

Diös

Q4

FINANCIAL STATEMENT **JANUARY – DECEMBER 2013**



OVERVIEW OF THE YEAR

JANUARY - DECEMBER 2013

- Rental income for the year was SEK 1,292 million (1,300)
- Property management income was SEK 354 million (340)
- Value movement on investment properties was SEK -24 million (189)
- Earnings per share were SEK 4.32 (5.73)
- Shareholders' equity per share was SEK 43.29 (41.30)
- The Board of Directors proposes a dividend of SEK 2.30 per share (2.30)

NET PROFIT FOR THE YEAR, SEK million	2013	2012	2011
Rental income	1,292	1,300	587
Other revenue	15	31	15
Operating and central costs	-627	-625	-311
Transaction costs	-	-	-14
Restructuring costs	-26	-38	-
Net finance income/expense	-300	-329	-144
Property management income	354	340	132
Value movement, real estate and derivatives	44	112	119
Current tax	-15	-6	-8
Deferred tax	-62	-14	-66
Profit after tax	321	432	177

FOR FURTHER INFORMATION, PLEASE CONTACT

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CHRISTER SUNDIN, MANAGING DIRECTOR

INCOME FROM PROPERTY MANAGEMENT INCREASED AND INTEGRATION COMPLETED

In our summary for 2013, we are pleased to report growth in income from property management, the sale of 19 properties, stronger performance indicators and a completed integration process.

We have great confidence in the development of our market, where Luleå, Umeå and Gävle in particular have shown positive growth in 2013. Diös is favourably positioned in expanding towns and cities in northern Sweden, where we feel confident that our positive performance will continue.

Diös' vision is to be the most successful real estate owner and play an active part in the social development of our market. We are therefore involved in a number of development projects in our locations, including the recently completed House of Science in Luleå and the rebuilding of the Barberaren property in central Östersund. It is essential for a company to have a good working relationship with local authorities and other stakeholders for it to make a sustainable contribution to the social development of the areas in which it operates. This is exactly what Diös has, thanks to a strong, local presence in its locations.

Property management income for 2013 was SEK 354 million (340). SEK 26 million in restructuring costs in connection with the integration of Norrvidden have been charged to the income statement.

A tremendous amount of energy has been put into completing the integration process in 2013. It has involved major system changeovers and organisational changes, with the latter leading to a high rate of staff turnover during the year. The integration process demanded a huge amount of time and effort in 2013 but is now deemed to be completed. We will see returns on our investment in the Norrvidden deal in 2014.

One of the goals that was set for the deal was a SEK 50 million increase in earnings. This had already been achieved by 2012, but there are more gains to be made.

During the year, we sold 19 properties and further concentrated our property holding to central locations in expanding towns and cities in northern Sweden. In 2013, the sales value was SEK 248 million.

Despite having fewer properties, the rental income for the year was SEK 1,292 million (1,300). Operating and central costs totalled SEK -627 million (-625). The harsh winter conditions in the first quarter and a number of water damage incidents in the fourth quarter are reasons why, despite sales, the operating costs have not fallen compared to the previous year.

The equity/assets ratio in the company is 26.8% (25.3%) and the loan-to-value ratio has fallen to 64.8% (66.4%). Our cash flow for the period is SEK 4.57 per share (4.50). Shareholders' equity per share has increased to SEK 43.29 (41.30).

A large portion of the portfolio of loans was renegotiated during the year. Changes in the financial climate during the year have significantly improved the availability and price of capital, which has been to our benefit in the negotiations.

The company launched a major project in the latter part of 2013 to develop its sustainability activities within the focus areas of employees, the environment and energy, local community, customers and finance.

The Board of Directors proposes an unchanged dividend of SEK 2.30 per share.

The work with Diös throughout the year has been marked by strong growth and a focus on income and return, which we have achieved. The company is well positioned to continue its strong growth.



REVENUE, EXPENSES AND INCOME, JANUARY - DECEMBER 2013

The property management income for the period, i.e. income excluding changes in value and tax, was SEK 354 million (340).

The operating surplus amounted to SEK 738 million (766), representing a surplus ratio of 57.1% (58.9%). The change in surplus ratio can be explained by a rise in winter-related costs.

- The rental income for the reporting period was SEK 1,292 million (1,300), representing an 88.7% (88.8%) economic occupancy rate.
- Other property management income amounted to SEK 15 million (31) and consisted mainly of re-billing to tenants regarding work carried out in leased premises. A reclassification of revenues from car parking has resulted in a lower recognition of other revenue for the current period.
- Total property costs were SEK 569 million (565). SEK 8.7 million (11) of the property costs were for work in leased premises which is re-billed to tenants. The increase is mainly attributable to higher costs for heating and for clearing snow and ice.

VALUE MOVEMENT, REAL ESTATE AND DERIVATIVE INSTRUMENTS

A valuation of all properties was conducted in the period. Diös' valuation model is based on an exterior valuation of 25% of the 100 properties with the highest value every quarter on a rolling basis and an interior valuation of the remaining 75% of the properties. Internal valuations are carried out quarterly on other properties and the quality is assessed by external valuers. The valuation shows a -0.3% (1.5%) decrease, which is equivalent to SEK -35 million (180). The market value was SEK 11,823 million (11,878) on 31 December. The value movement since last year can mainly be attributed to the changing cash flows and required rates of return.

During the period, 19 (6) properties were sold with a realised gain of SEK 11 million (8.9) before tax.

Diös uses interest-rate derivatives to obtain the desired interest-rate maturity profile. The derivative portfolio is valued at the present value of future cash flows. The market value of the derivative is always zero upon maturity. If the agreed interest rate deviates from the market rate, a theoretical maximum or minimum value arises for the interest-rate derivative. The change in value is of a reporting nature and does not affect the cash flow. The change in value relating to the interest-rate derivative is recognised in the income statement.

During the period, unrealised gains arising on Diös' derivatives totalled SEK 68 million (-76), which are fully recognised in the income statement. The change in the derivatives' market values is attributable to a long-term forecast for higher interest rates.

NET FINANCE INCOME/EXPENSE

Net financial items for the period totalled SEK -300 million (-329). The interest expense for the period, including costs for interest-rate derivatives, represent borrowings at an average annual interest rate of 3.7% (4.1%) including loan commitment costs.

PROFIT BEFORE TAX

Profit before tax was SEK 398 million (452). This change in profit is mainly attributable to lower unrealised movements in the value of properties and interest-rate derivatives.

PROFIT AFTER TAX

Profit after tax was SEK 321 million (432). Current tax totalled SEK -15 million (-6.2). This is mainly attributable to tax in subsidiaries, which may not offset losses against Group profits. The change in respect of current tax is attributable to increased, non-deductible costs. A new calculation of deferred tax has caused a deferred tax expense of SEK -62 million (-14).

FOURTH QUARTER 2013

Fourth quarter profit after tax was SEK 81 million (246). Value movement on properties had a positive SEK 32 million (126) impact on the income statement, of which SEK 9.6 million (0.6) was realised gains. The market values of interest rate derivatives had a negative SEK -29 million (-20) impact on the income statement. The value movement on properties is attributable to the changing cash flows. The change in the market values of the derivatives is attributable to a long-term forecast for lower interest rates.

Deferred tax had a positive impact of SEK 0.9 million (63) on the income statement.

Changed tax rates led to a positive one-off impact on deferred tax in the last quarter of 2012.

The operating surplus totalled SEK 176 million (189) and net financial items SEK -75 million (-75). The cash flow was SEK 24 million (24). SEK -99 million (-46) of this was invested in property, plant and equipment. Net borrowings in the period were SEK -58 million (-82).



PROPERTY HOLDINGS ON 31 DECEMBER 2013

Diös owned 364 properties in 15 locations from Borlänge in the south to Luleå in the north. The gross leasable area was 1,446,900 square metres, of which 39% was office space, 19% retail space, 22% industrial and warehouse space, 12% residential and 8% other leasable space. Diös invested SEK 266 million in the construction, extension and conversion of premises in this period. In terms of value, the largest share of the portfolio is property in Gävle, Sundsvall and Östersund. The total market value of the properties was SEK 11,823 million.

By market area	Dalarna	Gävleborg	Jämtland	Västernorrland	Västerbotten	Norrbotten	Diös-koncernen
Rental income	251.2	188.6	286.8	273.5	146.9	144.8	1 291.9
Other revenue	4.1	0.9	1.8	3.2	0.8	4.4	15.1
Repair and maintenance	-21.1	-10.0	-21.4	-19.9	-9.7	-5.3	-87.5
Tariff-based costs	-39.5	-28.0	-52.5	-49.7	-22.8	-16.2	-208.7
Property tax	-11.5	-9.6	-13.9	-13.6	-7.1	-7.9	-63.7
Other property costs	-28.3	-21.3	-32.9	-38.5	-15.8	-16.6	-153.2
Property management	-6.7	-6.7	-13.3	-15.5	-5.0	-8.9	-56.1
Operating surplus	148.2	113.9	154.6	139.5	87.3	94.3	737.8
Undistributed items							
Central administration	-	-	-	-	-	-	-57.9
Restructuring	-	-	-	-	-	-	-25.9
Net finance income/expense	-	-	-	-	-	-	-299.8
Property management income	-	-	-	-	-	-	354.2
Value movement							
Property, realised	-	-	0.6	8.6	0.3	1.9	11.3
Property, unrealised	-35.4	8.8	9.6	-71.2	4.7	48.1	-35.4
Interest-rate derivatives	-	-	-	-	-	-	67.8
Profit before tax	-	-	-	-	-	-	397.9
Current tax	-	-	-	-	-	-	-15.2
Deferred tax	-	-	-	-	-	-	-61.9
Non-controlling interests	-	-	-	-	-	-	2.0
Profit for period attributable to shareholders of the parent	-	-	-	-	-	-	322.8
Leasable area, sq.m.	263,032	253,509	338,654	294,600	177,031	120,075	1,446,900
Construction, extension, conversion investments, SEK million	67.0	33.1	69.7	41.0	16.3	39.4	266.5
Book value, SEK million	2,410.5	1,696.9	2,789.9	2,199.7	1,303.3	1,422.4	11,822.7
Rental value, SEK million	276.6	214.5	333.0	313.5	160.4	158.5	1 456.6
Economic occupancy rate, %	90.8	87.9	86.2	87.2	91.6	91.3	88.7
Surplus ratio, %	59.0	60.4	53.9	51.0	59.4	65.1	57.1

PROPERTY HOLDINGS ON 31 DECEMBER 2012

Diös owned 378 properties in 15 locations, from Borlänge in the south to Luleå in the north. The gross leasable area was 1,504,738 square metres, of which 39% was office space, 19% retail space, 22% industrial and warehouse space, 12% residential and 8% other leasable space. Diös invested SEK 152 million in the construction, extension and conversion of premises in this period. In terms of value, the largest share of the portfolio is property in Gävle, Sundsvall and Östersund. The total market value of the properties was SEK 11,878 million.

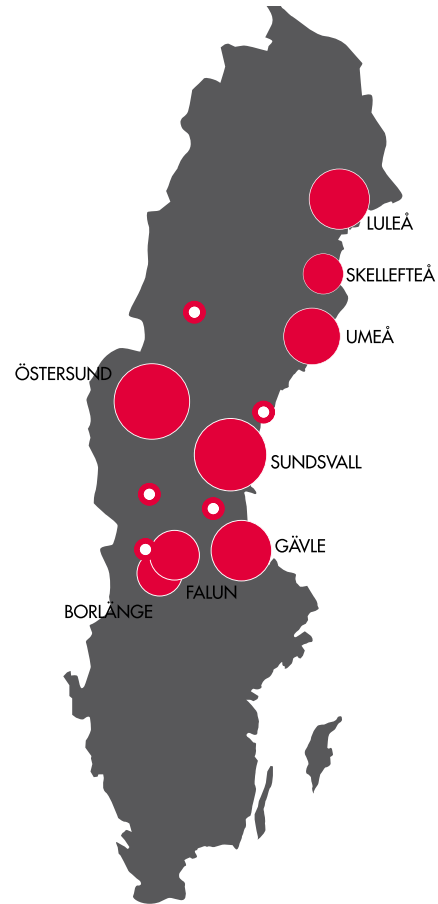
By market area	Dalarna	Gävleborg	Jämtland	Västernorrland	Västerbotten	Norrbottn	Diös Group
Rental income	253.9	184.6	286.5	283.3	149.8	142.2	1,300.2
Other revenue	6.1	4.1	3.6	9.2	0.7	7.4	31.1
Repair and maintenance	-15.7	-14.2	-20.8	-22.5	-9.7	-7.2	-90.1
Tariff-based costs	-41.4	-27.5	-51.9	-52.4	-21.9	-17.5	-212.7
Property tax	-10.6	-9.1	-13.3	-12.7	-7.1	-6.6	-59.4
Other property costs	-26.1	-20.5	-36.0	-34.2	-14.6	-16.3	-147.6
Property management	-4.8	-7.1	-15.5	-13.1	-4.4	-10.3	-55.3
Operating surplus	161.3	110.3	152.5	157.6	92.7	91.8	766.2
Undistributed items							
Central administration	-	-	-	-	-	-	-60.0
Restructuring	-	-	-	-	-	-	-37.9
Net finance income/expense	-	-	-	-	-	-	-328.5
Property management income							339.8
Value movement							
Property, realised	4.5	-	1.2	2.2	1.0	-	8.9
Property, unrealised	59.8	-17.0	22.9	28.7	41.2	44.0	179.6
Interest-rate derivatives	-	-	-	-	-	-	-76.3
Profit before tax	-	-	-	-	-	-	452.0
Current tax	-	-	-	-	-	-	-6.2
Deferred tax	-	-	-	-	-	-	-14.2
Non-controlling interests	-	-	-	-	-	-	-3.1
Profit for period attributable to shareholders of the parent	-	-	-	-	-	-	428.5
Leasable area, sq.m.	263,032	253,509	341,489	330,631	178,736	137,343	1,504,738
Construction, extension, conversion investments, SEK million	34.7	27.9	41.7	31.7	6.5	9.4	151.9
Book value, SEK million	2,378.9	1,655.0	2,710.6	2,462.7	1,286.6	1,383.8	11,877.6
Rental value, SEK million	278.4	210.7	326.1	327.6	161.9	159.5	1,464.3
Economic occupancy rate, %	91.2	87.6	87.8	86.5	92.5	89.2	88.8
Surplus ratio, %	63.5	59.8	53.2	55.6	61.9	64.6	58.9

MARKET COMMENTS

It is Diös' vision to be the most successful real estate owner in our chosen market. Our focus is on creating value in the property portfolio by acquiring, improving, managing and selling properties in our market, which extends from Borlänge in the south to Luleå in the north. The company is geographically divided into the six market areas of Dalarna, Gävleborg, Jämtland, Västernorrland, Västerbotten and Norrbotten.

Each area is organised in a structure with a market area manager, account manager, administrator, maintenance technician, caretaker and area administrator. The aim is for each market area to consist of one concentrated property holding (in our main locations) with centrally located properties and a primary focus on commercial properties.

Our strategy is to create good relationships with our existing and future tenants, build strong networks in the locations where we have a presence, play an active part in social development and nurture our brand. We have therefore chosen to work with a decentralised management organisation and strong local base. We place a particular focus on the management and improvement of our properties, in order to improve our net operating income and subsequently increase the market value of the properties.

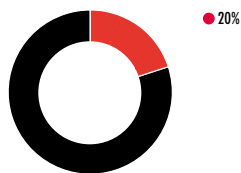


DALARNA

PROPERTY HOLDINGS

Number of properties	43
Area, sq.m.	263,032
Property value, SEK million	2,410

DALARNA'S SHARE OF PROPERTY VALUE



DALARNA'S DISTRIBUTION PER TYPE OF PREMISES

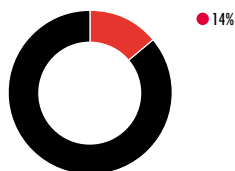


GÄVLEBORG

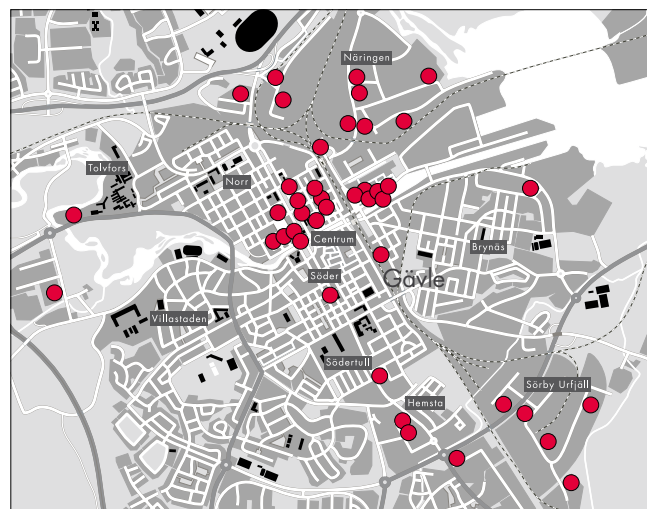
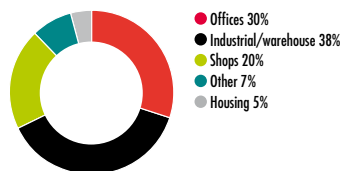
PROPERTY HOLDINGS

Number of properties	52
Area, sq.m.	253,509
Property value, SEK million	1,697

GÄVLEBORG'S SHARE OF PROPERTY VALUE



GÄVLEBORG'S DISTRIBUTION PER TYPE OF PREMISES



JÄMTLAND

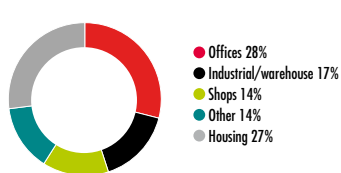
PROPERTY HOLDINGS

Number of properties	128
Area, sq.m.	338,654
Property value, SEK million	2,790

JÄMTLAND'S SHARE OF PROPERTY VALUE



JÄMTLAND'S DISTRIBUTION PER TYPE OF PREMISES

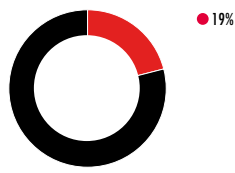


VÄSTERNORRLAND

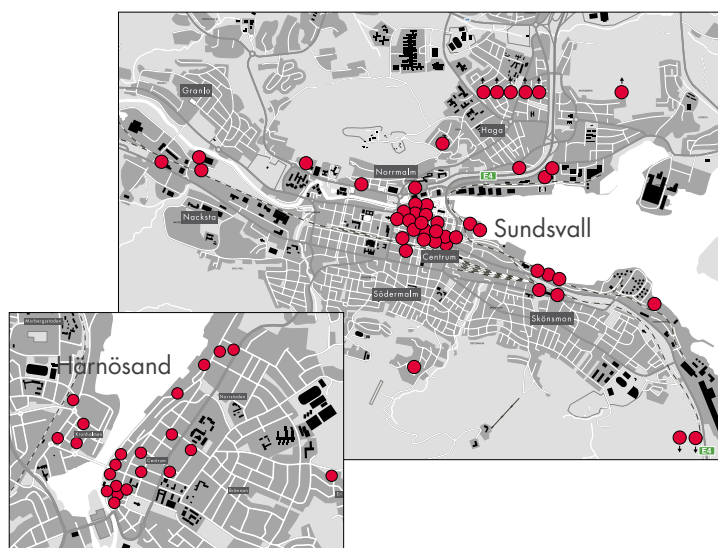
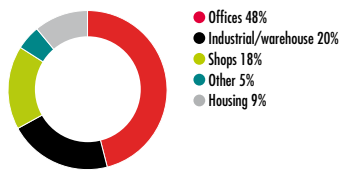
PROPERTY HOLDING

Number of properties	82
Area, sq.m.	294,600
Property value, SEK million	2,200

VÄSTERNORRLAND'S SHARE OF PROPERTY VALUE



VÄSTERNORRLAND'S DISTRIBUTION PER TYPE OF PREMISES

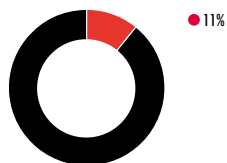


VÄSTERBOTTEN

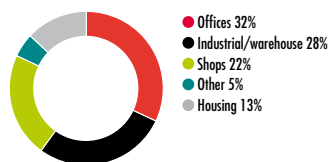
PROPERTY HOLDING

Number of properties	41
Area, sq.m.	177,031
Property value, SEK million	1,303

VÄSTERBOTTEN'S SHARE OF PROPERTY VALUE



VÄSTERBOTTEN'S DISTRIBUTION PER TYPE OF PREMISES



NORRBOTTEN

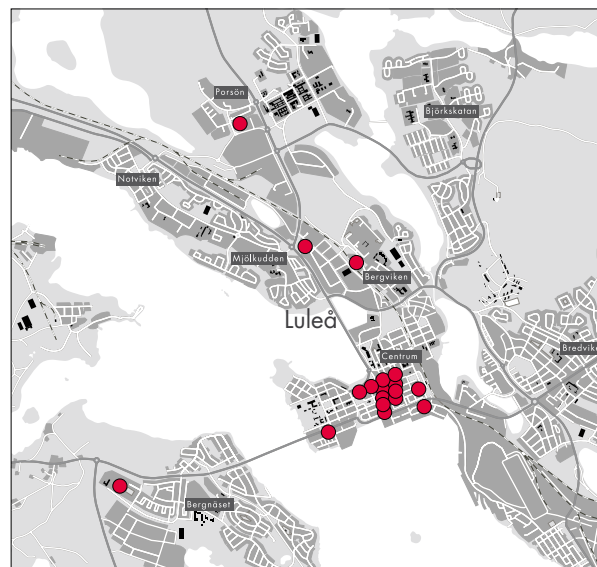
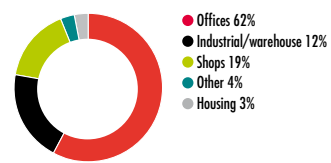
PROPERTY HOLDING

Number of properties	18
Area, sq.m.	120,075
Property value, SEK million	1,422

NORRBOTTEN'S SHARE OF PROPERTY VALUE



NORRBOTTEN'S DISTRIBUTION PER TYPE OF PREMISES



LEASE MATURITIES ON 31 DECEMBER 2013

	Maturity year	Signed contracts no.	Rented area sq.m.	Contracted rental income SEK million	Holding in %
Lease for premises	2013	152	30,307	31	2
	2014	648	121,016	129	10
	2015	678	247,540	247	19
	2016	550	257,410	289	23
	2017+	550	362,433	390	31
Total leases for premises		2,578	1,018,706	1,086	85
Residential leases		2,270	161,146	149	12
Other leases		3,446	-	38	3
TOTAL		8,294	1,179,852	1,273	100

CHANGES IN THE PROPERTY PORTFOLIO JANUARY - DECEMBER 2013

IMPROVEMENT

- SEK 266 million has been invested in conversion and extension work on existing properties in the period. There are 35 major improvement projects currently in progress. SEK 230 million of the budgeted SEK 324 million has been accrued.

SALES

- On 9 January 2013, the property Muttern 3 in Skellefteå was sold. The property covers an area of 920 square metres. The sale price was SEK 3.5 million.
- On 28 February 2013, two separate properties, Mercurius 5 and 12 in Sundsvall, were sold. The properties cover an area of 16,864 square metres and consist of Mercurius 5, 11 and 12, Minerva 4 and 6, and Bacchus 10. The sale price was SEK 140 million.
- On 8 April 2013, the property Gällivare 12:334 was sold. The property covers an area of 14,701 square metres. The sale price was SEK 55 million.
- On 31 May 2013, the plot of land, Sprinten 6 in Lugnvik Industrial Estate, Östersund, was sold. The sale price was SEK 0.6 million.
- On 1 July 2013, the property Gruvfogden 1 in Skellefteå was sold. The property covers an area of 785 square metres. The sale price was SEK 1.5 million.
- On 12 July 2013, the property Kompaniet 1 in Sundsvall was sold. The property covers an area of 1,558 square metres. The sale price was SEK 5.6 million.
- On 12 August 2013, the property Mars 2 in Sundsvall was sold. The property covers an area of 4,517 square metres. The sale price was SEK 20.7 million.
- On 1 October 2013, the property Björneborg 12 and the site leasehold right for Björneborg 10 in Sundsvall were sold. The property covers an area of 5,299 square metres. The sale price was SEK 14.5 million.
- On 29th October 2013, the deeds for the properties Försöket 2 in Sundsvall and Staden 2:26 in Sollefteå were signed. Försöket 2 covers an area of 1,164 square metres and the deeds for Staden are for land. The total consideration for the transaction is SEK 12.6 million and the handover is due to take place in the first six months of 2014.
- On 1 November 2013, the site leasehold right for the property Svartön 18:28 in Luleå was sold. The property covers an area of 2,567 square metres in total. The sale price was SEK 5.1 million.
- On 30 December 2013, the properties Banken 11 and Städet 8, 17 in Härnösand were sold. The properties cover an area of 4,488 square metres. The sale price was SEK 28.5 million.
- On 30 December 2013, the property Sköns Prästbord 1:58 in Sundsvall was sold. The property covers an area of 3,306 square metres. The sale price was SEK 27.4 million.

FINANCIAL POSITION AS OF 31 DECEMBER 2013

EQUITY AND EQUITY/ASSETS RATIO

Shareholders' equity amounted to SEK 3,235 million (3,086) and the equity/assets ratio was 26.8% (25.3%). The goal is that the equity/assets ratio should not fall below 25%.

CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents (excluding unused bank overdraft facilities) were SEK 121 million (120) at the end of the period.

INTEREST EXPENSES JANUARY - DECEMBER 2013

	Amount	Cost	Weighted average interest rate
Interest-bearing debt	7,778	243	3.1%
Undrawn credit facilities ¹	286	2	0.0%
Cost of financial instruments		45	0.6%
		290	3.7%

¹ The impact of costs related to undrawn credit facilities on the average annual interest rate is 0.02 percentage points.

In the period, Diös' average interest-bearing liabilities amounted to SEK 7,778 million (7,946). Actual interest costs, including costs related to undrawn credit facilities and the performance of financial instruments, amounted to SEK 290 million (323), which represents an average annual interest rate of 3.7% (4.1%).

During the period, unrealised gains arising on derivatives held totalled SEK 68 million (-76), which are fully recognised in the income statement.

INTEREST RATES AND LOAN MATURITY ON 31 DECEMBER 2013

Maturity year	Interest maturity		Loan maturity	
	Loan amount SEK million	Average annual interest rate ¹ %	Credit agreements SEK million	Drawn SEK million
2014	7,664	2.8	-	-
2015	-	-	4,434	4,167
2016	-	-	3,497	3,497
Drawn credit facilities	7,664	2.8	7,931	7,664
Undrawn credit facilities ²	267	0.0		
Financial instruments	4,200	0.8		
TOTAL		3.6		

¹ Average annual interest rate refers to the average interest rate based on interest-rate terms and current liability on 31 December 2013.

² The impact of costs related to undrawn credit facilities on the average annual interest rate is 0.02 percentage points.

Average capital commitment period 2.1 years

Average interest rate commitment period 1.9 years

DERIVATIVE CONTRACTS

Counterpart	Nominal value, SEK million	Remaining maturity, years	Interest rate level, %	Market value, SEK million
Handelsbanken	2,000	2.7	2.3	-46
Handelsbanken	600	3.8	3.7	-44
Swedbank	1,600	3.1	1.9	-18
TOTAL	4,200	3.0	2.4	-107

It is Diös' view that the interest rate market is stable and the company has thus not entered into any new derivative contracts in the period.

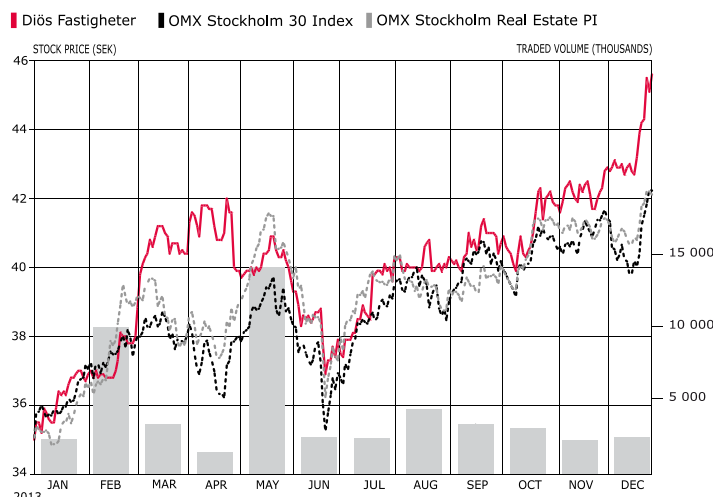
INTEREST-BEARING LIABILITIES AND AVERAGE INTEREST RATE ON 31 DECEMBER 2013

The Group's interest-bearing liabilities totalled SEK 7,664 million (7,893) with an average annual interest rate of 2.8% (3.2%), including loan commitments. The loans' average interest rate commitment period was 2.8 months (2.3). The average interest rate commitment period was 1.9 years (2.4) when the impact of the derivative portfolio is included. The average capital commitment period was 2.1 years (2.9). Of the Group's total interest-bearing liabilities, SEK 4,200 million (4,200) are hedged through derivative instruments. The average remaining term is 3.0 years (4.1). The average annual interest

rate, including costs related to derivative instruments, amounted to 3.6% (3.8%), including loan commitments. Diös' financial instruments restrict any impact from increased interest rates on the company's average borrowing rate. If interest rates had been increased by 1 percentage point on 31 December 2013, Diös' average interest rate would have risen by 0.4 percentage points. The market value of the derivative portfolio on 31 December 2013 was SEK -107 million and the weighted average annual interest rate was 2.4%. With the derivative portfolio totalling SEK 4,200 million, 54.8% of the Group's total outstanding borrowings has been hedged.

DIÖS SHARES

Stock price performance 12 months



Diös Fastigheter AB is a publicly traded company listed on the NASDAQ OMX Nordic Exchange Stockholm, Mid Cap list. The ticker symbol is DIOS and the ISIN code is SE0001634262.

The number of shares in Diös on 31 December 2013 was 74,729,134. The closing price of SEK 45.60 (35.00) gave the company a stock market value of SEK 3,408 million (2,616).

The diagram shows share prices for the past 12 months for both Diös and the indexes. In the past 12 months, Diös' return was 30.3%, OMX Stockholm 30 Index 20.7% and OMX Stockholm Real Estate PI 20.3%. In the past 12 months, Diös' total return (return including reinvested dividends) was 36.9%.

Diös has thus achieved a return above that of comparable indexes in the period.

LARGEST SHAREHOLDERS IN DIÖS FASTIGHETER AB on 31 December 2013

SHAREHOLDERS	Number of shares	Holding and votes %
AB Persson Invest	11,499,691	15.4
Brinova Inter AB	8,930,754	12.0
Bengtssons Tidnings Aktiebolag	7,518,222	10.1
Länsförsäkringar Fondförvaltning AB	5,620,038	7.5
Pensionskassan SHB Försäkringsförening	4,498,239	6.0
Fastighets AB Eric Ekblad	2,300,000	3.1
Staffan Rasjö	2,225,000	3.0
Länsförsäkringar Jämtland	2,000,002	2.7
Försäkringsaktiebolaget, Avanza Pension	1,956,701	2.6
SEB Investment Management	1,720,724	2.3
Total, largest shareholders	48,269,371	64.6
Other shareholders	26,459,763	35.4
TOTAL	74,729,134	100.0

HOLDINGS

on 31 December 2013

Holding	Number of shareholders	Number of shares	Holding (%)	Votes (%)	Market value (SEK million)
1 - 500	2,549	587,811	0.8	0.8	27
501 - 1,000	1,105	953,353	1.3	1.3	43
1,001 - 5,000	1,378	3,351,002	4.5	4.5	153
5,001 - 10,000	225	1,750,999	2.3	2.3	80
10,001 - 15,000	72	920,030	1.2	1.2	42
15,001 - 20,000	43	803,753	1.1	1.1	37
20,001 -	152	66,362,186	88.8	88.8	3,026
TOTAL	5,524	74,729,134	100.0	100.0	3,408

Diös Fastigheter AB had 5,524 shareholders on 31 December 2013. A significant proportion of the shareholders, 93.0%, were in Sweden. The largest single owner of Diös was AB Persson Invest with 15.4% of the shares. The ten largest shareholders accounted for 64.6% of the holdings and voting rights.

SHARE CAPITAL DEVELOPMENT

Date	Event	Increase in number of shares	Increase in share capital, SEK	Total number of shares	Total share capital	Par value
1 Jan 2005	At the start of the period	-	-	10,000	100,000	10.00
21 June 2005	Split	990,000	-	1,000,000	100,000	0.10
21 June 2005	New issue	1,489,903	148,990	2,489,903	248,990	0.10
14 Sept 2005	Non-cash issue	1,503,760	150,376	3,993,663	399,366	0.10
15 Nov 2005	Bonus issue	-	39,537,264	3,993,663	39,936,630	10.00
15 Nov 2005	Split	15,974,652	-	19,968,315	39,936,630	2.00
18 May 2006	New issue	8,333,400	16,666,800	28,301,715	56,603,430	2.00
11 July 2006	Non-cash issue	5,000,000	10,000,000	33,301,715	66,603,430	2.00
19 April 2007	Non-cash issue	666,250	1,332,500	33,967,965	67,935,930	2.00
29 Oct 2010	New issue	99,729	199,458	34,067,694	68,135,388	2.00
14 Dec 2010	New share issue	3,285,466	6,570,332	37,353,160	74,705,720	2.00
17 Dec 2010	New share issue	11,407	22,814	37,364,567	74,728,534	2.00
5 Dec 2011	New share issue	22,854,136	45,708,272	60,218,703	120,436,806	2.00
14 Dec 2011	New share issue	14,510,431	29,020,862	74,729,134	149,457,668	2.00

PERSONNEL AND ORGANISATION

The number of employees on 31 December 2013 was 140 (132), of whom 50 were women (44) and 90 were men (88). Diös Fastigheter is geographically divided into the six market areas of Gävleborg, Dalarna, Västernorrland, Jämtland, Västerbotten and Norrbotten. Its head office and corporate functions are located in Östersund. Most of the employees, 95 (89) of them, are working in our market areas, 50 (46) of them with the physical aspects of real estate management.

PARENT COMPANY

The activities of the parent company consist of Group-wide functions as well as ownership and operation of the Group's subsidiaries. Sales totalled SEK 105 million (12) and post-tax profit was SEK 52 million (1). Since 1 January 2013, all Diös personnel are employed in the parent company. Changes in net sales and central administration relate to services sold to the Group's subsidiaries. The company's cash and cash equivalents were SEK 10 million (0) on 31 December 2013. External interest-bearing liabilities, excluding overdraft facilities, amounted to SEK 1,483 million (1,492). The amount of drawn overdraft facilities stands at SEK 0 million (-27). The average annual interest rate based on the situation at 31 December 2013 was 2.8% (3.2%). The parent company prepares its financial reports in compliance with the regulations of RFR 2 "Accounting for Legal Entities".

DEFERRED TAXES

In April 2005, Diös' original owners acquired a Group consisting of dormant limited companies. The aim of the acquisition was to create a basis for the formation of the new real estate company. The only assets of the acquired companies at the time of acquisition were approximately SEK 40 million in cash and, according to the 2005 income tax returns, approximately SEK 1,026 million in unused tax losses carried forward.

The reported deferred tax liability was SEK -655 million (-593) on 31 December 2013. The value of the deferred tax liability will be assessed at the end of each accounting period and, if necessary, revaluation will be carried out.

Diös' reported temporary differences, i.e. the properties' fair values less tax residual values, amounted to SEK 3,302 million on 31 December 2013. At a tax rate of 22.0%, deferred tax liability relating to temporary differences was SEK 726 million.

Diös' tax losses carried forward on 31 December 2013 are estimated at SEK 424 million. At a tax rate of 22.0%, deferred tax asset relating to tax losses carried forward was SEK 93 million, which in Diös' financial statements has been offset against deferred tax liability. Other deferred tax liability on 31 December was SEK 22 million.

The change since 31 December 2012 is attributable to a SEK 31 million deferred tax asset decrease and a SEK 29 million increase in deferred tax on temporary differences. Other changes are attributable to a SEK 2 million increase in other deferred tax liabilities.

The reporting of taxes complies with the reporting standards but it should be noted that the amount of tax paid over the period generally differs from that reported. Tax regulations are also complex and difficult to interpret. Application of the reporting standards may also change over time; refer to the description of tax matters in Norrvidden.

TAX MATTERS IN NORRVIDDEN

In the autumn of 2011, the Swedish Tax Agency made a request to the Administrative Court for the law on tax evasion to be applied to Norrvidden Norrland AB regarding the sale of properties packaged in limited partnerships. The Administrative Court announced on 16 October 2013 that it approves the request of the Swedish Tax Agency for the law on tax evasion to be applied to Norrvidden Norrland AB regarding the sale of properties packaged in limited partnerships. The ruling means a SEK 246 million increase in Norrvidden Norrland AB's tax revenues for the 2006 fiscal year, which increases the tax expense amount, including charges, to SEK 79 million. The matter is regulated in the transfer agreement for Norrvidden entered into between the buyer and seller, under which the seller is solely liable for subsequent taxes and costs related to the above transactions, which means that it does not have an impact on Diös' income.

PRINCIPAL RISKS AND UNCERTAINTIES

Diös Fastigheter's principal risks and uncertainties are described in the 2012 Annual Report on pages 25 to 27. Apart from the following, there have not been any substantial changes to Diös' risks and uncertainties.

At its monetary policy meeting on 12 February, the central bank of Sweden (Riksbanken) resolved to keep the repo rate at the current level of 0.75% and to leave the repo rate path unchanged in order to suppress the low inflationary pressure. The assessment of the central bank of Sweden (Riksbanken) is that the repo rate will remain at 0.75% until the beginning of 2015. This contributes to a continuation of low funding costs for companies and households in Sweden.

According to the National Institute of Economic Research's latest forecast, the economy began an upward swing at the end of 2013. Rising confidence among consumers and businesses in Sweden and our closest markets indicate that GDP is expanding. The low resource consumption in the global economy is keeping inflation down and the central banks are pursuing a policy of extremely low key interest rates to spur economic growth. Unemployment in Sweden is expected to fall in 2014 from 8.0% to 7.7%. This will occur gradually as there are a lot of vacant resources within companies.

Thanks to Sweden's strong public finances, healthy Swedish banks and a growing domestic GDP, the prospects for growth in our markets are considered to be good. As our real estate operations continue to generate strong cash flows, we are seeing a stabilisation of the yield levels in the market valuation of our properties and our property values. These combined factors should strengthen the real estate class of assets.

RELATED PARTY TRANSACTIONS

There were no significant related party transactions in the period.

ACCOUNTING POLICIES

Diös complies with the EU approved IFRS standards and interpretations of these (IFRIC). This Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act. The report for the parent company has been prepared in accordance with RFR 2, Accounting for Legal Entities and the Swedish Annual Accounts Act. The accounting policies applied in the interim report are consistent with the accounting policies applied when preparing the consolidated financial statements and Annual Report for 2012, Note 1, with the exception of the following new and amended standards.

RFR 2 Reporting for Legal Entities

An amendment to RFR 2 means that the accounting policy for Group contributions is different from 2013. Under the revised standard, Group contributions received are reported as financial income and Group contributions paid are reported as an increase in interests in Group companies.

IAS 1 Presentation of Financial Statements.

An amendment to IAS 1, with effect as of 2013, requires disclosures of other comprehensive income as items that will be transferred to the income statement and items that will not be transferred to the income statement.

Diös' application of the amended IAS 1 standard is presented in the consolidated income statement.

IAS 19 Employee benefits

The amended IAS 19 (IAS 19R) standard is to be adopted as of 1 January 2013.

The amendments to IAS 19 affect the reporting of termination benefits. However, this has not had any effect on Diös' financial statements.

IFRS 13 Fair Value Measurement

The new IFRS 13 standard is used when measuring the fair value of both financial and non-financial items. It supersedes previous guidance in the standard with regard to fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date ("the exit price"). IFRS 13 is to be applied prospectively starting with the financial statements for 2013. The adoption of IFRS 13 has not had any effect on the Group's financial position or performance with regard to valuation of the Group's investment properties or financial instruments. IFRS 13 requires additional quantitative and descriptive disclosures in the Annual Report about fair value measurements. IAS 34 Interim Financial Reporting has also been updated as a result of the disclosure requirements in IFRS 13. IAS 34 requires interim reports from 2013 onwards to include specific disclosures about financial instruments that have been recognised at fair value. The amendment to IAS 34 also requires disclosures to be made in the interim

report about the fair value of financial instruments that have been recognised at amortised cost.

Financial instruments are measured at fair value on three different levels.

1: Measurement is based on quoted prices in an active market for identical assets and liabilities.

2: Measurement is mainly based on observable market data for the asset or liability.

3: Measurement is mainly based on the entity's own assumptions.

All of Diös' financial instruments are measured in accordance with Level 2 and on 31 December 2013 totalled SEK -107 million. The fair values of derivative instruments are determined using discounted future cash flows, with quoted market rates for the term of each instrument. The future cash flows of the derivative portfolio are calculated as the difference between the fixed rate agreed by the respective derivative contracts and the implied STIBOR reference rate for each period. The present value of the consequential interest flows are determined using the implied STIBOR curve. The option component of the callable swaps in the portfolio has not been assigned a value, as cancellation does not have an impact on Diös' income. The issuer decides whether to cancel the swap or not.

The reported value of financial instruments recognised at amortised cost is consistent with the fair value on 31 December 2013.

IFRS 7 Financial Instruments: Disclosures

The amendments to IFRS 7 require additional disclosures to be made with regard to offsetting financial assets and financial liabilities. Diös has interest rate swaps that are reported gross in the balance sheet amounting to SEK -107 million (-175). These swaps are covered by netting agreements.

Other new or revised IFRS standards and IFRIC interpretations that became effective on 1 January 2013 have not had a material impact on the financial statements of the Group.

An industry adaptation of the presentation in the financial statements of the property management income was carried out for the Group in 2013.

¹ Annual Report 2012 is available at www.dios.se

DIVIDEND POLICY

In the long-term, Diös will transfer at least 50% of the profit after taxation to its shareholders through dividends or the repurchase of shares.

EVENTS AFTER THE REPORTING DATE

There have been no significant events since the reporting date.

The Board of Directors and the Managing Director declare that the financial statement gives a true and fair view of the operations, financial position and income of the company and the Group, and describes the principal risks and uncertainties faced by the company and the Group's companies.

This financial statement has not been subject to review by the Company's auditor.

Financial reports can be viewed in full on Diös' website www.dios.se

Östersund, 26 February 2014

Bob Persson
Chair

Thorsten Åsbjer
Board member

Gustaf Hermelin
Board member

Tomas Mellberg
Board member
Employee representative

Ragnhild Backman
Board member

Anders Bengtsson
Board member

Christer Sundin
Managing Director

Maud Olofsson
Board member



CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME, SEK MILLION

	2013 3 months Oct-Dec	2012 3 months Oct-Dec	2013 12 months Jan-Dec	2012 12 months Jan-Dec
INCOME STATEMENT				
Rental income & other property management income	327	338	1,307	1,331
Property costs	-151	-150	-569	-565
Operating surplus	176	189	738	766
Central administration	-16	-18	-58	-60
Restructuring costs ¹	-5	-16	-26	-38
Net finance income/expense	-75	-75	-300	-329
Property management income	79	79	354	340
Value movement on properties	32	126	-24	189
Value movement on interest-rate derivatives	-29	-20	68	-76
Profit before tax	82	185	398	452
Current tax	-2	-2	-15	-6
Deferred tax	1	63	-62	-14
Profit after tax	81	246	321	432
Profit attributable to shareholders of the parent	82	244	323	429
Profit attributable to non-controlling interests	-1	2	-2	3
Total	81	246	321	432
STATEMENT OF COMPREHENSIVE INCOME				
Profit after tax	81	246	321	432
Items to be transferred to the income statement				
Hedging reserve/reclassified to income statement	-	-	-	12
Comprehensive income for the period	81	246	321	444
Comprehensive income attributable to shareholders of the parent	82	244	323	440
Comprehensive income attributable to non-controlling interests	-1	2	-2	3
Total	81	246	321	444
Profit per share after tax, SEK	1.10	3.27	4.32	5.73
Number of shares at end of period (thousands)	74,729	74,729	74,729	74,729
Average number of shares (thousands)	74,729	74,729	74,729	74,729

¹ Costs related directly to integration and reorganisation as a result of the acquisition of Norrvidden. Restructuring includes costs for reorganisation and move of head office operations to Östersund. These costs will not carry through to 2014.

CONDENSED CONSOLIDATED BALANCE SHEET, SEK MILLION

	2013 31 Dec	2012 31 Dec
ASSETS		
Fixed assets		
Investment properties	11,823	11,878
Other property, plant and equipment	7	12
Intangible fixed assets	4	-
Financial fixed assets	9	11
Total fixed assets	11,843	11,901
Current assets		
Current receivables	91	172
Cash and cash equivalents	121	120
Total current assets	212	292
TOTAL ASSETS	12,055	12,193
EQUITY AND LIABILITIES		
Shareholders' equity	3,235	3,086
Deferred tax liability	655	593
Non-current liabilities	7,666	7,895
Current liabilities	499	619
TOTAL LIABILITIES AND EQUITY	12,055	12,193

CONDENSED STATEMENT OF CHANGES IN EQUITY, SEK MILLION

	Shareholders' equity	Attributable to shareholders of the parent	Attributable to minority interests
Equity at 31 Dec 2011	2,725	2,707	18
<i>Hedging reserve/reclassified to income statement</i>	12	12	-
<i>Profit for the period after tax</i>	432	429	3
Comprehensive income for the period	444	440	3
Cash dividend	-82	-82	-
Share repurchases	-17	-17	-
Sale of own shares	17	17	-
Equity at 31 Dec 2012	3,086	3,065	21
<i>Profit for the period after tax</i>	321	323	-2
Comprehensive income for the period	321	323	-2
Cash dividend	-172	-172	-
Equity at 31 Dec 2013	3,235	3,216	19

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, SEK MILLION

	2013 3 months Oct-Dec	2012 3 months Oct-Dec	2013 12 months Jan-Dec	2012 12 months Jan-Dec
OPERATING ACTIVITIES				
Property management income	79	79	354	340
Adjustments for non-cash flow items	9	4	3	40
Tax paid	-2	-2	-15	-6
Operating cash flows before movements in working capital	86	81	342	374
Movements in working capital				
Decrease (+)/increase (-) in receivables	-6	52	72	8
Decrease (-)/increase (+) in current liabilities	28	1	-80	-69
Total movements in working capital	22	53	-8	-61
Operating cash flow	107	134	334	313
INVESTING ACTIVITIES				
Investment in financial fixed assets	-	-	2	-
Proceeds from sale of property, plant and equipment	76	1	309	26
Acquisition of intangible fixed assets	-2	-	-4	-
Purchases of property, plant and equipment	-99	-46	-239	-133
Investing cash flow	-25	-45	68	-107
FINANCING ACTIVITIES				
Dividends paid	-	-	-172	-82
Sale of own shares	-	17	-	-
Change in non-current liabilities	-58	-82	-229	-108
Financing cash flow	-58	-65	-401	-190
Cash flows for the period	24	24	1	16
Cash and cash equivalents at beginning of period	97	96	120	104
Cash and cash equivalents at end of period	121	120	121	120

	2013 3 months Oct-Dec	2012 3 months Oct-Dec	2013 12 months Jan-Dec	2012 12 months Jan-Dec
Return on equity, %	2.6	8.3	10.2	14.7
Equity/assets ratio, %	26.8	25.3	26.8	25.3
Loan-to-value ratio, properties, %	64.8	66.4	64.8	66.4
Interest coverage ratio, times	2.0	2.0	2.2	2.0
Equity per share, SEK	43.29	41.30	43.29	41.30
Cash flow per share, SEK	1.04	1.04	4.57	4.50
Number of properties at end of period	364	378	364	378
Leasable area at end of period, sq.m.	1,446,900	1,504,738	1,446,900	1,504,738
Market value of properties, SEK million	11,823	11,878	11,823	11,878
Rental value, SEK million	362	373	1,457	1,464
Economic occupancy rate, %	88.6	88.1	88.7	88.8
Direct return, %	1.5	1.6	6.2	6.5
Surplus ratio, %	54.7	57.4	57.1	58.9



CONDENSED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME OF THE PARENT COMPANY, SEK MILLION

	2013 12 months Jan-Dec	2012 12 months Jan-Dec
INCOME STATEMENT		
Net sales	105	12
Gross profit or loss	105	12
Central administration	-148	-53
Restructuring costs	-26	-17
Operating profit/loss	-69	-58
Finance income	230	163
Finance expense	-109	-104
Profit/loss after financial items	52	1
Current tax	-	-
Profit after tax	52	1
STATEMENT OF COMPREHENSIVE INCOME		
Profit after tax	52	1
Comprehensive income for the year	52	1

CONDENSED PARENT COMPANY BALANCE SHEET, SEK MILLION

	2013 31 Dec	2012 31 Dec
ASSETS		
Projects in progress	5	2
Machinery and equipment	1	1
Interests in Group companies	171	171
Non-current receivables from Group companies	3,341	3,384
Total fixed assets	3,518	3,558
Current receivables from Group companies	187	41
Other current receivables	10	36
Cash and cash equivalents	10	-
Total current assets	207	76
TOTAL ASSETS	3,725	3,634
EQUITY AND LIABILITIES		
Shareholders' equity	1,434	1,554
Non-current liabilities to credit institutions	1,476	1,485
Non-current liabilities to Group companies	710	415
Current liabilities to credit institutions	7	7
Current liabilities to Group companies	58	125
Overdraft facilities	-	27
Trade payables	7	5
Other current liabilities	33	16
Total current liabilities	105	180
TOTAL LIABILITIES AND EQUITY	3,725	3,634

DEFINITIONS

RETURN ON EQUITY

Profit for the period in relation to average equity. Average equity is calculated as the sum of the opening and closing balance divided by two.

EQUITY/ASSETS

Equity divided by total assets at the end of the period.

LOAN-TO-VALUE RATIO, PROPERTIES

Interest-bearing and other liabilities relating to properties divided by the book value at the end of the period.

INTEREST COVERAGE RATIO

Profit after financial items, excluding unrealised gains or losses, plus finance expense, in relation to finance expense during the period.

EARNINGS PER SHARE

The profit for the period after taxation, attributable to shareholders, divided by the average number of shares.

EQUITY PER SHARE

Equity at the end of the period divided by the number of shares outstanding at the end of the period.

CASH FLOW PER SHARE

Profit before taxation, adjusted for unrealised gains or losses, plus depreciation less current tax divided by the average number of shares.

AVERAGE NUMBER OF SHARES

Number of shares outstanding at the beginning of the period, adjusted by the number of shares issued or withdrawn during the period weighted by the number of days that the shares were outstanding in relation to the total number of days in the period.

NUMBER OF SHARES AT END OF PERIOD

Actual number of shares outstanding at the end of the period.

RENTAL VALUE

Rent at the end of the period plus estimated market rent for unoccupied floor space.

ECONOMIC OCCUPANCY RATE

The rental income for the period divided by the rental value at the end of the period.

RENTAL INCOME

Rents invoiced for the period minus rent losses and rent discounts.

DIRECT RETURN

Operating surplus for the period divided by the properties' market value at the end of the period.

SURPLUS RATIO

Operating surplus for the period divided by the rental income for the period.

PROFIT FROM IMPROVEMENTS

Sale price minus capital invested.

CALENDAR

Annual General Meeting 2014	28th April 2014
Q1 Interim report January-March 2014	29th April 2014
Q2 Interim report January-June 2014	7th July 2014
Q3 Interim report January-September 2014	24th October 2014

LIST OF PROPERTY SALES JANUARY - DECEMBER 2013

Property	Market area	Municipality	Category	Area, sq.m.
Quarter 1				
Muttern 3	Västerbotten	Skellefteå	Industrial/warehouse	920
Mercurius 5	Västernorrland	Sundsvall	Offices	578
Mercurius 11	Västernorrland	Sundsvall	Residential	3,006
Mercurius 12	Västernorrland	Sundsvall	Residential	3,366
Minerva 4	Västernorrland	Sundsvall	Offices	3,334
Minerva 6	Västernorrland	Sundsvall	Residential	3,072
Bacchus 10	Västernorrland	Sundsvall	Shops	3,508
Property sales January - March				17,784
Quarter 2				
Gällivare 12:334	Norrbottn	Gällivare	Industrial/office	14,701
Sprinten 6	Jämtland	Östersund	Land	0
Property sales April - June				14,701
Quarter 3				
Gruvfogden 1	Västerbotten	Skellefteå	Industrial/warehouse	785
Mars 2	Västernorrland	Sundsvall	Offices	4,517
Kompaniet 1	Västernorrland	Sundsvall	Industrial/warehouse	1,558
Property sales July - September				6,860
Quarter 4				
Björneborg 10.12	Västernorrland	Sundsvall	Offices, Industrial/ warehouse	5,299
Sköns Prästbord 1:58	Västernorrland	Sundsvall	Offices, Industrial/ warehouse	3,306
Banken 11	Västernorrland	Härnösand	Residential	1,236
Städet 8, 17	Västernorrland	Härnösand	Residential	3,252
Svartön 18:28	Norrbottn	Luleå	Industrial/warehouse	2,567
Total property sales October - December				15,660
Total property sales January - December				55,005



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