

Financial information

February 2016



AKADEMISKA HUS



Akademiska Hus in brief

ONE OF SWEDEN'S LARGEST PROPERTY COMPANIES

- Rentable floor space of more than three million square metres
- Property portfolio totalling SEK 67 billion
- Operations in college and university cities in Sweden

WHOLLY OWNED BY THE SWEDISH STATE THROUGH THE MINISTRY OF EDUCATION AND RESEARCH

- Owner clause in EMTN and MTN programmes
- Will remain wholly owned by the Swedish state according to 2013 Riksdag decision

LONG-TERM LEASES WITH HIGHLY CREDITWORTHY CUSTOMERS

- 89 per cent rental revenue from universities and colleges
- 60 per cent market share in our segment

RATING

- Since 1996, AA/A-1+/K1 (stable outlook) rating from Standard & Poor's.

2015 – ADAPTATION OF CAPITAL STRUCTURE AND ADDITIONAL DISTRIBUTION

To adapt the capital structure to the owner's objectives from 2010 – an equity ratio of 30–40 per cent – the Extraordinary General Meeting resolved in October to disburse an additional distribution of SEK 6,500 million to the owner, the Swedish state. The adaptation prompted a review and several adjustments to the risk mandate since this increase in indebtedness takes place in an extraordinary situation in the credit market with low interest rates and rising risk premiums.

MARKET

Akademiska Hus' geographically broad portfolio has a strong position in the regional markets with growth, primarily in college and university cities. Continual investments in new construction and development of the property holdings contribute to value creation. The focus of the core business on long-term leases with creditworthy customers ensures a stable cash flow.

MANAGEMENT AND INVESTMENTS

Akademiska Hus invested SEK 2,500 million in its own property development projects during the year.

Rentable space at year-end was 3.2 million square metres.

A signed lease agreement must always be in place before any construction project begins. Lease maturities are well-distributed over time.

The average term of a newly signed lease is 11 years and at year-end the average remaining maturity was 5.8 years. The percentage of laboratories is high, 35 per cent. Such facilities are technically complex and much more resource intensive than other premises in respect of energy. In the case of complex specialist buildings for laboratory and research work, a lease is normally required in which a large proportion of the investment is repaid during the term of the lease. Leases for such buildings are for ten years or more, following government approval. The financial vacancy rate was only 1.1 per cent.

FINANCING

Akademiska Hus has been established on the public financing market since 1996 with short-term and long-term financing programmes, both domestic and international. In addition to these programmes were committed bank facilities of SEK 4,000 million.

Bond issues raised a total of about SEK 8,000 million in 2015. The issues represent a broad spectrum in terms of both maturity, from 2.5 to 30 years, and amount, from SEK 220 million to over SEK 2,200 million. Two index-linked bonds totalling SEK 900 million were also issued. Of these issuances, SEK 2,600 million originate from non-Swedish markets.

The ECP programme has been the most important source of short-term financing. It was supplemented with some issues on the commercial paper programme.

Interest-bearing net loan liability increased by SEK 5,500 million and amounted to SEK 24,400 million at year-end. The average maturity in the total portfolio increased from 5.8 years to 6.1 years at the turn of the year. The proportion of loans that fall due within 12 months was 35.5 per cent at the year-end.

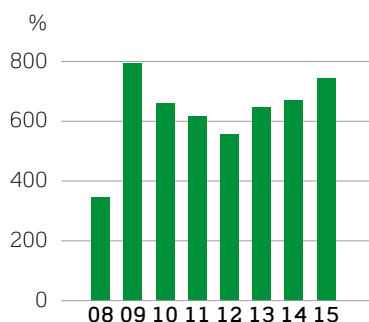
The fixed interest period has been balanced with interest rate derivatives to maintain the fixed interest period during the year. Net interest income and expense was SEK -182 million, including changes

in the value of financial derivatives, corresponding to 1.2 per cent during the period.

Under the general terms and conditions of the EMTN and MTN-programmes is an owner clause stating that if the Swedish state, directly or indirectly, ceases to be the majority owner, the loans immediately fall due for payment.

Standard & Poor's has confirmed Akademiska Hus' rating of AA/A-1+/K1 (stable outlook) both after the change in the capital structure in the autumn of 2015 and in connection with the annual update in early February 2016.

INTEREST COVERAGE RATIO



FINANCING PROGRAMMES AND RATING

	Rating S&P	Framework 2015	Utilised 2015	Material contractual terms and conditions
Commercial paper	A-1+/K1	SEK 4,000 m	SEK 2,000 m	
ECP	A-1+	EUR 1,000 m	EUR 605 m	
EMTN	AA/A-1+	EUR 3,000 m	EUR 1,886 m	owner clause
MTN *)	AA	SEK 8,000 m	SEK 1,120 m	owner clause
Bank, confirmed		SEK 4,000 m		

*) not updated since 2009

INCOME STATEMENT AND BALANCE SHEET, KEY FIGURES

	2015	2014	2013
Property management income, SEK m	5,701	5,681	5,588
Net operating income, SEK m	3,703	3,717	3,506
Change in value, properties, SEK m	2,655	3,529	232
Profit after financial items (incl. changes in value of properties), SEK m	6,141	6,261	3,275
Assessed fair value, properties, SEK m	66,575	61,437	57,557
of which construction in progress	3,484	4,491	4,491
Net investments, SEK m	2,473	254	2,379

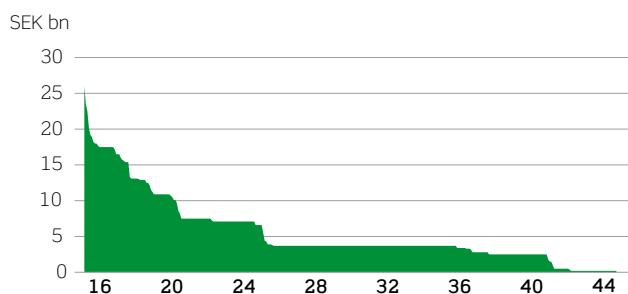
PROPERTY-RELATED KEY FIGURES

	2015	2014	2013
Total yield, properties, %	10.9	13.4	7.2
of which direct yield, %	6.3	6.9	6.8
of which change in value, %	4.6	6.5	0.4
Return on equity, %	15.0	15.5	8.8
Return on operating capital, %	6.9	7.3	7.2
Equity ratio, %	40.7	48.0	46.8
Loan-to-value ratio properties, %	36.6	30.7	33.5
Level of vacant space, rent, %	1.1	1.2	0.9
Level of vacant space, area, %	3.8	3.6	2.1

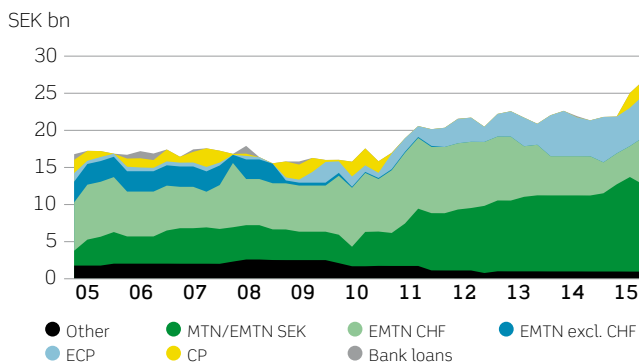
FINANCIAL KEY FIGURES

	2015	2014	2013
Interest-bearing liabilities, SEK m	30,831	26,082	23,860
Interest-bearing net loan liability, SEK m	24,385	18,871	19,278
Interest coverage ratio, %	743	671	647
Fixed interest, basic portfolio, average, year	3.6	3.4	3.4
Fixed interest, long-term portfolio, average, year	24.7	25.6	26.5
Maturity, average, year	6.1	5.8	6.8

DEBT MATURITY



FINANCING SOURCES



FOR FURTHER INFORMATION, PLEASE CONTACT

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