

Interim Report January – March 2014

Resume January – March 2014

- Rental income amounted to SEK 487 million (484).
- Income from property management amounted to SEK 168 million (146).
- Changes in value of properties amounted to SEK –35 million (13) and changes in value of derivatives amounted to SEK –167 million (110).
- Net income after tax amounted to SEK –127 million (152).
- Market value of investment properties amounted to SEK 23,568 million (22,637).
- In January it was decided that Hemsö in co-operation with SveaNor will construct a center of education and research at Karolinska Huddinge.
- In February 15 properties of health and elderly care was acquired in Finland to a price of SEK 864 million and with access in March 2014.

Income from property management

168 SEKm

Hemsö in summary

	Jan–Mar 2014	Jan–Mar 2013	Apr 2013– Mar 2014	Jan–Dec 2013
Rental income, SEKm	487	484	1,878	1,875
Net operating income, SEKm	330	322	1,348	1,340
Income from property management, SEKm	168	146	696	674
Net income after tax, SEKm	–127	152	249	528
Loan to value ratio, %	65.3	65.1	65.3	64.9
Interest coverage ratio, times	2.4	2.1	2.5	2.4
Market value of investment properties, SEKm	23,568	21,389	23,568	22,637
Average valuation yield, %	6.1	6.2	6.1	6.1
Net operating income margin, %	67.6	66.3	72.2	71.5
Economic occupancy rate, %	96.5	96.7	96.6	96.4
Property value, SEK/sqm	14,206	13,658	14,206	13,956
Number of properties	361	346	361	348
Lettable area, thousands of sqm	1,659	1,566	1,659	1,622

About Hemsö

Hemsö is Sweden's leading private owner of properties for community services. The business is based on owning, managing and developing properties for residences for the elderly, schools, care facilities and premises for the legal sector. Hemsö has properties in 90 Swedish municipalities, 15 German cities and also in Finland since 2013. Our vision is to be the best property company for community services. This involves generating added value for our customers and being the preferred property partner for municipalities, county councils and private operators. The hallmarks of Hemsö's business are long-term leases, stable tenants and strong ownership.

Vision

Hemsö's vision is to be the best property company for community services.



Business concept

Using good business sense, we own, manage and develop effective premises for community services.



Group – Consolidated statement of comprehensive income in summary

Amounts in SEK million	Jan–Mar 2014	Jan–Mar 2013	Apr 2013– Mar 2014	Jan–Dec 2013
Rental income	487	484	1,878	1,875
Other income	2	2	12	12
Operating expenses	–128	–139	–405	–416
Repairs and maintenance	–25	–17	–109	–101
Other property expenses	–6	–8	–28	–30
Net operating income	330	322	1,348	1,340
Central administration expenses	–45	–42	–176	–173
Financial net	–170	–187	–686	–703
Income before changes in value	115	93	486	464
Change in fair value				
Investment properties	–35	13	–173	–125
Derivative instruments	–167	110	20	297
Income before tax	–87	216	333	636
Current tax	–3	–3	–9	–9
Deferred tax	–37	–61	–75	–99
Income for the period	–127	152	249	528
Income for the period attributable to:				
Parent Company shareholders	–128	152	248	528
Minority interests	1	–	1	–
Other total net				
Income for the period	–127	152	249	528
Translation difference	1	–13	30	16
Total net income for the period	–126	139	279	544
Other total net attributable to:				
Attributable to Parent Company shareholders	–126	139	279	544
Minority interests	–	–	–	–

Group – Consolidated balance sheet in summary

Amounts in SEK million	Mar 31, 2014	Mar 31, 2013	Dec 31, 2013
ASSETS			
Non-current assets			
Investment properties	23,568	21,389	22,637
Other non-current assets	10	7	5
Other current receivables	137	227	151
Cash and bank	63	113	13
TOTAL ASSETS	23,778	21,736	22,806
EQUITY AND LIABILITIES			
Equity	2,993	2,772	3,061
Liabilities to owner	3,000	3,000	3,000
Deferred tax liability	1,452	1,312	1,416
Other provisions	1	–	1
Interest-bearing liabilities	10,995	9,750	8,704
Non-interest-bearing liabilities	7	246	56
Total long-term liabilities	15,455	14,308	13,177
Interest-bearing liabilities	4,401	4,169	5,995
Non-interest-bearing liabilities	929	487	573
Total short-term liabilities	5,330	4,656	6,568
TOTAL EQUITY AND LIABILITIES	23,778	21,736	22,806

Group – Statement of cash flow in summary

Amounts in SEK million	Jan–Mar 2014	Jan–Mar 2013	Apr 2013– Mar 2014	Jan–Dec 2013
Current activities				
Income before tax	–87	216	333	636
Unrealized value changes	201	–114	86	–229
Adjustment for items not included in the cash flow	–	–19	75	56
Income tax paid	–7	–14	–16	–23
Cash flow from operating activities before change in working capital	107	69	478	440
Increase (+)/Decrease (–) from working capital	170	–206	338	–38
Cash flow from operating activities	277	–137	816	402
Investment activities				
Property acquisitions	–893	–115	–1,981	–1,203
Investment in new constructions, extensions and reconstructions	–80	–80	–391	–391
Property sales	34	1,510	191	1,667
Other net investments	–5	–	–3	2
Cash flow from investment activities	–944	1,315	–2,184	75
Financing activities				
Borrowing in interest-bearing liabilities	1,960	2,364	7,728	8,132
Amortization interest-bearing liabilities	–1,301	–3,499	–6,356	–8,554
Contribution from minority interests	58	–	–	–
Dividend	–	–	–116	–116
Cash flow from financing activities	717	–1,135	1,314	–538
Cash flow for the period	50	43	–54	–61
Opening balance, cash and bank	13	70	113	70
Exchange rate difference in cash and bank	–	–	4	4
Closing balance, cash and bank	63	113	63	13

Parent company – Statement of income in summary

Amounts in SEK million	Jan–Mar 2014	Jan–Mar 2013
Operating income	38	37
Administration costs	–47	–45
Operating income	–9	–8
Financial net	–261	186
Income before tax	–270	178
Tax	37	–29
Net income for the period	–233	149
Other total net		
Other total net	–	–
Total net income for the period	–233	149

Parent company – Balance sheet in summary

Amounts in SEK million	Mar 31, 2014	Mar 31, 2013
ASSETS		
Non-current assets		
Machinery and equipment	4	6
Participation in group companies	5,545	5,681
Deferred tax asset	28	27
Non-current receivables	4,718	2,649
Total non-current assets	10,295	8,363
Current assets		
Other current receivables	3,134	73
Cash and bank	38	92
Total current assets	3,172	165
TOTAL ASSETS	13,467	8,528
EQUITY AND LIABILITIES		
Equity	198	342
Untaxed reserves		
Tax allocation reserve	43	43
Liabilities		
Other provisions	1	–
Interest-bearing liabilities	9,237	6,511
Non-interest-bearing liabilities	3,988	1,632
Total liabilities	13,226	8,143
TOTAL EQUITY AND LIABILITIES	13,467	8,528

This is a translation of the first page and the financial statements in the Swedish Interim Report January–March 2014. The translation is not audited. In the event of any differences between this translation and the Swedish original, the Swedish version shall prevail.

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