	78	-15	80	118
Net profit for the period/year	-100	-225	390	-93	-167

Condensed parent company balance sheet

SEKm	30 Sep 2012	30 Sep 2011	31 Dec 2011
Assets			
Property, plant and equipment	27	30	30
Financial non-current assets	2,885	2,772	2,820
Receivables from group companies	9,749	8,270	8,507
Current receivables	24	60	46
Cash and cash equivalents and financial investments	65	194	159
Total assets	12,750	11,326	11,562
Shareholders' equity and liabilities			
Shareholders' equity	4,446	3,985	3,891
Interest-bearing liabilities	5,065	4,401	4,654
Liabilities to group companies	2,452	2,365	2,310
Derivatives	670	462	601
Other liabilities	117	113	106
Total equity and liabilities	12,750	11,326	11,562

The share and owners

Balder's shares are listed on NASDAQ OMX Stockholm, Mid Cap. Since 20 June, when the preference share was listed, Balder has two listed classes of shares, an ordinary class B share and a preference share which pays a dividend of SEK 5 per quarter.

The company's market capitalisation as of 30 September amounted to SEK 7,261m (5,050). The principal owner in Fastighets AB Balder is Erik Selin Fastigheter AB which owns 39.1 per cent of the capital and 52.2 per cent of the votes.

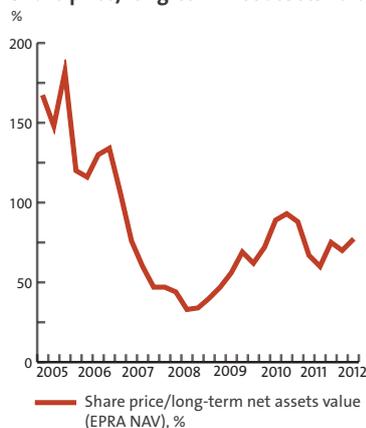
Compulsory redemption of shares in Din Bostad Sverige AB

A compulsory redemption procedure concerning remaining shareholders of Din Bostad Sverige has been underway since November 2009 and an arbitration board has determined the redemption amount. Balder redeemed all outstanding shares during the first quarter of 2012 for the redemption amount of SEK 29 per share and the compulsory redemption procedure is thus completed.

Ordinary shares

At the end of the period, the ordinary share had approximately 7,360 shareholders (6,527). During the period, 53 million shares were traded, which is equal to an average of 282,000 shares (228,000) per trading day. The annual turnover rate amounted to 44 per cent during the period. On 30 September, the market price of the share was SEK 36.10 (25.0).

Share price/long-term net assets value



Preference shares

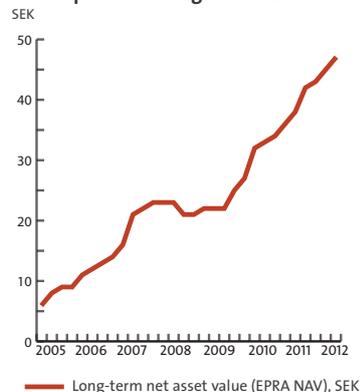
At the end of the period, the preference share had approximately 4,994 shareholders (1,869). During the period, 2.1 million shares were traded, which is equal to an average of 11,300 shares per trading day. The annual turnover rate amounted to 57 per cent. On 30 September, the market price of the preference share was SEK 300.50 (265.50).

Share capital

On 31 January, 1,000,000 preference shares were issued at SEK 265.00 per share, which provided the company with SEK 265m.

On 30 September, the share capital in Balder amounted to SEK 167,396,852 distributed among 167,396,852 shares. Each share has a quota value of SEK 1.00, whereof 11,229,432 shares are of Class A, 151,167,420 are of Class B and 5,000,000 are preference shares. Of the B shares, 2,859,600 were repurchased as of 30 September, which means that the total number of outstanding shares amounts to 164,537,252. Each Class A share carries one vote and each Class B share and preference share carries one tenth of a vote.

Development of long-term net asset value



Ownership list as of 30-09-2012

Owners	A shares	B shares	Preference shares	Total number of shares	Capital, %	Votes, %
Erik Selin Fastigheter AB	8,298,594	57,207,798	—	65,506,392	39.1	52.2
Arvid Svensson Invest AB	2,915,892	13,542,540	—	16,458,432	9.8	15.9
Länsförsäkringar fondförvaltning AB	—	11,747,506	—	11,747,506	7.0	4.4
Swedbank Robur fonder	—	7,601,292	91,250	7,692,542	4.6	2.9
Andra AP-fonden	—	6,873,993	—	6,873,993	4.1	2.6
Handelsbanken fonder	—	5,607,231	—	5,607,231	3.3	2.1
Lannebo fonder	—	3,500,000	—	3,500,000	2.1	1.3
SEB Investment Management	—	2,703,985	—	2,703,985	1.6	1.0
Rahi, Sharam med bolag	—	1,516,300	20,000	1,536,300	0.9	0.6
Rasjö, Staffan	—	1,113,369	—	1,113,369	0.7	0.4
Others	14,946	36,893,806	4,888,750	41,797,502	25.1	15.6
Total outstanding shares	11,229,432	148,307,820	5,000,000	164,537,252	98.3	98.9
Repurchased own shares	—	2,859,600	—	2,859,600	1.7	1.1
Total registered shares	11,229,432	151,167,420	5,000,000	167,396,852	100.0	100.0

Preference share calendar

Final day of trading incl. right to payment of dividend	7 January 2013
Record day for payment of dividend	10 January 2013
Expected day of payment from Euroclear	15 January 2013
Final day of trading incl. right to payment of dividend	5 April 2013
Record day for payment of dividend	10 April 2013
Expected day of payment from Euroclear	15 April 2013
Final day of trading incl. right to payment of dividend	5 July 2013
Record day for payment of dividend	10 July 2013
Expected day of payment from Euroclear	15 July 2013
Final day of trading incl. right to payment of dividend	7 October 2013
Record day for payment of dividend	10 October 2013
Expected day of payment from Euroclear	15 October 2013

Definitions

FINANCIAL

Return on equity, %

Profit after tax in relation to average shareholders' equity. The values were converted to a full-year basis in the interim accounts without taking account of seasonal variations that normally arise in the operations with the exception of changes in value.

Return on total assets, %

Profit before tax with addition of net financial items in relation to average balance sheet total. The values were converted to a full-year basis in the interim accounts without taking account of seasonal variations that normally arise in the operations with the exception of changes in value.

Loan-to value ratio, %

Interest-bearing liabilities at the end of the period in relation to total assets at the end of the period.

Loan-to-value ratio properties, %

Profit before tax with reversal of changes in value. Reversal of changes in value and tax as regards participation in profits of associated companies also takes place.

Profit from property management before tax, SEKm

Profit before tax with reversal of changes in value. Reversal of changes in value and tax as regards participation in profits of associated companies also takes place.

Risk-free interest

Annual average of a five-year government bond.

Interest coverage ratio, times

Profit before tax with reversal of net financial items, changes in value and changes in value and tax as regards participation in profits of associated companies, in relation to net financial items.

Debt/equity ratio, times

Interest-bearing liabilities in relation to shareholders' equity.

Equity/assets ratio, %

Shareholders' equity including non-controlling interests in relation to the balance sheet total at the end of the period.

PROPERTY RELATED

Yield, %

Estimated net operating income on an annual basis in relation to the fair value of the properties at the end of the period.

Net operating income, SEKm

Rental income less property costs.

Economic occupancy rate, %

Contracted rent for leases which are running at the end of the period in relation to rental value.

Property category

Classified according to the principal use of the property. The break-down is made into office, commercial, residential and other properties. Other properties include hotel, educational, care, industrial/warehouse and mixed-use properties. The property category is determined by what the largest part of the property is used for.

Property costs, SEKm

This item includes direct property costs, such as operating expenses, utility expenses, maintenance, ground rent and property tax.

Rental value, SEKm

Contracted rent and estimated market rent for vacant premises and residential properties.

Surplus ratio, %

Net operating income in relation to rental income.

SHARE RELATED

Equity per ordinary share, SEK

Shareholders' equity in relation to the number of outstanding ordinary shares at the end of the period after deduction of the preference capital.

Equity per preference share, SEK

Equity per preference share is equivalent to the subscription price of the preference share of SEK 253 per share.

Profit from property management per ordinary share, SEK

Profit from property management reduced by preference share dividend for the period divided by the average number of outstanding ordinary shares.

Average number of shares

The number of outstanding shares at the start of the period, adjusted by the number of shares issued during the period weighted by the number of days that the shares have been outstanding in relation to the total number of days during the period.

Preference capital, SEK

Preference capital amounts to an average issue price of SEK 253 per preference share.

Long-term net asset value per ordinary share (EPRA NAV), SEK

Equity per ordinary share with reversal of interest rate derivatives and deferred tax according to balance sheet.

Profit after tax per ordinary share, SEK

Profit attributable to the average number of ordinary shares after consideration of the preference shares' portion of the profit for the period.

The information in this report is such that Fastighets AB Balder (publ) is obliged to disclose according to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information has been published at 2.00 p.m. on 8 November 2012.

This report is a translation of the Swedish Interim report January–September 2012. In the event of any disparities between this report and the Swedish version, the latter will have priority.

Contact

For additional information, please contact CEO Erik Selin, telephone +46 706 074 790 or CFO or Magnus Björndahl, telephone +46 735 582 929.

Financial information

Overall information may be found on Balder's home page, www.balder.se, about the company's operations, board of directors and management, financial reporting and also press releases.

Calendar

Year-end report 2012	20 February 2013
Annual report	April 2013
Annual General Meeting	7 May 2013
Interim report January–March 2013	7 May 2013
Interim report January–June 2013	26 August 2013
Interim report January–September 2013	7 November 2013
Year-end report 2013	19 February 2014

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