

Wallenstam

SUMMARY Q4 2016

SUSANN LINDE, CFO AND HEAD OF INVESTOR RELATIONS

PROPERTY VALUE 2016,
SEK BILLION

37

NO. OF RENTAL
APARTMENTS

7,500

NO. OF COMMERCIAL
CUSTOMERS

1,000

RENTAL INCOME,
SEK BILLION

1.6

NO. OF APARTMENTS
UNDER CONSTRUCTION

1,973

SELF SUFFICIENT IN RE-
NEWABLE ENERGY SINCE

2013





IMPORTANT EVENTS, Q4

- > Five new construction project started, totally 461 apartments
- > Divestment of four properties
- > Acquisition of one commercial property and land
- > Received the Swedish Renewable Energy Award 2016



**NEW
CONSTRUCTIONS
COMPLETED IN 2016**



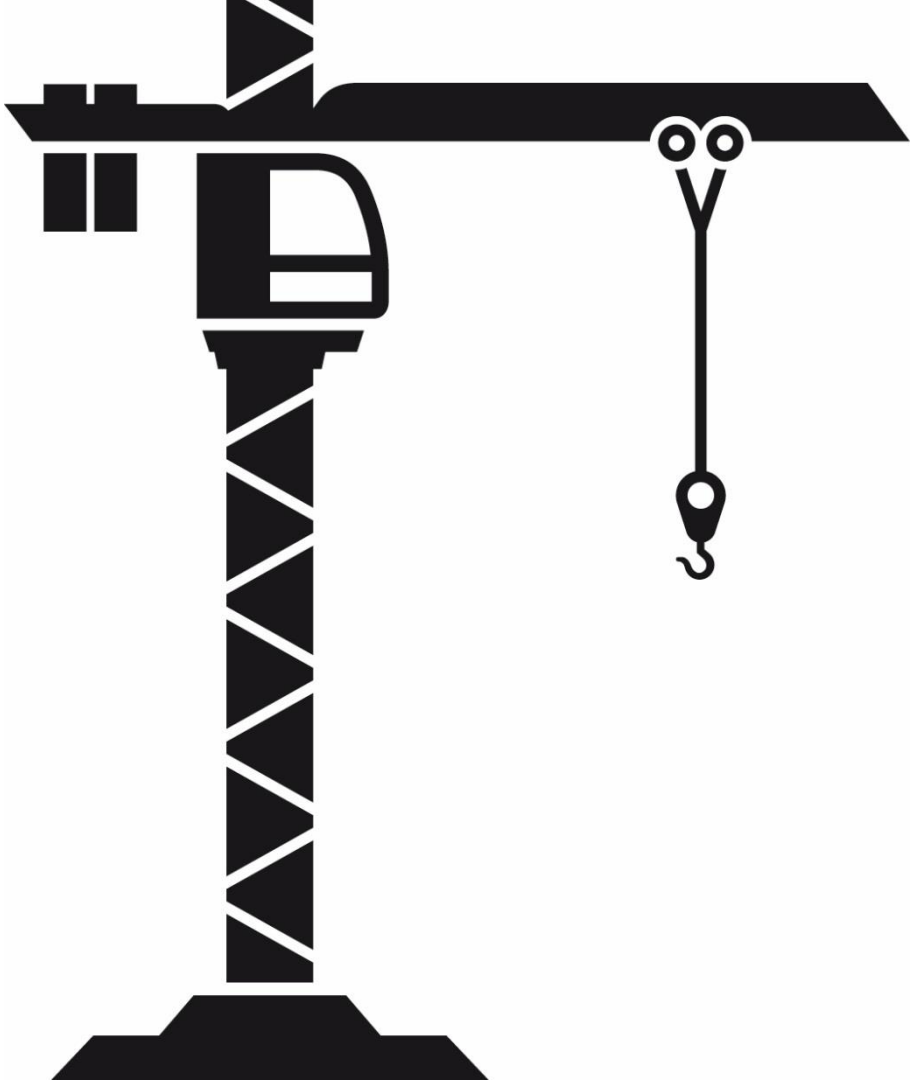
IN STOCKHOLM:

MÅNSPINNAREN (STORA SJÖFALLET 3), 121 APTS.
FERDINAND (DOMARUDDEN 1), COMMERCIAL PREMISES
FÖLJA BERG (SICKLAÖN 368:2), 122 APTS.



IN GOTHENBURG/ HELSINGBORG:

VÅGMÄSTAREN (BRÄMAREGÅRDEN 62:1), 112 APTS.
STALLBACKEN PUNKT1 (STALLBACKEN 5 & 7), 113 APTS.
VILDVINET (VILDVINET 1), 52 APTS.



**NEW
CONSTRUCTIONS
STARTED IN 2016**

PRODUCTION HAS STARTED IN UMAMI



UMAMI PARK, PHASE 1 A, 147 RENTAL APTS.



ORANGERIET SOLBERGA, STOCKHOLM, 170 CO-OP APTS.

MORE RENTAL APARTMENTS IN STALLBACKEN...



STALLBACKEN NIVÅ2, MÖLNDAL, 88 RENTAL APTS.



STALLBACKEN PUNKT3, MÖLNDAL, 82 RENTAL APTS.

... AND CO-OPS AS WELL



STALLBACKEN PUNKT4, MÖLNDAL, 133 CO-OP APTS.



L17, HELSINGBORG, 17 TERRACED HOUSES (OWNERSHIP)

NEW CONSTRUCTION IN ATTRACTIVE LOCATIONS IN GOTHENBURG



UTFORSKAREN, GOTHENBURG, 36 RENTAL APTS.



ULFSPARREGATAN, GOTHENBURG, 115 RENTAL APTS.

COMMERCIAL PREMISES WILL BECOME APARTMENTS



VASAGATAN 33, GOTHENBURG, 30 CO-OP APTS.

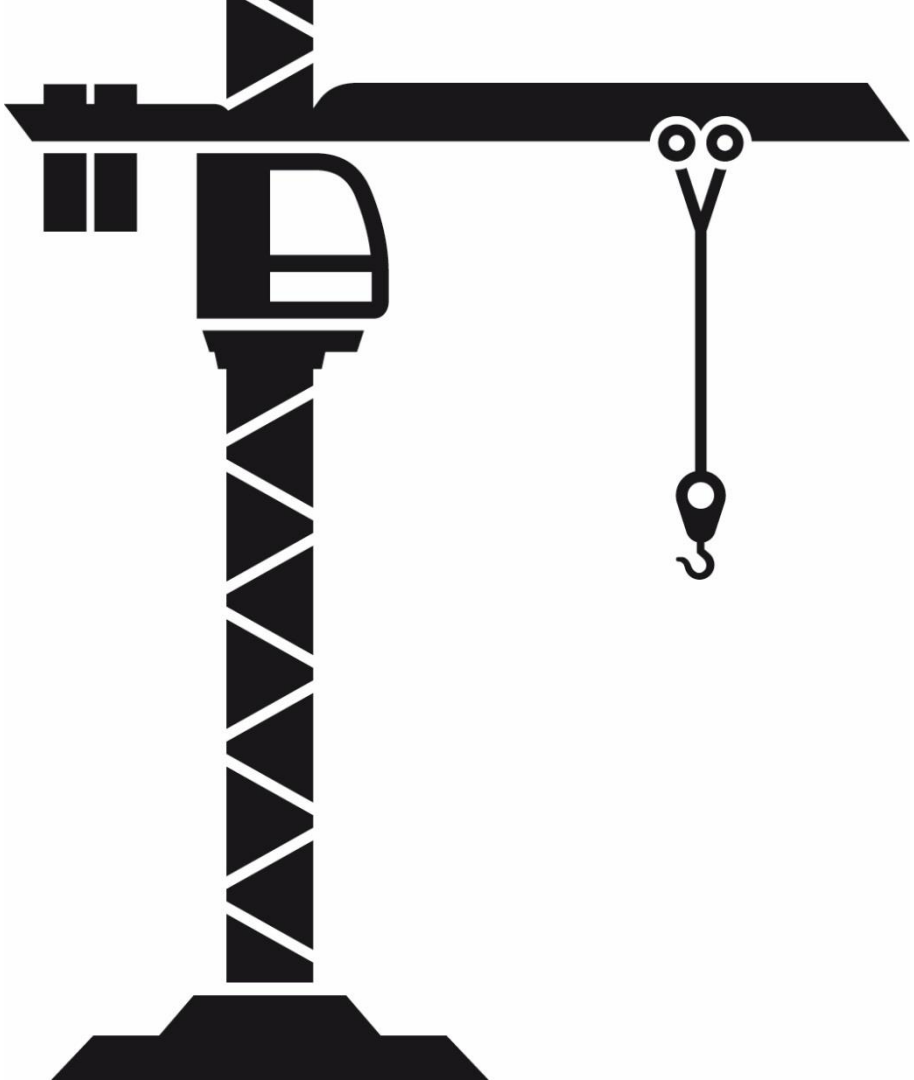
NEW CONSTRUCTION IN PROGRESS

Project	No. of apts.	Expected occupation*
Stockholm		
Tavernan, Barkarbystaden, Järfälla	205	Q2 2017
Grönskan Solberga	148	Q3 2017
Trädgårdsporten, Tyresö	184	Q4 2017
Orangeriet Solberga (co-op)	170	2018
Umami, phase 1A, Sundbyberg	147	2018/2019
Uppsala		
Fjärilen, Rosendal	145	Q1 2017
Snickeriet, Östra Sala backe	137	Q1 2017
Symfonin, Grånby	116	Q4 2017
Gothenburg		
Stallbacken Punkt1, Mölndal**	75	Q1 2017
Mid Avenue Valand	35	Q2 2017
Stallbacken Nivå2, Mölndal	88	Q4 2017
Stallbacken Punkt3, Mölndal	82	Q4 2017
Stallbacken Punkt4, Mölndal (co-op)	133	2018
Vasagatan 33 (co-op)	30	2018
Utforskaren	36	2018
Ulfsparrégatan	115	2018
Helsingborg		
L17	17	Q2 2017
Stengläntan, Mariastaden	110	Q3 2017
Total	1,973	

* Refers to estimated start of occupation. Occupation will occur gradually, often over several quarters.

** The project involves a total of 188 apartments, of which 113 were completed in 2016.





FINANCIAL INFORMATION

INCOME FROM PROPERTY MANAGEMENT

SEK million	Note	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015
Rental income		1,607	1,549	410	390
Operating expenses		-434	-419	-127	-114
Net operating income, properties		1,173	1,130	283	276
Management costs and administrative expenses		-191	-188	-54	-53
Financial income		8	20	1	6
Financial expenses		-257	-290	-61	-69
Income from property management		733	672	169	160

+9%

- New construction in operation
- Successful letting operations
- Efficient property management

NET OPERATING INCOME INCREASE OF 4%

RENTAL INCOME

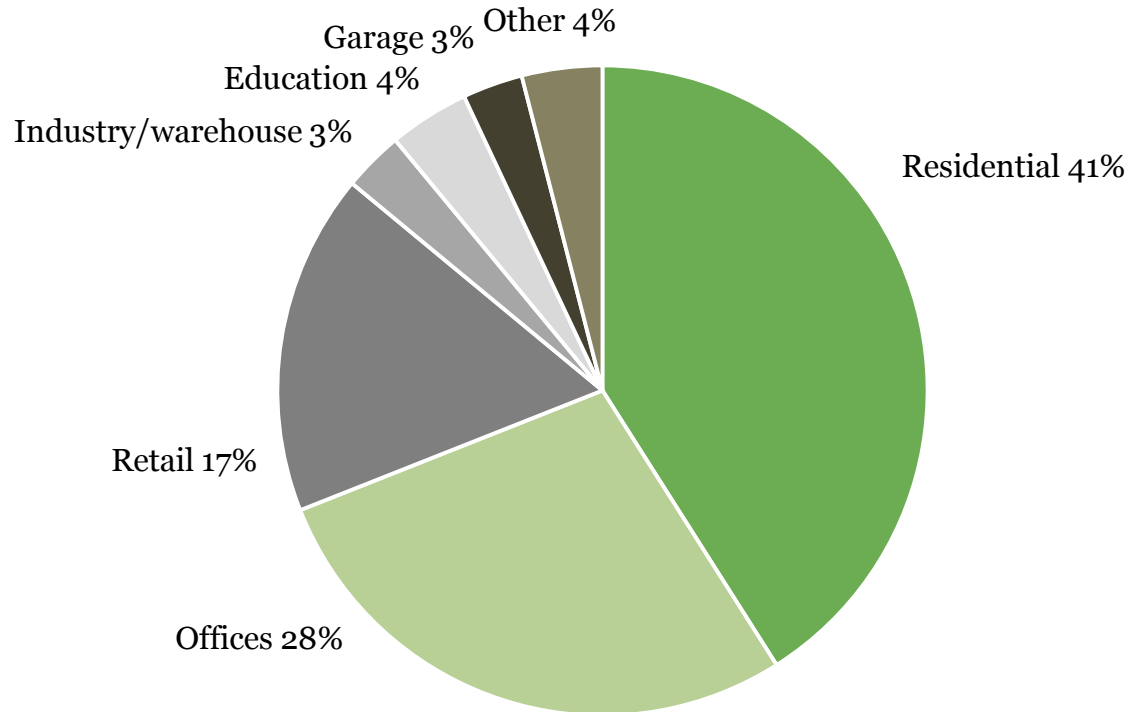


Net operating income
+ SEK 43 million

OPERATING EXPENSES



DISTRIBUTION OF RENTAL INCOME 2016 BY TYPE OF PREMISES



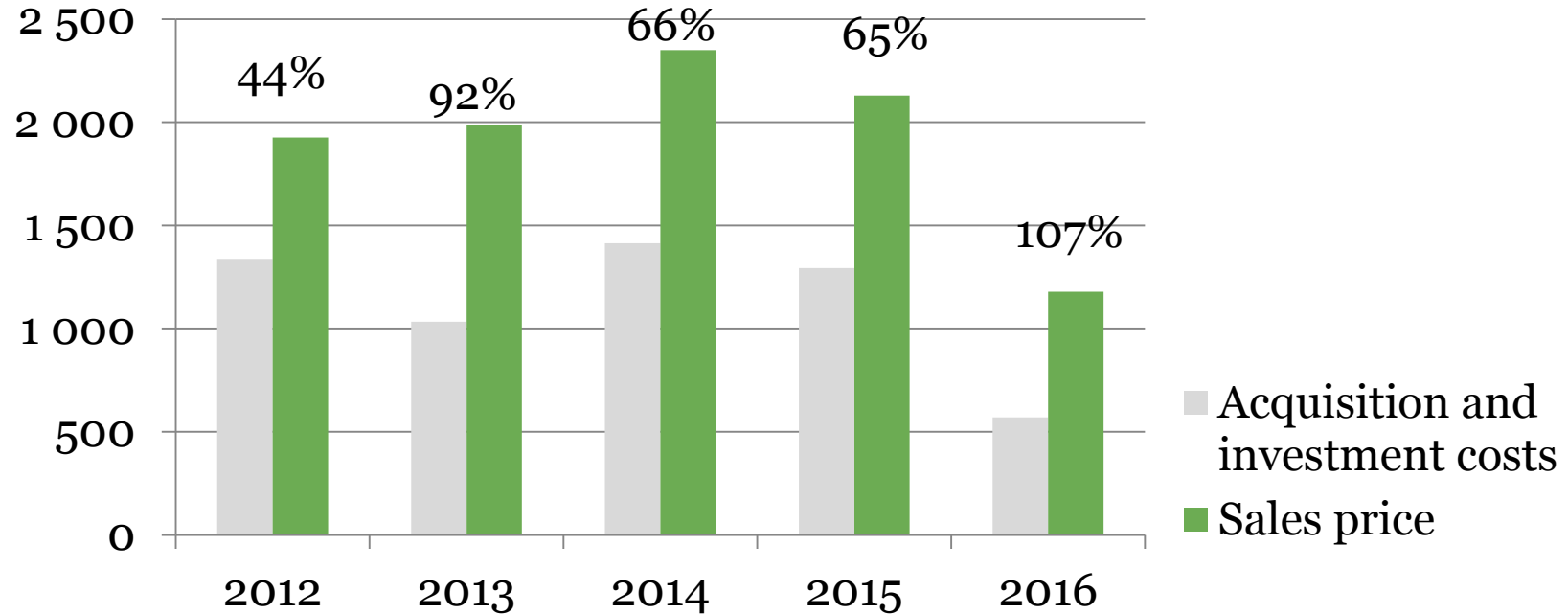
PROFIT BEFORE UNREALIZED CHANGES

SEK million	Note	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015
Income from property management		733	672	169	160
Income from natural energy management operations	1	-61	-5	-7	-3
Capital loss hydroelectric power		-	-29	-	-29
Revenue, co-op apartment sales		127	1,203	47	327
Expenses, co-op apartment sales		-104	-992	-34	-278
Realized changes in value, investment properties including expenses	2	170	178	71	50
Profit before unrealized changes in value and impairment charges		865	1,027	246	227

**11 properties
sold**

SUCCESSFUL INVESTMENTS

SEK million

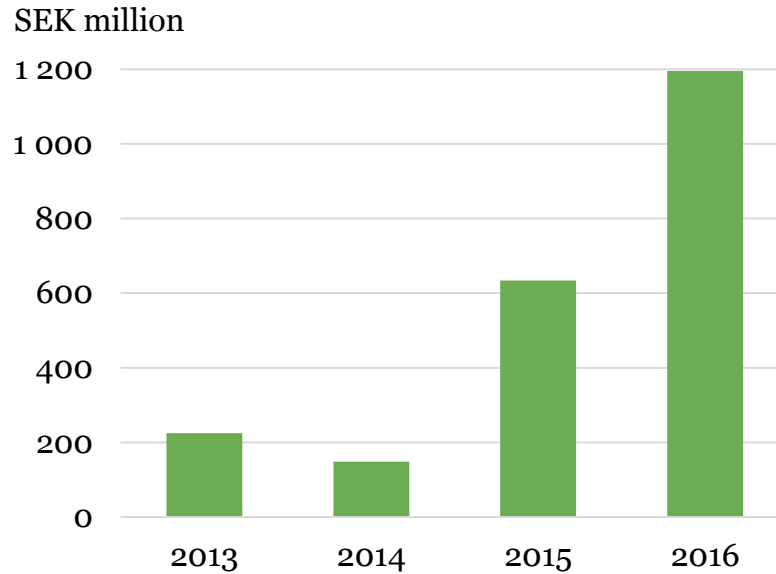


CHANGES IN VALUE

SEK million	Note	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015
Profit before unrealized changes in value and impairment charges		865	1,027	246	227
Unrealized changes in value, investment properties		3,470	2,507	1,618	627
<i>New construction</i>		1,195	639	493	204
<i>Other</i>		2,275	1,868	1,125	423
Unrealized changes in value, financial instruments		-130	165	248	136
Unrealized changes in value, synthetic options		-7	-31	7	4
Impairment losses on non-current assets		-	-250	-	-250
Profit before tax		4,198	3,418	2,119	744
Taxes		-850	-664	-418	-158
Profit for the period, after tax		3,348	2,754	1,701	586

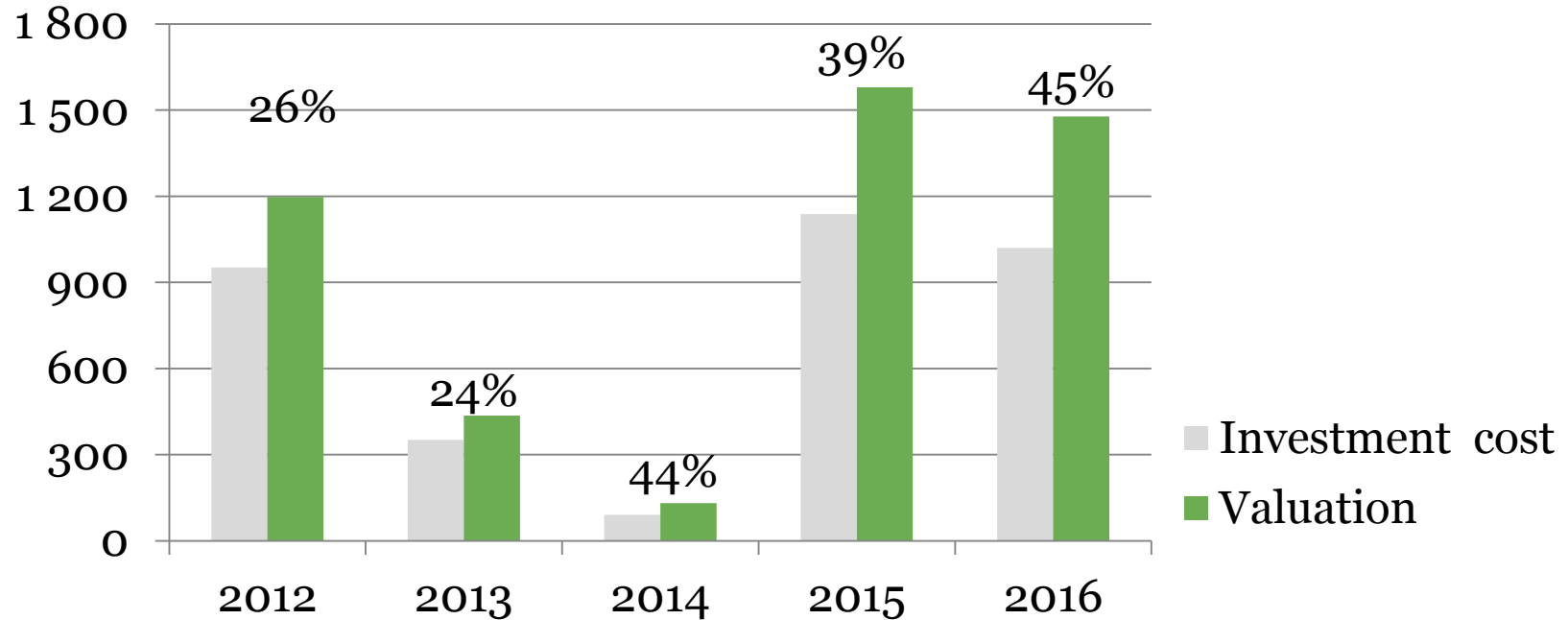
**Value created from our own work
in cost-efficient new construction**

UNREALIZED CHANGES IN VALUE FROM OUR NEW CONSTRUCTION



VALUE GROWTH IN NEW CONSTRUCTION

SEK million



TOTAL ASSETS

SEK million	Dec 31, 2016	Dec 31, 2015
Assets		
<i>Non-current assets</i>		
Investment properties	36,555	32,090
Wind turbines incl. construction in progress	1,277	1,366
Financial assets	376	378
Financial derivative instruments	9	-
Other non-current assets	63	63
Total non-current assets	38,280	33,897
<i>Current assets</i>		
Work in progress co-op apartments and development properties constructed for sale	734	32
Financial derivative instruments	3	15
Other current assets	287	621
Cash and cash equivalents	98	41
Total current assets	1,122	709
Total assets	39,402	34,606

**Properties in
attractive locations in
regions with high
growth and strong
demand**

TOTAL EQUITY AND LIABILITIES

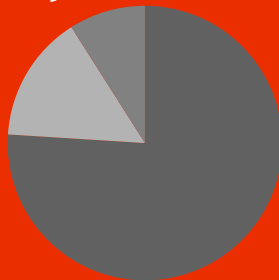
SEK million	Dec 31, 2016	Dec 31, 2015
Equity and liabilities		
<i>Equity</i>		
Equity	17,776	15,090
Equity attributable to non-controlling interests	12	12
Total equity	17,788	15,102
<i>Non-current liabilities</i>		
Provisions for deferred tax	3,568	2,716
Other provisions	13	40
Interest-bearing liabilities	1,399	1,599
Financial derivative instruments	966	822
Other non-current liabilities	86	77
Total non-current liabilities	6,032	5,254
<i>Current liabilities</i>		
Interest-bearing liabilities	15,074	13,554
Financial derivative instruments	4	39
Other current liabilities	504	657
Total current liabilities	15,582	14,250
Total equity and liabilities	39,402	34,606

+ 18%

FINANCING

Bonds 9% Bank loans 76%

Commercial papers 15%



STRONG FINANCIAL POSITION

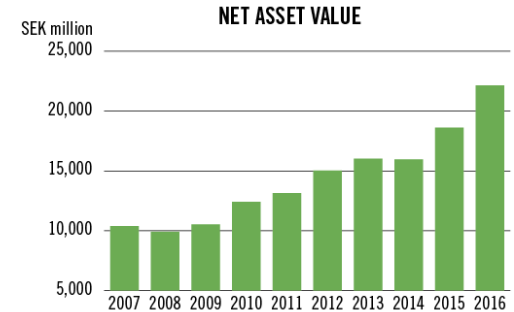
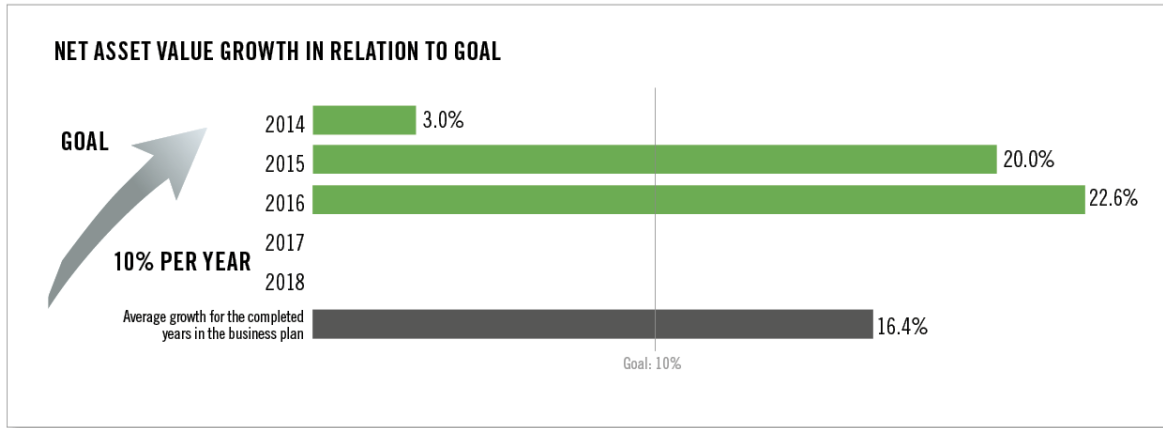
EQUITY/ASSET RATIO,
2016

45%

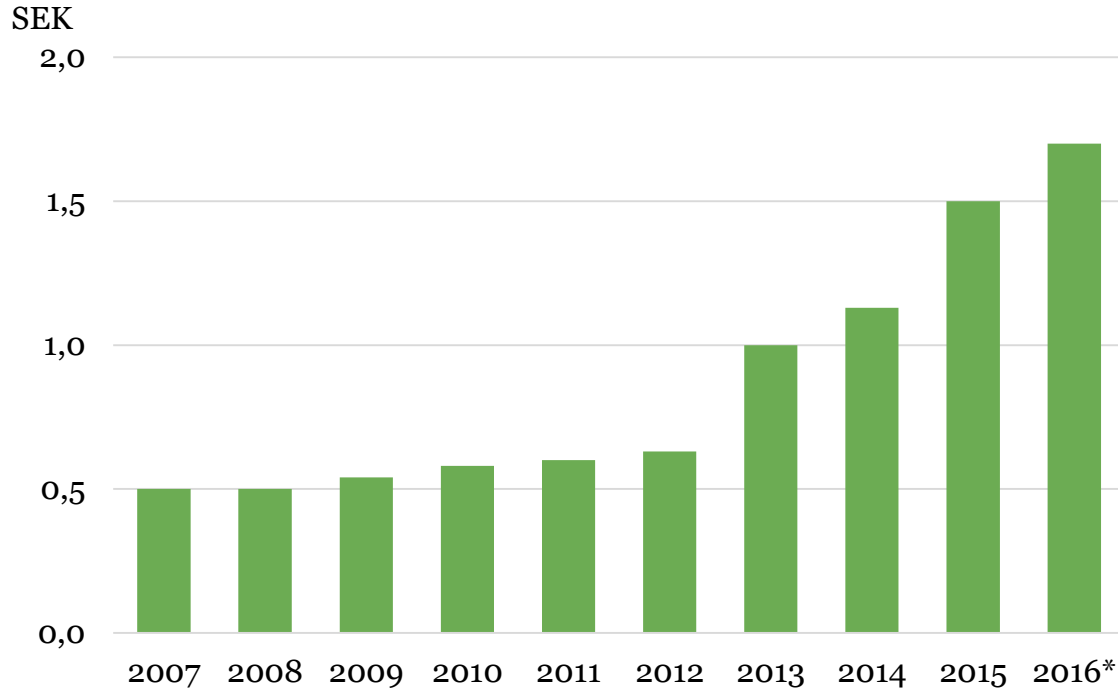
LOAN-TO-VALUE RATIO,
2016

43%

GOAL BUSINESS PLAN 2018



DIVIDEND



* Proposed dividend

Wallenstam

UPPTÄCKTA
FAVORITER
NÄRHETEN
SKÖN
VARDAG
AKTIVITETER

BÄNBRYTANDE

KEY RATIOS

	<u>2016</u>	<u>2015</u>
Surplus ratio, (NOI margin), %	73	73
ICR, realized, times	5.6	6.5
Average interest rate, closing day, %	1.97	2.22
LTV, %	43	45
Equity/asset ratio, %	45	44



SUMMARY

- Strong financial position
- Properties in growth markets
- Creates value through cost-efficient new construction, successful letting operations and profitable property management



QUESTIONS
WELCOME

Wallenstam

