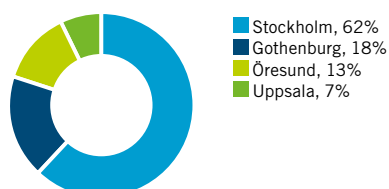


Year-end report 2015

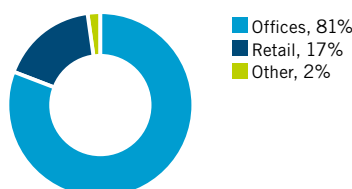
- Rental revenue increased and was SEK 6,009 (5,899) million. When comparing equivalent property holdings, the increase is 1 percent.
- The occupancy rate increased to 92.6 (92.0) percent.
- Net operating income increased and was SEK 4,274 (4,172).million. When comparing equivalent property holdings, the increase in net operating income was 1 percent.
- Profit before value changes and tax increased to SEK 3,064 (2,822), million, which corresponds to an increase of 9 percent. The increase is explained by the higher net operating income and an improved net interest/expense.
- Changes in the value of property amounted to SEK 10,212 (3,519) million, which corresponds to a value increase of 11.1 (4.1) percent. The value of the property portfolio at the end of the period was SEK 103,894 million.
- The unrealized change in value of financial instruments was SEK 598 (–2,956) million.
- Profit after tax increased to SEK 10,944 (2,722) million.
- The share of environmentally certified buildings was 71 (44) percent at the end of the period.

Amounts in SEK millions	Jan–Dec 2015	Jan–Dec 2014	Oct–Dec 2015	Oct–Dec 2014
Rental revenue	6,009	5,899	1,517	1,495
Net operating income	4,274	4,172	1,073	1,035
Profit before value changes and tax	3,064	2,822	775	712
Profit after tax	10,944	2,722	4,085	623
Cash flow from operating activities before change in working capital	2,855	2,789	731	727
Market value of property, SEK m	103,894	91,889	103,894	91,889
Occupancy rate, %	92.6	92.0	92.6	92.0
Surplus ratio, %	71	71	71	69
Interest coverage ratio, times	3.7	3.2	3.9	3.4
LTV (Loan-to-value ratio), %	47	49	47	49
Environmental certification, share of total area, %	71	44	71	44
Energy performance on closing date, kWh/sq. m.	112	124	112	124

Contracted rent by geographic market



Contracted rent by property type



Vasakronan fourth quarter 2015

High demand in the rental market

The trend continued to be positive in the rental market during the last quarter of the year, with high demand for office and retail facilities. New leases were entered into during the quarter corresponding to 51,000 (34,000) sq. m. and an annual rent of SEK 186 (116) million. The occupancy rate for the entire portfolio increased and was 92.6 (92.0) at the end of the year.

Several leases had already been signed at the project property, Klara C on Vasagatan in central Stockholm and in November, another two leases were signed. NetEnt, a software company in the gaming sector, will lease a total of 7,500 sq. m. and Conventum will lease 3,300 sq. m. In the space that it leases, Conventum will be providing flexible workplaces, lounge and co-working space. They will also be operating a shared conference center in the building. The occupancy rate for the property is now 83 percent. The first to move in will do so in April 2016.

In Uppsala, a five-year contract was signed with Uppsala municipality for leasing 4,000 sq. m. in the Hugin block of central Uppsala. Hugin is currently Uppsala's largest office block and Vasakronan is involved in creating a vibrant inner city environment there.

To meet the high demand in the office rental market, Vasakronan expanded its product range in 2014 by launching a turnkey office concept called "Smart & Klart". At approximately the same time, the first pop-up stores were tested in the retail rental market. During the fourth quarter of the year, it was also decided to merge those two concepts by leasing turnkey pop-up stores. The first to try the new concept was the Danish children's clothing brand, POMPdELUX. At the end of November, they moved into a fully-prepared retail space at the Nordstan shopping center in Gothenburg. It includes everything required for running retail operations, including furnishings, checkout station, payment options and even store employees.

Lower energy use

In December, world leaders gathered in Paris at the UN Climate Conference, COP21, to negotiate a new global climate agreement. The meeting resulted in an agreement to limit the global temperature increase to less than two degrees. Above all, this requires lowering energy use and phasing out the use of fossil fuels and, to do that, quick action is needed, particularly from industry.

Vasakronan constantly strives to use energy as efficiently as possible and is able to do so thanks to technical solutions and its effective, competent organization. For example, an aquifer¹⁾

was commissioned during the quarter in the Hästskon block of Sergels torg in Stockholm. It is capable of lowering the property's energy use by nearly 60 percent. During the year, energy use of the portfolio fell by approximately 10 percent.

Completed property projects

During the quarter, the project called Modemet 1 Bldg. 8 in Kista, Stockholm was completed. The project was for new construction of nearly 20,000 sq. m. of offices, for an investment of approximately SEK 430 million. The property was already fully leased to Ericsson when construction got underway.

At Södermalm in Stockholm, the project called Nattugglan was completed, where a total of approximately 14,000 sq. m. of offices and stores were renovated. The investment was approximately SEK 470 million with an occupancy rate upon completion of 97 percent.

Changes in the portfolio

During the quarter, Vasakronan took possession of the property called Bärnstenen in Gothenburg. It is approximately 20,000 sq. m. of modern office space. An agreement for acquisition was signed with NCC already in 2014 and on the date of possession, the property was fully leased, with Sweco and PwC as the largest tenants.

In December, the property called Boländerna 14:2 in Uppsala was sold to the real estate company, Regio.


The property value was SEK 180 million.

In December, the property called Diamanten 11 at Kungsholmen in Stockholm was also sold to Cityfast for a property value of SEK 129 million.

Fourth quarter profit

Net operating income for the fourth quarter increased to SEK 1,073 (1,035) million, which is primarily explained by higher rental revenue. Profit before value changes and tax increased to SEK 775 (712) million due to a higher net operating income and improved net interest income/expense.

The change in the value of property was 4.0 percent, which corresponds to SEK 3,971 (1,038) million. The value increase is primarily explained by the still low yield, along with higher market rents. The unrealized change in the value of financial instruments was SEK 473 (-1,004) million, which was due to higher long-term market interest rates during the quarter. Profit after tax increased to SEK 4,085 (623) million.



New leases were entered into during the quarter for 51,000 sq. m., which corresponds to four Hötorget skyscrapers.

1) An aquifer is a form of storage for cold and warm groundwater. Groundwater is pumped from the aquifer through drilled wells to an energy facility in the building where energy, in the form of heat or cold, is transferred to the building.

Market overview

Our world

In USA, the economy continued to improve and at the end of the year, the Federal Reserve increased the base lending rate for the first time since 2006. In the eurozone, economic recovery is somewhat slower and growth for 2016 is estimated at around 1.8 percent.

In Sweden, the economic trend continued in a positive direction. The main contributing factors were healthy domestic demand and an increase in exports. According to the latest forecast from National Institute of Economic Research (NIER), GNP will increase nearly 4 percent for 2015 and 2016, and household consumption is expected to increase by 2.8 percent in 2016. According to HUI Research, the higher consumption will have a positive impact on retail trade, which is expected to increase by 4.0 percent in 2016 and 3.5 percent in 2017. The employment rate should keep rising by an average of approximately 1.6 percent during the next few years. For office employment in metropolitan areas, an increase of up to 3.3 percent is expected in 2016 and 2017.

At its meeting in December, the Riksbank decided to keep the repo rate unchanged at -0.35 percent. They do not expect an increase in the repo rate before 2017.

Property market

The property market continues to be robust and during the fourth quarter, transactions occurred in the Swedish property market for approximately SEK 48 (64) billion, according to information from Cushman & Wakefield. During the year, the transaction volume thus totalled SEK 145 (155) billion. Of the total transaction volume for the year, just over one third was in Stockholm and the single largest segment was residential property. Sales of office and retail property have fallen in recent years with retail property accounting for approximately one-fifth of the total sales in 2015. As in the past, Swedish investors are still the ones making most of the transactions, even though the share of foreign investors has increased.

Stockholm

During the quarter, there was sustained growth in the rental market in Stockholm and market rents in the CBD appear to have continued upwards. The vacancy level for modern office facilities in the CBD has fallen since year-end 2014 to 4 percent. For retail facilities, it appears as though the vacancy rate fell by 0.5 percentage points over the last year to approximately 2 percent.

In Stockholm's inner city, outside the CBD, market rents continued rising. Vacancy levels are still around 9.5 percent. Market rents rose during the quarter in the Stockholm suburbs as well. Vacancy

levels are assessed at the same level as the start of 2015, i.e. at almost 14 percent, although there is considerable variation between the different areas.

The market's yield requirement for office and retail properties in the CBD has fallen since the start of 2015 and it is now around 3.8 percent. The yield requirement also fell for the rest of the inner city area, now estimated at around 4.3 percent. For the inner suburbs, the yield requirement also appears to have fallen to around 5.0 percent.

Gothenburg

Rental levels for offices in Gothenburg's CBD were unchanged during the quarter and market rents for stores in the CBD were unchanged compared to the start of 2015. The vacancy level for office facilities in the CBD has fallen somewhat since the start of 2015, now at just under 5 percent. For retail facilities, the vacancy level remained unchanged at around 2 percent, according to Cushman & Wakefield.

The yield requirement for prime office and retail properties in Gothenburg's CBD fell even further during the period, now just below 4.2 percent.

Öresund

In Öresund, rent levels have been stable in recent years, but there was a slight increase for offices in Malmö's CBD last year. The vacancy level for offices in Malmö's CBD increased somewhat compared to the start of 2015 to just over 9 percent and for retail facilities the vacancy level is just below 4 percent. The vacancy level for prime location properties in Lund also appears to be unchanged at just over 5 percent.

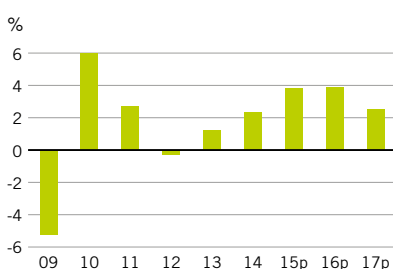
The yield requirement for the most attractive office premises in the Malmö CBD has fallen since the start of 2015, now around 5.0 percent. For prime location properties in Lund, the yield requirement has also fallen since the start of 2015, now around 5.3 percent.

Uppsala

During the last few years, the rental market in Uppsala improved in terms of modern, centrally located office facilities and market rents have risen since the start of 2015. For several years now, the vacancy level has remained unchanged, now just under 5 percent for office facilities and just under 3 percent for retail facilities.

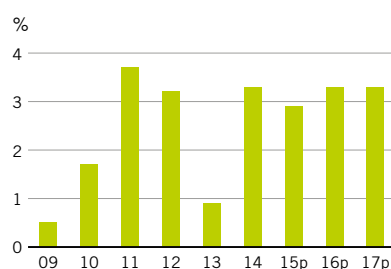
The yield requirements for centrally located office and retail properties is assessed as having fallen since the start of 2015, now around 5.3 and 5.0 percent, respectively.

High growth



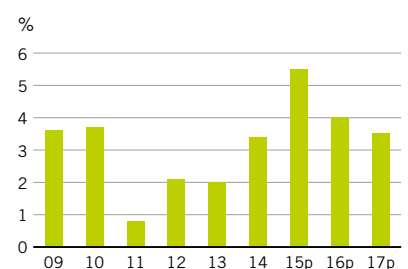
BGDG growth in Sweden, fixed prices.
Source: National Institute of Economic Research (NIER)

Upward office employment



Office employment, change in metropolitan regions
Source: SCB and Evidens

Increase in retail trade



Total retail trade in Sweden, current prices.
Source: HUI's Business Cycle Report

Consolidated income statement in summary

Amounts in SEK millions	Jan-Dec 2015	Jan-Dec 2014	Oct-Dec 2015	Oct-Dec 2014
Rental revenue	6,009	5,899	1,517	1,495
Operating expenses	-693	-688	-179	-177
Repairs and maintenance	-106	-112	-27	-32
Property administration	-305	-294	-92	-94
Property tax	-474	-492	-107	-119
Site leasehold fees	-157	-141	-39	-38
Total property expenses	-1,735	-1,727	-444	-460
Net operating income	4,274	4,172	1,073	1,035
Central administration	-88	-93	-27	-31
Profit from participations in joint venture	-1	-1	0	-1
Net interest income/expense	-1,121	-1,256	-271	-291
Profit before value changes and tax	3,064	2,822	775	712
Change in value of investment properties	10,212	3,519	3,971	1,038
Unrealized change in value of financial instruments	598	-2,956	473	-1,004
Divested/impaired goodwill	-71	-21	-30	-8
Profit before tax	13,803	3,364	5,189	738
Current tax	-45	40	-43	39
Deferred tax	-2,814	-682	-1,061	-154
Profit for the period	10,944	2,722	4,085	623
Other comprehensive income				
<i>Items that may be reclassified</i>				
Cash flow hedges	5	8	-1	1
Income tax on cash flow hedges	-1	-2	0	0
<i>Items that may not be reclassified</i>				
Pensions, revaluation	61	-61	61	-61
Restriction for surplus in pension plan with asset cap	-26	9	-26	9
Income tax on pensions	-8	11	-8	11
Comprehensive income for the period, net of tax	31	-35	26	-40
Total comprehensive income for the period¹⁾	10,975	2,687	4,111	583
Key figures				
Surplus ratio, %	71	71	71	69
Interest coverage ratio, times	3.7	3.2	3.9	3.4

1) Because there are no minority interests, the entire profit is attributable to the Parent Company's shareholders. There are no potential shares, which means that there is no dilutive effect.

Comments on the income statement

Rental revenue

Rental revenue increased during the period to SEK 6,009 (5,899) million. When comparing equivalent property holdings, there was also an increase in rental revenue of just over 1 percent due to new lease agreements that were signed and renegotiations.

New leases, corresponding to 181,000 sq. m. and an annual rent of SEK 616 (397) million were entered into, of which 15 (20) percent had an impact on revenue in 2015. Simultaneously, renegotiations or extensions corresponding to annual rent of SEK 793 (1,072) million were finalized during the period, resulting in an increase to the closing amount by 5.4 (6.0) percent. Net leasing for the period increased to SEK 126 (–46) million.

Contracted rent at the end of the period amounted to SEK 6,177 (6,051) million and the average remaining term to maturity was 4.6 (4.6) years.

As of 31 December 2015, the occupancy rate had increased to 92.6 (92.0) percent. Of the total vacancies, 0.4 (1.5) percentage points is attributed to ongoing projects and 0.7 (0.7) is attributed to vacant development properties.

Property expenses

Property expenses amounted to SEK –1,735 (–1,727) million for the period. When comparing equivalent property holdings, property expenses increased approximately 1 percent, primarily because of higher site leasehold fees.

The portfolio's energy performance improved during the period and was 112 (124) kWh/sq.m. at the end of the period

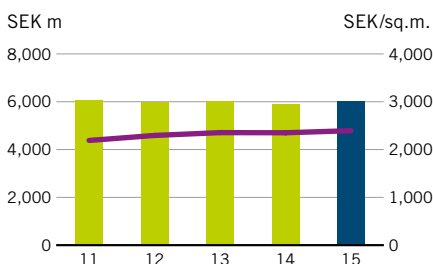
Net operating income

Net operating income increased during the period to 4,274 (4,172) million. When comparing equivalent property holdings, the increase in net operating income was 1 percent. The surplus ratio was 71 (71) percent.

Administration

Property administration costs increased to SEK –305 (–294) million due to higher personnel costs resulting from higher social security fees. Central administration costs were SEK –88 (–93) million.

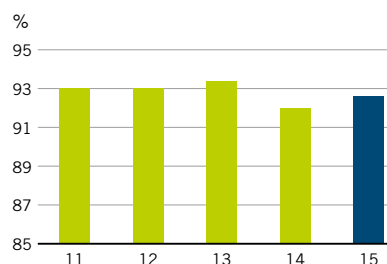
Rising rental revenue SEK/sq. m



January-December

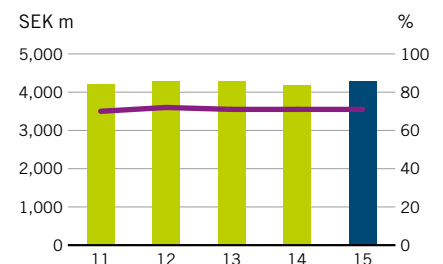
■ Rental revenue, SEK m
— Rental revenue SEK/sq.m.

Stable occupancy rate



As of 31 December

High surplus ratio



January-December

■ Net operating income, SEK m
— Surplus ratio, %

Widely distributed over many tenants

	Share in %
SEB	4
National Police Board	4
Ericsson Sweden	3
H&M	3
Swedish Prison and Probation Service	2
Swedish Social Insurance Agency	2
Sony Mobile Communications	1
Åhléns	1
National Courts Administration	1
Stadium	1
Total	22

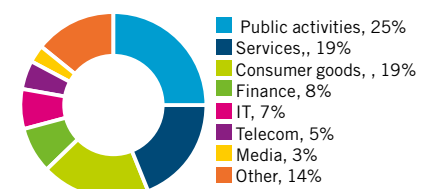
Largest tenant, share of contracted rent

Even distribution of when rents fall due

	Number contracts	Annual rent, SEK mr	% av totalt
2016	1,309	1,095	18
2017	910	978	16
2018	856	1,158	19
2019	433	684	11
≥ 2020	684	1,952	31
Total	4,192	5,867	95
Residential	1,164	97	2
Garage	–	213	3
Total	5,356	6,177	100

Maturity structure for contracted rent

Largest share of tenants involved in public activities



Breakdown by sector, share of contracted rent

Comments on the income statement (cont.)

Net interest income/expense

Net interest income/expense improved to SEK –1,121 (–1,256) million due to lower market interest rates and credit spreads. At year-end, the average loan rate had fallen to 2.1 (2.5) percent.

The average fixed interest term fell to 4.3 (5.1) years. Fixed-rate periods longer than 5 years fell to 49 (56) percent of interest-bearing liabilities. The proportion of fixed-rate loans maturing within the next 1 year increased to 41 (34) % due to a higher proportion of debt in the form of commercial paper.

The interest coverage ratio increased to 3.7 (3.2) times as a result of an improvement in net operating income and net interest income/expense. The policy is that the interest coverage ratio should not fall below 1.9 times.

Profit before value changes and tax

Profit before value changes and tax increased to SEK 3,064 (2,822), million, which corresponds to an increase of nearly 9 percent. The increase is explained by the higher net operating income and an improved net interest/expense.

Change in value of investment properties

As of 31 December 2015 the entire property portfolio had been valued by external appraisers (either Cushman & Wakefield or Forum Fastighetsekonomi).

Altogether, the change in the value of Vasakronan's property amounted to SEK 10,212 million, which corresponds to an 11.1 percent increase in value. The increase is primarily attributable to lower yield requirements, even though higher market rents are having an increasingly higher impact on the upward trend in value. On average, the yield requirement for the portfolio was 4.94 percent, compared to 5.37 percent for corresponding properties at the end of 2014.

CHANGE IN VALUE BY REGION

	Value change, %	Contribution to change in value, % points
Stockholm	13.7	8.6
Gothenburg	8.7	1.6
Öresund	2.0	0.2
Uppsala	11.0	0.7
Total		11.1

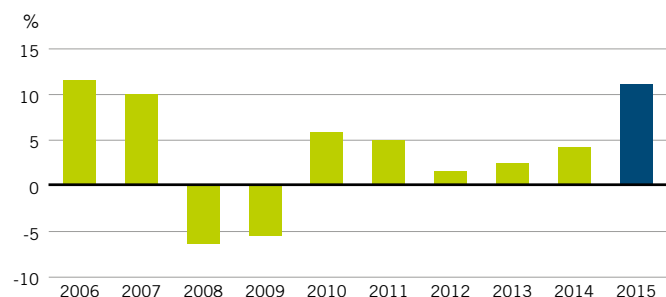
CHANGE IN VALUE, BY CATEGORY

	Value change, %	Contribution to change in value, % points
Investment properties	10.3	9.3
Project and development properties	16.5	1.3
Transactions	–	0.5
Total		11.1

VALUE-IMPACTING FACTORS

	Value impact, %
Yield requirement	8.5
Market rents at the properties	4.1
Investments and other value-impacting factors	-1.5
Total	11.1

Value change, entire portfolio



Comments on the income statement (cont.)

Change in value of financial instruments

Derivatives are primarily used to adjust the maturity structure in the loan portfolio. The derivative portfolio amounts to SEK 40 (37) billion and is primarily comprised of interest rate swaps for SEK 37 billion and extendable interest rate swaps for SEK 2 billion.

The unrealized change in the value of derivatives during the period was SEK 598 (-2,956) million, which was due to higher long-term interest rates during the year. The unrealized change in value does not have any effect on cash flow and neither will it have any effect on profit if the derivatives are held to maturity.

Tax

The Group reported a total tax expense of SEK -2,859 (-642) million. Of the total tax expense, SEK -2,814 (-682) million is attributed to deferred tax on temporary differences pertaining to investment properties and financial instruments. The remaining portion is current tax.

THE AVERAGE FIXED-INTEREST TERM FELL TO 4.3 (5.1) YEARS AND LOAN-TO-MATURITY WAS UNCHANGED AT 3.3 (3.3) YEARS.

Maturity date	Fixed-interest term			Loan maturity	
	SEK m	Share, %	Interest, %	SEK m	Share, %
0-1 years	20,908	41	1.1 ¹⁾	15,766 ²⁾	31
1-2 years	1,925	4	4.0	10,446	20
2-3 years	4	0	0.1	9,585	19
3-4 years	805	2	0.6	6,202	12
4-5 years	2,009	4	3.3	3,350	7
5 years or more	25,099	49	2.7	5,401	11
Total	50,750	100	2.1	50,750	100

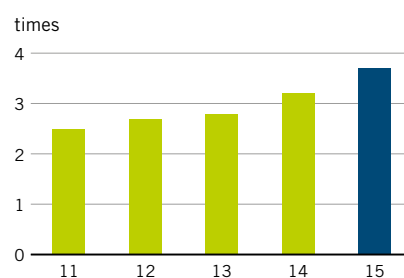
1) Credit spreads for longer maturities are also included in the average interest rate 0-1 year. If that effect is excluded, the average interest rate 0-1 year would be -0.1 percent.

2) The revolving credit facility from owners of SEK 18,000 million and cash of SEK 2,301 million correspond to 129 percent of loans maturing in the next 12 months. More information is available on page 10.

FINANCIAL RISKS

	Treasury policy in brief	Actual 2015-12-31
Financing risk		
Loan maturity	at least 2 years	3.3 years
Loan maturing 12 months	max 40 %	31%
Revolving credit facility and cash/loan maturity 12 months	at least 100 %	129%
Interest rate risk		
Interest coverage ratio	at least 1.9 times	3.7 times
Fixed-interest term	1-6 years	4.3 years
Fixed-interest maturity within 12 months	max 70 %	41%
Credit risk		
Counterpart's rating	at least A-	fulfilled
Currency risk		
Currency exposure	not allowed	fulfilled

Improved interest coverage ratio



January-December

Consolidated balance sheet in summary

Amounts in SEK millions	12/31/2015	12/31/2014	9/30/2015	9/30/2014
ASSETS				
Non-current assets				
Intangible assets	2,188	2,259	2,218	2,267
Investment properties	103,894	91,889	99,115	90,357
Property, plant and equipment	58	51	51	50
Financial assets	550	529	433	490
Total non-current assets	106,690	94,728	101,817	93,164
Current assets				
Other current receivables	795	699	891	803
Cash	2,301	1,757	3,823	2,786
Total current assets	3,096	2,456	4,714	3,589
Total assets	109,786	97,184	106,531	96,753
EQUITY AND LIABILITIES				
Equity	41,245	35,094	37,958	35,436
Non-current liabilities				
Interest-bearing liabilities	34,984	34,640	34,975	35,233
Deferred tax liability	11,356	8,532	10,287	8,389
Non-interest-bearing liabilities	3,067	3,610	3,476	2,437
Total non-current liabilities	49,407	46,782	48,738	46,059
Current liabilities				
Interest-bearing liabilities	15,766	12,199	17,274	12,710
Non-interest-bearing liabilities	3,368	3,109	2,561	2,548
Total current liabilities	19,134	15,308	19,835	15,258
Total equity and liabilities	109,786	97,184	106,531	96,753

Consolidated statement of changes in equity, in summary

Amounts in SEK millions	Share capital	Other contributed capital	Other reserves	Retained earnings	Total equity
Equity opening balance 1/1/2014	4,000	4,227	-23	28,153	36,357
Comprehensive income			6	2,681	2,687
Dividends				-3,025	-3,025
Group contribution paid				-924	-924
Equity closing balance 12/31/2014	4,000	4,227	-17	26,884	35,094
Equity opening balance 1/1/2015	4000	4,227	-17	26,884	35,094
Comprehensive income			4	10,971	10,975
Dividends				-4,000	-4,000
Group contribution paid				-824	-824
Equity closing balance 12/31/2015	4,000	4,227	-13	33,031	41,245

Comments on the balance sheet

Intangible assets

Intangible assets primarily consist of goodwill. Goodwill has arisen because deferred tax on property was calculated using the nominal tax rate at the time of the business combination, while the tax rate that was applied when calculating the purchase sum for the acquisition was lower than the nominal one. The value of goodwill as of 31 December 2015 was SEK 2,088 (2,159) million, and the decline was primarily due to the sale of properties.

The remaining portion of intangible assets is comprised of the value of the Vasakronan brand, which amounted to SEK 100 (100) million.

Investment properties

As of 31 December 2015, the estimated market value of Vasakronan's property portfolio based on external appraisals was SEK 103,894 (91,889) million. The change in value during the period was SEK 10,212 (3,519) million and the remaining change in the market value is comprised of net investments.

Valuations have been conducted in accordance with MSCI Swedish Property Index guidelines and using the same methodology that was applied for prior valuations. Market value is affected by property-specific events that impact value, such as the signing of new and renegotiated leases, properties being vacated and investments. Consideration is also given to changes that are deemed to have had occurred in market rents and yield requirements. For a more detailed description of the valuation methodology used

for Vasakronan's properties, please see page 87 of Vasakronan's Annual Report for 2014.

Vasakronan has set high goals for environmental certification of its property portfolio. It aims to eventually obtain certification for all of its properties and as of 31 December 2015, 71 (44) of the portfolio had environmental certification.

Property projects

Ongoing property projects have a total investment volume of SEK 2,483 (3,180) million, of which SEK 1,223 (1,536) million had been capitalized as of 31 December. The decrease in investment volume results from several projects having been completed during the year.

Overall, the projects have a low level of risk due to the high occupancy rate. Furthermore, for several of the projects, long-term leases have been signed with the tenants. For major projects, the total occupancy rate was 83 percent.

For example, renovation of the property called Nattugglan, located in Södermalm, Stockholm, was completed during the quarter. The investment was approximately SEK 470 million with an occupancy rate upon completion of 97 percent. New construction of almost 20,000 sq. m. of office space in the property called Modemet 1, Building 8, in Kista, Stockholm, was also completed. The investment was approximately SEK 430 million and it had already been fully leased to Ericsson when construction got underway.

SHARPLY RISING PROPERTY VALUES

SEK m	2015	2014
Opening value, 1 January	91,889	87,145
Investments	2,224	2,813
Acquisitions, consideration	956	4
Sales, consideration	-1,387	-1,592
Change in value	10,212	3,519
Closing value, 31 December	103,894	91,889

LARGE INVESTMENTS IN PROPERTY PROJECTS

Location	Property	Total investments, MSEK	Capitalized, SEK m	Share capitalized, %	Area of premises, sq. m.	Estimated date of completion	Occupancy, rate % ¹⁾
Stockholm, City	Uggleborg 12, Klara C	1,190	681	57	34,000	Dec 2016	83
Gothenburg	Inside Vallgraven 8:18, Kompassen	200	127	64	10,600	May 2016	90
Uppsala	Kronåsen 1:1	490	25	5	12,850	Dec 2017	78
Total major property projects		1,880	833	44			83
Other projects		603	390				
Total		2,483	1,223				

1) Calculated based on area

Comments on the balance sheet (cont.)

Deferred tax

Deferred tax is calculated using a nominal rate of 22 percent on differences between the carrying amount and tax base of assets and liabilities. As of 31 December 2015, deferred tax was SEK 11,356 (8,532) million, primarily related to investment properties. The main reason for the increase was the higher market value of the properties. Tax losses, for which deferred tax assets had been recognized, are now fully utilized.

Liabilities and cash

Interest-bearing liabilities, net of cash, increased to SEK 48,449 (45,082), million, primarily due to dividends paid out in the second quarter. The average for loan-to-maturity was unchanged at 3.3 (3.3) years. The proportion of loans maturing within the next 12 months increased to 31 (26) percent of interest-bearing liabilities due to a higher proportion of debt in the form of commercial paper. At the end of the period, the share of capital market financing was 71 (67) percent and the share of bank financing was 29 (33) percent.

Total outstanding green bonds increased during the period to SEK 4.7 (3.8) billion and Vasakronan now has 10 green bonds listed on Nasdaq. They offer the capital market a way of investing in projects that lead to lower energy use and lower climate impact.

Investments that have been approved for financing via green bonds (as per Vasakronan's framework for green bonds) amounted to SEK 6 billion, of which SEK 5 billion had been capitalized at year-end.

During the year, Vasakronan issued bonds for SEK 9.1 (9.8) billion, two of which in the Norwegian capital market for NOK 1,000 (–) million. Commercial papers increased to SEK 10.9 (7.3) billion. Secured bank loans of SEK 4.5 (6.4) billion were acquired during the year. Bank loans secured by mortgages fell to 14 (16) percent of total assets. The treasury policy states that collateralized loans must not exceed 20 percent of total assets.

The revolving credit facility from the First, Second, Third and Fourth Swedish National Pension Fund (an obligation to purchase commercial paper, if so requested by Vasakronan) amounts to SEK 18 billion. Cash of SEK 2,301 (1,757) million and the revolving credit facility, which was unutilized as of 31 December, correspond to 129 (162) percent of loans maturing in the next 12 months.

Equity

Equity increased during the period to SEK 41,245 (35,094) million due to positive comprehensive income of SEK 10,975 (2,687) million. The equity/assets ratio was 38 (36) percent and LTV (loan-to-value ratio) was 47 (49) %.

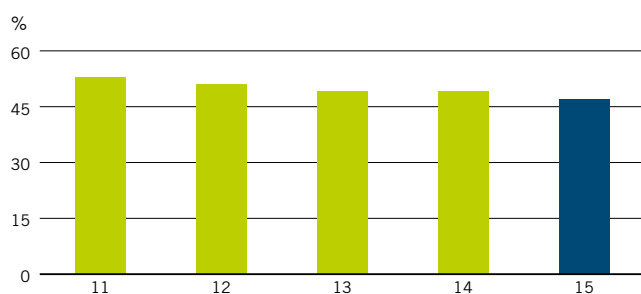
DIVERSIFIED FUNDING WITH GOOD RESERVES

SEK m	Loan limit	Amount utilized	Share, %
Commercial paper	20,000	10,864	21
MTN Bonds	30,000	18,963	37
MTN Green bonds	–	4,673	9
MTN inflation-linked bonds	–	820	2
MTN NOK bonds	5,000	952 ¹⁾	2
Bank loans, with collateral	–	14,478	29
Revolving credit facility	18,000	–	–
Total	–	50,750	100

1) The amount corresponds to NOK 1,000 MNOK and the amount is fully hedged.

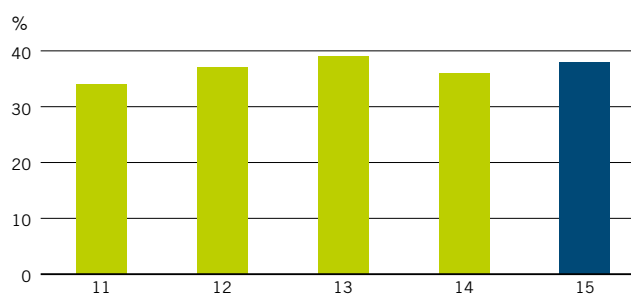
Distribution of financing sources, share of the total loan portfolio

LTV (Loan-to-value ratio)



As of 31 December

Equity/assets ratio



As of 31 December

Consolidated cash flow statement in summary

Amounts in SEK millions	Jan-Dec 2015	Jan-Dec 2014	Oct-Dec 2015	Oct-Dec 2014
Operating activities				
Profit before value changes and tax	3,064	2,822	775	712
Adjustment for items not included in cash flow	8	0	4	1
Net interest income/expense	1,121	1,256	271	291
Interest paid, net	-1,323	-1,309	-316	-312
Taxes paid	-15	20	-3	35
Cash flow before changes in working capital	2,855	2,789	731	727
Increase (-) / decrease (+) in working capital	355	113	-7	-118
Cash flow from operating activities	3,210	2,902	724	609
Investing activities				
Investments in existing property	-2,224	-2,813	-614	-752
Acquisitions of property	-916	-4	-794	-1
Divestment of property	1,387	1,574	640	241
Other PPE, net	-22	-13	-13	-5
Shares and participations, net	-	-17	-	-17
Cash flow from investing activities	-1,775	-1,273	-781	-534
Cash flow after investing activities	1,435	1,629	-57	75
Financing activities				
Dividends and Group contributions	-4,924	-4,000	-	-
Raised debt: interest-bearing liabilities	16,381	16,013	3,615	1,918
Repayment of debt: interest-bearing liabilities	-12,348	-14,455	-5,080	-3,022
Cash flow from financing activities	-891	-2,442	-1,465	-1,104
Cash flow for the period	544	-813	-1,522	-1,029
Opening balance, cash	1,757	2,570	3,823	2,786
Cash flow for the period	544	-813	-1,522	-1,029
Closing balance, cash	2,301	1,757	2,301	1,757

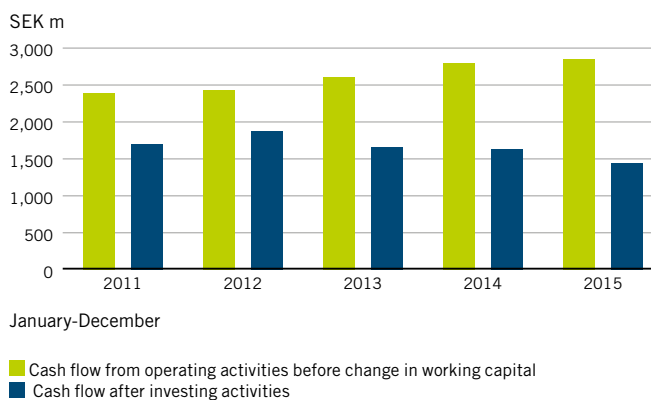
Comments on cash flow statement

Cash flow after investing activities was SEK 1,435 (1,629) million, positively impacted by a higher cash flow from operating activities of SEK 3,210 (2,902) million. The cash flow effect of investments in existing properties was SEK –2,224 (–2,813) million and there was a positive effect of SEK 471 (1,570) million from the net of property acquisitions and sales.

During the fourth quarter, property closings had occurred for SEK 659 million (total purchase price, before deducting deferred taxes and transaction costs). During the quarter, Vasakronan took possession of Heden 46:3 in Gothenburg, which had been acquired for SEK 841 million (total purchase price, before deducting deferred taxes and transaction costs). Of that amount, SEK 40 million will be paid in 2016, as per the agreement.

Net borrowings amounted to SEK 4,033 (1,558) million. After paying dividends and Group contribution to the owner for a total of SEK –4,924 (–4,000) million, cash flow from financing activities was SEK –891 (–2,442) million. Altogether, cash increased by SEK 544 (–813) million during the period.

Stable cash flow from operating activities



January-December

■ Cash flow from operating activities before change in working capital
■ Cash flow after investing activities

PROPERTY DIVESTMENTS

Property	Location	Buyer	Purchase price, SEK m	Transfer date
Lindholmen 28:1	Gothenburg	Eklandia	118	2015-02-19
Uppfinnaren 1	Stockholm	Oscar Properties	650	2015-08-11
Päronet 14,17 and 18	Lund	Tetra Pak	144	2015-10-01
Part of Sundbyberg 2:42	Stockholm	Besqab	61	2015-10-01
Portion of Sundbyberg 2:42, portion of Vagnfjädersn 1, Ponnyn 2	Stockholm	Ikano	145	2015-11-11
Diamanten 11	Stockholm	Cityfast	129	2015-12-21
Boländerna 14:2	Uppsala	Regio	180	2015-12-17
Adjustments prior transactions			1	
Total property value			1,428	
Deduction for deferred tax, stamp duty and other transaction costs			–41	
Total purchase price			1,387	

PROPERTY ACQUISITIONS

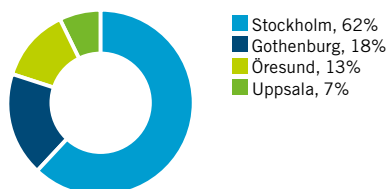
Property	Location	Seller	Purchase price, SEK m	Transfer date
Inside Vallgraven 22:3	Gothenburg	Eklandia	68	2015-02-19
Hilton 7	Solna	Peab	57	2015-05-08
Heden 46:3	Gothenburg	NCC	841	2015-11-17
Portion of Midsommarkransen 1:1	Stockholm	Stockholm Municipality	11	2015-12-04
Total property value			977	
Deduction for deferred tax, stamp duty and other transaction costs			–21	
Total purchase price			956	

Vasakronan total and by region

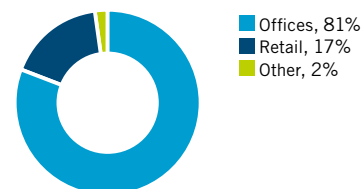
Total Vasakronan January–December

	2015	2014
Market value, SEK m	103,894	91,889
Rental revenue, SEK m	6,009	5,899
Net operating income, SEK m	4,274	4,172
Surplus ratio, %	71	71
Occupancy rate, %	93	92
Number of properties	180	185
Area, thousand sq. m.	2,509	2,509

Contracted rent by geographic market



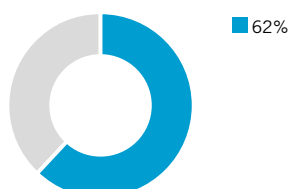
Contracted rent by property type



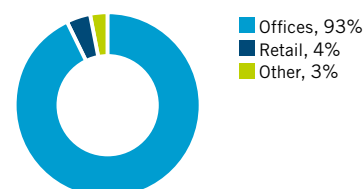
Total Stockholm January–December

	2015	2014
Market value, SEK m	66,617	58,057
Rental revenue, SEK m	3,681	3,615
Net operating income, SEK m	2,593	2,517
Surplus ratio, %	70	70
Occupancy rate, %	92	91
Number of properties	82	84
Area, thousand sq. m.	1,474	1,473

Contracted rent by geographic market



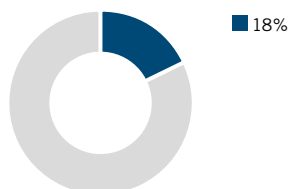
Contracted rent by property type



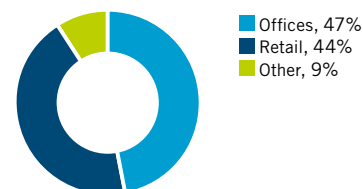
Total Gothenburg January–December

	2015	2014
Market value, SEK m	19,618	17,006
Rental revenue, SEK m	1,144	1,145
Net operating income, SEK m	882	886
Surplus ratio, %	77	77
Occupancy rate, %	93	96
Number of properties	36	35
Area, thousand sq. m.	437	418

Contracted rent by geographic market



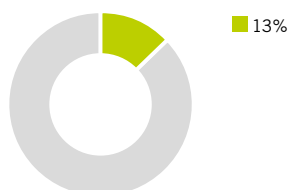
Contracted rent by property type



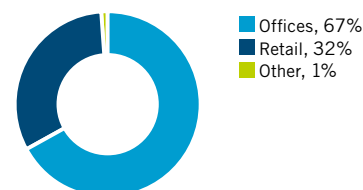
Total Öresund January–December

	2015	2014
Market value, SEK m	11,574	11,269
Rental revenue, SEK m	747	701
Net operating income, SEK m	500	466
Surplus ratio, %	67	66
Occupancy rate, %	91	89
Number of properties	38	41
Area, thousand sq. m.	363	371

Contracted rent by geographic market



Contracted rent by property type



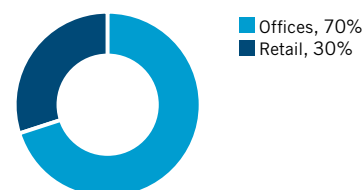
Total Uppsala January–December

	2015	2014
Market value, SEK m	6,085	5,557
Rental revenue, SEK m	437	438
Net operating income, SEK m	299	303
Surplus ratio, %	68	69
Occupancy rate, %	96	94
Number of properties	24	25
Area, thousand sq. m.	235	247

Contracted rent by geographic market



Contracted rent by property type



Vasakronan AB – Parent Company in summary

INCOME STATEMENT

Amounts in SEK millions	Jan-Dec 2015	Jan-Dec 2014
Net sales	423	412
Operating expenses	-526	-521
Capital gain (loss) on sales	0	248
Profit/loss before financial items	-103	139
Financial items		
Profit from participations in subsidiaries	1,623	2,390
Net interest income/expense	-1,101	-1,234
Unrealized change in value of financial instruments	598	-2,956
Appropriations	-44	-
Profit before tax	973	-1,661
Tax	-218	418
Profit for the period	755	-1,243
Statement of Comprehensive Income		
Profit for the period		
<i>Items that may be reclassified</i>		
Cash flow hedges	5	8
Income tax related to cash flow hedges	-1	-2
Other comprehensive income net of tax	4	6
Total comprehensive income	759	-1,237

Parent Company

The operations of the Parent Company, Vasakronan AB (publ), consist of Group-wide functions and providing an organization for the management of properties owned by subsidiaries. The Parent Company does not directly own any properties.

The Parent Company's revenue for the period was SEK 423 (412) million, which primarily consists of the Parent Company's invoices to the subsidiaries for services rendered. The unrealized change in the value of derivatives was SEK 598 (-2,956) million, which was due to higher long-term market interest rates, see page 7 for more information. Profit after tax increased to SEK 973 (-1,661) million. Cash at the end of the period amounted to SEK 2,300 (1,755) million.

BALANCE SHEET

Amounts in SEK millions	2015-12-31	2014-12-31
ASSETS		
Non-current assets		
Equipment	32	27
Shares and participations in subsidiaries	30,758	30,745
Receivables from subsidiaries	6,267	7,266
Deferred tax assets	407	1,015
Long-term receivables	164	143
Total non-current assets	37,628	39,196
Current assets		
Receivables from subsidiaries	27,692	27,601
Current receivables	364	238
Cash	2,300	1,755
Total current assets	30,356	29,594
TOTAL ASSETS	67,984	68,790
EQUITY AND LIABILITIES		
Equity	8,596	13,078
Untaxed reserves	44	-
Liabilities		
Interest-bearing liabilities	50,750	46,839
Non-interest-bearing liabilities	3,454	3,903
Liabilities to Parent Company	825	925
Liabilities to subsidiaries	4,315	4,045
Total liabilities	59,344	55,712
TOTAL EQUITY AND LIABILITIES	67,984	68,790

Other information

Personnel

The number of employees at the end of the period was 346 (353).

Risks and uncertainties

The Board of Directors and management team continuously strive to achieve the desired risk profile, based on the policy established by the Board. The policy contains uniform methods for identifying, valuing, taking responsibility for, managing and reporting risks. Vasakronan's risks are described in the Annual Report for 2014 on pages 56-57. No other changes have occurred since then that affect the Board's and management team's assessment. Comments on the overall situation in the property and finance markets can be found in the relevant sections of this report.

In order to prepare its financial statements in accordance with generally accepted accounting principles, the company management team must make assessments and assumptions that affect the amounts reported as assets and liabilities in the balance sheet, as well as income and expense items reported in the income statement and other information that has been provided. The actual results may deviate from these estimates and assessments. The financial statements are particularly sensitive to assumptions that provide the basis for the valuation of the investment properties.

Accounting policies

This year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts

Act. The same accounting policies, valuation principles and calculation methods as the ones used in the most recently issued annual report have been applied. Please see Vasakronan's Annual Report for 2014, pages 80-83.

Fair value for financial instruments corresponds in all material respects with the carrying amount. No change has occurred during the period to how financial instruments are categorized. Derivatives are valued in accordance with level 2 in the fair value hierarchy. For all derivatives there are ISDA agreements in place that allow offsetting of payables and receivables from the same counterparty, in the event of insolvency. Investment properties are recognized at fair value in accordance with level 3 in the fair value hierarchy.

The Parent Company prepares its financial statements in accordance with the Annual Accounts Act and RFR 2 Reporting for Legal Entities.

Related-party transactions

Information on Vasakronan's related-party transactions is provided in Note 32 of Vasakronan's Annual Report for 2014. During the period, a Group contribution payment and dividend totaling SEK 4,924 million was made to the owner, Vasakronan Holding. Besides that, there were no other significant related-party transactions during the year.

Stockholm, 4 February 2016

Fredrik Wirdenius
CEO

For more information about this interim report, please contact:

Christer Nerlich

CFO

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E-post: christer.nerlich@vasakronan.se

Key figures

	Jan-Dec 2015	Jan-Dec 2014	Oct-Dec 2015	Oct-Dec 2014
Property-related information				
Occupancy rate on closing date, %	92.6	92.0	92.6	92.0
Surplus ratio, %	71	71	71	69
Investments in existing projects, SEK m	2,224	2,813	614	752
Property acquisitions, SEK m	916	4	794	1
Property divestments, SEK m	-1,387	-1,574	-640	-241
Net investments in property, SEK m	1,753	1,243	768	512
Market value of property on closing date, SEK m	103,894	91,889	103,894	91,889
Area on closing date, thousand sq. m.	2,509	2,509	2,509	2,509
Number of properties on closing date	180	185	180	185
Environmental certification on the closing date, share of total area, %	71	44	71	44
Energy performance on closing date, kWh/sq. m.	112	124	112	124
Financial information				
Interest coverage ratio, times	3.7	3.2	3.9	3.4
Equity/assets ratio on closing date, %	38	36	38	36
LTV (loan-to-value ratio) on closing date, %	47	49	47	49
NAV on closing date, SEK m	53,416	44,852	53,416	44,852
NNNAV on closing date, SEK m	47,927	39,225	47,927	39,225
Average rate of interest on closing date, %	2.1	2.5	2.1	2.5
Interest-bearing liabilities, net, on closing date, SEK m	48,449	45,082	48,449	45,082
Cash flow before change in working capital, SEK m	2,855	2,789	731	727
Other				
Number of employees on closing date	346	353	346	353

Definitions

Area, sq. m.

Leasable area, not including garages and parking spaces.

Average remaining term to maturity, years

The total contract value of commercial facilities divided by contracted rent for commercial facilities.

Central administration

Costs (at the Group level) that are not directly related to property management, such as the costs associated with the Group management team, property investments, financing and central marketing.

Change in the value of property, %

Changes in the value of property, including transactions calculated in accordance with guidelines from SFI/IPD Swedish Property Index.

Contracted rent, SEK m

Total annual rent from contracts in effect as of the closing date.

Energy performance, kWh/sq. m.

Total energy use for the year (heating, cooling and electricity) adjusted to the level of normal year, divided by the temperate area.

Equity/assets ratio, %

Equity as a percentage of total assets on the closing date.

Environmental certification, share of total area, %

Share of properties that have obtained certification in accordance with BREEAM, LEED or Miljöbyggnad.

Interest coverage ratio, times

Profit before net interest income/expense divided by net interest income/expense.

LTV (Loan-to-value ratio), %

The net amount of interest-bearing liabilities divided by the appraised market value of property.

NAV (Net asset value), SEK m

The amount of reported equity, adding back goodwill, derivatives and deferred tax.

Net investments, SEK m

The sum of purchases, including stamp duty and other direct transaction costs and investments in projects less the sales price for divested properties and the sales price for properties sold via companies and direct transaction costs.

Net leases, SEK millions

Contracted rent for new leases that were signed during the year less contracted rent for leases where notice of termination was received during the year (tenant will be moving out).

Net operating income, SEK m

Rental revenue less operating and maintenance costs, property administration, property tax and site leasehold fees.

NNNAV (Triple net asset value), SEK m

The amount of reported equity, adding back goodwill and fair value of loans, and adjusted for estimated actual deferred tax.

Occupancy rate, financial, %

Contracted rent divided by the rental value.

Rental value, SEK m

Contracted rent plus the assessed market rent for vacant premises.

Surplus ratio, %

Net operating income as a percentage of rental revenue.

Calendar

Reports

Annual Report 2015	March 2016
AGM	28 April 2016
Interim report January–March 2016	28 April 2016

More information about the company is available on Vasakronan's website: www.vasakronan.se

Vasakronan is the leading property company in Sweden, with a property portfolio valued at SEK 104 billion. Vasakronan's strategy is to focus on office and retail facilities in Stockholm, Uppsala, Gothenburg, Malmö and Lund. The property portfolio consists of 180 properties with a total area of approximately 2.5 million sq.m. Vasakronan is jointly owned by the First, Second, Third and Fourth Swedish National Pension Funds. More information is available at: www.vasakronan.se