

Year-end Report 2013

Resume January–December 2013

- Rental income in 2013 amounted to SEK 1,875 million (1,894).
- Income from property management for 2013 amounted to SEK 674 million (674).
- Changes in value of properties amounted to SEK -125 million (84).
- Changes in value of derivatives amounted to SEK 297 million (-128).
- Net income after tax amounted to SEK 528 million (581).
- Market value of investment properties amounted to SEK 22,637 million (22,951).
- During the fourth quarter, Hemsö has purchased a polytechnic in Turku, Finland, for SEK 323 million and a property for health care in Gothenburg for SEK 90 million.

Income from property management

674 SEKm

Hemsö in summary

	Jan–Dec 2013	Jan–Dec 2012	Oct–Dec 2013	Oct–Dec 2012
Rental income, SEKm	1,875	1,894	470	496
Net operating income, SEKm	1,340	1,364	334	337
Income from property management, SEKm	674	674	165	147
Net income after tax, SEKm	528	581	61	310
Loan to value ratio, %	64.9	65.7	64.9	65.7
Interest coverage ratio, times	2.4	2.3	2.4	2.1
Market value of investment properties, SEKm	22,637	22,951	22,637	22,951
Average valuation yield, %	6.1	6.2	6.1	6.2
Net operating income margin, %	71.5	72.0	71.1	67.9
Economic occupancy rate, %	96.4	96.4	96.4	96.4
Property value, SEK/sqm	13,956	13,445	13,956	13,445
Number of properties	348	357	348	357
Lettable area, thousands of sqm	1,622	1,707	1,622	1,707

This is a translation of the first page and the financial statements in the Swedish Year-End Report 2013. The translation is not audited. In the event of any differences between this translation and the Swedish original, the Swedish version shall prevail.

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–Dec 2013	Jan–Dec 2012	Oct–Dec 2013	Oct–Dec 2012
Rental income	1,875	1,894	470	496
Other income	12	5	2	2
Operating expenses	-416	-390	-100	-109
Repairs and maintenance	-101	-110	-38	-43
Other property expenses	-30	-35	-	-9
Net operating income	1,340	1,364	334	337
Central administration expenses	-173	-169	-49	-51
Financial net	-703	-731	-172	-192
Income before changes in value	464	464	113	94
Change in fair value				
Investment properties	-125	84	-115	-8
Derivative instruments	297	-128	-6	-34
Income before tax	636	420	-8	52
Current tax	-9	-17	-2	-8
Deferred tax	-99	178	71	266
Income for the period	528	581	61	310
Other total net				
Translation difference	16	-13	14	-6
Total net income for the period	544	568	75	304
Attributable to Parent Company shareholders	528	581	61	310

Group – Consolidated balance sheet in summary

Amounts in SEK million	Dec 31, 2013	Dec 31, 2012
ASSETS		
Investment properties	22,637	22,951
Other non-current assets	5	27
Other current receivables	151	174
Cash and bank	13	70
TOTAL ASSETS	22,806	23,222
EQUITY AND LIABILITIES		
Equity	3,061	2,633
Liabilities to owner	3,000	3,000
Deferred tax liability	1,416	1,325
Other provisions	1	-
Interest-bearing liabilities	8,704	10,848
Non-interest-bearing liabilities	56	355
Total long-term liabilities	13,177	15,528
Interest-bearing liabilities	5,995	4,237
Non-interest-bearing liabilities	573	824
Total short-term liabilities	6,568	5,061
TOTAL EQUITY AND LIABILITIES	22,806	23,222

Group – Statement of cash flow in summary

Amounts in SEK million	Jan–Dec 2013	Jan–Dec 2012	Oct–Dec 2013	Oct–Dec 2012
Operating activities				
Income before tax	636	420	-8	52
Unrealized value changes	-229	43	55	40
Adjustment for items not included in the cash flow	56	1	67	1
Income tax paid	-23	-56	2	-15
Cash flow from operating activities before change in working capital	440	408	116	78
Increase (+)/Decrease (-) from working capital	-38	-29	-74	84
Cash flow from operating activities	402	379	42	162
Investment activities				
Property acquisitions	-1,203	-1,933	-1,061	-232
Investment in new constructions, extensions and reconstructions	-391	-401	-106	-98
Property sales	1,667	191	9	119
Other net investments	2	-2	1	-1
Cash flow from investment activities	75	-2 145	-1 157	-212
Financing activities				
Borrowing in interest-bearing liabilities	8,132	4,640	2,515	571
Amortization interest-bearing liabilities	-8,554	-2,966	-1,467	-527
Dividend	-116	-104	-	-
Cash flow from financing activities	-538	1,570	1,048	44
Cash flow for the period	-61	-196	-67	-6
Opening balance, cash and bank	70	265	77	76
Exchange rate difference in cash and bank	4	1	3	-
Closing balance, cash and bank	13	70	13	70

Parent company – Statement of income in summary

Amounts in SEK million	Jan–Dec 2013	Jan–Dec 2012	Oct–Dec 2013	Oct–Dec 2012
Income	307	228	31	124
Administration costs	-174	-161	-53	-44
Operating income	133	67	-22	80
Financial net	65	-196	-240	-317
Appropriations	221	153	221	153
Income before tax	419	24	-41	-84
Tax	-89	46	-2	87
Net income for the period	330	70	-43	3

Parent company – Balance sheet in summary

Amounts in SEK million	Dec 31, 2013	Dec 31, 2012
ASSETS		
Non-current assets		
Machinery and equipment	5	6
Participation in group companies	5,541	5,688
Deferred tax asset	-	80
Non-current receivables	3,968	20
Total non-current assets	9 514	5 794
Current assets		
Other current receivables	2,361	1,574
Cash and cash equivalents	5	56
Total current assets	2,366	1,630
TOTAL ASSETS	11,880	7,424
EQUITY AND LIABILITIES		
Equity	431	218
Untaxed reserves		
Tax allocation reserve	43	43
Liabilities		
Other provisions	1	-
Deferred tax liability	9	-
Interest-bearing liabilities	7,928	5,516
Non-interest-bearing liabilities	3,468	1,647
Total liabilities	11,406	7,163
TOTAL EQUITY AND LIABILITIES	11,880	7,424

The Year-End Report 2013 was announced
at 8.00 CET am on 10th February 2014.

HEMSÖ

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