

Financial

information, March 2014



AKADEMISKA HUS



Akademiska Hus in brief

AKADEMISKA HUS - ONE OF THE LARGEST PROPERTY COMPANIES IN SWEDEN

- Over three million square metres of rentable floor space
- Property value in excess of SEK 57 billion
- Operations in university and college towns and cities throughout Sweden

OWNS AND MANAGES UNIVERSITY AND COLLEGE PROPERTIES

- 62 per cent market share for the whole country (area)
- 84 per cent of the floor space is leased to universities and colleges

WHOLLY OWNED BY THE SWEDISH STATE THROUGH THE MINISTRY OF FINANCE

- Ownership clause in the EMTN and MTN programmes

LONG LEASES WITH CUSTOMERS WITH A VERY HIGH CREDIT RATING

- 92 per cent of the rental revenue derives from Government-controlled customers

RATING

- Since 1996, the Group has had a long-term rating from Standard & Poor's of AA with a stable outlook and a short-term rating of A1+/K1

CLARIFIED MISSION AND CONTINUED STATE OWNERSHIP

An extensive corporate analysis was conducted in 2013, resulting in a clearer remit from the owner. The remit was passed by Parliament in December.

It was also confirmed in the decision that Akademiska Hus will continue to be wholly owned by the Swedish state.

MANAGEMENT AND INVESTMENT

The rentable floor space totalled 3.2 million square metres. The proportion of laboratory premises is high, 34 per cent. These are technically more complex than other premises and in terms of energy considerably more resource-intensive. The financial level of vacant space was just 0.9 per cent as the vacant premises have a lower than average rental value.

Results 2013

- Rental revenue increased to SEK 5,359 million (5,265)
- Net operating income amounted to SEK 3,506 million (3,588)
- The fair value of the properties totalled SEK 57,557 million (54,677)
- The change in the unrealised value of the properties was SEK 232 million (-291)
- Net investments totalled SEK 2,379 million (2,771)

The Swedish property market has experienced stable growth in yield in recent years. The geographically extensive Akademiska Hus portfolio has a strong position on growing regional markets, such as university towns and cities. Ongoing investment in new construction and development of property holdings has contributed to asset enhancement. The focus on core operations involving long-term leases with customers with a good credit rating ensures stability in the cash flow.

Before a construction project commences, a signed lease agreement must be in place. The lease renewal dates are well distributed over time. The average term for a newly signed lease is 10 years. At the year-end, the average remaining term was 5.3 years. For complex, specialist buildings intended for laboratory and research activities, a lease is required where a large proportion of the investment is repaid within the lease period. For this type of building, leases are signed for 10 years or more following Government approval.

The investment portfolio is substantial and at the turn of the year projects in progress totalled SEK 4.5 billion. In addition, there were decided and planned projects totalling approximately SEK 16.5 billion.

FINANCING

During the year, bond issues took place totalling SEK 1,200 million with terms of between four and seven years. The proportion of Swedish bonds in the bond portfolio has increased significantly over the past three years.

BOND ISSUES DURING 2013

Amount	Duration
SEK 500 m	4.6 years
SEK 500 m	4.0 years
SEK 200 m	7.0 years

At the end of the year, half the total financing came from abroad. The proportion of foreign financing was sustained as short-term financing took place exclusively on the ECP market.

The fall in interest rates has gradually reduced net financial income and expense, which was SEK -390 million (-682), equivalent to interest

expense during the period, including changes in the value of financial derivatives, of 2.62 per cent (4.21).

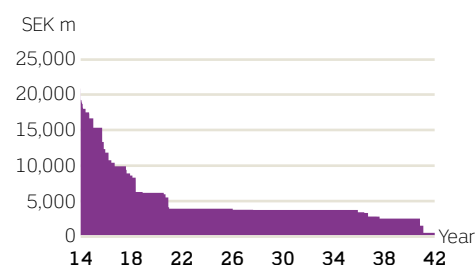
The fixed interest period in the basic portfolio at the year-end was 3.4 years.

The strong cash flow from property operations has limited the increase in net debt to SEK 750 million. The average maturity in the total portfolio had fallen from 7.2 years to 6.8 years by the year-end. The proportion of loans that will fall due within 12 months was 20.9 per cent at the year-end.

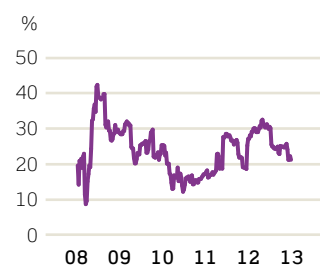
Akademiska Hus has been established on the public financing market since 1996 with short-term and long-term financing programmes, both domestic and international. Apart from the programmes, there are bank facilities totalling SEK 3,500 million, of which SEK 1,500 million was unconfirmed.

The general terms and conditions of the EMTN and MTN programmes include an ownership clause, which means that the loans fall due for immediate repayment if the Swedish Government ceases, directly or indirectly, to be the majority shareholder.

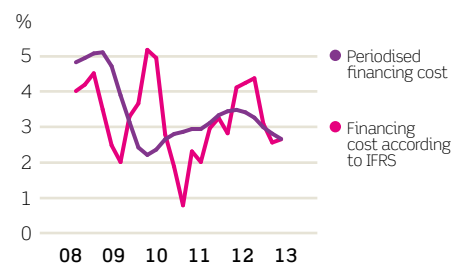
LOAN RENEWAL STRUCTURE



PROPORTION OF LOANS THAT WILL FALL DUE WITHIN 12 MONTHS



COMPARISONS OF DIFFERENT INTEREST EXPENSE CALCULATIONS



FINANCING PROGRAMMES AND RATING

	Rating S&P	Framework 31-12-2013	Utilised, nominal 31-12-2013	Financial undertakings
Commercial paper	A1+/K1	SEK 4,000 m		
ECP ¹⁾	A1+	EUR 600 m	EUR 327 m	
EMTN	AA/A1+	EUR 2,000 m	EUR 1,469 m	Ownership clause
MTN ²⁾	AA	SEK 8,000 m	SEK 2,320 m	Ownership clause
Bank, confirmed		SEK 2,000 m		
Bank, unconfirmed		SEK 1,500 m		

1) Updated on February 11, 2014, financing limit raised to EUR 1,000 million
2) Not updated since 2009

PROFIT AND PROPERTY-RELATED KEY FIGURES

	2013	2012	2011
Property management income, SEK m	5,588	5,511	5,378
Net operating income, SEK m	3,506	3,588	3,389
Profit after financial items (excluding change in value of properties), SEK m	3,043	2,840	2,891
Changes in value, properties, SEK m	232	-291	361
Fair value, properties, SEK m	57,557	54,677	52,071
of which new construction in progress	4,491	4,006	2,181
Net investments, SEK m	2,379	2,771	2,150
Total yield, properties, %	7.2	6.8	7.8
of which yield, %	6.8	7.1	6.9
of which change in value, %	0.4	-0.3	0.9
Return on equity after standard tax, %	8.8	6.9	9.2
Equity ratio, %	46.8	46.2	43.4
Loan-to-value ratio, properties, %	33.5	33.9	32.2
Vacant space, rent, %	0.9	1.0	1.2

FINANCIAL KEY FIGURES

Interest-bearing net loan liabilities, SEK m	19,278	18,528	16,778
Interest-bearing liabilities, SEK m	23,860	24,212	24,693
Interest coverage ratio, %	647	558	619
Internal financing ratio, %	124	93	112
Fixed interest period, basic portfolio, annual average	3.4	3.2	3.0
Fixed interest period, long-term portfolio, annual average	26.5	27.5	28.5
Maturity, annual average, years	6.8	7.2	5.7

FOR FURTHER INFORMATION, PLEASE CONTACT

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