

Diös

14

DIÖS FASTIGHETER **ANNUAL REPORT 2014**



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ANNUAL GENERAL MEETING 2015

The Annual General Meeting of shareholders of Diös Fastigheter AB (publ) will be held at 1 p.m. on Wednesday 22 April 2015 at the company's head office, Ringvägen 4, Östersund, Sweden. Lunch will be offered at 12 p.m. Registration begins at 11:30 a.m.

Shareholders wishing to attend the Annual General Meeting must:

- Be registered in the share register maintained by Euroclear Sweden AB on Thursday 16 April 2015.
- Notify the company of their intention to attend the Annual General Meeting no later than 12.00 p.m. on Thursday 16 April 2015.

Shareholders may notify the company of their intention to attend by regular mail to Diös Fastigheter AB, Box 188, SE-831 22 Östersund, Sweden, or by calling +46 (0)770-33 22 00 or on the company's website, www.dios.se. When giving notice of attendance, shareholders should state their name and personal identity number (date of birth) or company registration number, address and phone number, their shareholding and the names of any proxies. Shareholders whose shares are registered in the name of a nominee must temporarily register their shares in their own name with Euroclear Sweden AB in good time to ensure that the shares are registered by Thursday 16 April 2015. Such request to register shares with Euroclear Sweden AB must be made well in advance of this date. If a proxy is to attend the meeting, the authorisation documents must be sent to the company together with the notification of attendance. Proxies for shareholders must produce a signed and dated power of attorney at the Annual General Meeting. The document must not be more than one (1) year old. If the appointer is a legal entity, a registration certificate or other document which indicates the signatory's authorisation must be presented. The Board of Directors proposes a dividend of SEK 2.85 per share. The record date for the right to receive a dividend is Friday 24 April 2015. Subject to the approval of the Annual General Meeting, the dividend will be paid by Euroclear Sweden AB on Wednesday 29 April 2015.

The Nominating Committee's proposals:

- The Nominating Committee proposes that Bob Persson be re-appointed as Chairman of the Board and that the existing Board members Anders Bengtsson, Maud Olofsson, Ragnhild Backman and Svante Paulsson be re-elected.
- The Nominating Committee proposes that Bob Persson be appointed to chair the AGM.
- The Nominating Committee proposes that Deloitte be re-appointed as auditors for the company with Svante Forsberg as chief auditor.

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> Daniel Viklund, caretaker, Sundsvall.

ANNUAL RESULTS

AT A GLANCE

> Total revenues were SEK 1,312 million (1,307)

Rental income was SEK 1,291 million (1,292), representing an economic occupancy rate of 89.2 per cent (88.7). Rental income accounts for 98 per cent of revenues.

> The operating surplus was SEK 762 million (738)

The operating surplus increased on the back of higher revenues, despite net sales of properties and reduced property costs due to a mild winter.

> Property management income increased to SEK 421 million (354)

Property management income equated to SEK 5.6 per share (4.6) and was positively affected by falling funding costs, structural costs and operating costs.

> Changes in the value of properties were SEK 62 million (-24)

Total unrealised changes in value were SEK 47 million (-35) while realised changes in value totalled SEK 15 million (11). The property portfolio had a total value of SEK 12,200 million (11,823).

> Changes in the value of derivatives were SEK -91 million (68)

All changes in value are unrealised. The company's derivatives had a value of SEK -198 million (-107).

> The profit for the year was SEK 302 million (321)

Earnings per share were SEK 4.0 (4.3).

> Financial key ratios improved

The equity ratio increased to 27.3 per cent (26.8), the interest coverage ratio increased to 2.5 times (2.2) and the loan-to-value ratio declined to 62.9 per cent (64.8).

> The Board proposes a dividend of SEK 2.85 per share (2.30)

The proposed dividend is equal to 50 per cent of the profit excluding unrealised changes in value and deferred tax.

FIVE-YEAR SUMMARY

	2014	2013	2012	2011 ³	2010
Revenue, SEKm	1,312	1,307	1,331	601	499
Operating surplus, SEKm	762	738	766	327	286
Property management income, SEKm	421	354	340	132	128
Profit for the year, SEKm	302	321	432	177	234
Surplus ratio, %	59.0	57.1	58.9	55.8	58.8
Return on equity, %	9.0	10.2	14.7	8.6	17.2
Economic occupancy rate, %	89.2	88.7	88.8	89.6	90.5
Equity ratio, %	27.3	26.8	25.3	22.9	28.3
Loan-to-value ratio, properties, %	62.9	64.8	66.4	69.2	69.9
Average interest rate at year-end, % ¹	2.8	3.6	3.8	4.2	3.8
Interest coverage ratio, times	2.5	2.2	2.0	1.9	2
Property management income per share, SEK	5.6	4.7	4.6	3.3	3.8
Earnings per share, SEK	4.0	4.3	5.7	4.6	6.7
Dividend per share, SEK	2.85 ²	2.30	2.30	1.10	1.75
Equity per share, SEK	45.0	43.3	41.3	36.5	40.6
Earnings per share, SEK	57.8	45.6	35.0	28.5	37.6

¹ Includes expenses relating to commitment fees and derivatives.

² The Board of Directors' proposal.

³ Diös acquired the operations of Norrvärdster Fastigheter AB with effect from 30 December 2011. The acquisition has not affected the income statement for 2011 but is included in total assets in the balance sheet, which also affects certain key ratios.

SIGNIFICANT EVENTS *BY QUARTER*

> Q1

- > Improved property management income and lower property costs.
- > Knut Rost is appointed CEO after Christer Sundin goes into retirement.
- > Increased focus on efficiencies and improved profitability.

> Q3

- > A higher surplus ratio and improved surplus ratio thanks to energy-saving measures and efficiencies in the management of properties.
- > Major leases are signed with Swedbank in Östersund, the County Administrative Board of Dalarna and the Municipality of Östersund.
- > A review of the Group's capital structure and terms is initiated with the aim of reducing the risk exposure and cutting costs.
- > The portfolio is further concentrated through the sale of three properties in peripheral locations in Gävle, Svea and Sollefteå.

> Q2

- > Net sales of SEK 20 million in the first half.
- > Fire in a residential property in Östersund.
- > A Property Director and Director of Communications are appointed and a new senior management team is formed: Knut Rost CEO, Rolf Larsson CFO, Kristina Grahn-Persson HR Director, Lars-Göran Dahl Property Director and Karin Falkeström Director of Communications.
- > Diös strengthens its position in Mora through the acquisition of a centrally located retail property.
- > The sale of an industrial property in Sundsvall and two residential properties in Lit outside Östersund increase the concentration of the portfolio.

> Q4

- > The net change in the value of the properties was SEK 79 million.
- > Switch to exclusive use of renewable electricity.
- > Improved employee satisfaction and customer satisfaction indexes.
- > A decision to introduce a new organisational structure with a stronger emphasis on lettings activities and customer relations is taken.
- > A residential property in Östersund is sold to a tenant-owner's association.



➤ Johanna Persson, Energy Technician, and Lars-Göran Andersson Bång, Energy Optimiser, Östersund.

SUMMARY OF QUARTERLY RESULTS

	31/03/2014	30/06/2014	30/09/2014	31/12/2014	31/03/2013	30/06/2013	30/09/2013	31/12/2013
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue, SEKm	328	331	324	329	331	326	324	327
Operating surplus, SEKm	178	198	201	184	164	202	197	176
Property management income, SEKm	93	114	117	97	72	102	102	79
Profit for the period, SEKm	44	41	92	126	79	88	72	81
Surplus ratio, %	55.4	60.6	62.8	57.2	50.6	63.1	60.2	54.7
Return on equity, %	1.4	1.3	2.6	3.9	2.5	2.8	2.3	2.6
Economic occupancy rate, %	89.3	89.6	88.8	89.0	88.5	88.7	88.9	88.6
Equity ratio, %	27.0	26.6	26.6	27.3	26.5	25.8	26.4	26.8
Loan-to-value ratio, properties, %	64.4	63.9	63.2	62.9	66.4	66.3	65.7	64.8
Average interest rate at end of period, % ¹	3.6	3.6	3.4	2.8	3.8	3.8	3.8	3.6
Interest coverage ratio, times	2.3	2.6	2.7	2.4	1.9	2.4	2.3	2.0
Property management income per share, SEK	1.3	1.5	1.6	1.3	1.0	1.4	1.4	1.1
Earnings per share, SEK	0.6	0.5	1.1	1.7	1.1	1.2	1.0	1.1
Equity per share, SEK	43.9	42.1	43.4	45.0	42.4	41.2	42.2	43.3
Earnings per share, SEK	53.8	58.5	53.3	57.8	40.4	37.4	40.4	45.6

¹ Includes expenses relating to commitment fees and derivatives.



KNUT ROST, CEO

THE RIGHT FOCUS YIELDS RESULTS

Another eventful year has passed. With an increased focus on more efficient property management – geographically, financially and technologically – we have further strengthened our market position.

2014 proved an eventful year for Diös Fastigheter. We received a new CEO, recruited a Property Director and a Director of Communications, and appointed a new senior management team. We launched a new vision and reviewed our business concept. We implemented changes in our internal structure to enable a more efficient focus on net leasing and the surplus ratio. We renamed our market areas business areas. We also drew up concrete action plans for how to improve the well-being of our tenants and employees.

THE FOUNDATION FOR CONTINUED GROWTH HAS BEEN LAID

Operationally, we performed well thanks to good cost control and a focus on monitoring our key ratios. Our property management income was SEK 421 million (354) while the value of our properties increased by SEK 62 million (-24). Having created a new capital structure with improved terms, better cash flow and a lower risk exposure, we have now laid the foundation for continued growth through lower costs.

Amid low interest rates, a rising property index on the stock market and record transaction levels, the Swedish property market as a whole has had a good year. Interest in investing in property has increased both domestically and from foreign investors. The number of shareholders of Diös Fastigheter increased by 22 per cent and at year-end 13 per cent of the company was

owned by foreign-based shareholders. The Board of Directors of Diös Fastigheter proposes a dividend of SEK 2.85 per share, which is an increase of 24 per cent.

CLEAR OBJECTIVES FOR VALUE-CREATING PROPERTY MANAGEMENT

For Diös Fastigheter the year was marked by a focus on efficient property management. Ever since the company's establishment we have focused on growth through acquisitions. The strategy has taken us to the position we have today as one of the dominant property owners in our local markets. There are obvious benefits in being big, but only if we also have the ambition of being best. That's why we put a lot of energy into clarifying our objectives in 2014. Objectives which point towards an increased surplus ratio and net leasing, more satisfied employees and tenants, and long-term sustainable solutions for energy efficiencies. That's what we call value-creating property management.

Our efforts show that we are on the right path. Our property management income for the year was SEK 421 million (354). Net leasing increased to SEK 29 million (6) and the surplus ratio increased to 59 per cent (57.1). Our employee satisfaction index as well as our customer satisfaction index are moving in the right direction, although we are still far from satisfied with the results. We initiated a much greater number of energy efficiency projects than in previous years, which has taken us closer to our long-term target of a five per cent annual reduction in energy use. This year the result was a reduction of -4.3 per cent.

CONTINUED REVIEW OF THE PROPERTY PORTFOLIO

A key element of our value-creating property management strategy is to concentrate our portfolio of properties. By increasing the density of properties in our priority markets, we

improve our opportunities to exploit economies of scale and strengthen our profile as important contributor to the local community. We believe in northern Sweden and want to play an active role in helping to increase the attractiveness and thereby also the growth of our local markets.

Together with other local players, we want to create areas where people want to live, work and develop. This means that we will continue to follow our adopted strategy: to sell properties which no longer meet the criteria for our portfolio or properties which we no longer deem to have sufficient development potential, to acquire properties that will strengthen our position and enable us to implement efficiencies in our property management activities, and, last but not least, to make improvements to our existing properties in those locations where demand is strongest.

TOGETHER WE WILL TAKE ON THE CHALLENGE

2015 is an anniversary year. We are celebrating our 10th anniversary. Together with our tenants, we will continue to strengthen our position in northern Sweden's property market. Developing in a market that a growing number of property players are discovering the benefits of is a tantalising challenge where we continually need to raise our targets and up our game. We need to get better at listening to and responding to potential and existing tenants' wishes, requirements and knowledge. We do so by developing our employees and creating the right framework for their activities. With the stable foundation that we have laid and that we continue to work on, we are moving towards our vision of becoming the most active and sought-after landlord in our market.

I would like to say a heartfelt thank you all our employees, tenants and partners for our work together in 2014.



SHARE INFORMATION AND SHAREHOLDERS

Interest in Diös Fastigheters' shares continued to grow in 2014. The share of foreign-owned shares increased to 13 per cent.

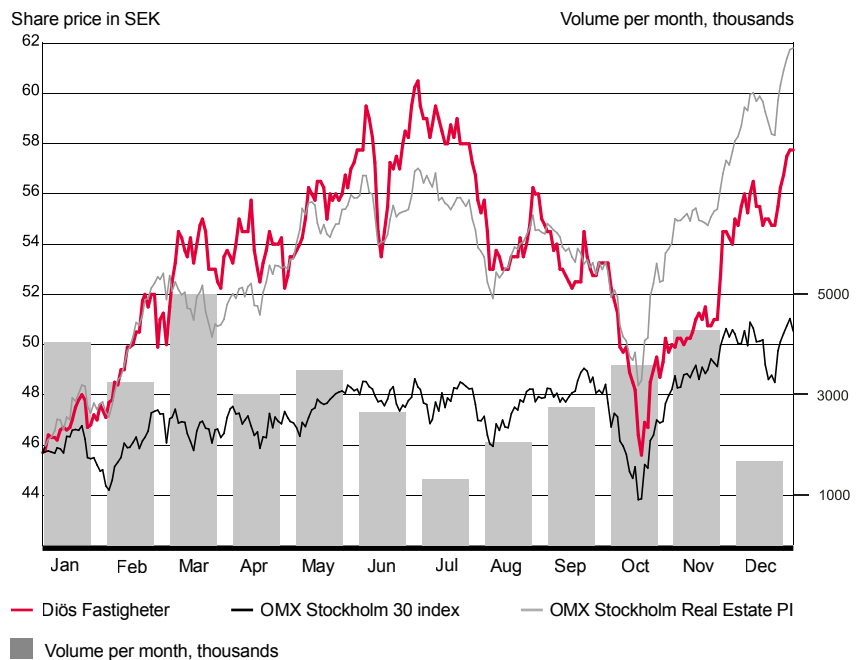
SHAREHOLDERS

At year-end 2014 Diös had 6,759 shareholders (5,524). The share of foreign-owned shares increased significantly to 13 per cent. 87 per cent (93) of shares were in Swedish hands. The largest single shareholder was AB Persson Invest with a 15.4 per cent shareholding. The ten largest shareholders accounted for 63.6 per cent (64.6) of the shares and votes. During the year Sweden's Fourth AP Fund entered Diös as one of the ten largest shareholders.

SHARE PRICE PERFORMANCE

Diös Fastigheters' shares gained 26.4 per cent over the year (28.5). Over the same period the Stockholm Stock Exchange, as measured by the Nasdaq OMX Stockholm 30 index, gained 10.6 per cent (18.0) and the Nasdaq OMX Real Estate PI index 35.3 per cent (18.9). The share price at year-end was SEK 57.8 (45.6), representing a market capitalisation of SEK 4,316 million (3,408). The highest price paid in 2014 was SEK 61.3 (46.0) and the lowest price paid SEK 44.0

DIÖS SHARE PRICE PERFORMANCE 2014



(35.0). The total trading volume in 2014 was 38 million shares (52). This represented 152,828 shares per trading day (209,938).

SHARES AND SHARE CAPITAL

Diös Fastigheter was listed on the Small Cap list of the Nasdaq OMX Stockholm exchange

in May 2006. In January 2012 the shares were moved to the Mid Cap list. The ticker symbol is DIOS and the ISIN code SE0001634262. The share capital is SEK 149,457,668. The total number of shares is 74,729,134 and the shares have a face value of SEK 2. All shares give equal rights in the company.

LARGEST SHAREHOLDERS

Shareholder	No. of shares	Capital and votes, %	Change 12 mths, % points
AB Persson Invest	11,499,691	15.4	0.0
Brinova Inter AB	7,830,754	10.5	-1.5
Bengtssons Tidnings Aktiebolag	7,518,222	10.1	0.0
Länsförsäkringar Fondförvaltning AB	7,135,625	9.6	2.1
Pensionskassan SHB Försäkringsförening	4,498,239	6.0	0.0
Försäkringsaktiebolaget, Avanza Pension	2,303,201	3.1	0.5
Länsförsäkringar Jämtland	2,000,002	2.7	0.0
SEB Investment Management	1,607,322	2.2	-0.1
Ralf Ekblad	1,600,000	2.1	0.0
Fourth AP Fund	1,562,994	2.1	2.1
Total, largest shareholders	47,556,050	63.6	3.1
Other shareholders	27,173,084	36.4	-3.1
TOTAL	74,729,134	100.0	0.0



SHARE BUYBACKS

The 2014 AGM authorised the company to buy back shares of the company, subject to a limit of 10 per cent of all outstanding shares. No share buybacks were made during the year.

DIVIDEND POLICY AND DIVIDEND

Under its adopted dividend policy, the company aims to transfer, on a long-term basis, at least 50 per cent its profit after tax, excluding unrealised changes in value and deferred tax, to shareholders in the form of dividends. The Board proposes a dividend of SEK 2.85 (2.30) per share for the 2014 financial year. This means that 50 per cent (53) of the profit, excluding unrealised changes in value and deferred tax, or SEK 213 million (172), will be distributed to the shareholders. A resolution on the dividend payment will be taken by the Annual General Meeting on 22 April 2015.

RETURN

Diös Fastigheter's target is to generate a return on equity in excess of the risk-free rate plus 6 percentage points. In 2014 the company exceeded its target return of 6.9 per cent, achieving a return of 9.0 per cent. The proposed dividend for the financial year 2014, SEK 2.85 (2.30) per share, to be paid

in spring 2015, represents a yield of 4.9 per cent (5.0). In 2014 the total return on the stock, including a dividend of 5.0 per cent (6.6), was 31.8 per cent (36.9).

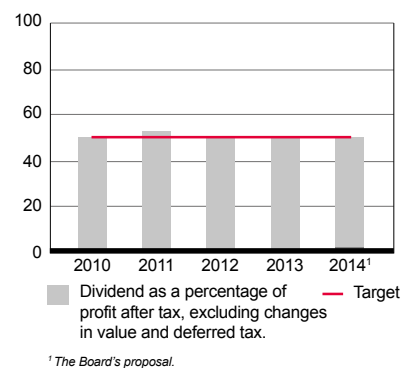
CONTACTS WITH ANALYSTS AND INVESTORS

Diös Fastigheter seeks to maintain regular contact with its shareholders, potential investors and analysts. It does so partly by presenting the company at capital market days, seminars, networking events, and at meetings with individual analysts and shareholders. In 2014 the company took part in investor meetings in Sweden and Amsterdam, and at capital market days in Åre and Båstad. The number of analysts monitoring Diös Fastigheter at year-end was 5 (5). All press releases, interim reports and annual reports are published on the company's external website and distributed to registered stakeholders.

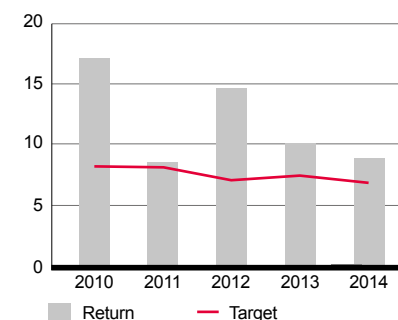
NET ASSET VALUE PER SHARE

At 31 December 2014 shareholders' equity per share was SEK 45.0 (43.3). At the same date the share price was SEK 57.8 (45.6). The shares were thus trading at a premium to NAV of 28 per cent (5). Equity per share, adjusted for the effects of the valuation of derivatives and deferred tax (NAV), was SEK 56.2 (52.1).

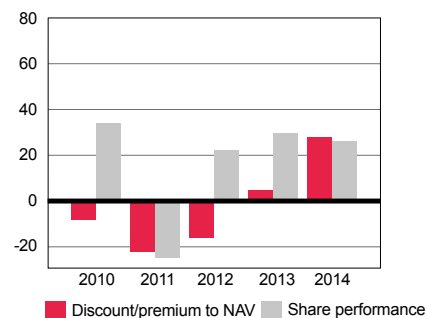
DIVIDEND PAYOUT RATIO, %



RETURN ON EQUITY, %



DISCOUNT/PREMIUM TO NAV AND SHARE PERFORMANCE, %



SHAREHOLDINGS BY SIZE

Shareholding	No. of shareholders	No. of shares	Shareholding, %	Votes, %	Market value, SEKm
1-500	3,882	727,328	1.0	1.0	42
501-1,000	1,149	984,983	1.3	1.3	57
1,001-5,000	1,291	3,048,301	4.1	4.1	176
5,001-10,000	187	1,412,293	1.9	1.9	82
10,001-15,000	53	676,336	0.9	0.9	39
15,001-20,000	36	655,259	0.9	0.9	38
20,001/-	161	67,224,634	90.0	90.0	3,882
TOTAL	6,759	74,729,134	100.0	100.0	4,316

SHARE CAPITAL HISTORY

Date	Event	Increase in number of shares	Increase in share capital, SEK	Total number of shares	Total share capital, SEK	Face value, SEK
1 Jan 2005	At the start of the period	-	-	10,000	100,000	10.00
21 Jun 2005	Split	990,000	-	1,000,000	100,000	0.10
21 Jun 2005	New issue	1,489,903	148,990	2,489,903	248,990	0.10
14 Sep 2005	Non-cash issue	1,503,760	150,376	3,993,663	399,366	0.10
2 Jan 2006	Bonus issue	-	39,537,264	3,993,663	39,936,630	10.00
2 Jan 2006	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 Jul 2006	Non-cash issue	5,000,000	10,000,000	33,301,715	66,603,430	2.00
19 Apr 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 issue	3,285,466	6,570,332	37,353,160	74,705,720	2.00
17 Dec 2010	New issue	11,407	22,814	37,364,567	74,728,534	2.00
5 Dec 2011	New issue	22,854,136	45,708,272	60,218,703	120,436,806	2.00
14 Dec 2011	New issue	14,510,431	29,020,862	74,729,134	149,457,668	2.00

DATA PER SHARE

	2014	2013	2012	2011	2010
Share price at 31 Dec, SEK	57.8	45.6	35.00	28.50	37.56
Market value of outstanding shares, SEKm	4,316	3,408	2,616	2,130	1,403
Equity per share, SEK	45.0	43.3	41.3	36.5	40.6
Property management income per share, SEK	5.6	4.7	4.6	3.3	3.8
Earnings per share, SEK	4.0	4.3	5.7	4.6	6.7
Dividend per share, kr ¹	2.85	2.30	2.30	1.10	1.75
Payout ratio ² , %	50	49	50	53	51
Dividend yield, %	4.9	5.0	6.6	3.9	4.7
Total return, %	31.8	36.9	26.7	-19.5	40.4
Number of registered shares, millions	74.7	74.7	74.7	74.7	37.4
Number of outstanding shares, millions	74.7	74.7	74.7	74.7	37.4
Number of repurchased shares, millions	-	-	-	-	-
Average number of shares, millions	74.7	74.7	74.7	39.8	34.1

¹ The Board's proposal.

² Profit after tax, excluding unrealised changes in value and deferred tax.

A woman with dark hair, smiling, wearing a white lab coat over a dark purple top. She is standing in a pharmacy aisle with shelves of products in the background. The text "SUSTAINABILITY AND STRATEGY" is overlaid in large, bold, black letters.

SUSTAINABILITY AND STRATEGY

> The tenant Jasmine Olbrant, Apoteket in Galleria Kärnan, Månadsmötet 8, Östersund.

STRATEGIC FOCUS

Diös Fastigheter is one of northern Sweden's market-leading private property companies. The company offers centrally located commercial and residential premises in locations with positive demographic, employment and earnings growth, primarily in university cities and regional centres. In terms of value, Gävle, Sundsvall and Östersund are the largest localities in the portfolio. Diös Fastigheter creates value for tenants and shareholders through efficient management and development of attractive premises in living city centres.

SUSTAINABILITY STRATEGY

In 2014 Diös Fastigheter reviewed its vision and business concept with the aim of clarifying the company's strategic focus. In dialogue with customers, employees, investors, business partners and the Board of Directors, we have defined the company's targets and target monitoring activities. The targets define how we will operate responsibly and sustainably to create long-term value with a focus on the tenant. By taking a long-term approach centred on sustainability, Diös Fastigheter is aiming to reduce the company's environmental impact and build a good foundation for our tenants and employees' well-being and development.

➤ VISION

To be the most active and sought-after landlord in our market.

➤ BUSINESS CONCEPT

To own and develop commercial and residential properties in priority growth cities from locally based offices.

We create long-term values with a focus on the tenant by operating in a responsible and sustainable manner.

➤ BUSINESS MODEL

- **PROPERTY MANAGEMENT:** Diös Fastigheter creates added value for its tenants and shareholders through efficient property management, long-term relations with our tenants that are based on trust, a proactive approach, courtesy and clear contact paths.
- **PROPERTY DEVELOPMENT:** Diös Fastigheter creates added value for tenants and shareholders through value-creating development of its property portfolio with a focus on tenant requirements, commercial benefits and energy efficiencies.
- **TRANSACTIONS:** Diös Fastigheter creates added value for tenants and shareholders by acquiring properties or entire portfolios of properties which strengthen the company's market position and create economies of scale, and by selling properties which no longer meet the criteria for the company's portfolio.
- **FUNDING:** Diös Fastigheter creates added value for its shareholders by lowering its cost of capital and reducing its refinancing and interest rate risk through refinancing.

TARGET

OPERATIONAL TARGETS	OUTCOME 2013	TARGET 2014	OUTCOME 2014	TARGET 2015
Economic occupancy rate	88.7 per cent	90 per cent	89.2 per cent	90 per cent
Surplus ratio	57.1 per cent	60 per cent	59 per cent	60 per cent
Energy use	-4.3 per cent	-5 per cent	-4.3	-5 per cent
Employee satisfaction index	65	63	70	73
Customer satisfaction index	56	63	57	63

FINANCIAL TARGET 2014

The return on equity should exceed the risk-free interest rate by at least 6 percentage points. At least 50 per cent of the company's profit after tax, excluding unrealised changes in value and deferred tax, should be distributed to the shareholders in the form of dividends.

SUSTAINABILITY TARGETS	OUTCOME 2013	TARGET 2014	OUTCOME 2014	TARGET 2015
CO2 footprint from property operations ¹	-	-3 per cent	-2.5 per cent	-3 per cent
Number of new GreenBuilding-certified properties	-	-	-	10 properties
GRI sustainability reporting	-	-	-	Preparing for GRI G4 reporting, Core level
Environmental classification for new builds, where possible	-	-	Green building	Green building
Number of "Green leases"	-	-	2	When a new lease is concluded or an existing lease renegotiated the tenant should be offered to sign a "green lease".

¹ In 2015 Diös Fastigheter concluded a new power trading agreement that will cut our CO2 emissions by 85 per cent in the first year. Subsequently the target is an annual reduction of three per cent.



➤ Jenny Svensson, a property manager, with tenant Kenneth Johansson, ÅF at Lagret 4, Sundsvall.

ENVIRONMENT AND ENERGY



➤ Lars-Göran Andersson Bång, Energy Optimiser.

The search for smart solutions to reduce our operating and maintenance costs, and thus also Diös Fastigheters' environmental footprint, continued very successfully during the year. Apart from the switch to renewable electricity, energy consumption for electricity and heating was reduced by 4.3 per cent.

Lars-Göran Andersson Bång is leading Diös Fastigheters' search for energy-efficient solutions. Together with his team of energy and maintenance technicians, he helped to raise levels of skills and commitment in the day-to-day running of the business during the year. An effort that is aimed at finding smart solutions to existing as well as new installations.

IN 2013 THE ORGANISATION FOR ENERGY-RELATED ACTIVITIES WAS CHANGED. WHAT EFFECTS HAS THAT HAD?

➤ The organisation has established itself very well. Everyone now has a designated role, and

together we have developed common procedures for our energy projects. It is easy for everyone involved to follow the status of the projects, as all stages are documented and assessed against the defined targets on a monthly basis. One year after the start of a project we evaluate and report the results of the implemented measures.

DO WE HAVE PEOPLE WITH THE RIGHT SKILLS IN PLACE NOW?

➤ Definitely. The skills profiles of the energy technicians and maintenance technicians are well matched. To ensure that the company achieves its energy efficiency targets, we are completely dependent on having people with the right skills as well as clear mandates to handle our various areas of responsibility in an effective manner. With the right human resources in place and closer with people with other skills profiles, my perception is that the energy issue has received a higher status in the company.

DO YOU FEEL THAT IT IS EASY TO ATTRACT PEOPLE WITH THE RIGHT SKILLS?

➤ Yes. The roles are clear and attractive. Our new recruitments have been incredibly

successful and their expertise and drive is rubbing off on the rest of us. Finding people with skills profiles which increase the diversity of the team is a challenge, as energy and maintenance technology is still a homogenous field of expertise.

WHAT IS DIÖS DOING TO CREATE A FRAMEWORK THAT WILL ALLOW THE EMPLOYEES TO HELP ACHIEVE THE TARGETS?

➤ In 2014 we focused on creating clearer descriptions of roles and responsibilities. We also broke down and gave concrete form to our operational goals to make them easier to understand for the people working in the various fields of responsibility. In 2015 we will continue to work on strengthening the skills of our maintenance and energy technicians.

HOW MANY ENERGY PROJECTS WERE IMPLEMENTED IN 2014?

➤ We have always been good at identifying potential energy projects but somewhat less good at moving on to concrete action. That's where we have seen a big change. In 2014 we initiated 25 energy projects and concluded 15. The most successful projects are those which we ran in collaboration with the tenant.



WHAT IS THE STRATEGY GOING FORWARD FOR DIÖS' ENVIRONMENTAL SUSTAINABILITY WORK?

➤ On the one hand we will continue to pursue our chosen strategy when it comes to procedures that simplify things. We will be raising our internal skills level when it comes to environmental certification of our properties as well as properties which have already been certified. We currently have four GreenBuilding-certified properties and are aiming to certify many more. We will also assess how our "green lease" contract model can contribute to the other activities that we are implementing to reduce our environmental footprint. We are engaged in a company-wide strategic discussion about which choices will help us ensure that we operate efficiently and focus our efforts on our energy efficiency targets.

WHAT OPPORTUNITIES AND CHALLENGES DO YOU SEE IN 2015?

- Further energy projects will be conducted in collaboration with the tenants. The outcome is so much better when both parties are committed and have a shared responsibility.
- Simple procedures aimed at freeing up time for follow-up and optimisation of our properties' technical installations with the help of building automation systems.

- Project management training activities for our energy technicians.
- Additional interdisciplinary measures and an expanded dialogue between us and the key account managers on contract issues.
- More GreenBuilding-certified properties.
- Automatic reading of district heating systems.
- Energy efficiencies through the installation of solar cell systems.
- Continued development of the company's energy management system.
- As of 1 January 2015 the company is buying only green electricity. Under a new power trading agreement, we will be cutting our CO₂ emissions by around 85 per cent.

CAN YOU GIVE EXAMPLES OF SOME INTERESTING ENERGY PROJECTS THAT WE STARTED IN 2014?

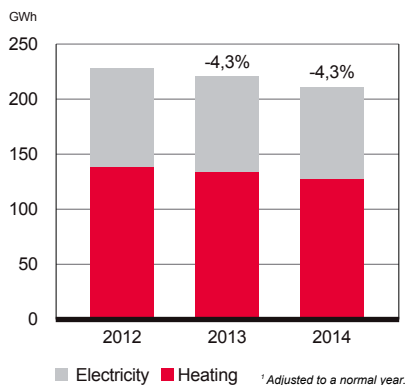
- In our Stranden 19:5 property in Mora we expect to reduce our annual energy consumption by 40 per cent. We will do this by installing EC motor fans and upgrading the building automation system.
- In our Kopparslagaren 3 property in Östersund we expect to reduce our annual energy consumption by 30 per cent, which we will do by modernising the building automation system and cooling system and through heat recovery using an extract air heat pump.

- In our Norr 31:9 property in Gävle we are conducting an eco pilot project in we have achieved a better energy balance throughout the property by upgrading the building automation system. We expect to reduce the annual energy consumption by 10 per cent of the total consumption of around 3,600 MWh.
- An example of a successful project that we are running in collaboration with the tenant is the installation of a new HVAC system in the Porsön 1:423 property in Luleå. Through our collaboration with Swedish Customs we expect to cut annual energy use by 25 per cent.

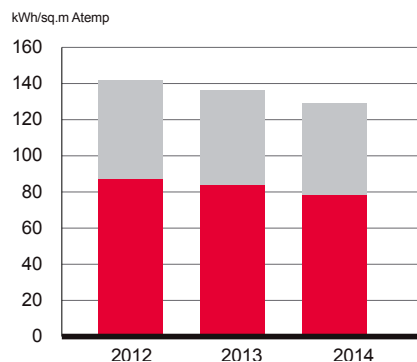
CAN YOU GIVE EXAMPLES OF SOME INTERESTING ENERGY PROJECTS THAT WE HAVE FOLLOWED UP IN 2014?

- In the Stationshuset property in Åre we installed a heat pump recovery system linked to ICA's refrigerators and freezers in late 2013. The saving on heating in 2014 was 47 per cent.
- In Lagret 4 in Sundsvall we modernised the property by installing new building automation, HVAC, LED lighting and block heater control systems. The follow-up showed a total saving on electricity and heating of 35 per cent.

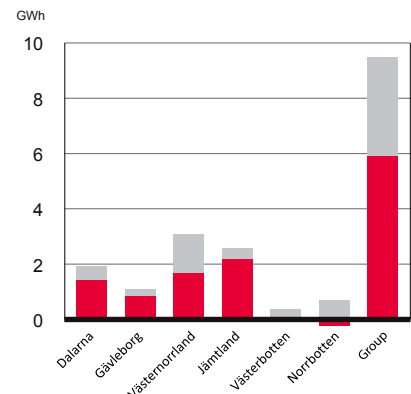
ELECTRICITY AND HEATING¹



ELECTRICITY AND HEATING PER SQUARE METRE



ENERGY SAVINGS



EMPLOYEES AND ORGANISATION

2014 was an eventful year in which Diös received a new CEO and management team. With a strong focus on value-creating property management and customer satisfaction, the company is laying the foundation for further strengthening its market position.

HR Director Kristina Grahn-Persson shares her view of the company's performance in 2014.

WHAT CHANGES WERE MADE TO THE ORGANISATIONAL STRUCTURE IN 2014?

➤ Today we have a clearer and more efficient organisation in which our employees have wider opportunities to make decisions about matters which affect their everyday work. We also have a senior management team with an entirely new make-up, including a new CEO, new Director of Communications and new Property Director. In particular, the decision to appoint a Property Director has led to an increased dialogue among our business areas, which is essential to ensuring skills transfer and economies of scale through shared methods and procedures. Our finance function has also undergone major changes. Two property controllers and one project controller have been placed under the Property Director with the

aim of creating greater synergies in the analysis and follow-up of the business areas' accounting and financial activities.

The central finance function has been divided into two segments under the CFO, financial administration and rental administration, with managers for each segment. The project managers, which were previously centrally placed functions, were moved to the business areas during the year.

WHAT WAS STAFF TURNOVER LIKE IN 2014 COMPARED WITH THE PREVIOUS YEAR?

➤ In 2013 we had a high staff turnover, mainly as a result of our decision to gather all central positions to the head office in Östersund. In 2014 staff turnover was 6 (17) per cent. Eight (29) members of staff went into retirement and 11 (13) left the company.

WHAT CHALLENGES DOES THE COMPANY FACE IN TERMS OF STAFF STRUCTURE?

➤ Achieving diversity at our workplaces is a big challenge. The property industry is still relatively homogenous and male-dominated, especially on the operational side of property management, where the majority of our staff are men. On the white-collar side the opposite applies: more women than men. Of our 149 (140) employees in 2014, 64 (64) per cent were men and 36 (36) per cent women. The average age was 43.5 (45). 104 (95) employees worked in one of our six business areas, of whom 53 (50) worked in operational property management and 45 (45)

at the head office. The share of in-house staff increased in 2014, as we created new positions and replaced consultants and contractors with employees with the aim of strengthening our business areas.

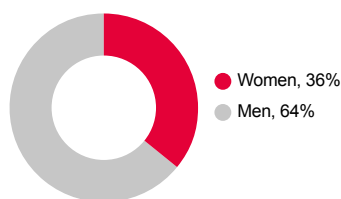
WHAT HAS DIÖS BEEN DOING TO IMPROVE EMPLOYEE SATISFACTION?

➤ In 2014 our employee satisfaction index (ESI) increased to 70 (65), mainly in areas like enjoying one's duties, motivation at work and greater participation. One explanation for the improved result is our work on the action plans that our managers drew up when the results for 2013 were analysed. Another probable explanation is that our efforts to clarify roles and responsibilities in the company have created a greater sense of reassurance and control while also improving the information flows.

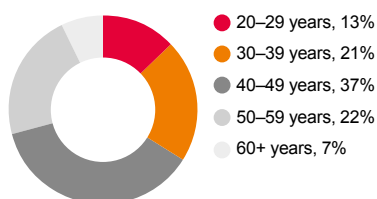
WHAT ACTIVITIES HAVE BEEN IMPLEMENTED TO ATTRACT NEW EMPLOYEES?

➤ Increased visibility in industry fora and an expanded presence at universities and university colleges are examples of priority initiatives. We have also sought to increase our presence in social media in a recruitment context, which has resulted in a broad recruitment base for all advertised vacancies. Under the framework of a collaborative local business initiative called Business Academy Östersund we had an economics student in 2014 who was given an opportunity to

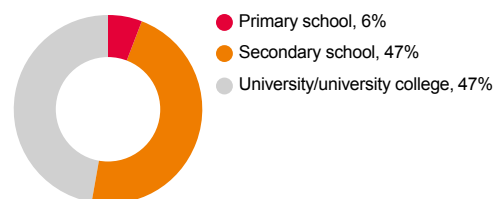
GENDER BREAKDOWN



AGE DISTRIBUTION



LEVEL OF EDUCATION





combine studies with work experience under a “student employee agreement” that is covered by Fastigo’s collective agreement for students. This drew a lot of media attention and triggered increased demand from students.

WHAT IS DIÖS DOING TO DEVELOP AND RETAIN ITS EXISTING EMPLOYEES?

➤ Each performance appraisal results in an individual development plan. In 2014, 64 per cent (70) of all employees took part in performance appraisals. The low participation rate is due the replacement of managers, which delayed the process. The goal is of course to ensure that all employees take part in at least one performance appraisal each year. In addition giving employees the opportunity to hone their skills through external training activities, we arranged a number company-specific training initiatives in 2014, including health and safety training for managerial staff and valuation and contract training for the relevant employees. All vacancies advertised by the company are also marketed internally on our Intranet. In 2014 eight (8) employees made internal transfers. For two of these the move was into another managerial role.

WHAT HAS BEEN DONE TO IMPROVE HEALTH AND SAFETY AND REDUCE SICK LEAVE?

➤ In 2014 we created a health and safety team with representatives from all business segments. Together we have developed a work model for our systematic health and safety work.

Ensuring that we have functional offices is an investment in improving our physical environment. Health and fitness allowances and common health and fitness initiatives are examples of measures that are designed to improve the health of our employees. We also have well established working relationship with the occupational health service that enables us to quickly implement measures to reduce sick leave. In 2014 the rate of sick leave was 2.2 (3.4) per cent, of which 0.6 (1.8) per cent refers to long-term sick leave (more than 60 days). Sick leave was 3.9 (5.0) per cent among women and 1.3 (2.5) per cent among men. In order to make it easier for employees to combine their private and professional lives, we operate a flexible working system. We also ensure that meetings are scheduled at times which enable parents to drop off and collect children, and we have good equipment and procedures for videoconferencing in order to cut down on travel.

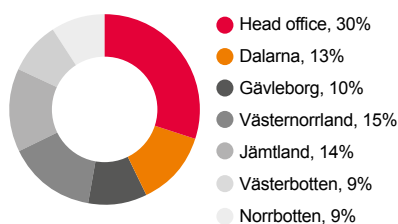
WHAT IS THE STRATEGY FOR CONTINUING TO ATTRACT, DEVELOP AND RETAIN PEOPLE WITH THE RIGHT SKILLS?

➤ We will continue our partnership with universities and university colleges in order to attract tomorrow’s employees. We will also continue to engage in cross-industry issues with the aim of establishing the right framework for sustainable analyses and decisions. Finding new ways to enable internal moves is crucial to our ability to retain our skilled employees over the long term.

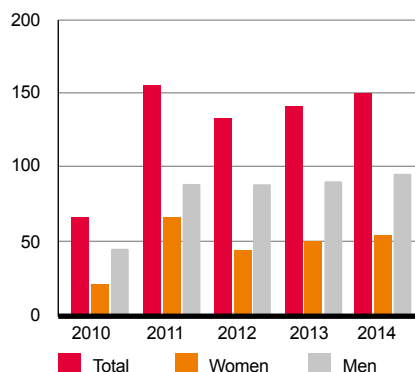


➤ Kristina Grahn-Persson, HR Director

GEOGRAPHIC DISTRIBUTION



NUMBER OF EMPLOYEES



A man with a beard and glasses, wearing a dark jacket, is pointing towards a rack of clothing. A woman with her hair in a ponytail, wearing a black blazer, is smiling and looking at him. They are in a clothing store with various items on display.

CUSTOMERS AND MARKETS

> Sandrina Zetterström, retail coordinator, with tenant Martin Larsson, Naturkompaniet in Häradshövdingen 6, Östersund



CUSTOMERS AND CONTRACT VALUE

Diös Fastigheters' vision is to be the most active and sought-after landlord in our market. Clear contact paths and relationship-building activities were high on the agenda in 2014.

CUSTOMER VALUE

Diös Fastigheter creates customer value by owning and developing commercial and residential properties in priority growth cities from locally based offices. The company offers an attractive property portfolio and quality-driven property management, which is largely handled by in-house staff.

Our work on improving customer relations is based partly on the input we receive from customers through our annual customer survey (customer satisfaction index). Diös' CSI score in 2014 was 57 (56), which was below target. To achieve our target of an index of 63 in 2015, each business area has continued to work on its action plans. In 2014 around 20 per cent of all respondent customers were contacted to arrange an in-depth dialogue meeting on the results.

CUSTOMER STRUCTURE AND CONTRACT VALUE

Diös Fastigheters' conscious strategy is to own and develop a diversified property portfolio consisting of centrally located properties in growth cities across northern Sweden. In 2014 office premises accounted for 45 per cent (44) of Diös' total rental value while retail premises represented 25 per cent (25), residential 10 per cent (11), industrial and warehousing 8 per cent (8) and other premises 12 per cent (12). The majority of the company's customers are located in the priority cities of Borlänge, Falun, Gävle, Sundsvall, Östersund, Umeå and Luleå. At 31 December 2014 Diös had commercial leases, excluding residential premises, with a total value of SEK 2,544 (2,578) and an annual contract value of SEK 1,107 million (1,086)

Rental income includes rent supplements for property tax, heating, water, waste, tariff-based costs as well as electricity costs that are passed on to tenants.

The ten largest tenants accounted for 16 per cent (16) of total rental income, or SEK 206 million (207). The single largest tenant is the Swedish Transport Administration, which represents 4 per cent (4) of Diös' total contract value. The average lease term for the ten largest tenants was 3.8 years (3.1). Contracts with a term of three years or more are normally subject to annual rental adjustments through

consumer price indexation. Contracts with terms of less than three years are adjusted upwards on a percentage basis.

RENTAL VALUE AND OCCUPANCY

The total rental value for the total leasable area of 1,423,000 sq.m (1,447,000) in the property portfolio was SEK 1,448 million (1,457). Rental income was SEK 1,291 million (1,292), representing an occupancy rate of 89.2 per cent (88.7). The physical occupancy rate, based on a total leased floor area of 1,169,000 sq.m (1,180,000), was 82.2 per cent (81.5).

LARGEST TENANTS

Tenant	Number of contracts	Annual contract value, SEK '000	Share of total annual contract value, %	Average contract term, years
Swedish Transport Administration	13	48,064	3.8	5.2
Municipality of Östersund	91	26,021	2.0	4.5
Swedbank AB	12	21,220	1.7	2.9
Swedish Public Employment Service	25	20,700	1.6	2.8
Municipality of Falun	9	17,483	1.4	3.2
Ahléns	7	15,998	1.2	2.8
KappAhl	6	15,112	1.2	4.0
Hennes & Mauritz	11	14,745	1.2	2.7
Axfood Sverige AB	6	13,478	1.1	2.4
Swedish Police Authority	14	13,193	1.0	3.9
Total, largest tenants	194	206,014	16.2	3.8

LEASE TERMS

	Maturity year	Number of contracts	Rented area, sq.m	Contracted rental income at 31 Dec 2014, SEKm	Share, %
Leases for premises	2015	761	163,748	173	13
	2016	671	239,113	263	20
	2017	579	226,956	232	18
	2018	363	166,100	186	15
	2019+	170	218,523	253	20
Total leases for premises		2,544	1,014,440	1,107	86
Residential leases		2,122	154,341	144	11
Other leases		3,470	-	39	3
TOTAL		8,136	1,168,781	1,290	100

CONTINUED STABLE MARKET

Despite sluggish growth and an economic slowdown, the Swedish property market was stable in 2014. A growing interest in investments in the property segment, improved funding opportunities and favourable interest rates contributed to a strong increase in transaction volumes.

MARKET DESCRIPTION

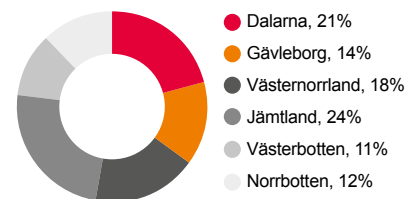
Diös Fastigheter's market stretches from Borlänge in the south to Luleå in the north and is divided into the business areas Dalarna, Gävleborg, Jämtland, Västernorrland, Västerbotten and Norrbotten. The criteria for the company's priority local markets are that they are regional centres with a university or university college and have positive population, employment and income growth. The majority of the company's property portfolio, comprising a diversified range of residential, office, retail and industrial

premises, is located in the cities of Borlänge, Falun, Gävle, Sundsvall, Östersund, Umeå and Luleå. The property management organisation is decentralised, with a strong local base.

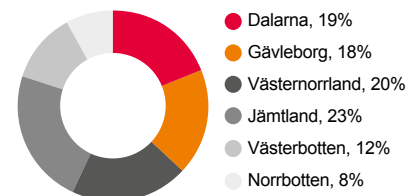
DEVELOPMENTS IN THE SWEDISH PROPERTY MARKET

Transaction volumes in the Swedish property market increased in 2014 to a level which exceeded the previous record set in 2008. This was due to good access to capital at low interest rates, low vacancies and stable cash flows. According to DTZ, the transaction volume in 2014 was SEK 156 billion. Property companies and funds had the highest transaction activity and listed property companies were the biggest net buyers. Although interest from foreign buyers picked up, Swedish players accounted for around 85 per cent of the total invested capital and 80 per cent of transaction volumes. The size of an average domestic transaction was SEK 250 million while the average foreign transaction was SEK 900 million. Residential properties accounted for 27 per cent of total turnover, with office properties representing 25 per cent. Around 30 per cent of the total invested capital was invested outside the metropolitan regions.

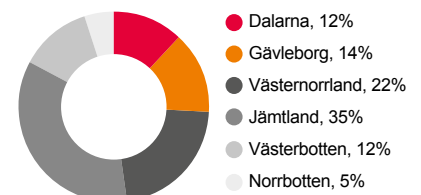
PROPERTY VALUE



LEASABLE AREA



NUMBER OF PROPERTIES



> Marie Karlstedt, Accounts Administrator, and Magnus Eriksson, Caretaker, with Lars-Göran Dahl, Property Director, Östersund.



PROPERTY DIRECTOR LARS-GÖRAN DAHL

A MARKET WITH GREAT OPPORTUNITIES

In order to achieve continuity and stability in the leadership of the company's operational management, Lars-Göran Dahl was recruited for the role of Property Director in June. Through greater clarity in terms of Diös' property portfolio and in relations with customers, he wants to help ensure that the company becomes the most active and sought after player in its market.

HOW WOULD YOU DESCRIBE DIÖS FASTIGHETER'S MARKET TODAY?

➤ As a market with great opportunities. We are today the market leader in most of our local markets, and we will work to ensure that we remain so. Norrland's economy is stable and generally stronger than the Swedish economy as a whole. Development opportunities improve the further north you go. Luleå has seen steady growth for some time thanks to spin-off effects from industry and the university. The climate in Norrland has been turned into a market advantage, largely on the back of a surge in interest among data storage company to establish a presence in the region. A demand that Luleå has been keen to accommodate.

As an established winter and artisan food city, Östersund has attracted broad international attention. The Biathlon World Championships in Östersund and the Alpine World Ski Championships in Åre in 2019 will create big development opportunities for a dominant player like Diös Fastigheter. Umeå is another exciting city with a fast growth rate where demand for premises outstrips supply.

WHAT ARE THE BIGGEST CHALLENGES?

➤ A enticing challenge is the increased competition in the Norrland property market. The greater the number of players that are sticking their chin out, the harder we have to work to maintain our strong position. By introducing clearer roles and mandates, we have



➤ Lars-Göran Dahl, Property Director.

made life easier for our employees in their everyday work. The aim is free up more time for value-creating activities in consultation with our tenants by ensuring that less time is spent on administration. City centre shopping in many of our markets is another challenge, where we together with other players are formulating strategies to develop the range of local services and experience-driven activities with the aim of making city centres more attractive.

WHAT IS OUR STRATEGY GOING FORWARD?

➤ A more clearly defined property portfolio and closer relations with our tenants. We will also be focusing on value-creating property

management, improvements to existing properties and acquisitions of centrally located properties in those local markets which have the strongest growth potential. This means that we will continue to sell properties in locations which do not meet the criteria for our portfolio. The organisational change that was implemented at the end of the year will put us in a better position to work proactively on finding tenants for vacant premises while ensuring that we communicate more clearly with our existing tenants. We will also be raising our level of internal expertise on energy efficiency and drive more energy efficiency projects in collaboration with our tenants than we do today.



STABLE MARKET WITH LOW VACANCIES

In terms of value, Dalarna is Diös Fastigheter's second largest business area, accounting for 21 per cent of the total property value. The majority of the portfolio consists of centrally located retail and office properties in Falun, Borlänge and Mora.

MARKET OVERVIEW

Dalarna is Sweden's fourth most visited destination and the country's fifth largest export county, with companies such as Stora Enso, ABB and SSAB. Falun and Borlänge together form an economic node offering a broad labour market, a wide range of local services and culture, and good educational opportunities. Thanks to its strong expertise in turning raw materials into advanced products, Dalarna has attracted globally competitive companies. Unlike many other growth cities in Sweden, retail businesses have a strong base in the city centres of Mora and Falun. As the organiser of the World Ski Championships in early 2015, Falun attracted 200,000 visitors from across the world.

FALUN

Falun has a stable rental market with low vacancies, thanks to positive demographic growth and a functioning labour market. Major employers include the county council, Arctic Paper Grycksbo AB and Cederroth International. At year-end Diös Fastigheter had 16 properties in Falun concentrated to the city centre, where the company owns the Falan and Bergströms shopping centres. Work continued on the improvement project covering the Åhlénshuset building as well as the Bergströms shopping centre in 2014, and the English School conversion project was concluded.

BORLÄNGE

Borlänge offers a varied labour market with SSAB, the Swedish Transport Administration, Borlänge Science Park and the local authority

as major employers. The city is also a hub for national trunk roads and railways. At year-end Diös Fastigheter had 13 properties in Borlänge, of which the majority were in the city centre. Diös Fastigheter is taking an active role in developing the city. In 2014 the company presented a finished proposal for the building of a food shop in the city centre, for which there has been strong demand. Through its rental contract with Pitchers the company continued to work on making the Sveatorget square a more attractive place.

MORA

The property market in Mora has long been stable, with practically non-existent vacancies. At year-end Diös' portfolio in the market comprised 11 properties in Mora and two in Malung. As a major owner of properties in central Mora, the company continued to consolidate its position in 2014 through the acquisition of Åhlénshuset.

HIGHLIGHTS OF 2014

In 2014 Diös Fastigheter concluded a 20-year lease with Internationella Engelska Skolan, an English-language school in central Falun. The 4,300 sq.m premises will be adapted in stages and will eventually provide space for 480 students. A ten-year lease covering 6,155 sq.m was signed with Pysslingens Förskolor och Skolor AB. A lease was also signed with Telia in the Falan Galleria shopping centre. During the year MeetWork also set up shop in Diös Fastigheter's newly renovated premises in Falun. The space has been adapted for spontaneous meetings, workplaces, workrooms and a large auditorium. Diös concluded a partnership agreement with Borlänge Local Authority aimed at exploring the possibility of building a new cultural centre in the centre of Borlänge. In Borlänge Diös also concluded a contract with Pitchers for the lease of premises by Sveatorget. In Mora Diös Fastigheter acquired a property in the centre of town which houses Åhléns, Cubus and Lissäng & Co., a restaurant. At the end of the year the business area's portfolio comprised 44 properties.

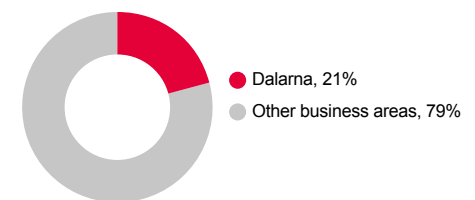


➤ Intagan 1, Borlänge.

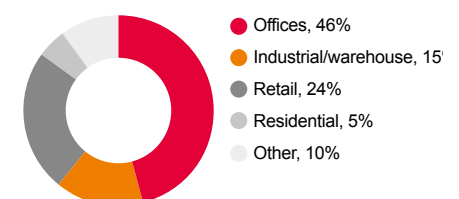
DIÖS' PROPERTIES IN DALARNA

No. of properties	44
Area, '000 sq.m	267
Property value, SEKm	2,497
Operating surplus, SEKm	154
Surplus ratio, %	61

SHARE OF TOTAL PROPERTY VALUE



FLOOR AREA BREAKDOWN BY USE





POSITIVE TREND IN RENTS

The Gävleborg business area accounts for 14 per cent of the company's total property value. The portfolio is concentrated to Gävle and consists mainly of office, retail and industrial properties.

MARKET OVERVIEW

Like most of Diös Fastigheter's other business areas, Gävleborg has seen a marked improvement in business conditions, especially in the engineering and wood products industries. The consumer discretionary industry also saw a significant improvement in 2014. Gävle University College conducts specialised research into the built environment and health-promoting working life, attracting many foreign students. Located at the intersection of the E4 and E16 motorways and within easy reach of Stockholm Arlanda Airport, Gävle is a logistics hub for coordination of sea, rail, road, container and combi traffic. Gävle Local Authority is a member of the Stockholm Business Alliance partnership project, which is aimed at attracting foreign investment to the region. The property market has seen strong demand for flexible office premises, and rents have therefore been on a steady upward trajectory for many years.

GÄVLE

The population of Gävle, the regional capital, continued to grow, largely thanks to the

constantly expanding range of local services and commuting opportunities. Gävle has been a priority growth city ever since the establishment of Diös Fastigheter. As urban development issues are high on the agenda, the company is playing an active role in the "Marketplace Gävle" collaborative project, which aims to make it easier for businesses to establish a presence in Gävle. In the summer Diös Fastigheter was the main sponsor for a family event named "Summer Nights in Gävle". The tenants in the Flanör shopping centre marketed themselves by contributing prizes to a competition called "A Summer's Wish". Most of Diös Fastigheter's portfolio consists of office, retail and industrial premises, which are concentrated to the city centre. The Flanör shopping centre and Konvaljen retail and office complex are two major properties, as are the Näringen and Sörby Urfjäll industrial properties. In 2014 new tenants started to move into the Wasahuset property. Following a redevelopment project in two stages, Capio Hälsocentral moved in and the local authority in Gävle is planning to create a new meeting place for elderly people in another venue. The Gävle billiards club has also moved into the property. At year-end the portfolio consisted of 42 properties.

HIGHLIGHTS OF 2014

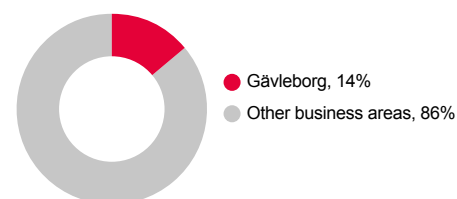
The redevelopment of the Wasahuset retail property continued during the year. A property containing commercial premises and one residential unit was sold to Brynäs Näringsfastigheter AB. At the end of the year the business area's portfolio comprised 51 properties.



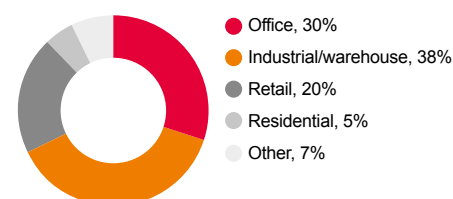
DIÖS' PROPERTIES IN GÄVLEBORG

No. of properties	51
Area, '000 sq.m	252
Property value, SEKm	1,760
Operating surplus, SEKm	120
Surplus ratio, %	62

SHARE OF TOTAL PROPERTY VALUE



FLOOR AREA BREAKDOWN BY USE





STRONG IN CITY CENTRES

In its Västernorrland business area Diös Fastigheter is one of the largest property players in the commercial property market, especially in office premises. The business area accounts for 18 per cent of the company's total property value.

MARKET OVERVIEW

Thanks to a big upswing for the industrial and transport sectors, Västernorrland saw the strongest uptick in the economy among Norrland's counties. The rerouted E4 motorway across the new bridge over the Sundsvallsfjärden strait was opened in 2014. The aim is to ease access for freight traffic and improve traffic safety and the environment. The rerouting of the E4 is just one of a series of infrastructure investments that are aimed at increasing the attractiveness of the region and facilitate commuting.

SUNDSVALL

The regional capital of Sundsvall has seen steady increase in its population for several years running. The city has seen strong demand for space-efficient premises in central locations, which creates a good market for several players operating in property development. The city has seen strong demand for space-efficient premises in central locations, which creates a good market for several players operating in property development. In addition to commercial premises, the company's residential offering provides a good complement in the portfolio. Mid Sweden University's gradual

relocation of its Härnösand activities to Sundsvall will further push up demand for housing. At year-end the portfolio consisted of 44 properties for commercial activities as well as residential units. One of Diös Fastigheter's current improvement projects is the IN:gallerian shopping centre, where premises are being adapted to meet the tenants' needs and optimise the use of space. In 2014 Diös Fastigheter continued to work on its plans to develop its properties at the northern end of the Sundsvallsbron bridge. Diös Fastigheter and HSB's joint project to build 20,000 sq.m of space divided between two properties with residential apartments and housing for the elderly in a car park in the Normalm district also continued.

HÄRNÖSAND

As part of its drive to concentrate its portfolio, Diös Fastigheter reduced its holdings in Härnösand in 2014. At year-end the portfolio consisted of 31 properties for primarily commercial activities as well as some residential units in Härnösand.

HIGHLIGHTS OF 2014

In 2014 Diös Fastigheter sold three residential properties in Härnösand to local company Härnökusten Fastigheter AB. One residential property in central Sundsvall was sold to HSB Hyresrätt. An industrial property just to the south of central Sundsvall was sold to Sundsvall Local Authority's Industrifastighetsutveckling. Another property in Sundsvall was sold to HSB Produktion. The sale of a land property marked the departure of Diös Fastigheter from Sollefteå. At the end of the year the business area's portfolio comprised 78 properties.

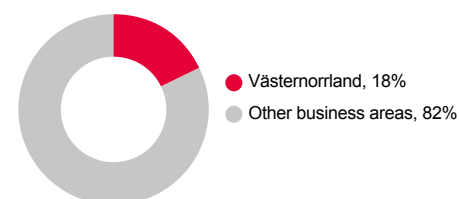


> Rätten 1, Sundsvall.

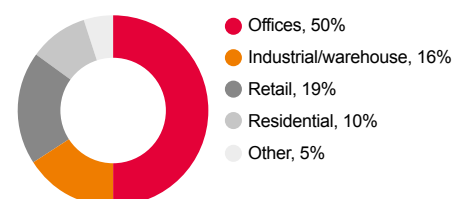
DIÖS' PROPERTIES IN VÄSTERNORRLAND

No. of properties	78
Area, '000 sq.m	279
Property value, SEKm	2,237
Operating surplus, SEKm	151
Surplus ratio, %	58

SHARE OF TOTAL PROPERTY VALUE



FLOOR AREA BREAKDOWN BY USE





HOT OFFICE AND RESIDENTIAL MARKET

The Jämtland business area is Diös Fastigheter's largest, accounting for 24 per cent of the company's property value. The company's head office is located in Östersund.

MARKET OVERVIEW

With the strongest industrial performance in Norrland, Jämtland's economy saw a significant improvement in 2014. The upswing was particularly evident in the wood products industry, which saw a sharp increase in demand from outside Sweden. With a broad range of commercial and residential premises in attractive locations, Diös Fastigheter is a major landlord in Jämtland's property market. Jämtland has well developed infrastructure, including the Åre-Östersund Airport and an extensive rail network with fast trains to Stockholm and regional services between Trondheim and Sundsvall.

ÖSTERSUND

The winter city of Östersund continues to draw the eyes of the world. During the year Östersund was chosen to host the 2019 Biathlon World Championships. As part of Mid Sweden University, the Swedish Winter Sports Research Centre houses the world's most highly regarded test laboratory for physiological and medical research in winter sports. At Mid Sweden Science Park innovative services and products are being developed in a collaborative effort involving knowledge-intensive companies, academia and driven entrepreneurs. Östersund is also home to several national government agencies. A positive demographic trend in the regional capital is creating strong demand for housing, especially in Diös Fastigheter's attractive locations. In 2014 leases were signed for all retail and office premises in the new

Centralpalatset property that Diös Fastigheter is building in Östersund's most central location. At year-end the portfolio consisted of 116 properties for commercial activities as well as residential units.

ÅRE

As Scandinavia's premier ski resort, Åre was chosen to host the 2019 Alpine World Ski Championships. Now an already tourist-intensive locality is investing to meet even greater demand for premises for commercial activities as well as residential space. Diös Fastigheter is one of the main sponsors for the Åre Capital Markets Days, which were arranged in March for the fifth year running. At year-end the portfolio consisted of seven properties for primarily commercial activities as well as some residential units.

HIGHLIGHTS OF 2014

In 2014 the Swedish Public Employment Service decided to expand its activities in Östersund, which led to a five-year contract with Diös Fastigheter for the lease of 600 sq.m with an option for a further 600 sq.m Other major leases in 2014 included expanded premises for Swedbank on Frösö Strand and Östersund Local Authority's move into the Logen 6 property. Following a dialogue with the tenants, a residential property with 17 apartments in Östersund was sold to a newly formed tenant-housing association in 2014. As part of an effort to concentrate its portfolio to selected growth locations, the company sold an industrial property in Sveg and two residential properties in Lit during the year. At the end of the year the business area's portfolio comprised 122 properties.

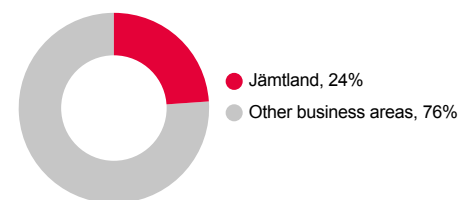


> Pantbanken 1, Östersund.

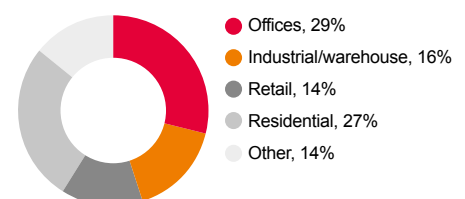
DIÖS' PROPERTIES IN JÄMTLAND

No. of properties	122
Area, '000 sq.m	327
Property value, SEKm	2,876
Operating surplus, SEKm	159
Surplus ratio, %	55

SHARE OF TOTAL PROPERTY VALUE



FLOOR AREA BREAKDOWN BY USE





A HIGHLY SOUGHT AFTER MARKET

The Västerbotten business area accounts for 11 per cent of Diös Fastigheter's property value, with commercial as well as residential premises. With the aim of further strengthening the company's position in this highly sought after market, the company is currently involved in several acquisition projects.

MARKET OVERVIEW

Västerbotten has one of the strongest economies among Diös' business areas. The construction industry is going through a boom and the consumer discretionary industry has improved amid an increase in sales and employment. Conditions have also improved in other industries, especially in wood products.

UMEÅ

With a continued stable rental market for office premises and insatiable demand in the residential market, Umeå continues to be a strategically important development location for Diös Fastigheter. At year-end the portfolio consisted of 26 properties for primarily commercial activities as well as some residential units. An impressive choice of experience-based initiatives and several interesting retail openings have consolidated Umeå's position as one of northern Sweden's most attractive market towns. Umeå was European Capital of Culture in 2014. The year also saw the opening of the Utopia shopping mall in the centre of town and the Kulturnäven cultural centre. In 2016 IKANO Fastigheter is planning to open a shopping centre just to the south of the city. Umeå is today one of the ten largest labour market

regions in Sweden and has over the past ten years seen a stable increase in its population of about 1,000 new inhabitants each year, in large measure thanks to the good commuting opportunities created by the Botniabanan railway. The local authority's acquisition of the central station and the adjoining land is a step towards the development of a new travel centre. Umeå has a high level of construction activity, a growing IT sector and is seeing growth in business services, and hotel and restaurant businesses.

SKELLEFTÅ

A positive demographic trend in Skellefteå has prompted the local authority to plan several new construction projects over the next few years. Thanks to its concentrated portfolio of properties in central locations, demand for Diös Fastigheter's premises is strong. At year-end the portfolio consisted of ten properties for primarily commercial activities as well as some residential units.

HIGHLIGHTS OF 2014

In 2014 Diös Fastigheter concluded a 13-year lease with Consultec Group next to the town park in Skellefteå. Consultec Group did the project planning for the redevelopment of the premises itself, which resulted in an improvement project adapted entirely to the needs of the tenant. During the year Folksam moved into other, more space-efficient premises in Diös Fastigheter's portfolio, in a property located by the main square in Skellefteå. Work on the redevelopment of the Vintergatan shopping centre that was planned in 2013 will begin in early 2015. In Umeå Diös Fastigheter signed a four-year lease with Academedia, which was able to move directly into modern, centrally located premises. At the end of the year the business area's portfolio comprised 41 properties.

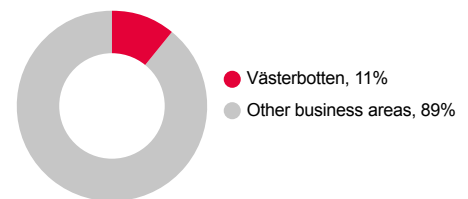


> Saga 3, Umeå.

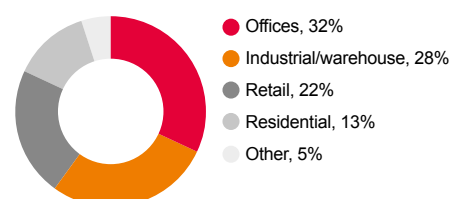
DIÖS' PROPERTIES IN VÄSTERBOTTEN

No. of properties	41
Area, '000 sq.m	177
Property value, SEKm	1,334
Operating surplus, SEKm	85
Surplus ratio, %	58

SHARE OF TOTAL PROPERTY VALUE



FLOOR AREA BREAKDOWN BY USE





A PROPERTY MARKET IN FULL SWING

One of Diös Fastigheter's business areas that has the biggest potential is Norrbotten, which today accounts for 12 per cent of the company's property value. The portfolio is dominated by centrally located office properties in the regional capital, Luleå. Diös Fastigheter also owns Luleå's largest shopping centre, Smedjan.

MARKET OVERVIEW

Luleå has seen stable growth on the back of an expanding population, employment growth and rising incomes. The city currently has a population of just over 75,000 and has grown steadily over recent years. To a large extent this is due to good local services and well developed infrastructure that facilitates commuting from other localities in the region. With Luleå Airport, the Port of Luleå and a combi terminal, the city is a national strategic hub. It is home to the Luleå University of Technology, which through a close partnership with local industry is driving product and skills development in areas like technology, social sciences and arts subjects. The local economy is marked by innovation and a strong high-tech basic industry. Facebook's decision to build data centres in Luleå has opened the eyes of several national and international data storage companies to Luleå as a place to establish a presence.

LULEÅ

In the regional capital of Norrbotten, Luleå, Diös Fastigheter is a leading player in the local property market for commercial premises. As in the company's other growth cities, there

is a considerable shortage of housing in Luleå. At year-end the portfolio consisted of 18 properties for primarily commercial activities as well as some residential units. In the commercial property market in Luleå there are many new construction projects underway. Skanska is building an office building for Vattenfall on Porsön close to the university, and Vasallen and Lantmännen Fastigheter are together building a new office complex for Telia, which is investing heavily in Luleå. Office rents for new builds have risen over the past few years and are currently around SEK 1,750-1,850 per square metre.

HIGHLIGHTS OF 2014

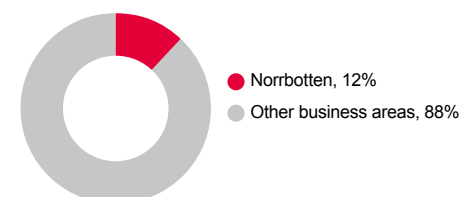
In January the "House of Science", a popular science meeting place, was opened in one of Diös Fastigheter's listed properties, the former post office building in Luleå. The year was marked by a high level of activity, including the signing of several strategically important contracts. A sought after business opening was enabled through the signing of a five-year agreement with fashion company Dea Axelssons in the Diös Fastigheter-owned Smedjan shopping centre. The redevelopment of a 1,477 sq.m office space in one of Diös Fastigheter's most centrally located properties paved the way for an eight-year contract with Ramböll. Occupancy is scheduled for early 2015. The adaptations to Folksam's office premises, which will enable Folksam to continue to expand its business in Luleå, were completed during the year. Diös Fastigheter's dialogue with Norrbotten County Council on the redevelopment of the former premises of department store Åhléns on Storgatan, which is aimed at meeting the needs of tenant Dansens hus, continued in the right direction. At the end of the year the business area's portfolio comprised 18 properties.



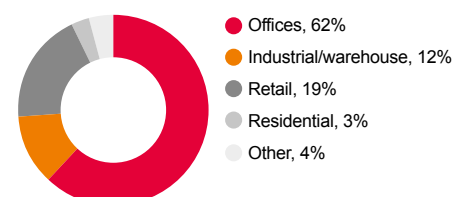
DIÖS' PROPERTIES IN NORRBOTTEN

No. of properties	18
Area, '000 sq.m	120
Property value, SEKm	1,496
Operating surplus, SEKm	93
Surplus ratio, %	64

SHARE OF TOTAL PROPERTY VALUE



FLOOR AREA BREAKDOWN BY USE





DIRECTORS' REPORT

DIRECTORS' REPORT

The Board of Directors and CEO of Diös Fastigheter AB (publ), company registration number 556501-1771, hereby present their report for the Group and parent company for the financial year 2014. In accordance with the Swedish Annual Accounts Act, Diös Fastigheter has prepared a corporate governance report which includes the Board's report on internal control in respect of financial reporting, see pages 68-74. It comprises information about the parent company as well as the Group.

OPERATIONS

Diös Fastigheter is one of northern Sweden's market-leading private property companies. The company offers centrally located

commercial and residential properties. Diös Fastigheter is organised into six business areas: Dalarna, Gävleborg, Västernorrland, Jämtland, Västerbotten and Norrbotten. The head office is located in Östersund. The company has been listed on NASDAQ OMX Stockholm since 2006. The largest owner is AB Persson Invest, which holds 15.4 per cent of the shares and votes.

The activities of the parent company consist of central Group functions as well as the ownership and operation of the Group's subsidiaries. Sales totalled SEK 118 million (105) and post-tax profit was SEK -9 million (52). Net sales refer chiefly to services sold to the Group's subsidiaries.

FINANCIAL TARGETS

Diös' financial targets have been formulated to ensure the financial stability of the company. The targets are:

- An equity ratio of at least 25 per cent in the short term and at least 30 per cent over the longer term.
- An interest coverage ratio of at least 1.8 times.

- A loan-to-value ratio not exceeding 65 per cent.

The company achieved its financial targets for 2014, with the exception of the long-term target for the equity ratio. All financial key ratios improved, and the company comfortably meets the financial stability requirements defined by the banks. Diös Fastigheter's equity ratio is 27.3 per cent in the Group and 15.8 per cent in the parent company, as stated in the Annual Report. After the proposed dividend the equity ratio would be 26.0 per cent in the Group and 13.5 per cent in the parent company. The proposed dividend represents 6.3 per cent of consolidated equity and 17.0 per cent of parent company equity.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

For a description of events after the end of the financial year, see Note 25 on page 65.

SHARE BUYBACKS

The 2014 AGM authorised the company to buy back shares of the company, subject to a limit of 10 per cent of all outstanding shares. No share buybacks were made during the year.



➤ Diös Fastigheter's head office in Östersund.

PROPERTY PORTFOLIO AND OPERATING SURPLUS

In 2014 Diös Fastigheter primarily owned centrally located commercial and residential properties in northern Sweden's most expansive cities.

PROPERTIES

At 31 December 2014 the portfolio consisted of 354 properties (364) with a total lettable space of 1,423,000 (1,447,000). The market value was SEK 12,200 million (11,823). The change in value is due to investments of SEK 386 million (266), unrealised changes in value of SEK 47 million (-35), sales of SEK -80 million (-286) and acquisitions of SEK 25 million (0).

At year-end commercial properties accounted for 90 per cent (89) of Diös Fastigheter's property portfolio, with residential properties accounting for 10 per cent (11). In 2014 offices accounted for 45 per cent (44) of the total rental value of the company's commercial properties, with retail premises representing 25 per cent (25), industrial/warehouse premises 8 per cent (8) and other premises 12 per cent (12).

RENTAL VALUE AND RENTAL INCOME

The total rental value of the portfolio, i.e. the rental value in case of full occupancy, was

SEK 1,448 million (1,457). The reduced rental value is attributable to property sales during the year. The estimated rental value of vacant premises is SEK 137 million (143). At year-end the company had contracted rental income of SEK 1,290 million (1,273). Rental income includes rent supplements of SEK 147 million (142) for property tax, heating, water, waste collection and electricity, which are passed on to the tenants. The number of leases for premises was 2,544 (2,578), representing a total contracted rental income of SEK 1,107 million (1,086).

Leases with terms of three years or more are normally subject to annual rental adjustments based on the increase in the consumer price index from 31 October in the preceding year. Annual rental adjustments covered 79 per cent of the contract value, including residential premises. For contracted commercial leases the indexed portion is 77 per cent.

Out of a total floor space of 1,423,000 sq.m (1,447,000), 1,169,000 sq.m (1,180) were let at 31 December 2014. This represents a physical occupancy rate of 82.2 per cent (81.5) and an economic occupancy rate of 89.2 per cent (88.7). The average rent under leases for premises, calculated as contracted rent by leased area, increased to SEK 1,091 per sq.m (1,066).

PROPERTY COSTS

Property costs decreased by SEK 19 million (4) in 2014 to SEK 550 million (569) as a result of lower winter-related costs. Careful monitoring of unpaid overdue rents has ensured that bad debts remain low. In 2014 bad debts totalled SEK 4 million (7), representing 0.3 per cent (0.5) of total revenues.

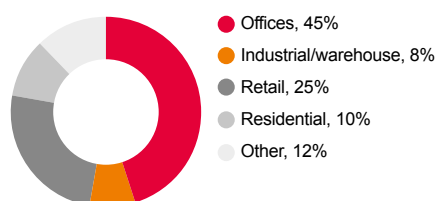
OPERATING SURPLUS AND SURPLUS RATIO

The operating surplus was SEK 762 million (738), which was an increase of 3.3 per cent (3.7) over the year. The change is primarily due to winter-related costs. The surplus ratio, i.e. the operating surplus divided by rental income, increased to 59.0 per cent (57.1).

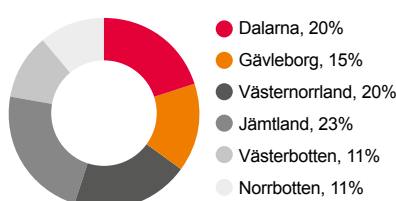
CONTRACT STRUCTURE

Diös Fastigheter has a total of 8,136 leases (8,294), of which 2,122 (2,270) are for residential premises and 3,470 (3,446) for parking spaces. The average lease term for the ten largest tenants is 3.8 years (3.1). Out of the total contract value for premises, 13 per cent (12) falls due in 2015.

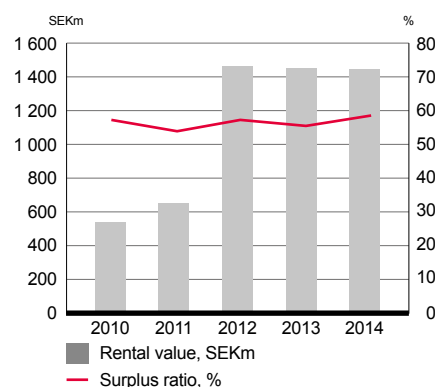
RENTAL VALUE BY USE



RENTAL VALUE BY BUSINESS AREA



RENTAL VALUE AND SURPLUS RATIO





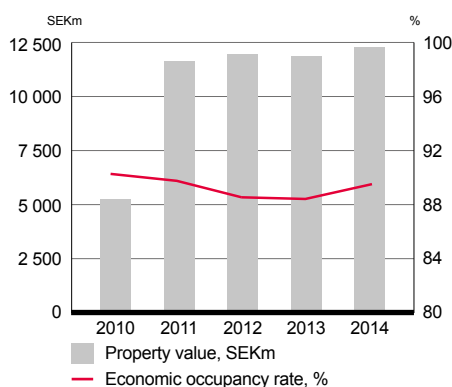
PROPERTY PORTFOLIO BY BUSINESS AREA¹

Income statement items, SEKm	Dalarna	Gävleborg	Västernorrland	Jämtland	Västerbotten	Norrboten	Diös Group
Rental income	255	193	261	292	145	145	1,291
Other revenue	4	3	4	5	1	4	21
Repairs and maintenance	-18	-13	-16	-25	-11	-7	-90
Tariff-based costs	-38	-26	-41	-52	-22	-15	-193
Property tax	-12	-9	-13	-14	-7	-9	-64
Other property costs	-27	-21	-31	-31	-15	-15	-140
Property management	-10	-8	-14	-15	-7	-10	-63
Operating surplus	154	120	151	159	85	93	762
Realised change in value	-	1	6	8	-	-	15
Unrealised change in value	-25	40	5	-3	-8	38	47
PROFIT AFTER CHANGES IN VALUE OF PROPERTIES	129	161	162	164	77	131	824

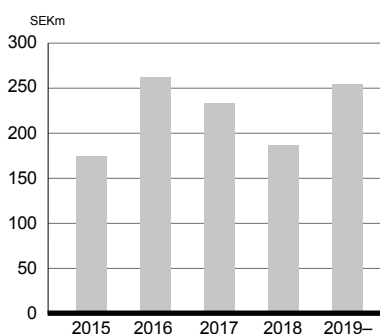
Balance sheet items and key ratios	Dalarna	Gävleborg	Västernorrland	Jämtland	Västerbotten	Norrboten	Diös Group
No. of properties	44	51	78	122	41	18	354
Leasable area, '000 sq.m	267	252	279	327	177	120	1,423
Investments, SEKm	86	32	54	138	39	37	386
Fair value, SEKm	2,497	1,760	2,237	2,876	1,334	1,496	12,200
Rental value, SEKm	283	216	295	332	162	159	1,448
Surplus ratio, %	60.5	62.0	57.7	54.7	58.3	64.3	59.0
Economic occupancy rate, %	90.2	89.1	88.4	87.7	89.8	91.4	89.2

¹ Columns/rows may not add up due to rounding.

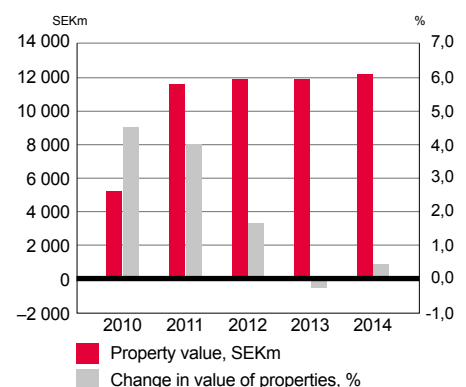
PROPERTY VALUE AND OCCUPANCY RATE



MATURITY STRUCTURE OF LEASES



VALUE AND CHANGES IN VALUE



TRANSACTIONS AND PROJECTS

In 2014 Diös Fastigheter continued its strategy of concentrating its portfolio to cities with universities and university colleges as well as regional centres in northern Sweden.

ACQUISITIONS

During the year Diös Fastigheter acquired 1 property (0) in Mora with an underlying property value of SEK 25 million. Stranden 19:5 is centrally located in the immediate vicinity of the company's other properties in the locality. The acquisition of the retail property, which has a leasable area of 3,650 sq.m, was completed in June 2014 for a consideration of SEK 25 million.

SALES

In accordance with its strategy of concentrating its portfolio to properties with development potential in growth cities across northern Sweden, Diös Fastigheter sold and handed over 11 properties (19) with a combined floor area of 29,000 sq.m (55,000) for a total price of SEK 99 million (302) in

2014. Of the sold properties, four are located in Västernorrland, six in Jämtland and one in Gävleborg. These are expected to be handed over in the first half of 2015. Total proceeds from sales of properties in 2014 were SEK 99 million (302) while investments, including the cost of acquisitions, totalled SEK 62 million (294), resulting in a gain from improvements to existing properties of SEK 37 million (8).

PROJECTS

The majority of Diös Fastigheter's investments take the form of new builds, redevelopment projects and extensions to vacant premises or properties aimed at enabling lettings. In 2014 the company invested a total of SEK 386 million (266) in 501 projects. At year-end 347 projects were in progress (235) with a remaining investment volume of SEK 310 million (311) and a total investment volume of SEK 870 million (609).

MODERN OFFICE PREMISES IN MÖRTEN 1, LULEÅ

In one of Diös Fastigheter's most centrally located properties in Luleå a redevelopment project aimed at meeting tenant Ramböll's need for space-efficient premises is underway.

The adaptations will result in a mix of cellular and open plan office space. The project was started in October and is expected to be completed in April 2015. The SEK 12 million investment covers a space of 1,477 sq.m.

CENTRAL EDUCATIONAL FACILITY IN RIND 5, UMEÅ

In early 2015 the NTI secondary school in Umeå will be moving into Diös Fastigheter's newly adapted educational premises in the Rind 5 property in central Umeå. The project, which began in April 2014, is expected to be completed in January 2015. The SEK 5.3 million investment covers a floor area of 856 sq.m.

OFFICES IN A NATURAL BEAUTY SPOT, FRÖSÖ 3:7, ÖSTERSUND

Swedbank is expanding its telephone banking service as well as its existing contract with Diös Fastigheter in specially adapted office premises in the Frösö 3:7 property. The property is located in Östersund's most beautifully situated business park, Frösö Strand. The project began in July 2014 and is expected to be completed in March 2015. The SEK 9 million investment covers a floor area of 815 sq.m.



**SOLD PROPERTIES**

Municipality	Number	Property name	Property type	Leasable area, sq.m	Sale price, SEKm	Handover date
Östersund	2	Söre 5:26 & 5:74	Residential	3,194	14.00	07/05/2014
Sundsvall	1	Rävsund 1:338	Industrial/warehouse	14,249	7.00	01/04/2014
Sollefteå	1	Staden 2:26	Land	-	0.01	27/08/2014
Gävle	1	Norr 26:1	Offices	1,456	11.50	17/09/2014
Härjedalen	1	Kopparslagaren 5	Industrial/warehouse	5,341	5.58	29/09/2014
Sundsvall	1	Försöket 2	Retail/offices	1,164	12.60	27/08/2014
Sundsvall	1	Solhöjden 31	Offices	660	9.04	29/08/2014
Östersund	1	Borgmästaren 4	Residential	1,075	19.90	02/07/2014
Östersund	1	Staben 6	Residential	1,552	19.00	04/11/2014
Åre	1	Arvesund 2:196	Land	-	0.12	08/12/2014
TOTAL	11			28,691	98.75	

ACQUISITIONS

Municipality	Number	Property name	Property type	Leasable area, sq.m	Sale price, SEKm	Occupancy
Mora	1	Stranden 19:5	Retail	3,650	25.00	04/06/2014
TOTAL	1			3,650	25.00	

TEN LARGEST ONGOING PROJECTS INITIATED IN 2014

Municipality	Property	Type of project	Project area, sq.m	Planned investment, SEKm	Remaining investment, SEKm	Ec. occupancy rate after project, %	Increase in rental value ¹ , SEKm	Total rental value, SEKm	Year of completion
Luleå	Mörten 1	Offices	1,477	12.4	9.5	90.2	0.8	7.2	2015
Umeå	Rind 5	School	856	5.3	0.2	69.6	0.4	8.9	2014
Skellefteå	Höken 2	Offices	1,165	11.7	0.9	82.4	1.0	4.8	2015
Sundsvall	Hälsan 7	Retail	1,030	20.0	9.6	89.1	2.0	22.4	2015
Östersund	Frösö 3:7	Offices	815	8.9	0.6	83.9	0.9	38.2	2015
Åre	Totten 1:68	Offices	1,150	23.0	22.5	82.5	2.2	11.5	2015
Falun	G:a Bergsskolan 15	Retail	10,267	42.2	41.2	90.5	4.1	14.2	2015
Falun	Kansliet 20	School	4,260	37.0	14.5	79.6	3.4	23.7	2015
Falun	Gullvivan 18	School	6,155	28.2	16.6	100.0	1.4	8.3	2017
Gävle	Norr 11:4	Offices	875	12.0	0.0	90.1	1.3	11.3	2014
Total			28,050	200.6	115.6		17.6	150.5	
Total other 337 projects				669.9	194.5				
TOTAL				870.5	310.1				

¹ Where applicable, reduced operating costs.

PROPERTY VALUATION

The value of Diös Fastigheter's portfolio remained stable, with a total property value of SEK 12,200 (11,823) at year-end

VALUATION RESULT

The property portfolio had a total value of SEK 12,200 million (11,823) at 31 December 2014. Changes in the value of properties totalled SEK 62 million (-24), of which SEK 15 million (11) realised and SEK 47 million (-35) were unrealised. The unrealised change in value represents a decline in value of 0.4 per cent (-0.3). The Group's positive unrealised change in value is explained by different parameters, notably a lower required rate of return and improved cash flows.

VALUATION MODEL AND METHOD

At each closing date all properties owned by Diös Fastigheter are measured at fair value. The aim is to determine the properties' individual values in a sale executed through an orderly transaction between market players. Any portfolio effects are thus not taken into account. The valuation model includes an annual external valuation of the 100 largest properties in terms of value, of which 25 per cent are valued each quarter. The external valuation is performed by Savills. Among the remaining properties those where no major changes have taken place are valued internally. Properties which have been subject to significant changes, such as the signing of

new leases or termination of leases, or extensive redevelopments or new builds, are valued internally with the assistance of Savills.

The valuation estimates are made using a five-year cash flow analysis and are brought forward by calculating the present value of cash flows for the period covered by the estimate: the sum of the present value of each year's operating surplus plus the present value of the estimated residual value in year six, less remaining investments and initiated projects over the next five years. The basis for the valuations consists of historical data for the period 2005-2014 and forecasts for 2015. The figures are based on current leases, information about vacant premises, actual and budgeted building operating and maintenance costs, property tax and property management as well as information about ongoing and planned investments. Property managers and business area managers have also provided specific details for each valuation based on continuous inspections of the properties.

Savills' calculations have an uncertainty range of +/-7.5 per cent. For Diös Fastigheter this translates into a value range of SEK 11,285-13,115 million.

SENSITIVITY ANALYSIS

The market value is influenced primarily by adjustments to the yield requirement or the cost of capital. The yield requirement is affected partly by comparable property transactions in each sub-market and partly by changes relating to the property concerned and its sub-market. The property's location, the rents charged, vacancies and market trends in the locality where the property is located constitute key factors in determining the yield. The cost of capital reflects the market's expectation for the total return. The cost of capital is determined with reference to the real rate of interest, inflation adjustments, and general and specific risk premiums for the property. The reliability of estimates of value increases in line with the number of property transactions that are published for the market.

VALUATION ASSUMPTIONS

Value date	31/12/2014
Analysis period	5 years
Yield for assessing residual value, %	6.4-8.0 ¹
Cost of capital for discounting to present value, %	9.05
Long-term vacancy, %	5.7
Inflation, %	2.0

¹ From lower to upper quartiles in the portfolio.

CHANGES IN VALUE OF PROPERTIES BY BUSINESS AREA

Business area	Market value 31 Dec 2014, SEKm	Market value 31 Dec 2013, SEKm	Cost of capital, %	Yield requirement valuation, %	Change, %	Change, SEKm	Of which investments/ acquisitions, SEKm	Of which sales, SEKm	Of which unrealised change in value, SEKm
Dalarna	2,497	2,411	9.2	7.1	3.6	86	111	-	-25
Gävleborg	1,760	1,697	9.4	7.3	3.7	63	32	-9	40
Västernorrland	2,237	2,200	9.1	7.0	1.6	36	54	-23	5
Jämtland	2,876	2,790	8.8	6.6	3.1	87	138	-48	-3
Västerbotten	1,334	1,303	9.1	6.9	2.4	31	39	-	-8
Norrbottn	1,496	1,422	8.9	6.8	5.3	75	37	-	38
TOTAL	12,200	11,823	9.1	6.9	3.2	377	411	-80	47



TAX AND TAX LOSSES

Diös' reported current tax was SEK -10 million in 2014 and deferred tax SEK -80 million. Tax losses carried forward at year-end were SEK 335 million and are expected to be sufficient to offset future profits for another three years at the current rate of earnings.

CURRENT TAX

Current tax in the income statement is calculated based on the taxable profit less any approved tax losses from previous years. Current tax can also include tax that is payable due to a tax reassessment from previous years as well as tax from companies that were acquired and sold during the financial year. The taxable profit consists of the profit for the year after tax-deductible depreciation and amortisation and expenses relating to certain investments, which are fully deductible in the first year. Current tax affects cash flow, as it must be paid, unlike deferred tax.

DEFERRED TAX

Deferred tax in the income statement refers to an estimated tax that may be payable in future. Diös Fastigheter recognises the net change in deferred tax assets and deferred tax liabilities under Deferred tax liability in the balance sheet. Deferred tax in the income statement consists of the change in Deferred tax liability in the balance sheet. Deferred tax can be positive or negative. The deferred tax assets consists of granted and approved tax losses multiplied by the applicable tax rate. Tax losses are used to reduce the taxable profit. Tax assets are realised, i.e. reduced, as tax losses are used. The possibility of using tax losses from previous years may be limited depending on opportunities to even out earnings among Group companies for tax purposes. The deferred tax liability is calculated based on the difference between the fair values and tax bases of the company's

properties (temporary differences). Acquired temporary differences from acquisitions are handled differently depending on whether the acquisition refers to an asset purchase or business combination. In case of an asset purchase no deferred tax liability is recognised on the temporary differences. If the acquisition is classified as a business combination a deferred tax liability is recognised for the full temporary difference. The tax liability is realised if and when the property is sold as an individual property. If, on the other hand, a company is sold, with the property as an asset, no tax effect is triggered. 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 Diös. 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. Diös Fastigheter's tax losses carried forward at 31 December 2014 are estimated at SEK 335 million (424). At a tax rate of 22.0 per cent, deferred tax asset relating to tax losses carried forward was SEK 74 million (93), which in Diös Fastigheter's financial statements has been offset against deferred tax liability. The gross deferred tax liability was SEK 809 million (748). The deferred tax liability consists partly of Diös' temporary differences, SEK 3,565 million, multiplied by the applicable tax rate, 22.0 per cent, i.e. SEK 784 million (726), and partly of deferred tax liabilities, which totalled SEK 25 million (22). The net deferred tax liability (deferred tax liability less deferred tax asset) recognised in the balance sheet at year-end was SEK 735 million (655).

CURRENT TAX IN 2014

Current tax in 2014 was SEK -10 million (-15). Current tax expense is attributable to tax in subsidiaries which were prevented from offsetting losses against profits through Group contributions during the year.

DEFERRED TAX IN 2014

The deferred tax recognised in the income statement in 2014 was SEK -80 million (-62). The tax is attributable to a decrease in the deferred tax asset, SEK -20 million (-31), an increase in the deferred liability on temporary differences for properties, SEK -58 million (-29), and an increase in other deferred tax liabilities, SEK -2 million (-2).

TAX CASE

On 19 June Diös Fastigheter decided to appeal the ruling of the administrative court in the tax case concerning a claim for deduction of capital losses relating to the tax year 2006. The claim is based on a tax loss which arose in connection with an external acquisition of properties in 2005. The loss was an effect of transactions undertaken in connection with the acquisition with the aim of incorporating the properties in the Diös Group.

The conclusion in the analysis which Diös Fastigheter initiated based on the ruling of the administrative court is that the court has overlooked a number of important aspects and that the ruling is therefore incorrect. The company's view is that the acquisitions concerned, which were made in 2005, were handled in accordance with the applicable tax rules. This view is shared by the company's tax advisor, who has studied the acquisitions and the Tax Agency's reasoning.

The total increase in the tax assessment under the ruling of the administrative court is SEK 421 million.

If Diös Fastigheter were to lose the case in the court of final instance, the company would incur an additional tax and interest charge of around SEK 135 million.

Diös has applied for and been granted a reprieve on payment by the Tax Agency. No provisions have therefore been made in the company's balance sheet. For the time being the total amount of tax and interest, SEK 135 million, is regarded as a contingent liability.

See also the press releases from 20 and 21 May and 19 June 2014.

CREDITS AND COLLATERAL

In 2014 Diös Fastigheter continued to strengthen its financial KPIs, with a stronger equity ratio, lower loan-to-value ratio and higher interest coverage ratio. The company also refinanced the loans.

CAPITALISATION

Diös Fastigheter operates in a capital-intensive market with large funding requirements that is reliant on a well functioning credit market. The company's assets consist of properties, which are funded through equity, debt and other capital. The precise breakdown depends primarily on the company's stability, the type of property, the level of risk aversion among the company's owners and lenders, and the owners' required rates of return. Factors such as levels of economic activity, the tax situation and the structure of leases also have an impact. Debt capital accounts for the largest share of funding. As shareholders require a relatively high return, equity capital is the most expensive form of funding while other capital is inexpensive but limited. At 31 December 2014, 27.3 per cent of total assets in the balance sheet of SEK 12.2 billion was funded through equity, 62.2 per cent through debt and 10.5 per cent through other capital.

THE CREDIT MARKET

The credit market for property companies with strong finances continued to improve in 2014

amid good access to capital and strong interest from banks to lend. The Swedish economy was marked by falling inflation expectations in 2014. On 29 October the Riksbank lowered the repo rate to 0.0 per cent, resulting in low market interest rates. In June the government's Corporate Tax Committee submitted its report entitled "A neutral corporation tax – for improved efficiency and stability", a proposal aimed at creating a level playing field for debt and equity capital. Under the proposal, the right of taxable companies to deduct their net interest expense would be abolished. In its place, a 25 per cent flat-rate financing deduction is proposed. Adoption of the proposed changes would make it more difficult to invest in property in future. It is proposed that the new rules take effect from 1 January 2016.

FINANCIAL POLICY AND FINANCIAL MANAGEMENT

The company's funding and management of financial risks is governed by financial policy adopted by the Board of Directors. In 2014 Diös established a Finance Committee tasked with monitoring developments in the credit market and drafting matters of a financial nature. The Finance Committee submits proposals to the Board of Directors on an ongoing basis but has no decision-making powers on financial matters. The activities of the parent company consist of central Group functions as well as the ownership and operation of the Group's subsidiaries. Financial activities have been concentrated to the parent company in order to ensure efficiency and quality control. The parent

company's finance function is responsible for ensuring access to liquidity and long-term funding and for minimising the company's interest rate and credit risks. The risk management team bases its activities on the division of responsibility for risk management defined in the financial policy.

The company aims to conclude financial transactions based on an assessment of the Group's existing and future funding and liquidity requirements and desired interest rate risk. This does not necessarily mean that loan transactions among entities in the Group need to be identical. Instead, external loans are raised after an assessment of the Group's overall borrowing requirement. To enable netting of payment flows, the finance department uses a central Group account system. The management of the Group's interest rate risk is based on an assessment of the interest rate risk which arises when an individual loan with a short fixed-interest term is raised. Subsequently interest rate derivatives are used to achieve the desired fixed-interest term for the Group's overall loan portfolio.

The overall objective for the finance department is to ensure adequate access to liquidity and to act as an advisor and thereby assist in the achievement of the defined financial targets. The Group's measurable and risk-limited financial targets for 2014 were:

- An equity ratio of at least 25 per cent in the short term and 30 per cent in the long term
- An interest coverage ratio of at least 1.8 times
- A loan-to-value ratio of no more than 65 per cent.

INTEREST RATE AND LOAN MATURITY STRUCTURE

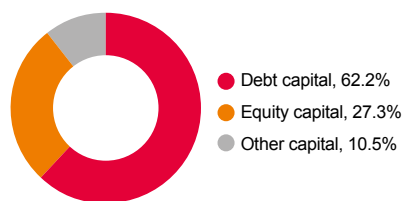
	Interest rate and margin expiration		Loan maturity	
	Loan amount, SEKm	Average annual interest rate ¹ , %	Credit agreements, SEKm	Drawn, SEKm
2015	2,675	1.8	2,752	2,675
2016	3,305	1.5	1,690	1,586
2017	1,691	1.7	1,740	1,691
2018	-	-	1,719	1,719
Drawn credit facilities	7,671	1.6	7,901	7,671
Undrawn credit facilities ²	229	0.0		
Financial instruments	4,200	1.2		
TOTAL		2.8		

¹ Average annual interest rate refers to the average interest rate based on interest rate terms and the outstanding debt at 31 December 2014, with STIBOR-90 as reference rate.
² The impact of costs related to undrawn credit facilities on the average annual interest rate is 0.01 percentage points.

FINANCIAL TARGETS AND OUTCOMES

	Target 2014	Outcome 2014	Outcome 2013
Equity ratio, minimum level, %	25.0/30.0	27.3	26.8
Loan-to-value ratio, maximum level, %	65.0	62.9	64.8
Interest coverage ratio, minimum level, times	1.8	2.5	2.2

CAPITAL STRUCTURE

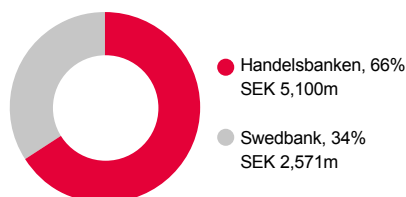


The finance function's remit includes raising new loans, determining maturities and monitoring developments in the fixed income market. The function is also responsible for the loan portfolio and decides on any changes to and reallocation of the portfolio. Finally, its remit includes negotiating with credit institutions on terms and conditions for loans and accounts and other banking issues. Where required, the approval of the company's Board of Directors is sought before decisions are executed.

INTEREST RATE AND LOAN MATURITY STRUCTURE

Diös Fastigheter aims to maintain an average remaining maturity on its interest-bearing liabilities of two to four years in order to limit the refinancing risk. Another objective is to ensure an even distribution of loan maturities over time. In 2014 the Group's interest-bearing liabilities totalled SEK 7,671 million (7,664) with an average annual interest rate of 1.7 per cent (2.8), including loan commitments. The average annual interest rate, including costs related to derivatives and loan commitments, amounted to 2.8 per cent (3.6). The loans had an average fixed-rate term of 2.8 months (2.8). The average interest rate commitment period was 1.4 years (1.9) when the impact of the derivative portfolio is included. The average maturity was 2.0 years (2.1). Of the Group's total interest-bearing liabilities, SEK 4,200 million (4,200) is hedged through derivatives. The average remaining term is 2.1 years (3.0). The company's financial instruments limit the

LENDERS



impact of a rise in interest rates on the average borrowing rate. If interest rates had been increased by 1 percentage point as of 31 December 2014, the company's average interest rate would have risen by 0.4 percentage points and the value of derivatives would have increased by SEK 91 million.

DERIVATIVES

Diös Fastigheter holds derivatives in its credit portfolio for the purpose of reducing the interest rate risk. The company uses only nominal interest rate swaps, exchanging a variable interest rate for a fixed interest rate. The variable rate is three-month STIBOR while fixed interest rates range from 1.9 to 3.7 per cent. In 2014 the company's derivatives holdings remained unchanged. At year-end the company had three swaps covering a notional amount of SEK 4,200 million. Coupled with the company's fixed-rate loans, the effect of using derivatives is that 55 per cent of all interest-bearing liabilities have fixed rates of interest. The counterparties for the swaps are Handelsbanken and Swedbank. As market interest rates change and the remaining maturities decrease, the value of the derivatives changes. The change in value of the derivatives in 2014 was SEK -91 million (68), none of which was realised. The total value of the derivatives at 31 December was SEK -198 million (-107). Upon expiration the value of the derivatives will be zero, however. All changes in value of derivatives have been recognised in the income statement. Hedge accounting has not been applied.

LENDERS

The company's credit portfolio is divided between two lenders: Handelsbanken and Swedbank, with the former accounting for the larger portion, 66 per cent (89), of the overall credit portfolio.

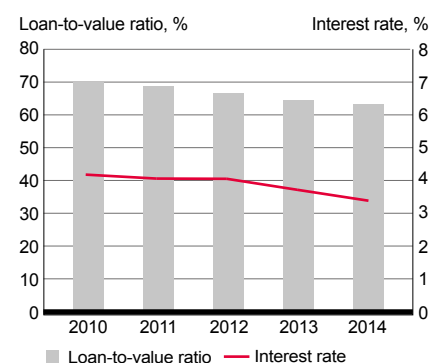
COLLATERAL AND COVENANTS

At 31 December 2014 mortgage deeds on the property portfolio covered a total value of SEK 8,794 million (8,880). 100 per cent (100) of the total credit volume has collateral in the form of mortgage deeds on property. The company has also posted collateral in the form of shares in property-owning subsidiaries as well as a parent company guarantee in Diös Fastigheter AB. The company's agreements with its lenders contain limits for various financial key ratios, known as covenants, which are designed to limit the level of risk in the company. Diös Fastigheter has also defined a set of long-term targets aimed at strengthening the company's financial position. The target for the equity ratio was 30 per cent, and in the agreements with the banks the minimum level is set at 25 per cent. The outcome was 27.3 per cent (26.8), following an improvement of 0.5 percentage points (1.5) during the year. For the loan-to-value ratio the company had set a target of 65 per cent and the loan covenants specified a limit of -70 per cent. The outcome was 62.9 per cent after the company succeeded in reducing its borrowing by 1.9 percentage points. Finally, the target for the interest coverage ratio was 1.8 times and the banks' requirement 1.5–1.8 times. The outcome was 2.5 times after an increase by 0.3 times.

DERIVATIVES

Counterparty	Nominal value, SEKm	Remaining maturity, years	Interest rate level, %	Market value, SEKm
Handelsbanken	2,000	1.7	2.3	-71
Handelsbanken	600	3.7	3.7	-71
Swedbank	1,600	2.1	1.9	-56
TOTAL	4,200	2.1	2.4	-198

LOAN-TO-VALUE RATIO AND INTEREST RATE



RISK AND SENSITIVITY

Diös Fastigheter is one of northern Sweden's leading private property companies. The company owns and develops a diversified portfolio of properties in priority growth cities, of which Gävle, Sundsvall and Östersund are the largest in terms of value.

Like every company, Diös Fastigheter is exposed to risks and opportunities which depend on the company's own actions as well as external events. Supply and demand in the rental and property markets are to a high degree determined by macroeconomic factors such as growth, employment and inflation. These affect key ratios such as vacancy rates and rent levels. The management of risks and opportunities has a big impact on the company's prospects, results and financial position.

Diös Fastigheter seeks to ensure a high level of risk awareness throughout the organisation with the aim of minimising risk exposures while not excluding opportunities. The following risk and sensitivity analysis covers strategic risks linked to the ownership and management of properties as well as operational risks which highlight the effectiveness and quality of the company's internal procedures and systems. The actual implementation of risk strategies takes place in the company's day-to-day activities.

STRATEGIC RISKS

PROPERTY HOLDINGS

With the aim of minimising its dependence on sharp swings caused by developments in the economy as a whole, Diös Fastigheter has chosen to diversify its holdings across different types of properties and premises distributed over a wide geographic market. At year-end 2014 Diös' properties had a total value of SEK 12,200 million (11,823) after a change in value of SEK 62 million (-24) during the year. The value of the properties is influenced by a number of property-specific and market-specific factors, including occupancy rates, rent levels and building

operating costs as well as required yields and the cost of capital, based on comparable transactions in the property market.

Exposure and management

Diös Fastigheter's investment properties are carried at fair value in the balance sheet and changes in value are recognised in the income statement. Unrealised changes in value do not affect cash flow. Under the company's valuation model, 25 per cent of the 100 largest properties in terms of value, representing 68 per cent of the total value, are valued externally each quarter on a rolling basis. The remaining 75 per cent of the portfolio is valued internally. Other properties are valued internally with regard to the degree of change in each property. Property-specific as well as market-specific changes can result in upward or downward adjustments to the fair values of Diös Fastigheter's investment properties. Such adjustments in turn affect the company's results and financial position.

Making improvements to properties is a key element of the company's business model. All improvement projects are based on a careful analysis of the costs of the project as well as the expected income and capital appreciation resulting from the work. The sensitivity analysis shows how the company's equity and loan-to-value ratios are affected by an increase or decrease of 7.5 per cent in the value of the properties. This reflects the uncertainty range indicated by property company Savills in its property valuation as at 31 December 2014.

Diös Fastigheter has one of the most geographically diversified property holdings of all Swedish property companies. Our focus on northern Sweden results in smaller fluctuations in rents as well as property prices compared with the rest of Sweden. In order to reduce its exposure to any individual factor or tendency,

the company has selected local markets with varying growth profiles. It has also chosen to build a diversified portfolio consisting of office, retail, residential and industrial properties. This limits the risks and increases the opportunities if the performance of any individual segment were to deviate markedly from the others. A shortage of housing is evident in most of Diös Fastigheter's priority cities, which should ensure that demand remains strong. Demand for commercial premises is also currently good. A change could have a negative impact on the company's operations, financial position and results.

CORPORATE AND PROPERTY ACQUISITIONS

Corporate and property acquisitions are a natural and strategically important part of Diös Fastigheter's operations, and are always subject to a degree of uncertainty. The objective is to acquire companies or properties which add value on top of the consideration paid. There cannot, of course, be any guarantee that this will be the case. In a property acquisition the loss of tenants, environmental conditions and technical problems constitute potential risks.

Exposure and management

Diös Fastigheter's acquisition activity has varied significantly over the years. Following the major acquisition of Norrvidden in 2011, only one property was acquired in 2012, none in 2013 and one in 2014. Each acquisition is preceded by in-depth analysis, or due diligence, with the aim of identifying any hidden opportunities and risks. By acquiring properties in well known locations, which complement its existing portfolio, the company increases the likelihood of positive surprises while reducing the risks of negative surprises.

SENSITIVITY ANALYSIS PROPERTY VALUE

	Change in property value, %		
	-7.5	0	7.5
Property value, SEKm	11,285	12,200	13,115
Equity ratio, %	21.4	27.3	32.3
Loan-to-value ratio, %	68.0	62.9	58.5

RENTAL INCOME

Revenues are affected by occupancy rates and contracted rents, as well as the tenants' ability to pay. Occupancy rates and rents are determined partly by factors such as the general level of economic activity, the rate of production of new commercial and residential properties, infrastructural changes, population growth and employment.

Exposure and management

The greater the number of large individual tenants a property company has the greater the risk of significant fluctuations in vacancy rates and loss of rental income. Diös' contracted rental income from its ten largest tenants at 31 December 2014 was SEK 206 million (207), accounting for 16 per cent (16) of total rental income. Through the acquisition of Norrvidden in 2011 Diös Fastigheter has established a number of new relationships with tenants. The degree of diversification has increased and the company's dependence on individual customers has been reduced. However, there can be no guarantees that the company's major tenants will renew or extend their lease contracts upon expiry. In the long term, this could lead to lower rental income and increased vacancies.

The average lease term for the ten largest tenants was 3.8 years (3.1). Under the company's policy, leases with a longer duration than three years must be inflation-adjusted by being linked to the consumer price index (CPI). At year-end 79 per cent of the total contract value and 77 per cent of all contracted commercial leases were indexed. If inflation were to increase at a faster pace than the index compensation there is a risk that the company's results would be adversely affected.

To reduce the risk that tenants will default on payments or otherwise fail to fulfil their obligations, the tenant's obligations are in some contracts guaranteed by its parent company or through a bank guarantee. Longer-term, rental income for commercial premises is determined by market factors to a higher degree than in the residential market, as residential rents are set in accordance with the "user-cost method".

A key instrument for identifying potential issues in tenant contracts and implementing effective changes is the annual customer survey,

which is used to produce a customer satisfaction index (CSI). For 2014 the CSI score was 57 (56). In order to obtain further explanations for the result, all customers who had indicated that they would be interested in engaging in further dialogue were contacted during the year by the company's key account manager or business area manager. Action plans to improve the results in each business area have since been drawn up.

PROPERTY COSTS

Operating and maintenance costs comprise tariff-based costs such as electricity, heating and water, as well as costs for cleaning, repairs and property tax. To a large extent, the costs are a fact regardless of whether the premises or residential units have been let or not. Variations in the prices of these services and the impact of abnormal weather can have an impact on earnings. Relatively large fluctuations, in the electricity market, for example, are hard to avoid, as the services are traded in an open market.

Exposure and management

Fluctuations in property costs are offset by indexing of the rent and by passing on the actual costs to the tenant. However, the costs are offset with a lag, as indexing affects rent levels only in the following year and final settlement of actual costs takes place only after the end of the year. Fluctuations in vacancies constitute the biggest opportunity as well as the biggest risk, as occupancy is a necessary condition for transferring the cost to the tenant. In 2014 Diös was able to pass on 34 per cent (30) of utility costs to the tenants. Diös regularly reviews its leases with the aim of increasing the indexation or the share of leases with automatic upward adjustment while expanding the share of utility costs that is passed on to tenants. As energy is one of the single largest expense items, Diös Fastigheter works continuously to reduce energy

consumption per square metre, partly by optimising energy solutions in those properties which have the highest consumption per square metre.

ENVIRONMENT

Property management and exploitation affect and leave a footprint on the environment. Under the Swedish Environmental Code, an entity which has engaged in operations or taken measures that have caused pollution or serious environmental damage is obliged to conduct investigations and bear the cost of remedial measures. If the operator is unable to carry out or bear the cost of decontamination of a polluted property the party which has acquired the property and which at the time of the acquisition was aware of or ought to have been aware of the pollution is liable.

Exposure and management

Diös Fastigheter works actively to minimise the company's environmental and climate footprint by reducing emissions of hazardous substances, minimising the damage caused by transports and improving the management of waste and the immediate surroundings of the properties. Prior to the acquisition of a property or launch of a new project the company performs analyses to identify any potential environmental problems. Energy optimisation also has the effect of reducing costs per square metre. Currently the company is not aware of any significant environmental claims that could be made on the company.

FINANCING

Most of Sweden's listed property companies rely for their funding on bank loans and capital market funding. This creates exposure to financial risks such as interest rate, financing and credit risk. Interest rate risk refers to the risk of a decline in the value of

SENSITIVITY ANALYSIS PROPERTY VALUATIONS

	Change	Change in fair value, SEKm
Rental income	SEK +/-50/sq.m	+/- 960
Operating costs	SEK +/-25/sq.m	+/- 480
Yield	-/+0.5 % point	+706/-611
Cost of capital	-/+0.5 % point	+248/-242
Vacancy rate	-/+1.0 % point	+/- 148

the company's assets, liabilities and fixed income derivatives as a result of a change in interest rates. Changes in interest rates can also affect the company's borrowing cost. Market interest rates are influenced primarily by the expected rate of inflation. The Riksbank steers short-term market interest rates by adjusting its repo rate. Longer-term interest rates are to a large degree affected by international regulations, which affect banks' borrowing costs. This makes it difficult to predict the future course of long-term interest rates.

Financing risk refers to the risk that it will prove difficult or expensive to finance the Group's capital requirements. Credit risk refers to the risk of losing money due to the failure of a counterparty to meet its obligations. Credit risk in the funding operations arises partly in connection with the investment of excess liquidity and the conclusion of derivatives contracts.

Exposure and management

About 63 per cent (64) of Diös Fastigheter's operations is funded through credits from banks. Financial costs constitute Diös Fastigheter's largest expense item, accounting for 31 per cent (31) of total expenses affecting cash flow. Interest rate risk is managed by diversifying fixed-rate terms for different credits through the use of swap contracts and by defining targets for fixed-rate terms and the interest coverage ratio. The total volume of swaps, through which the company exchanges variable interest for fixed interest, stood at SEK 4,200 million at 31 December (4,200). This means that 55 per cent (55) of the company's credit portfolio had fixed rates of interest. The fixed-rate term was 1.4 years (1.9) and the interest coverage ratio 2.5 times (2.2).

Financing risk is managed partly through the use of relatively long maturities, with credits falling due over several years. To reduce the financing risk, the company's credits are divided between Handelsbanken and Swedbank, with an average maturity of 2.0 years (2.1). The company's financial policy specifies limits for credit risk, both in terms of volumes for derivatives contracts and in terms

of eligible counterparties for the investment of liquidity. All credits and swap contracts have been concluded with Swedish banks.

TAXES, FEES AND SUBSIDIES

Diös Fastigheter's operating environment can be influenced by changes in corporation and property tax as well as other government levies, housing benefits and interest subsidies. Sweden's political parties have widely divergent views on the size and application of property tax, and it cannot be excluded that tax rates will change in future or that other changes will be made at central government level which affect the ownership of property.

Exposure and management

Diös has tax losses from previous years, which derive mainly from the dormant limited companies acquired in April 2005. Changes to tax laws could, for instance, affect the company's tax depreciation allowances or its ability to use tax losses from previous years. This could result in a changed tax situation in future.

Opportunities to use tax losses may also be limited by changes in the company's ownership structure, for example, if a group of natural persons acquired a combined stake of more than 50 per cent of the company over a five-year period and each of these persons owns or acquires at least five per cent of the company. The persons concerned do not need to be acting in concert or even be aware of each other's existence for the rule to apply. Depending on how the rule is interpreted, minor changes in ownership could limit the tax losses. To ensure that the company applies the applicable tax legislation correctly, makes use of existing tax allowances and avoids probable risks, the company has engaged the services of tax law specialists.

SENSITIVITY ANALYSIS RESULTS

	Change	Impact on earnings, SEKm
Contracted rental income	+/- 1%	+/- 13
Economic occupancy rate	+/- 1%	+/- 14
Property costs	+/- 1%	+/- 5
Interest rate on interest-bearing liabilities	+/- 1%	+/- 77

EMPLOYEES AND KEY INDIVIDUALS

The company's future performance is to a high degree dependent on its ability to attract skilled staff, especially for key positions.

Exposure and management

With the aim of being an attractive employer, Diös Fastigheter strives to ensure that it offers terms of employment which are consistent with those currently applied in the market as well as an employee-friendly work climate. The annual employee satisfaction index (ESI) survey is a key instrument for identifying potential improvements and areas for development. The company's ESI score in 2014 was 70 (65). Each manager draws up action plans based on his or her results.

OPERATIONAL RISKS

Operational risk refers to the risk of incurring losses due to inadequate or failed processes, human error, faulty systems or external events. Diös Fastigheter works to identify, assess, monitor and manage operational risks. The assessment is based on the probability of the risks occurring as well as the expected consequences of the risks. Risk management is based on a standardised work method and control points. The work method is continually developed.

Operational risks are divided into:

- Administrative risks: inadequate or inappropriate procedures, poor reporting or control, human errors and skills deficiencies, a poorly defined division of responsibilities.
- IT risks: malfunctioning computer systems, IT security and the risk of outages.
- Legal risks: inadequate documentation and poorly written contracts.

Diös Fastigheter's assets and employees are covered by insurance policies to the extent deemed necessary.

ALLOCATION OF PROFIT AND DIVIDEND

PROPOSED ALLOCATION OF PROFIT

The Board of Directors proposes that the available profits in the parent company be distributed as follows:

Retained earnings:	SEK 827,757,548
Profit for the year:	SEK -8,666,849
Total:	SEK 819,080,743

Distributed to ordinary shareholders:	SEK 212,978,032
Carried forward:	SEK 606,102,711
Total:	SEK 819,080,743

At 31 December 2014 the number of registered shares of Diös was 74,729,134. The calculation above is based on the total number of registered shares.

PROPOSED DIVIDEND

In accordance with its financial targets, Diös Fastigheter aims to distribute at least 50 per cent of the company's profit after tax, excluding unrealised changes in value and deferred tax, to the shareholders in the form of dividends. The Board of Directors proposes that the 2015 Annual General Meeting

authorise the payment of a dividend of SEK 2.85 per share. The proposal would mean that 50 per cent of the profit after tax, excluding unrealised changes in value and deferred taxes, is paid out to shareholders.

REASONED OPINION OF THE BOARD OF DIRECTORS

By reference to the aforesaid the Board of Directors considers that the proposed dividend is justifiable in view of the provisions set forth in Chapter 17 Section 3 second and third paragraphs of the Swedish Companies Act. The nature and scope of the operations do not entail risks to a greater extent than what is normal in the industry. Based on the Board's assessment of the parent company's and Group's financial position, the dividend is justifiable in view of the parent company and consolidated equity requirements arising from the nature, scope and risks of the operations and the consolidation needs, liquidity and position of the parent company and Group.

The Board does not expect that the proposed dividend will affect the company's ability to meet its short-term and long-term obligations or to make necessary investments. The proposed dividend represents 50 per cent

of the consolidated profit after tax, excluding unrealised changes in value and deferred tax, which is in line with the stated objective. The Board of Directors finds there is full coverage for the company's restricted equity after the proposed dividend.

The company and the Group maintain sufficient reserves of cash and cash equivalents in the form of both short-term and long-term credit lines. The lines of credit can be used at short notice, which means that the company and the Group are well prepared for fluctuations in liquidity and unexpected events.

The Board of Directors has taken into account all other known circumstances that could have an impact on the financial position of the company and the Group and which have not been taken into account within the scope of the above considerations. In this respect, no circumstances have been found to indicate that the proposed distribution is not justified.

Östersund, 17 March 2015

The Board of Directors of Diös Fastigheter
AB (publ)
CRN 556501-1771





FINANCIAL STATEMENTS



CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT, SEKm	Note	2014	2013
Revenue	3	1,312	1,307
Property costs	4	-550	-569
Operating surplus		762	738
Central administration	5,6	-58	-58
Restructuring costs	6	-	-26
Financial income	8	1	3
Financial costs	9	-284	-303
Property management income		421	354
Change in value of properties	7	62	-24
Change in value of derivatives	21.9	-91	68
Profit before tax		392	398
Current tax	10	-10	-15
Deferred tax	10	-80	-62
PROFIT FOR THE YEAR		302	321
Profit attributable to shareholders of the parent		297	323
Profit attributable to non-controlling interests		5	-2
Total		302	321

STATEMENT OF COMPREHENSIVE INCOME, SEKm	2014	2013
Profit for the year	302	321
COMPREHENSIVE INCOME FOR THE YEAR	302	321
Comprehensive income attributable to shareholders of the parent	297	323
Comprehensive income attributable to non-controlling interests	5	-2
Total	302	321

DATA PER SHARE	2014	2013
Earnings per share, SEK	3.97	4.32
Average number of shares (thousands)	74,729	74,729
Number of shares at end of period (thousands)	74,729	74,729
Dividend per share, SEK	2.85 ¹	+12.30

¹ The Board's proposal.

CONSOLIDATED BALANCE SHEET

ASSETS, SEKM	Note	2014	2013
Non-current assets			
Property, plant and equipment and intangible assets			
Investment properties	11	12,200	11,823
Intangible assets	12	4	4
Other property, plant and equipment	13	7	7
Total property, plant and equipment and intangible assets		12,211	11,834
Financial assets			
Interests in associates	15	1	0
Other securities held as non-current assets	16	6	6
Promissory notes		-	3
Total financial assets		7	9
Total non-current assets		12,218	11,843
Current assets			
Current receivables			
Trade receivables	18	10	10
Other receivables		14	53
Prepaid expenses and accrued income		19	28
Total current receivables		43	91
Cash on hand and demand deposits		79	121
Total current assets		122	212
TOTAL ASSETS		12,340	12,055

EQUITY AND LIABILITIES, SEKm	Note	2014	2013
Equity¹	19		
Share capital		149	149
Capital contributed		1,820	1,820
Retained earnings		1,396	1,266
Total equity		3,365	3,235
Non-current liabilities			
Deferred tax liability	17	735	655
Other provisions	20	9	9
Liabilities to credit institutions	21	7,664	7,657
Total non-current liabilities		8,408	8,321
Current liabilities			
Current portion of non-current liabilities	21	7	7
Trade payables		57	89
Other liabilities		199	114
Accrued expenses and deferred income	22	304	289
Total current liabilities		567	499
TOTAL EQUITY AND LIABILITIES		12,340	12,055

PLEDGED ASSETS AND CONTINGENT LIABILITIES, SEKM	2014	2013
Pledged assets		
For own liabilities		
Shares in subsidiaries	2,253	1,872
Floating charges	239	239
Property mortgages	8,794	8,880
Total pledged assets	11,286	10,991
Contingent liabilities		
Other contingent liabilities	1	1
Total contingent liabilities	1	1
Contingent liabilities		
Ongoing tax case	135	-
Total contingent liabilities	135	-

¹ Changes in equity, see page 47.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND CASH FLOW STATEMENT

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Number of outstanding shares, thousands	Share capital	Capital contributed	Retained earnings	Total equity
EQUITY 31 DECEMBER 2012	74,729	149	1,820	1,117	3,086
Profit for the year after tax				323	323
Comprehensive income for the year				323	323
Cash dividend				-172	-172
Proportion of equity held by non-controlling interests				-2	-2
EQUITY 31 DECEMBER 2013	74,729	149	1,820	1,266	3,235
Profit for the year after tax				297	297
Comprehensive income for the year				297	297
Cash dividend				-172	-172
Proportion of equity held by non-controlling interests				5	5
EQUITY 31 DECEMBER 2014	74,729	149	1,820	1,396	3,365

CONSOLIDATED CASH FLOW STATEMENT

SEKm	2014	2013
Operating activities		
Property management income	421	354
Adjustments for non-cash items, etc. ¹	-	3
Tax paid	-10	-15
Operating cash flows before change in working capital	411	342
Changes in working capital		
Decrease (+)/increase (-) in receivables	48	72
Decrease (-)/increase (+) in liabilities	-37	-80
Total change in working capital	11	-8
Operating cash flow	422	334
Investing activities		
Investment in financial assets	-	2
Proceeds from sale of property, plant and equipment	101	309
Acquisition of intangible assets	-1	-4
Purchases of property, plant and equipment	-399	-239
Investing cash flow	-299	68
Financing activities		
Dividend	-172	-172
Change in borrowings	7	-229
Financing cash flow	-165	-401
CASH FLOW FOR THE YEAR	-42	1
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	121	120
CASH AND CASH EQUIVALENTS AT END OF YEAR ²	79	121
¹ Non-cash flow items:		
Depreciation of property, plant and equipment and amortisation of intangible assets	3	3
Accrued interest and similar items	-3	-
Carrying amount at end of year	-	3

² Cash and cash equivalents comprise cash on hand and demand deposits.

PARENT COMPANY

INCOME STATEMENT

INCOME STATEMENT, SEKm	Note	2014	2013
Net sales	3	118	105
Gross profit		118	105
Central administration	5.6	-159	-148
Restructuring costs	6	-	-26
Operating profit		-41	-69
Financial income	8	147	230
Financial costs	9	-115	-109
Current tax	10	-	-
PROFIT FOR THE YEAR AFTER TAX		-9	52

STATEMENT OF COMPREHENSIVE INCOME	2014	2013
Profit after tax	-9	52
COMPREHENSIVE INCOME FOR THE YEAR	-9	52

DATA PER SHARE	2014	2013
Earnings per share, SEK	-0.12	0.70
Average number of shares (thousands)	74,729	74,729
Number of shares at end of period (thousands)	74,729	74,729
Dividend per share, SEK	2.85 ¹	2.30

¹ The Board's proposal.



PARENT COMPANY

BALANCE SHEET

ASSETS, SEKm	Note	2014	2013
Non-current assets			
Property, plant and equipment and intangible assets			
Projects in progress		1	1
Intangible assets	12	4	4
Other property, plant and equipment	13	2	1
Total property, plant and equipment and intangible assets		7	6
Financial assets			
Interests in Group companies	14	171	171
Receivables from Group companies		7,390	3,341
Total financial assets		7,561	3,512
Total non-current assets		7,568	3,518
Current assets			
Current receivables			
Receivables from Group companies		186	187
Other receivables ¹		3	2
Prepaid expenses and accrued income ¹		10	8
Total current receivables		199	197
Cash on hand and demand deposits		145	10
Total current assets		344	207
TOTAL ASSETS		7,912	3,725

EQUITY AND LIABILITIES, SEKm	Note	2014	2013
Equity²			
Restricted equity			
Share capital	19	149	149
Statutory reserve		285	285
Total restricted equity		434	434
Unrestricted equity			
Share premium reserve		1,492	1,492
Retained earnings		-664	-544
Profit for the year		-9	52
Total unrestricted shareholders' equity		819	1,000
Total equity		1,253	1,434
Non-current liabilities			
Liabilities to Group companies		2,947	710
Liabilities to credit institutions	21	3,311	1,476
Total non-current liabilities		6,258	2,186
Current liabilities			
Current portion of non-current liabilities		7	7
Liabilities to Group companies		365	58
Trade payables		1	7
Other liabilities		9	5
Accrued expenses and deferred income	22	19	28
Total current liabilities		401	105
TOTAL EQUITY AND LIABILITIES		7,912	3,725

PLEDGED ASSETS AND CONTINGENT LIABILITIES, SEKm	2014	2013
Pledged assets		
For own liabilities		
Shares in subsidiaries	84	84
Non-current receivables in Group companies	2,593	2,593
Total pledged assets	2,677	2,677
Contingent liabilities		
Guarantees to Group companies	704	-
Other contingent liabilities	1	1
Total contingent liabilities	705	1

¹ SEK 8 million relating to 2013 has been reclassified between other receivables and prepaid expenses.

² Changes in equity, see page 50.

PARENTCOMPANY STATEMENT OF CHANGES IN EQUITY AND CASH FLOW STATEMENT

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEKm	Number of outstanding shares, thousands	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Total equity
EQUITY 31 DECEMBER 2012	74,729	149	285	1,492	-372	1,554
Profit for the year after tax					52	52
Comprehensive income for the year					52	52
Cash dividend					-172	-172
EQUITY 31 DECEMBER 2013	74,729	149	285	1,492	-492	1,434
Profit for the year after tax					-9	-9
Comprehensive income for the year					-9	-9
Cash dividend					-172	-172
EQUITY 31 DECEMBER 2014	74,729	149	285	1,492	-673	1,253

PARENT COMPANY CASH FLOW STATEMENT

SEKm	2014	2013
Operating activities		
Operating profit	-41	-69
Adjustments for non-cash items, etc. ¹	1	1
Interest received	147	160
Interest paid	-116	-108
Operating cash flows before change in working capital	-9	-16
Changes in working capital		
Decrease (+)/increase (-) in receivables	-1	-51
Decrease (-)/increase (+) in liabilities	296	-50
Total change in working capital	295	-101
Operating cash flow	286	-117
Investing activities		
Change in long-term receivables	-4,048	44
Acquisition of intangible assets	-1	-4
Purchases of property, plant and equipment	-2	-
Investing cash flow	-4,051	40
Financing activities		
Dividend	-172	-172
Change in borrowings	4,072	286
Financing cash flow	3,900	114
CASH FLOW FOR THE YEAR	135	37
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	10	-27
CASH AND CASH EQUIVALENTS AT END OF YEAR ²	145	10

¹ Non-cash flow items.

Depreciation of property, plant and equipment and amortisation of intangible assets	1	1
Carrying amount at end of year	1	1

² Cash and cash equivalents comprise cash on hand and demand deposits.

NOTES

NOTE 1 >>> ACCOUNTING PRINCIPLES

GENERAL INFORMATION

The Annual Report and the consolidated financial statements were approved and authorised by the Board of Directors for publication on Diös' website on 01 April 2015. The consolidated and parent company income statements and balance sheets will be presented for approval at the Annual General Meeting on 22 April 2015. Diös Fastigheter AB (CRN 556501-1771) is a Swedish-registered public limited company with its headquarters in Östersund in the county of Jämtland. The address of the Head Office is Ringvägen 4, Östersund. The postal address is Box 188, SE-831 22, Östersund, Sweden.

OPERATIONS

The Diös Fastigheter Group of companies was formed in April 2005 with the objective of acquiring, managing, improving and selling properties. Its business activities are concentrated in the area north of Dalälven. Diös' general objective is to create good profitability in its property holding and thereby give its shareholders a sustainably high and stable return. Diös Fastigheter's operations in 2014 were divided into six geographically defined business areas: Dalarna, Gävleborg, Västernorrland, Jämtland, Västerbotten and Norrbotten, with each business area constituting a property management district. The staff in each area have operational responsibility for the properties and customer contacts in the business area. The goal is to use efficient, market-oriented property management strategies to create long-term tenant relationships and, through dialogues with clients, offer customised premises in well-maintained, cost-effective properties. In addition to the CEO, the parent company (Diös Fastigheter AB) includes the Group-wide functions of accounting/finance, valuation/analysis and communications.

BASIS OF ACCOUNTING

The consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards (IFRS) and interpretations of these as they have been adopted by the European Union. Furthermore, the consolidated financial statements have been prepared in accordance with Swedish law and the Swedish Financial Reporting Board's recommendation RFR 1, "Supplementary Accounting Regulations for Groups". The accounts have been prepared under the historical cost convention, except for investment properties and derivatives, which are measured at fair value. The parent company's Annual Report has been prepared in conformity with Swedish law and the Swedish Financial Reporting Board's recommendation RFR 2, "Accounting for Legal Entities".

The recommendation states that a legal entity shall apply the IFRS, including interpretations from IFRIC/SIC, with exceptions for legislative provisions of the Swedish Annual Accounts Act and taking into account the relationship between accounting and taxation. The parent company applies the same recognition and measurement standards as the consolidated financial statements with the following exceptions. Derivatives are not measured at fair value in the parent company. Property, plant and equipment is recognised at cost less accumulated depreciation and impairment. The carrying amount increases for these in the balance sheet provided that requirements for revaluation exist.

Shares in subsidiaries are recognised using the cost method where the carrying amount is continually reviewed against the subsidiaries' consolidated equity. In cases where the carrying amount exceeds the consolidated value, the resulting impairment is charged to the income statement. Impairment loss is reversed when it is no longer justified. Acquisition-related costs for subsidiaries, which are recognised as an expense in the consolidated financial statements, are included as part of the cost of interests in subsidiaries. Group contribution is recognised as financial income by the recipient and as financial expense by the contributor. Any subsequent impact on tax is recognised as current tax. Shareholder contributions are recognised by the contributor as an increase in shares in subsidiaries and by the recipient as an increase in unrestricted equity.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS IN 2014

Group

As of the financial year 2014 the Group has applied a number of new standards and interpretations, of which the most significant for the Group are described in the following.

IFRS 10 Consolidated Financial Statements replaces parts of IAS 27 Consolidated and Separate Financial Statements, which focuses on when and how a holding company should prepare consolidated financial statements. IFRS 10 also replaces SIC-12, which addresses the issue of when a special purpose entity (SPE) should be consolidated. The objective of IFRS 10 is to have a single basis for consolidation for all types of investment entities. Under IFRS 10, the only basis for consolidation is control. The definition of controlling interest comprises the following three components: a) influence over the investee, b) exposure to, or the right to, a variable return from participation in the investee, and c) the investor's ability to exercise its influence over the investee to affect its return. IFRS 10 has not had any impact on the consolidated financial statements.

IFRS 12 Disclosure of Interests in Other Entities is applicable for companies which have interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities. IFRS 12 contains disclosure requirements and specifies that the disclosed information must help users of the financial statements to assess the nature of and risks attributable to holdings in other units, and the impact which these holdings have on the company's financial statements. IFRS 12 has affected the consolidated financial statements only in the form of additional disclosure requirements.

IFRIC 21 Levies was adopted by the EU in June 2014 and will become applicable from 2015. Diös Fastigheter chose to apply IFRIC 21 in advance for the financial year 2014 with retroactivity, in accordance with the transition rules in the interpretation. The application of IFRIC 21 means that the Group has changed its principle for accounting of property as of the financial year 2014. The new policy has been applied retroactively, which means that figures for the comparative period have been restated. As of 2014 the obligation to pay property tax is recognised as a liability from the first day of the financial year along with a corresponding asset consisting of a prepaid property tax cost, which is allocated on a straight-line basis over the financial year. Previously property tax was recognised as a cost and liability, respectively, and allocated on a straight-line basis over the financial year. The new principle has not had an impact on the Group's financial position at year-end or on the income statement but had a minor impact on the balance sheet in 2014.

Other new or revised IFRS standards and IFRIC interpretations that became effective on 1 January 2014 have not had a material impact on the financial statements of the Group.

Diös chose to apply the amendments to IAS 36 in advance, which means that disclosures of recoverable amounts only need to be made in connection with impairment from the financial year which began on 1 January 2013.

Parent company

The changes in RFR 2 which apply as of the financial year 2014 have not had any impact on the parent company's financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In order to be able to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) and generally accepted accounting practice, management is required to make estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets, liabilities, income and expense in the next financial year. These estimates are based on historical experience and other factors that are believed to be reasonable under the circumstances. The actual results may differ from these estimates if other assumptions are made or other factors exist. Estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period in which the change is made, if the change affects that period only, or in the period in which the change is made and future periods if the change affects both the present and future periods. The estimates of the value of investment properties have a significant risk of causing a material adjustment to Group revenue and financial position. The valuation requires an estimation of the future cash flows and also the selection of appropriate discount rates. Details of the estimates and assumptions in respect of the current year are given in Note 11.

OPERATING SEGMENTS

The financial and operating performance of the identifiable operating segments are reviewed by the chief operating decision maker who, in Diös, is the Preiand CEO. The Group's management and financial structure is grouped into six segments. Group operations are organised by business areas so that the return generated by each business area can be monitored for internal reporting purposes. In addition, operations are followed up on the basis of property type.

The accounting principles applied for segment reporting are consistent with those applied by the Group. Segment information is only provided for the Group. From 1 January 2012, segments will be reported by county instead of by town. This means that Borlänge, Falun and Mora will be in Dalarna, Gävle in Gävleborg, Östersund in Jämtland, Sundsvall in Västernorrland, Umeå, Skellefteå and Lycksele in Västerbotten and Luleå in Norrbotten.

CLASSIFICATION

Non-current assets and long-term liabilities consist, in all material respects, exclusively of amounts that are expected to be recovered or paid later than twelve months from the balance sheet date. Current assets and current liabilities consist, in all material respects, exclusively of amounts that are expected to be recovered or paid within twelve months of the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the parent company and those subsidiaries in which the parent company has a controlling interest. A controlling interest exists which the parent company has influence over an entity, is exposed to, or has the right to, a variable return on its holding in the entity as well as the opportunity to exercise its influence over the entity to affect its return. For a controlling interest to exist, the parent company must own, directly or indirectly, at least half of the voting power of an entity. In addition to the parent company, the Group comprises the subsidiaries and associated sub-groups specified in Note 14. The annual accounts are based on reports and statements that have been prepared for all Group companies as at 31 December 2014. The results of subsidiaries acquired in the year are included in the consolidated income statement from the effective date of acquisition. The results of subsidiaries disposed of in the year are included in the consolidated income statement up to the date of disposal. All inter-company transactions with regard to assets, liabilities, income and expense are eliminated on consolidation. Business combinations are accounted for using the acquisition method. Under the acquisition method, assets acquired and liabilities assumed are measured at their fair values at their acquisition date, which is the date on which the acquirer obtains control of the acquired entity. Transaction costs relating to the acquisition are not included in the cost of

NOTES

CONT. NOTE 1 >>> ACCOUNTING PRINCIPLES

acquisition of the subsidiary. The difference between the cost of the acquisition, the amount of any non-controlling interest and the fair value of any previous equity interest and the fair value of the identifiable assets acquired and liabilities assumed and any contingent liabilities is recorded as goodwill. Negative difference is recognised directly in the income statement. For each acquisition, the non-controlling interests are either carried at fair value or according to the proportion of the net assets acquired. Additional consideration is recognised at estimated fair value with subsequent changes recognised in the income statement. Business combination achieved in stages (step acquisition) is measured at fair value on the date when control is obtained. Gain or loss resulting from remeasurement of previously held equity interest, before control was obtained, is recognised in the income statement. Increases or decreases in ownership interest are treated as changes in equity if control of the subsidiary is maintained. Non-controlling interests are recognised in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Non-controlling interests are presented in the consolidated income statement and comprehensive income statement and are recognised separately from the parent company's income statement and comprehensive income statement as an allocation of the total profit for the period.

REVENUE

Revenue is recognised in the income statement when the significant risks and rewards of goods and services have been passed to the buyer. Revenue is not recognised if there are significant uncertainties regarding payment, associated costs or risks, and if the seller retains involvement in the day-to-day management that is normally associated with the ownership.

Revenue comprises the fair value of the consideration received or receivable. Under IAS 17, Diös' leases are classified as operating leases. The rental income is recognised on a straight-line basis over the term of the lease. This means that only the portion of the rental income relevant to the current period is recognised. Rentals invoiced in advance are thus recognised as deferred rental income. Any payment in connection with premature termination of a lease is recognised immediately as income provided there are no remaining obligations towards the lessee. Discounts on leases are recognised on a straight-line basis over the term of the lease. Revenue from sales of properties is recognised on the date of takeover unless the risks and rewards of ownership have already been transferred. If control of the asset has already been transferred, the sale of the property is recognised in income at this earlier date. Income from the sale of property is recognised as the difference between the sale price received, less any costs directly related to the sale, and the latest fair value estimate, plus any improvements made since the last valuation. Interest income is calculated on the basis of the number of days outstanding, current asset balance and the interest rate prevailing at the time. Revenue is reported for the period in which the revenue is earned.

CENTRAL ADMINISTRATION

Central administration includes costs for general administration and group-wide activities. Parent company costs for management of the Group, human resources, data, marketing activities, investor relations, audit fees, financial statements and the expense of maintaining a stock exchange listing are included in central administration.

FINANCIAL COSTS

Financial costs relate to interest and other costs incurred in connection with borrowings. Costs for registration of mortgage deeds are not considered a financial cost, but are disclosed on the balance sheet as investment properties. Financial costs are recognised in the period in which they are incurred. Financial costs also include costs for interest rate derivative contracts. Flows of payments under these contracts are recognised in the period in which they are incurred.

FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost or fair value depending on their initial classification. For financial assets and liabilities carried at amortised cost, transaction costs are included at fair value. The company should recognise a financial asset or financial liability on its balance sheet when it becomes a party to the contractual provisions of the instrument. The company should derecognise a financial asset from its balance sheet when it realises the rights to benefits specified in the contract, the rights expire or the company loses control of the contractual rights. The company should derecognise a financial liability from its balance sheet when the obligation specified in the contract is discharged, cancelled or otherwise expires. The same applies to part of a financial liability. Unless otherwise stated in a note, the carrying amount of all financial assets and liabilities is considered to be a good approximation of their fair values. Derivatives are recognised on the trade date. Spot purchases and sales of financial assets are recognised on the settlement date. The fair values of derivatives 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 fair values of borrowings are determined using discounted future cash flows, with quoted market rates for each term. Shares and participations are classified as "Available-for-sale financial assets". These are measured at fair value with changes in value recognised in equity. These shares have been measured at cost as Diös was not able to reliably determine their market value.

Receivables are carried at amortised cost less impairment. Trade receivables are recognised in the balance sheet when the invoice is sent. They are measured at the lower of cost and net realisable value at their nominal amount and are not discounted as they are considered to have a short duration. Doubtful receivables are determined individually. Cash and cash equivalents comprise cash on hand and deposits held at call with banks that are categorised as "Loans and receivables". Recognition is subsequently measured at amortised cost. Because bank deposits are payable on demand, amortised cost corresponds to nominal value.

Trade payables and other liabilities are recognised when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Trade payables are recognised in the balance sheet when an invoice has been received and are valued at nominal value without discounting as they are considered to have a short duration. Loans are carried at amortised cost less allowances for any debt reductions.

Interest, dividends, gains and losses relating to financial instruments are recognised as income or expense in the income statement. If the company declares distributions to equity holders, these are recognised directly in equity, taking into account any income tax consequences. Derivatives are recognised and measured in the balance sheet at fair value. Derivatives that have a positive market value are recognised as other current receivables and derivatives that have a negative market value are recognised as other current liabilities.

Equity instruments that are issued by the company are recognised at the consideration received less transaction costs.

EQUITY

When the company repurchases its own shares, the company's equity is reduced by the amount of consideration paid for the shares plus any transaction costs.

Pursuant to the decision of the Annual General Meeting, dividends are recognised as a decrease in equity. The calculation of earnings per share is based on the Group's net earnings for the year attributable to the parent company's shareholders and on the average number of outstanding shares during the year.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

INVESTMENT PROPERTIES

Investment properties are properties that are held for the purpose of generating income from rent or lease, or from an increase in value, or a combination of the two. On the balance sheet date, Diös' property holding consists solely of investment properties. The properties are recognised in the balance sheet at fair value based on the valuation performed. Their fair values are subsequently remeasured during the year at quarterly intervals on the basis of external and internal valuations. The change in value is recognised in the income statement under change in value of properties. The fair values are based on the market values. These are the estimated sale prices of the properties as agreed upon between a willing and well-informed buyer and seller under usual and ordinary circumstances. No deductions are made for the selling transaction costs. The cost of acquisition comprises the purchase price and costs directly attributable to the acquisition. Other costs that add value are capitalised for properties undergoing major new construction, extension or redevelopment work. This means that repair and maintenance costs are expensed in the period in which they are incurred. Estimates are conducted continuously throughout the year to ascertain how far ongoing investment projects have progressed, value-adding expenditure is carried forward, other expenditure is charged to the current year's profit and loss account. Changes in value are recognised in the income statement. Transactions concerning the acquisition of properties or companies are normally reported on the takeover date since that is the date on which the risks and rewards associated with ownership are usually passed on. For sales see Revenue.

OTHER PROPERTY, PLANT AND EQUIPMENT

Other property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the asset will flow to the company and the cost of the asset can be measured reliably. Other property, plant and equipment is recognised in the balance sheet at cost less accumulated depreciation and impairment. Cost comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Subsequent expenditure is added to the cost to the extent that it improves the performance of the asset. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Scheduled depreciation is based on the original cost of the asset and, where applicable, taking into account other costs that add value and write-ups and write-downs. Items are depreciated on a straight-line basis over the estimated useful life of the asset. The date on which the depreciation starts is the date of acquisition.



CONT. NOTE 1 >>> ACCOUNTING PRINCIPLES

The following percentages are applied:

Parent company and Group	
Equipment and vehicles	10–20%
Office equipment	20%
Computers	33%

INTANGIBLE ASSETS

Intangible assets comprise IT systems. IT systems are stated at cost less accumulated amortisation and impairment. Cost comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Items are depreciated on a straight-line basis over the estimated useful life of the asset.

The following percentages are applied:

Parent company and Group	
IT systems	20%

EMPLOYEE BENEFITS

Short-term employee benefits include salaries, paid annual leave, paid sick leave and social security contributions. These are recognised as the employees perform the work that entitles them to such benefits.

PENSIONS

Pensions and other post-employment benefits can be classified as defined contribution or defined benefit pension schemes. Diös only operates defined contribution pension schemes. Its legal or constructive liability is thus limited to the amount that the company is contractually required to contribute to the scheme. This means that the amount of retirement benefits provided to an employee will depend on the contributions that the company pays to the scheme, or to an insurance company, and the investment returns from the contributions. Hence, it is the employee who bears the actuarial risk and investment risk. The commitment to retirement and occupational pensions is covered by insurance with Alecta. In compliance with current regulations, these are classified as defined benefit ITP plans, which are covered by several employers.

Where there is insufficient information to account for them as defined benefit schemes, they are accounted for as defined contribution schemes. Obligations in respect of contributions to defined contribution schemes are recognised in the income statement as an expense as incurred.

TERMINATION BENEFITS

Termination benefits are recognised as a liability. They are only recognised as an expense when the company is demonstrably committed to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The benefits in connection with voluntary redundancy are calculated on the basis of the number of employees expected to accept the offer.

RELATED PARTIES

IAS 24, Related Party Disclosures requires the disclosure of related-party transactions and outstanding balances. A party is related to an entity if the party directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with the entity. A party is related to an entity if the party has an interest in the entity that gives it significant influence or joint control over the entity. This includes parents, subsidiaries and affiliated companies.

A party is also related to an entity if the party is an associate of the entity, a joint venture in which the entity is a venturer, a member of the key management personnel of the entity or its parent, a close member of the family of any individual defined as a related party, an entity that is controlled, jointly controlled or significantly influenced by a member of the key management personnel or close family. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the contractually agreed sharing of control over an economic activity. Significant influence is the power to participate in the financial and operating policy decisions of an entity, but without control over those policies. Significant influence may be gained by share ownership, statute or agreement. Key individuals in senior positions are those persons with the authority and responsibility for directly or indirectly planning, managing and controlling the operations of a company. Close members of the family of a person are the person's children and spouse or domestic partner, the children of that person's spouse or domestic partner, and dependants of that person or that person's spouse or domestic partner.

TAX

The Company and the Group apply the measurement principles of IAS 12, Income Taxes. Aggregate tax is current and deferred tax. Tax is recognised in the income statement, unless it arises from transactions recognised in other comprehensive income or directly in equity, in which case any related tax effects are also recognised directly in equity. Current tax is the amount of tax the company is liable to pay in respect of the taxable profit (loss) for the year, including adjustments of any current tax pertaining to earlier periods. Diös uses the balance sheet method to calculate deferred tax, where deferred tax is recognised on all temporary differences, except to the extent that the deferred tax is attributable to the initial recognition of goodwill or an asset or liability arising from a transaction that is not a business combination and at the time of acquisition affects neither recognised profit nor taxable profit. These amounts are calculated based on how the temporary differences are expected to be settled and using the tax rates and tax regulations that have been enacted or announced on the balance sheet date. Deferred taxes are measured using the tax rates and tax regulations enacted or substantively enacted on the balance sheet date.

Deferred tax assets are recognised for deductible temporary differences and loss carryforwards only to the extent that it is probable that they will result in lower tax payments in the future. Deferred tax assets are reduced to the extent that it is no longer probable that a sufficient taxable benefit will arise.

CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method, which means that net earnings have been adjusted for transactions not involving receipts and payments during the period, and for any income and expense associated with investing or financing cash flows.

NEW STANDARDS AND INTERPRETATIONS

The International Accounting Standards Board (IASB) has issued a number of new and amended standards and interpretations which are effective from the beginning of the 2015 financial year. These have, in addition to IFRIC 21 Levies, not been applied when preparing the 2014 consolidated financial statements. As regards IFRIC 21, see the section above entitled "New and amended standards and interpretations in 2014".

Management is currently analysing the effects of these new and amended standards and interpretations. Its preliminary assessment is that these will not have any material impact on the consolidated financial statements, other than the following, which are expected to become applicable for the Group and may have an impact on the consolidated financial statements.

IFRS 9 Financial Instruments was released on 24 July 2014 and replaces IAS 39 Financial Instruments: Recognition and Measurement.

The standard contains rules for accounting and valuation, impairment and derecognition as well as general rules for hedge accounting. The standard has been released in phases, with the 2014 version of IFRS 9 replacing all previously released versions. The standard is mandatory for periods beginning on 1 January 2018 or later. Earlier application is permitted. The standard has not yet been adopted by the EU.

Management has not yet conducted a thorough analysis of the implications of adopting IFRS 9 and is therefore as yet unable to quantify the effects.

NOTE 2 >>> SEGMENT REPORTING 2014

By business area, SEKm	Dalarna	Gävleborg	Jämtland	Västernorrland	Västerbotten	Norrbotten	Diös Group
Rental income	255	193	292	261	145	145	1,291
Other revenue	4	3	5	4	1	4	21
Repair and maintenance	-18	-13	-25	-16	-11	-7	-90
Tariff-based costs	-38	-26	-52	-41	-22	-15	-193
Property tax	-12	-9	-14	-13	-7	-9	-63
Other property costs	-27	-21	-31	-31	-15	-15	-140
Property management	-10	-8	-15	-14	-7	-10	-64
Operating surplus	154	120	159	151	85	93	762
Undistributed items							
Central administration	-	-	-	-	-	-	-58
Restructuring	-	-	-	-	-	-	-
Net financial items	-	-	-	-	-	-	-283
Property management income	-	-	-	-	-	-	421
Changes in value							
Property, realised		1	8	6			15
Property, unrealised	-25	40	-3	5	-8	38	47
Interest rate derivatives							-91
Profit before tax	-	-	-	-	-	-	392
Current tax							
Current tax	-	-	-	-	-	-	-10
Deferred tax	-	-	-	-	-	-	-80
Non-controlling interests	-	-	-	-	-	-	-5
PROFIT FOR PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	-	-	-	-	-	-	297
Other financial data							
Leasable area, sq.m	266,682	252,053	327,491	279,187	177,031	120,075	1,422,519
Construction, extension, conversion investments, SEKm	86	32	138	54	39	37	386
Carrying amount of investment properties, SEKm	2,497	1,760	2,876	2,237	1,334	1,496	12,200
Rental value, SEKm	283	216	332	295	162	159	1,448
Economic occupancy rate, %	90.2	89.1	87.7	88.4	89.8	91.4	89.2
Surplus ratio, %	60.5	62.0	54.7	57.7	58.3	64.3	59.0


CONT. NOTE 2 >>> SEGMENT REPORTING 2013

By business area, SEKm	Dalarna	Gävleborg	Jämtland	Västernorrland	Västerbotten	Norrbotten	Diös Group
Rental income	251	189	287	274	147	145	1,292
Other revenue	4	1	2	3	1	4	15
Repair and maintenance	-21	-10	-21	-20	-10	-5	-87
Tariff-based costs	-40	-28	-53	-50	-23	-16	-209
Property tax	-12	-10	-14	-14	-7	-8	-64
Other property costs	-28	-21	-33	-38	-16	-17	-153
Property management	-7	-7	-13	-16	-5	-9	-56
Operating surplus	148	114	155	140	87	94	738
Undistributed items							
Central administration	-	-	-	-	-	-	-58
Restructuring	-	-	-	-	-	-	-26
Net financial items	-	-	-	-	-	-	-300
Property management income	-	-	-	-	-	-	354
Changes in value							
Property, realised	-	-	1	9	-	2	11
Property, unrealised	-35	9	10	-71	5	48	-35
Interest rate derivatives	-	-	-	-	-	-	68
Profit before tax	-	-	-	-	-	-	398
Current tax	-	-	-	-	-	-	-15
Deferred tax	-	-	-	-	-	-	-62
Non-controlling interests	-	-	-	-	-	-	2
PROFIT FOR PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	-	-	-	-	-	-	323
Leasable area, sq.m	263,032	253,509	338,654	294,600	177,031	120,075	1,446,900
Construction, extension, conversion investments, SEKm	67	33	70	41	16	39	266
Carrying amount of investment properties, SEKm	2,411	1,697	2,790	2,200	1,303	1,422	11,823
Rental value, SEKm	277	215	333	314	160	159	1,457
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

NOTE 3 >>> REVENUE

SEKm	2014	2013
GROUP		
Rental income	1,291	1,292
Other revenue	21	15
TOTAL	1,312	1,307

The total rental income for the Group was SEK 1,291 million (1,292), or SEK 908/sq.m (893). Other revenue was SEK 21 million (15). SEK 9 million (9) of this relates to costs that have been charged to tenants for work carried out in leased premises.

SEKm	2014	2013
PARENT COMPANY		
Inter-company revenue	118	105
Other revenue	-	-
TOTAL	118	105

Inter-company revenue in the parent company relates to invoiced administration and management fees. The contract maturity structure for Diös' property holding is shown in the table below, where contracted rental income relates to annual value.

Lease maturities at 31 December 2014

	Maturity year	Signed con-tracts	Rented area, sq.m	Contracted rental income, SEKm	Share of value, %
Leases for premises	2015	761	163,748	173	13
	2016	671	239,113	263	20
	2017	579	226,956	232	18
	2018	363	166,100	186	15
	2019+	170	218,523	253	20
Total leases for premises		2,544	1,014,440	1,107	86
Residential leases		2,122	154,341	144	11
Other leases		3,470	-	39	3
TOTAL		8,136	1,168,781	1,290	100

NOTE 4 >>> PROPERTY COSTS

SEKm	2014	2013
GROUP		
Operating costs	-342	-362
Repair and maintenance costs	-81	-87
Property tax	-64	-64
Property management	-63	-56
TOTAL	-550	-569

Property costs were SEK -550 million (-569) or SEK 386/sq.m (389). The property costs comprise direct costs for operation, maintenance, property taxes, etc. and indirect costs in the form of leasing and property management. The reduction is largely attributable to lower operating costs due to a mild winter.

Operating costs include electricity, heating, water, property maintenance, cleaning, insurance and property-specific marketing costs.

Some of the operating costs are charged to the tenants as additional rent. Operating costs were SEK 342 million (362) or SEK 240/sq.m (247).

SEK 9 million (9), which is SEK 6/sq.m (6), of the operating costs is for the work carried out in leased premises which is charged to tenants.

Repair and maintenance costs comprise periodic and ongoing measures necessary to maintain the standards of the properties and their technical systems. Costs in 2014 amounted to SEK 81 million (87) or SEK 57/sq.m (60).

Property tax is a state tax based on the taxable value of a property. A large proportion of the property tax is charged to the tenants and lessees. The tax rate in 2014 was 1 per cent of the taxable value for office/retail space and 0.5 per cent for warehouse/industrial space. Property tax for residential properties is calculated at SEK 1,217/apartment or 0.3 per cent of taxable value, whichever is the lower. Property tax expenses were SEK 64 million (64) or SEK 45/sq.m (44).

Property management costs are indirect costs for the ongoing management of the properties. These include costs for employees responsible for lease administration, lease negotiations, consumables and project administration. Consolidated expenses in 2014 were SEK 63 million (56) or SEK 45/sq.m (38).

NOTE 5 >>> EMPLOYEES, STAFF COSTS AND DIRECTORS' FEES

Average number of employees	2014	2013
	of whom men	of whom men
Parent company	157	159
GROUP TOTAL	157	159

At year-end 2014, the Board in the parent company consisted of 5 members, 2 of whom were women. The number of senior executives in the parent company was 5 (7), of whom 2 were women (2).

Salaries, other remuneration and social security contributions

	2014	2013
SEK '000	Salaries and benefits	Social security contributions
Parent company	72,109	21,714
(of which pension costs) ¹	6,924	1,655
GROUP TOTAL	72,109	21,714
(of which pension costs) ²	6,924	1,655

¹ SEK 846,000 (893,000) of the parent company's pension costs refer to the CEO.

² SEK 846,000 (893,000) of the Group's pension costs refer to the CEO.

Diös has a profit-sharing foundation for all its employees. Transfer to the foundation is capped at SEK 35,000 per employee and is based on Diös' performance. The criteria for contributions were not met in 2014, and no contribution was therefore paid to the foundation.

Salaries and other remuneration of the Board, the CEO and other employees

	2014	2013
SEK '000	Board and CEO	Other employees
Parent company	4,236	67,873
(of which bonuses, etc.)	90	-
GROUP TOTAL	4,236	67,873
(of which bonuses, etc.)	90	-



CONT. NOTE 5 >>>

Remuneration and other benefits during the year					
SEK '000	Base salary/ Directors' fees	Other benefits	Pension expense	Other remu- neration	Total
Chairman of the Board	175	-	-	-	175
Other Board members	625	-	-	-	625
Departing CEO	818	34	150	90	1,092
CEO elect	1,518	130	696		2,344
Other senior executives	4,159	331	886		5,376
TOTAL	7,295	495	1,732	90	9,612

The other Board members have received SEK 125,000 each. The group other senior executives consisted of five persons until 31 May and four persons after that. For 2014 the company's departing CEO received variable remuneration of SEK 90,000 (60,000). Management refers to the CEO and other members of the management team. Remuneration and benefits to the CEO are decided by the company's Board of Directors and remuneration to other senior executives is decided by the CEO in consultation with the Board of Directors. Variable incentive remuneration plans were introduced in 2012 for the company's CEO and senior executives. There is no share-based remuneration. Variable remuneration is capped at one month's salary. The CEO is entitled to a company car and insurance and retirement benefits in accordance with the ITP scheme applicable during the period of employment. Individual investment options are available. Insurance and pension premiums are based on cash salary only. The retirement age for the CEO is 65 years. The period of notice given by the company to the CEO is 12 months. The period of notice given by the CEO to the company is 4 months. Remuneration during a period of notice is deducted from income from another employer. Other senior executives are entitled to a company car. During the period of employment with the company, other executives are entitled to insurance and pension benefits in accordance with the ITP scheme applicable at the time. Individual investment options are available. Insurance and pension premiums are based on cash salary only. The retirement age for other senior executives is 65 years. The period of notice given by the company is six to twelve months. The period of notice given by an employee is three to six months. Diös has a profit-sharing foundation for all its employees. Provision to the profit-sharing foundation is based on return on equity and is capped at one price base amount per year per employee.

NOTE 6 >>> CENTRAL ADMINISTRATION

Central administration includes costs for Group-wide functions such as senior management, data, annual reports, auditors' fees, legal advice and so on. Central administration costs were SEK 55 million (81) or SEK 39/sq.m (56). The outcome for 2013 included restructuring costs linked to the acquisition of Norrvägen in the amount of SEK 26 million, or SEK 18/sq.m. The costs were attributable to reorganisation and the relocation of head office operations to Östersund.

Auditors' fees and remuneration

SEK '000	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
Deloitte				
Audit services	1,680	1,820	1,680	1,820
Audit activities other than the audit engagement	82	104	82	104
Fiscal advice	844	905	844	905
Other services	107	312	107	312
TOTAL	2,713	3,141	2,713	3,141

Auditing refers to the examination of the Annual Report and accounting records and the administration of the Board of Directors and CEO. Audit activities other than the audit engagement involve other quality assurance services that must be performed according to statutes, Articles of Association or agreements, as well as consultation or other assistance resulting from observations made during an audit. Fiscal advice refers to consultations and quality assurance reviews relating to the area of taxation. As of 2013 Diös recognises all costs relating to auditing and audit-related assignments in the parent company and then allocates the cost among the subsidiaries through management fees.

NOTE 7 >>> CHANGES IN VALUE ON PROPERTIES

SEKm	2014	2013
GROUP		
Realised changes in value	15	11
Unrealised changes in value	47	-35
TOTAL	62	-24

In 2014, 11 properties were sold (19). The selling price for these exceeded the latest valuation by SEK 15 million (11), resulting in a realised change in value. A valuation of all properties was carried out at year-end in line with annual business plans and based on a 5-year cash flow model with a valuation of future earnings capacity and required rate of return for each individual property. See Note 11. Under Diös' valuation model, the 100 largest properties in terms of value are valued externally over the course of the year, with around 25 per cent being valued in each quarter. For the remaining portfolio a breakdown is made between properties in which material changes have taken place, such as the signing of or termination of leases or major projects, and properties where no material changes have taken place. The former are valued internally with the help of the external valuation firm while the latter are valued internally without external assistance. These valuations have resulted in unrealised changes in value of SEK 47 million (-35) on the properties' market values.

NOTE 8 >>> FINANCIAL INCOME

SEKm	2014	2013
GROUP		
Interest income, other	1	3
TOTAL	1	3
PARENT COMPANY		
Interest income, Group companies	147	161
Group contributions received	-	69
TOTAL	147	230

All interest income refers to financial instruments that are not classified as fair value through the income statement.

NOTE 9 >>> FINANCIAL COSTS

SEKm	2014	2013
GROUP		
Interest expense	-262	-293
Other financial expense	-22	-10
TOTAL	-284	-303
PARENT COMPANY		
Interest expense, Group companies	-22	-20
Interest expense	-85	-84
Other financial expense	-8	-5
TOTAL	-115	-109

All interest expense refers to financial instruments that are not classified as fair value through the income statement.

CONT. NOTE 9 >>>

INTEREST EXPENSE FOR 2014 INCLUDING WEIGHTED AVERAGE INTEREST RATE

In 2014 Diös' average interest-bearing liabilities amounted to SEK 7,667 million (7,778). The actual interest expense, including expenses related to undrawn credit facilities and the performance of financial instruments, amounted to SEK 262 million (290), which represents an average annual interest rate of 3.4 per cent (3.7). During the period, unrealised changes in value arising on derivatives held totalled SEK -91 million (68), which are fully recognised in the income statement.

GROUP, SEKm	Amount	Annual expense	Weighted average interest rate
Interest-bearing liability	7,667	-193	2.5
Undrawn credit facilities ¹	248	-1	0.0
Cost of financial instruments	4,200	-68	0.9
Total		-262	3.4

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

NOTE 10 >>> TAX ON PROFIT FOR THE YEAR

	GROUP		PARENT COMPANY	
SEKm	2014	2013	2014	2013
Current tax	-10	-15	-	-
Deferred tax	-80	-62	-	-
Total tax	-90	-77	-	-
Pre-tax profit for the year	392	398	-9	52
Tax at the applicable rate of 22%	-86	-88	2	-11
Tax effect of adjustments:				
- adjustment tax loss, temporary differences and other items	-4	11	-2	11
- revaluation deferred tax 22%	-	-	-	-
TAX ON PROFIT FOR THE YEAR	-90	-77	-	-

Tax is reported in the income statement in two line items, current tax and deferred tax. Current and deferred tax for 2014 have been calculated based on a nominal tax rate of 22 per cent. Current tax expense is attributable to tax in subsidiaries which were prevented from offsetting losses against profits through Group contributions during the year. The Group has accumulated tax losses to carry forward to set against future taxable profits and offset against deferred tax liabilities. See Note 17.

NOTE 11 >>> INVESTMENT PROPERTIES

	GROUP		PARENT COMPANY	
SEKm	2014	2013	2014	2013
Opening carrying amount	11,823	11,878	-	-
Acquisitions	25	-	-	-
Investment in existing properties	386	266	-	-
Sales	-80	-286	-	-
Change in value	47	-35	-	-
CLOSING CARRYING AMOUNT	12,200	11,823	-	-

The closing carrying amount is consistent with the value according to the property valuation as at 31 December 2014.

In 2014 Diös made total investments of SEK 386 million (266) in new builds, extensions and redevelopment. One property was acquired during the year (0) while 11 properties were sold (19).

Major investments in progress

	Investment, SEKm	Uninvested, SEKm	Completed
Kansliet 20	48	16	Q3, 2015
Gullvivan 18	28	17	Q4, 2017
Verdandi 10	38	1	Q1, 2015
G:a Bergsskolan 15	42	41	Q4, 2015
Stranden 19:5	3	2	Q1, 2015
Sörby Urfjäll 36:4	4	1	Q1, 2015
Totten 1:68	23	23	Q4, 2015
Postiljonen 9	3	2	Q1, 2015
Logen 6	3	2	Q1, 2015
Barberaren 7	133	45	Q4, 2015
Stören 17	3	2	Q1, 2015
Mörten 1	12	9	Q2, 2015
Siken 7	18	4	Q1, 2015
Höken 2	12	1	Q1, 2015
Glädjen 4	12	10	Q3, 2016
Hälsan 7	20	10	Q4, 2015

Valuation

The value of an asset is the discounted present value of the expected cash flows that the asset is expected to generate. The value of the property holding is calculated as the sum of the present value of net operating profit, less the value of remaining investments for ongoing projects over the next five years, and the present value of the estimated residual value in year 6. The residual value in year 6 is the amount of the present value of net operating profit over the remaining economic life of the property.

The estimated market value of undeveloped land is added to this. The measurement is thus made according to Level 3 of the valuation hierarchy in IFRS 13.

The required rate of return and the assumption regarding future real growth are crucial to the calculated value of the property holding, as they are the most important value-driving factors in the valuation model. The required rate of return is the weighted cost of borrowed capital and equity. The cost of borrowed capital is based on the market interest rate for loans. The cost of equity is based on a risk-free interest rate equivalent to a long-term government bond rate with the addition of a risk premium. Each investment has a unique risk premium which depends on the investor's perception of future risks and potential.

Diös reports its investment properties at fair value. A valuation of all properties was conducted in the year. The fair market value is the most probable price for which a property will sell in a competitive and open market. A property's fair value does not become a reality until it is sold. The valuation was carried out in a uniform manner and was based on a five-year cash flow model. The valuation was based on an individual assessment of future earnings capacity and the required rate of return for each individual property. The assessment of a property's future earnings capacity takes into account an assumed inflation of 2.0 per cent and any changes in rental levels based on each contract's rent and expiry date compared with the estimated current market rent, as well as changes in occupancy rate and property costs. The property costs comprise costs for operation, maintenance, property taxes, ground rent fees and property management.

According to Savills, demand for property investments has been very strong in 2014, with a total transaction volume of SEK 160 billion (99) and an increase of 62 per cent in the number of completed deals compared with 2013. The increase in the number of deals is partly due to a market that is well supplied with equity capital and partly due to improved access to bank funding. The current low interest rates are also encouraging investors to search out other forms of investment.

The fact that Sweden has an efficient property transaction market is important in many respects, not only for the actual property owners but also for the buyers and sellers so that they feel confident about what they are buying and selling. All property transactions offer valuable information that leads to improvements and provides important guidelines when determining the required rates of return that form the basis of the valuations carried out.

The required rate of return on equity is unique for each property and is based on assumptions about real interest rates, inflation and risk premiums. The risk premium is unique for each property and can be divided into general and individual risk. The general risk makes up for the fact that a property investment is not as liquid as a bond and that the asset is affected by the general economic situation. The individual risk is specific to each property and comprises the market's overall assessment of the property's category, the town/city in which it is located, its location within the town/city with regard to the property's category, whether it is properly designed, appropriate and makes efficient use of space, its technical standard in respect of materials, quality of general systems, furnishing, equipment etc. in premises and apartments, and the nature of lease contracts, taking length, size, number and other aspects of the contracts into account.

The average required rate of return on comparable holdings has been lowered by 0.10 percentage points (+0.12). This reflects the market trends during the year. Projects in progress have been measured at cost. Sites with building rights and land have been valued on the basis of an estimated market value per square metre.



Required rate of return at 31 Dec 2014	Weighted yield, %	Weighted cost of capital, %
Dalarna	7.07	9.17
Gävleborg	7.25	9.38
Västernorrland	6.99	9.10
Jämtland	6.62	8.80
Västerbotten	6.97	9.07
Norrbottn	6.84	8.88
DIÖS 2014	6.93	9.05
DIÖS 2013	7.03	9.12

Value of property holding

An estimation of the market value of all of Diös' properties has been performed. The date of valuation is 31 December 2014. Under Diös' valuation model, the 100 largest properties in terms of value are valued externally over the course of the year, with around 25 per cent being valued in each quarter.

For the remaining 75 per cent and for the other properties in the portfolio a breakdown is made between properties in which material changes have taken place, such as the signing or termination of leases or major projects, and properties where no material changes have taken place. The former are valued internally with the help of the external valuation firm while the latter are valued internally without external assistance.

The details on which the valuations are based are all lease contracts, information about premises to let, actual operations and maintenance costs, property taxes and property management as well as information about ongoing and planned investments. Physical inspections were also carried out on the properties upon completion of major investment projects or in conjunction with other changes that would probably have an effect on the value. These valuations showed a fair value of SEK 12,200 million (11,823) and resulted in unrealised changes in value of SEK 47 million (-35) on the market values of the properties, an increase of 0.4 per cent (-0.3). The table below presents the breakdown of fair value by property category and business area.

Property value 31 Dec 2014, SEKm	Offices	Retail	Residential	Industrial/ ware- house	Other	Total
Dalarna	1,508	570	199	82	138	2,497
Gävleborg	629	573	123	331	104	1,760
Västernorrland	1,081	726	259	112	59	2,237
Jämtland	710	801	836	102	427	2,876
Västerbotten	521	373	235	122	83	1,334
Norrbottn	840	514	96	46	-	1,496
TOTAL	5,289	3,557	1,748	795	811	12,200

Uncertainty range

A property's market value can only be determined when it is sold. Property values are calculated according to accepted principles based on certain assumptions. The value range specified in property valuations is often within +/- 5–10 per cent and should be seen as a measure of the uncertainty in the assumptions and calculations. Savills has estimated the uncertainty range at +/- 7.5 per cent, which in Diös' case results in a value range of SEK 11,285–13,115 million.

NOTE 12 >>> INTANGIBLE ASSETS

SEKm	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
Opening cost	4	-	4	-
Reclassification from projects in progress	-	4	-	4
Closing cost	4	4	4	4
Opening depreciation	0	-	0	-
Depreciation for the year	0	0	0	0
Closing accumulated depreciation	0	0	0	0
CLOSING RESIDUAL VALUE	4	4	4	4

NOTE 13 >>> OTHER PROPERTY, PLANT AND EQUIPMENT

SEKm	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
Opening cost	41	41	5	4
Acquisition for the year	2	-	2	1
Closing cost	43	41	7	5
Opening depreciation	-34	-32	-4	-3
Depreciation for the year	-2	-2	-1	-1
Closing accumulated depreciation	-36	-34	-5	-4
CLOSING RESIDUAL VALUE	7	7	2	1

NOTE 14 >>> INTERESTS IN GROUP COMPANIES

SEKm	2014	2013
PARENT COMPANY		
Accumulated cost	171	171
Impairment	-	-
Purchases	0.1	-
CARRYING AMOUNT AT END OF PERIOD	171	171

A specification of the parent company's directly owned subsidiaries is given below. Other Group companies can be found in the annual reports of each subsidiary. The principle for consolidation of Group companies is presented in the accounting principles in Note 1.

Subsidiaries				
Name	CRN	Reg. office	Share of equity in %	Carrying amount, SEKm
Diös Fastigheter I AB	556544-4998	Östersund	100	16.0
Diös Fastigheter II AB	556610-9111	Östersund	100	12.8
Diös Fastigheter V AB	556571-9969	Östersund	100	0.1
Diös Fastigheter VI AB	556561-0861	Östersund	100	3.1
Diös Fastigheter VII AB	556589-8433	Östersund	100	11.4
Äre Centrum AB	556624-4678	Äre	72	87.5
Fastighets AB Upprum	556711-2619	Östersund	100	40.1
Diös Obligation Holding AB	556912-4471	Östersund	100	0.1
TOTAL CARRYING AMOUNT				171

Subsidiaries with minority interests

The Diös Group has a small number of non-wholly owned subsidiaries, of which one is deemed to have a significant minority interest representing 28.2 per cent of the shares and votes of the company. In 2014 the profit attributable to the minority interest was SEK 5 million (-2) and the accumulated minority interest in Äre Centrum AB at 31 December 2014 was SEK 24 million (19). Condensed financial information for Äre Centrum AB (the group) is presented below.

SEKm	2014	2013
Condensed income statement		
Net sales	44	41
Operating profit	6	15
Profit for the period	-6	3
Comprehensive income for the period	-6	3

SEKm	2014	2013
Condensed balance sheet		
Non-current assets	438	443
Current assets	23	15
TOTAL ASSETS	461	458

Non-current liabilities	348	351
Current liabilities	33	21
TOTAL LIABILITIES	381	372

Equity attributable to parent company shareholders	56	67
Minority interest	24	19

NOTE 15 >>> INTERESTS IN ASSOCIATES

	GROUP		PARENT COMPANY	
SEKm	2014	2013	2014	2013
Opening cost	0	0	-	-
Acquisitions	1	-	-	-
Sales	-	-	-	-
Closing cost	1	0	-	-
Carrying amount	1	0	-	-

Name/CRN	Reg. office	Share of equity in %	Carrying amount
Nya Svensk FastighetsFinansiering AB, 556985-7229 ¹	Stockholm	20.0	1
Fastighetsaktiebolaget Norkom, 556483-5337 ²	Härjedalen	50.0	0
TOTAL			1

¹ Diös Fastigheter will be conducting financial activities in an associate. The activities will comprise deposit-taking activities in the form of the raising of loans in the capital market through the issuance of bonds (medium-term notes, MTN) as well as lending activities in the form of the provision of cash loans. Nya Svensk FastighetsFinansiering AB is owned jointly by Fabega, Wihlborgs Fastigheter, Catena and Platzer Fastigher Holding. Diös Fastigheter has a 20 per cent stake. The intention is to broaden the company's funding base. Diös Fastigheter's interest in Nya Svensk FastighetsFinansiering AB is owned indirectly through Diös Obligation AB.

² Diös Fastigheter's interest in Fastighetsaktiebolaget Norkom is owned indirectly through Diös Norrland AB.

Condensed income statement and balance sheet for associates, SEKm (100%)

SEKm	2014	2013
Group		
Income statement		
Rental income	2	2
Operating surplus	2	2
Profit for the year	1	1
balance sheet		
Non-current assets	10	11
Current assets	7	0
TOTAL ASSETS	17	11
Equity	9	4
Non-current liabilities	6	6
Other liabilities	2	1
TOTAL EQUITY AND LIABILITIES	17	11



NOTE 16 >>> OTHER SECURITIES HELD AS NON-CURRENT ASSETS

SEKm	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
Opening cost	6	6	0	0
Acquisitions	-	-	-	-
Sales	-	-	-	-
Closing cost	6	6	0	0
Carrying amount	6	6	0	0

Name/CRN	Reg. office	Share of equity in %	Carrying amount
Destination Östersund AB, 556798-5592	Östersund	4.4	0
Idun Samfällighetsförening, 716415-4358	Skellefteå	25.0	1
Investa Företagskapital AB, 556651-6471	Sundsvall	4.6	3
Luleå & Co Utveckling AB, 556530-8615	Luleå	17.0	0
Offerdalsvind ekonomisk förening, 769606-0719	Krokom	16.2	2
Peak Business & Sports AB, 556647-9837	Östersund	7.5	0
Äre Destination AB, 556171-5961	Äre	2.4	0
TOTAL			6

NOTE 17 >>> DEFERRED TAX ASSET/TAX LIABILITY

SEKm	2014	2013
GROUP		
Deferred tax asset relating to tax losses carried forward	74	93
Deferred tax liability relating to temporary differences in properties	-784	-726
Deferred tax liability relating to other items	-25	-22
TOTAL DEFERRED TAX ASSET/LIABILITY	-735	-655

The reported deferred tax liability was SEK -735 million (-655) at 31 December 2014. The value of a deferred tax asset/liability will be assessed at the end of each accounting period and, if necessary, re-valuation will be carried out. Diös' tax losses carried forward are estimated at SEK 335 million (424). At a tax rate of 22 per cent, deferred tax assets relating to tax losses carried forward amounted to SEK 74 million (93), which it is considered can be used against future taxable profits and resulting temporary differences.

Diös' reported temporary differences, i.e. properties' real values less tax residual values, amounted to SEK 3,565 million (3,302). At a tax rate of 22 per cent, the deferred tax liability on temporary differences was SEK 784 million (726). In Diös' financial statements, deferred tax assets have been offset against deferred tax liabilities. Diös reports other deferred taxes at SEK 25 million (22). Other deferred taxes are calculated on untaxed reserves and replacement funds.

NOTE 18 >>> TRADE RECEIVABLES

SEKm	2014	2013
GROUP		
Age structure of trade receivables		
Trade receivables not past due and trade receivables up to 30 days past due	5	8
Trade receivables between 31 - 60 days past due	5	2
Trade receivables more than 61 days past due	13	17
Doubtful debts	-13	-17
TOTAL	10	10
Doubtful debts		
Doubtful debts at the beginning of the year	17	15
Reserves for the year	3	8
Reversal of reserves	-3	-
Actual credit losses	-4	-6
CLOSING BALANCE	13	17

NOTE 19 >>> EQUITY

At 31 December 2014 Diös Fastigheter AB (publ) had a share capital of SEK 149,457,668. The total number of shares at year-end was 74,729,134 with a face value of SEK 2 per share. All shares give equal rights to Diös' assets and profits. Each share entitles the holder to one vote. There are no potential shares (e.g. convertible bonds), nor any preferential rights to cumulative dividends (preference shares).

Change in share capital

Date	Event	Increase in number of shares	Total number of shares	Increase in share capital, SEK	Total share capital, SEK	Face value, SEK
1 Jan 2005	At beginning of year	-	10,000	-	100,000	10.00
30/05/2005	Split 100:1	990,000	1,000,000	-	100,000	0.10
31/05/2005	New issue	1,489,903	2,489,903	148,990	248,990	0.10
1 Sept 2005	New issue	1,503,760	3,993,663	150,376	399,366	0.10
15 Nov 2005	Bonus issue	-	3,993,663	-	39,936,630	10.00
15 Nov 2005	Split 5:1	15,974,652	19,968,315	-	39,936,630	2.00
18 May 2006	New issue	8,333,400	28,301,715	16,666,800	56,603,430	2.00
11 Jul 2006	Non-cash issue	5,000,000	33,301,715	10,000,000	66,603,430	2.00
19 Apr 2007	Non-cash issue	666,250	33,967,965	1,332,500	67,935,930	2.00
29 Oct 2010	Non-cash issue	99,729	34,067,694	199,458	68,135,388	2.00
14 Dec 2010	New issue	3,285,466	37,353,160	6,570,332	74,705,720	2.00
17 Dec 2010	New issue	11,407	37,364,567	22,814	74,728,534	2.00
5 Dec 2011	New issue	22,854,136	60,218,703	45,708,272	120,436,806	2.00
14 Dec 2011	New issue	14,510,431	74,729,134	29,020,862	149,457,668	2.00
31/12/2014	AT YEAR-END		74,729,134		149,457,668	2.00

Diös did not hold any of its own shares at the end of 2014. A dividend payout is proposed by the Board of Directors in conformity with the provisions of the Swedish Companies Act and is adopted by the Annual General Meeting. The Board of Directors of Diös proposes that a dividend of SEK 2.85 (2.30) per share be paid out for the 2014 financial year, representing a total payout of SEK 213 million (172). The proposal means that 50 per cent (49) of earnings, excluding unrealised changes in value and deferred taxes, will be paid out to shareholders. The amount is recognised as a liability when the Annual General Meeting has decided on the dividend.

NOTE 20 >>> OTHER PROVISIONS

Provisions relate to pensions and deferred stamp duty in connection with inter-company sales of properties.

	GROUP	
Other provisions, SEKm	2014	2013
At beginning of year	9	9
Provision for pensions	0	0
Change in tax	0	0
CARRYING AMOUNT AT END OF PERIOD	9	9

NOTE 21 >>> LIABILITIES TO CREDIT INSTITUTIONS

Interest rates and loan maturity at 31 December

Maturity, year	Interest rate and margin expiration		Loan maturity	
	Loan amount, SEKm	Average interest rate, %	Credit agreements, SEKm	Drawn, SEKm
2015	2,675	1.8	2,752	2,675
2016	3,305	1.5	1,690	1,586
2017	1,691	1.7	1,740	1,691
2018	-	-	1,719	1,719
TOTAL	7,671	1.6	7,901	7,671

	GROUP		PARENT COMPANY	
Interest-bearing liabilities, SEKm	2014	2013	2014	2013
Maturity date from the balance sheet date:				
> 1 year	1,822	-	-	-
1-2 years	2,439	3,289	1,599	1,341
2-3 years	1,691	878	-	142
3-4 years	1,719	3,497	1,719	-
TOTAL	7,671	7,664	3,318	1,483

CONT. NOTE 21 >>>

	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
Overdraft facility, SEKm				
Credit limit granted	335	335	100	100
Undrawn	335	335	100	100
Drawn	-	-	-	-

All borrowings have mortgage collateral and the parent company maintains promissory notes with its subsidiaries with the mortgage collateral pledged therein. In addition to mortgages, there are financial covenants which require leverage and interest coverage ratios to be maintained. Whatever the form of borrowing agreement, they include the usual cancellation terms and conditions for renegotiation if there is a change in the direction of the business and this exposes the lender to an unacceptable level of risk. Diös can increase or decrease the credit utilisation during the term of the borrowing agreements at short notice.

FUNDING AND FINANCIAL RISK MANAGEMENT POLICIES

As Diös is a net borrower, it is exposed to financial risks. Diös is particularly exposed to interest-rate risk, refinancing risk and credit risk. At 31 December 2014 there was no foreign currency exposure risk. The company's funding and financial risk management is conducted in accordance with the Board's established financial policy. For a more detailed description of Diös' financial policy, see Note 23.

INTEREST RATE RISK

Interest rate risk is the risk associated with changes in interest rates that affect the cost of borrowing for the Group and the value of interest-rate derivatives. Interest expense is one of Diös' major cost items. The Group's interest-bearing liabilities totalled SEK 7,671 million (7,664) with an average annual interest rate of 1.7 per cent (2.8), including loan commitments. The loans had an average fixed-rate term of 2.8 months (2.8). The average interest rate commitment period was 1.4 years (1.9) when the impact of the derivative portfolio is included. The average maturity was 2.0 years (2.1). Of the Group's total interest-bearing liabilities, SEK 4,200 million (4,200) has been hedged through derivatives with an average remaining maturity of 2.1 years (3.0). The average annual interest rate, including costs related to derivatives, amounted to 2.8 per cent (3.6), 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, the interest expense, excluding effects of derivatives, would have increased by SEK 77 million annually. If interest rates had been increased by 1 percentage point on 31 December 2014, Diös' average interest rate would have risen by 0.4 percentage points and the value of Diös' derivatives would have increased by SEK 91 million. During the period, unrealised changes in value arising on derivatives held totalled SEK -91 million (68), which are fully recognised in the income statement.

FINANCING AND LIQUIDITY RISKS

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. Borrowing risk is the risk that it will be costly or difficult to refinance borrowings outstanding. The financial policy states that cash and cash equivalents and undrawn credit facilities must be available to ensure sufficient liquidity levels. The cash and cash equivalents of the Diös Group must be financial instruments with good liquidity or short-term maturity. At year-end the Group had undrawn credit facilities of SEK 564 million, of which SEK 229 million referred to undrawn loan commitments, as well as cash and bank deposits totalling SEK 79 million. Access to liquidity is deemed to be adequate to meet liquidity requirements over the coming 12 months. Future refinancing requirements will be managed in accordance with the applicable financial policy.

CREDIT RISK

Credit risk is the risk of financial loss to the Group due to the failure of a counterparty to meet its contractual obligations.

The Group minimises concentrations of credit risk through its policy of only undertaking financial transactions with creditworthy counterparties and by carrying out the usual credit checks before accepting new tenants. The carrying amount of trade receivables and promissory notes represents the maximum credit exposure for the Group. The carrying amount of cash on hand and demand deposits represents the credit risk in financial counterparties. At year-end 2014 there were no concentrations of credit risk with respect to trade and other receivables. Impairment of trade receivables was SEK 13,000 (17,000). Diös' ten largest clients accounted for 16 per cent of turnover.

Financial instruments measured at fair value

SEKm	31/12/2014	Level 2
GROUP		
Derivatives	-198	-198
TOTAL	-198	-198

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.

Diös measures all financial instruments in accordance with Level 2 inputs. The fair values of derivatives 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 fair value of a derivatives transaction can be described as the risk-free market value after adjusting for the value of counterparty risk. The value of the counterparty risk can be calculated by estimating the expected credit exposure at the date of default, the risk of default and the recovery rate for exposed credits. If a derivatives transaction is terminated prematurely due to the default of a counterparty, losses will be incurred on derivatives with positive market values. No loss is incurred on derivatives with negative market values.

To limit the counterparty risk, all of Diös' derivatives transactions are covered by framework agreements with netting provisions. This enables Diös to offset positive and negative market values so that the amount owed by or to the counterparty comprises the net market value of all outstanding derivatives transactions between the parties. In view of Diös' net liability, the counterparty risk in the derivatives transactions is deemed to be negligible in relation to the outstanding market values. Diös has signed up to ISDA's 2013 EMIR Protocol, which describes the risk limitation techniques prescribed in EMIR.

	31/12/2014			31/12/2013		
SEKm	Asset	Liability	Net	Asset	Liability	Net
Interest rate derivatives	-	-198	-198	-	-107	-107
Gross value derivatives	-	-198	-198	-	-107	-107
Covered by netting	-	-	-	-	-	-
NET VALUE DERIVATIVES	-	-198	-198	-	-107	-107

CONT. NOTE 21 >>>

The various categories of financial instruments included in the consolidated balance sheet are presented below.

	Loans and receivables		Financial liabilities measured at fair value through profit or loss		Derivatives used in hedge accounting		Financial liabilities measured at amortised cost		Non-financial instruments	
SEKm	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
ASSETS										
Rent receivables	10	10	-	-	-	-	-	-	-	-
Other receivables	1	45	-	-	-	-	-	-	-	-
Prepaid expenses and accrued income	19	28	-	-	-	-	-	-	-	-
Cash on hand and demand deposits	79	121	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	13	8
LIABILITIES										
Interest rate derivatives	-	-	198	107	-	-	-	-	-	-
Non-current liabilities	-	-	-	-	-	-	7,664	7,657	-	-
Trade payables	-	-	-	-	-	-	57	89	-	-
Other liabilities	-	-	-	-	-	-	10	10	-	-
Accrued expenses and deferred income	-	-	-	-	-	-	304	289	-	-
Other	-	-	-	-	-	-	-	-	3	4
TOTAL	109	204	198	107	0	0	8,035	8,045	16	12

The values indicated in the above table represent Diös' total credit exposure.

Financial instruments such as rent receivables, trade payables, etc. are recognised at amortised cost less any impairment. Fair value is therefore deemed to be the same as the carrying amount. The Group's long-term interest-bearing liabilities mainly have a short interest rate duration, which means that amortised cost is essentially the same as fair value.

Maturity analysis of financial assets

	2014				2013			
SEKm	0-1 month	1-3 months	3-12 months	1-3 years	0-1 month	1-3 months	3-12 months	1-3 years
GROUP								
Promissory notes	-	-	-	-	-	1	-	2
Trade receivables	-	10	-	-	-	10	-	-
Other receivables	-	20	13	-	-	81	8	42
Cash and cash equivalents	79	-	-	-	121	15	-	-
TOTAL	79	30	13	-	121	91	8	44

Maturity analysis of financial assets

	2014				2013			
SEKm	0-1 month	1-3 months	3-12 months	1-3 years	0-1 month	1-3 months	3-12 months	1-3 years
PARENT COMPANY								
Trade receivables	-	-	-	-	-	-	-	-
Receivables from Group companies	-	-	246	-	-	-	137	-
Other receivables	-	256	3	-	-	146	1	-
Cash and cash equivalents	145	-	-	-	10	-	-	-
TOTAL	145	256	248	-	10	146	138	-

Maturity analysis of financial liabilities

	2014				2013			
SEKm	0-1 month	1-3 months	3-12 months	1-3 years	0-1 month	1-3 months	3-12 months	1-3 years
GROUP								
Trade payables	-	57	-	-	-	89	-	-
Amortisation of liabilities	-	2	5	22	-	2	5	22
Interest expense	-	32	96	382	-	73	220	880
Derivatives	-	22	67	267	-	4	12	48
TOTAL	-	113	168	671	-	168	237	950

CONT. NOTE 21 >>>**Maturity analysis of financial liabilities**

SEKm	2014				2013			
	0-1 month	1-3 months	3-12 months	1-3 years	0-1 month	1-3 months	3-12 months	1-3 years
PARENT COMPANY								
Trade payables	-	1	-	-	-	7	-	-
Interest expense	-	10	29	116	-	10	31	123
Derivatives	-	16	47	186	-	10	31	126
TOTAL	-	26	76	302	-	28	62	249

NOTE 22 >>> ACCRUED EXPENSES AND DEFERRED INCOME

SEKm	GROUP		PARENT COMPANY	
	2014	2013	2014	2013
Prepaid rents	213	190	-	-
Accrued interest expense	34	35	4	5
Other items	57	64	15	23
TOTAL	304	289	19	28

NOTE 23 >>> ASSET MANAGEMENT

Diös' operations are financed by equity and liabilities. The relationship between equity and liabilities is regulated on the basis of a selected financial risk level and the amount of equity required to meet the lenders' requirements for loans received. The cost of capital is set at a level to meet the required rate of return on equity, to make it possible to obtain necessary loan financing and to create room for investment. The target for the capital structure is to maintain an equity ratio of at least 25 per cent over the short term and at least 30 per cent over the long term and an interest coverage ratio of at least 1.8 times. At 31 December 2014 Diös held assets worth SEK 12,340 million (12,055). These were financed partly through equity of SEK 3,365 million (3,235) and liabilities of SEK 8,975 million (8,820), of which SEK 7,671 million (7,664) were interest-bearing.

Diös' funding and financial risk management is conducted in accordance with the Board's established financial policy. The financial activities are centralised in the parent company. The parent company's finance department acts as the Group's internal bank, with responsibility for the Group's financing, financial risk management and cash management. The financial policy specifies mandates and thresholds for managing the financial risks as defined in the policy, and the general areas of responsibilities. The financial activities will be conducted in a manner that minimises financial risk management costs. This means that financial transactions are based on an estimate of the Group's requirements for funding, liquidity and interest rate risk. An inter-company transaction, such as an internal loan, does not therefore necessarily mean that an identical external loan transaction is carried out. External loans are taken up once the Group's aggregate borrowing requirements have been assessed. Diös uses group account systems to enable net management of the Group's payment flows. The Group's interest rate risk is managed cost-effectively by assessing the interest rate risk that arises from a single loan with a short interest rate duration, after which interest-rate derivative transactions are carried out when necessary to achieve the desired fixed-rate term for total borrowings. For more information on covenants, see page 39.

Policy	Target	Outcome
Loan-to-value ratio	Capped at 65%	62.9%
Interest coverage ratio	At least 1.8 times	2.5 times
Interest rate risk		
- average fixed-rate term	2-4 years	1.4 years
Currency risk	Not allowed	No exposure
Liquidity risk	Liquidity reserve to meet payment obligations	SEK 564 million in committed undrawn credit facilities
Equity ratio	At least 30%	27.3%

NOTE 24 >>> RELATED-PARTY TRANSACTIONS

There were no significant related party transactions in the period. Those related party transactions which did occur are deemed to have been concluded on market terms. None of the Board members, senior executives or auditors of Diös Fastigheter AB or its subsidiaries have themselves, via companies or related parties, had any involvement in business transactions conducted by Diös which were or are unusual in nature or terms and which took place in 2014. Transactions with the company's largest owner, AB Persson Invest, represented 0.6 per cent of the company's purchasing costs for the year and were concluded on market terms.

NOTE 25 >>> EVENTS AFTER THE END OF THE YEAR**TRANSACTIONS**

On 20 February 2015 the Söder 38:5 property in Gävle was sold to the Söderstak Gävle tenant-owner association. The sale took the form of the establishment of a three-dimensional property in which 1,320 sq.m of the total leasable area of 2,851 sq.m was sold. The transfer was made in the form of a corporate deal with an underlying property value of SEK 18 million.

LETTINGS

In early May 2015 shoe retailers Eurosko and Ecco will open a joint store in Sundsvall's most centrally located shopping centre, In:. The five-year contract is a part of Diös Fastigheter's long-term strategy of optimising the space is provides to its tenants and their customers.

Diös Fastigheter has also concluded a five-year contract with Espressoohouse in the Smedjan Galleria shopping centre in central Luleå, where occupancy is likewise scheduled for May 2015. In August 2015 the Realgymnasiet school will move into a fully adapted property in Gävle's Alderholmen district. The eight-year lease has a contract value of SEK 9.7 million.

OTHER EVENTS

In early 2015 Diös Fastigheter, Fabege, Wihlborgs Fastigheter, Catena and Platzer Fastigheter Holding jointly launched a finance company called Nya Svensk FastighetsFinansiering AB. The participating companies own 20 per cent each of the capital of the joint company. The jointly owned finance company gives Diös Fastigheter efficient access to the capital market through covered medium-term notes (MTN). This is a way to broaden the base for the company's borrowing structure.

SIGNATURES

The Board of Directors and Chief Executive Officer of Diös Fastigheter AB (publ) hereby certify that the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Reporting Board. The annual accounts give a true and fair view of the company's financial position and results. The Directors' Report gives a true and fair overview of the performance, financial position and results of the company, and describes significant risks and uncertainties faced by the company.

The Board of Directors and Chief Executive Officer hereby certify that the consolidated financial statements have been prepared in accordance

with the International Financial Reporting Standards (IFRS), as adopted by the EU. The consolidated financial statements give a true and fair view of the Group's financial position and results. The annual accounts give a true and fair view of the company's financial position and results. The Directors' Report gives a true and fair overview of the performance, financial position and results of the Group, and describes significant risks and uncertainties faced by the companies in the Group. The Directors' Report gives a true and fair overview of the performance, financial position and results of the company, and describes significant risks and uncertainties faced by the company.

Östersund, 17 March 2015

Bob Persson
Chairman

Maud Olofsson
Board member

Ragnhild Backman
Board member

Svante Paulsson
Board member

Anders Bengtsson
Board member

Knut Rost
Chief Executive Officer

Tomas Mellberg
Board member
Employee representative

Our Auditors' Report was submitted on 18 March 2015

Deloitte AB

Svante Forsberg
Authorised public accountant

The consolidated and parent company income statements and balance sheets will be presented for approval at the Annual General Meeting on 22 April 2015.



AUDITORS' REPORT

TO THE ANNUAL GENERAL MEETING OF DIÖS FASTIGHETER AB (PUBL)
CRN 556501-1771

STATEMENT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

We have conducted an audit of the annual accounts and consolidated financial statements of Diös Fastigheter AB (publ) for the financial year 1 January - 31 December 2014. The company's annual accounts and consolidated financial statements are included in the printed version of this document on pages 30-66.

RESPONSIBILITIES OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER FOR THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors and the Chief Executive Officer are responsible for the preparation of an annual accounts that give a true and fair view, as required by the Swedish Annual Accounts Act, and consolidated financial statements that give a true and fair view, as required by the International Financial Reporting Standards (IFRS), as approved by the European Union, and the Swedish Annual Accounts Act, and for the internal control that the Board of Directors and the Chief Executive Officer consider necessary in the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether due to irregularities or errors.

RESPONSIBILITIES OF AUDITORS

Our responsibility is to express an opinion on the annual accounts and the consolidated financial statements based on our audit. We have conducted our audit in compliance with the requirements of the International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require us to comply with professional requirements and plan and conduct the audit to obtain reasonable assurance that the annual accounts and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated financial statements. The auditor decides which procedures to use, by assessing the risks of material misstatement in the annual accounts and the consolidated financial statements, whether due to irregularities or errors. In making those risk assessments, the auditor considers the components of the internal control that are relevant to how the company prepares the annual accounts and consolidated financial statements to give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by the Board of Directors and the Chief Executive Officer, as well as evaluating the overall presentation of the annual accounts and the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the annual accounts have been prepared as required by the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company on 31 December 2014, and its financial performance and its cash flows for the year, in accordance with the Swedish Annual Accounts Act. The consolidated financial statements

have been prepared as required by the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Group on 31 December 2014, and its financial performance and cash flows for the year, in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union, and the Swedish Annual Accounts Act. The Directors' Report is consistent with the other sections of the annual accounts and the consolidated financial statements.

We therefore recommend that the Annual General Meeting adopts the income statement and the balance sheet of the parent company and the Group.

STATEMENT ON OTHER LEGAL AND STATUTORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated financial statements, we have conducted an audit of the proposal for the appropriation of the company's profit, and an audit of the management of Diös Fastigheter AB by the Board of Directors and the Chief Executive Officer for the financial year 1 January - 31 December 2014.

RESPONSIBILITIES OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

The Board of Directors is responsible for the proposal for the appropriation of the company's profit, and the Board of Directors and the Chief Executive Officer are responsible for the management of the company in accordance with the Swedish Companies Act.

RESPONSIBILITIES OF AUDITORS

Our responsibility is to express an opinion, with a reasonable level of assurance, on the proposal for appropriation of the company's profit and on its management based on our audit. We have conducted our audit in compliance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board's proposal for appropriation of the company's profit, we have examined the Board's statement and a selection of the underlying information for this in order to be able to determine whether the proposal is consistent with the Swedish Companies Act.

As a basis for our opinion on whether discharge shall be granted to the members of the Board and the Chief Executive Officer for their activities during the financial year, in addition to our audit of the annual accounts and consolidated financial statements, we have examined significant decisions, actions taken and circumstances in the company in order to determine the possible liability to the company of any member of the Board or the Chief Executive Officer. We have also examined whether any member of the Board or the Chief Executive Officer has, in any other way, acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the company's Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

We recommend that the Annual General Meeting appropriate the profit as proposed in the Directors' Report and grant the members of the Board and the Chief Executive Officer discharge from liability for the financial year.

Östersund, 18 March 2015

Deloitte AB

Svante Forsberg

Authorised public accountant

CORPORATE GOVERNANCE REPORT



CORPORATE GOVERNANCE REPORT

Diös Fastigheter AB (publ) is a Swedish property company listed on the Mid Cap list of the Nasdaq OMX Stockholm exchange. The corporate governance report describes the structure and processes for the governance, management and control of the company in 2014.

CORPORATE GOVERNANCE

Corporate governance describes how Diös Fastigheter's owners directly and directly govern the company and how risks are managed. The company's governance is based on external and internal regulations which are developed and improved continually.

EXTERNAL REGULATIONS

- > The Swedish Companies Act
- > NASDAQ OMX Stockholm's regulations for the issuance of shares
- > The Swedish Corporate Governance Code
- > Applicable accounting legislation

INTERNAL REGULATIONS

- > The company's Articles of Association
- > Instructions and rules of procedure for the Board and CEO
- > Internal policies, manuals and guidelines

ANNUAL GENERAL MEETING

Diös Fastigheter's highest decision-making body is the Annual General Meeting, which, along with any extraordinary general meetings, give the shareholders an opportunity to govern

the company by exercising their decision-making power. The AGM appoints the Board of Directors and Chairman of the Board and adopts principles for the composition of the Nominating Committee and for remuneration of senior executives. The AGM also appoints auditors for the auditing of the consolidated financial statements and the Board of Directors' and CEO's management. The Board appoints the CEO as well as representatives to the Remuneration Committee and Audit Committee.

ARTICLES OF ASSOCIATION

In accordance with the Articles of Association, Diös Fastigheter is a public limited company with its registered office in Östersund. The company's business is to own and manage properties, either directly or indirectly through subsidiaries, and engage in related business activities. The Board of Directors is elected each year at the AGM and shall consist of no less than three and no more than ten members, with a maximum of ten deputies. The full text of the Articles of Association is available at www.dios.se.

SHARE CAPITAL AND SHAREHOLDERS

At year-end Diös Fastigheter had 6,759 shareholders (5,524) holding a total of 74,729,134 shares (74,729,134). Each share has a face value of SEK 2. The share of foreign shareholders was 13 per cent. The largest individual shareholders at 31 December 2014 were AB Persson Invest with 15.4 per cent of the votes and capital, Brinova Inter AB with 10.5 per cent, Bengtssons Tidnings AB with 10.1 per cent and Länsförsäkringar Fondförvaltning AB with 9.6 per cent. The company's ten largest shareholders together owned 63.6 per cent of the

votes and capital. Diös is required to maintain a share capital of at least SEK 74,000,000 and no more than SEK 296,000,000. The number of shares must be at least 37,000,000 and no more than 148,000,000. Each share entitles the holder to one vote and refers to a portion of Diös' share capital.

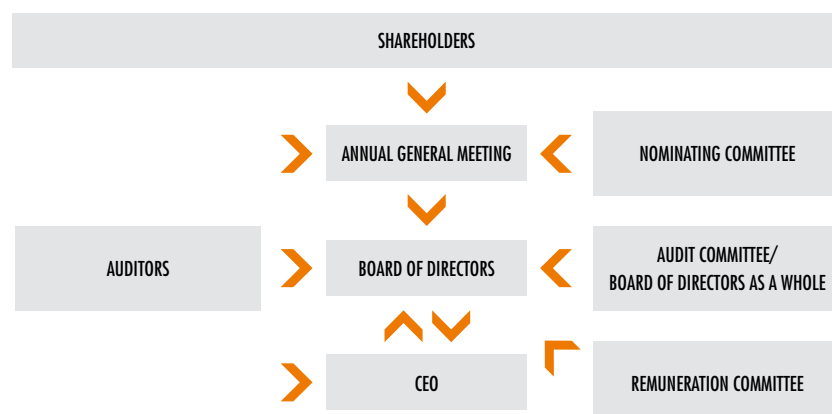
ANNUAL GENERAL MEETING 2014

The 2014 Annual General Meeting was held on 28 April in Östersund. At the AGM 64 shareholders participated, in person or by proxy. The number of shares represented was 40,221,646, which is approximately 54 per cent of the total number of shares. The AGM adopted the consolidated balance sheet and income statement for 2013 and released the Board of Directors and CEO from liability in respect of their management of the company in 2013. The AGM resolved:

- > that the Board of Directors should consist of five members.
- > to re-elect Bob Persson, Anders Bengtsson, Maud Olofsson and Ragnhild Backman to the Board and appoint Svante Paulsson as a new member.
- > appoint Bob Persson as Chairman of the Board.
- > approve a dividend payment of SEK 2.30 per share to the shareholders with 2 May 2014 as record date.
- > to approve the Board's proposed principles of remuneration and other terms of employment for the company's senior executives.
- > to authorise the Board to acquire and transfer, during a period ending no later than the next Annual General Meeting, treasury shares, in accordance with the Board's proposal.

NOMINATING COMMITTEE

The composition and duties of the Nominating Committee are defined by the AGM based on the report submitted by the Nominating Committee. The applicable instructions state that the Nominating Committee shall be appointed annually and consist of the Chairman of the Board and one representative for each of Diös Fastigheter's four largest shareholders. The members of Committee jointly represent around 46 per cent of the shares and votes of the company based on shareholdings at 31 December. The chairman of the Nominating Committee may not be a member of the Board. If a member



of the Nominating Committee steps down from the Committee during the course of the year he or she shall be replaced by another representative of the same shareholder. A member who no longer represents one of the four largest shareholders shall be replaced by a new owner. If the applicable principles result in a Nominating Committee consisting of less than three members, a representative of the Swedish Shareholders' Association shall be offered a seat on the Committee.

Duties of the Nominating Committee

The remit of the Nominating Committee is to safeguard the interests of all shareholders. The members' principal duty is to prepare resolutions for adoption by the AGM on the choice of Chairman and other members of the company's Board of Directors and, where applicable, auditors as well as the fees to be paid. The Nominating Committee's work is based on the Chairman's report for the evaluation of the work of the Board over the past year and of the members' knowledge and experience. The CEO's presentations on the company's operations and strategic focus also constitute an important basis. In accordance with the Nominating Committee's instructions, the members of the Committee, and the shareholders they represent, are announced no later than six months before the AGM. The representatives on the Nominating Committee are based on known shareholdings at 31 August.

Composition of the Nominating Committee

In accordance with the principles adopted at the Annual General Meeting 2014, Diös Fastigheter's Nominating Committee consists of representatives for the company's four

largest shareholders: Bob Persson (AB Persson Invest), Bo Forsén, chairman of the Nominating Committee (Brinova Inter AB), Jonas Bengtsson (Bengtssons Tidnings AB) and Eva Gottfridsdotter-Nilsson (Länsförsäkringar Fondförvaltning AB). Shareholders who wish to submit proposals to the Nominating Committee may do so by e-mail to nominatingcommittee@dios.se or by letter to: Diös Fastigheter AB, Valberedningen, Box 188, SE-831 22 Östersund, Sweden.

BOARD OF DIRECTORS

Responsibilities of the Board of Directors and CEO

The Board of Directors consists of five members and one employee representative with no deputies. The members are elected annually by the Annual General Meeting for the period until the end of the next AGM. The Board has overall responsibility for the organisation and management of the company by ensuring that the guidelines for the management of the company are appropriate. This includes a responsibility for developing and following up the company's strategies and goals, and for adopting the business plan and annual accounts. Other responsibilities include deciding on the acquisition and sale of operations, major investments or appointments and remuneration of senior management. The Chairman's responsibilities include ensuring that the Board of Directors fulfils its duties through well organised and effective work.

The work of the Board

The basis for the Board's work is the Chairman's dialogue with the CEO along

with documents provided to the members of the Board as a basis for discussion and resolutions. The Board's rules of procedure are drawn up annually at the inaugural Board meeting and are revised when necessary. The rules of procedure specify the responsibilities and duties of the Board, the duties of the Chairman and audit issues, and include the instructions for the CEO. They also specify which reports and financial information the Board should receive prior to each scheduled Board meeting. The most recent rules of procedure were adopted at the inaugural Board meeting on 28 April 2014. In 2014, 13 minuted Board meetings were held, at which financial results and balances, interim reports, annual reports and property transactions were discussed. Forward-looking issues relating to market assessments, the focus of the company's commercial activities and organisational issues were also addressed.

Evaluation of the work of the Board

In accordance with the company's rules of procedure, the Chairman has ensured that the work of the Board has been evaluated and that the Chairman of the Nominating Committee has been informed of the results of the evaluation prior to the nominating process of the Nominating Committee. The evaluation comprises a number of pre-defined and open questions, which each Board member answers individually.

Audit Committee

The Board of Directors has resolved that the Board as a whole should constitute the Audit Committee. The Committee's work is defined in the rules of procedure for the Board. The Audit Committee's duty includes quality-

BOARD OF DIRECTORS

	Elected	Dependent/independent	Attendance, out of total no. of meetings			Fees, SEK '000
			Board meetings	Remuneration Committee	Audit Committee	
Bob Persson, Chairman	2007	Dependent in relation to owners	13/13	1/1	2/2	175
Anders Bengtsson, member	2011	Dependent in relation to owners	13/13	1/1	2/2	125
Maud Olofsson, member	2011	Independent	11/13	-	2/2	125
Ragnhild Backman, member	2011	Independent	13/13	-	2/2	125
Svante Paulsson, member	2014	Dependent in relation to owners	8/8	-	2/2	125
Tomas Mellberg, employee representative	2012	Dependent in relation to company	13/13	-	-	-
Gustaf Hermelin, departing member	2005	Dependent in relation to owners	4/5	-	-	125
Thorsten Asbjør, departing member	2005	Independent	5/5	-	-	125

The number of Board meetings in 2014 refers to nine regular meetings, one constituent meeting and three conference calls.



assuring the company's financial reporting as well as the effectiveness of the company's internal control and risk management. The Committee is also required to keep itself informed on the auditing of the Annual Report and consolidated financial statements. The Audit Committee ensures that the auditor is impartial and independent, evaluates the audit work and reports the results of the evaluation to the company's Nominating Committee. The company's auditor attended two meetings during the year to report the audit findings and assessment of the company's internal controls for financial reporting.

Remuneration Committee

The Remuneration Committee consists of two Board members. Its duties include preparing a proposal for remuneration of the CEO subject to the guidelines adopted by the 2014 AGM. The Remuneration Committee held one meeting in 2014, at which guidelines for remuneration to senior executives were reviewed.

Finance Committee

A Finance Committee has been established with the task of monitoring developments in the credit market and drafting matters of a financial nature. The Finance Committee submits proposals to the Board of Directors on an ongoing basis but has no decision-making powers on financial matters. The Committee consists of Bob Persson, Svante Paulsson, Knut Rost and Rolf Larsson.

AUDITORS

The Annual General Meeting appoints one or two auditors and, at most, two deputies to audit the company's Annual Report, its accounts, and the Board of Directors' and CEO's management of the company. At the 2014 AGM, Deloitte AB was appointed auditors with Svante Forsberg as chief auditor for a one-year period until the 2015 AGM. In 2014 auditing fees of SEK 2,731,000 (3,151,000) were paid to Deloitte AB, of which SEK 1,680,000 (1,830,000) refers to the audit engagement, SEK 82,000 (104,000) to audit services in addition to the audit engagement, SEK 844,000 (905,000) to tax advisory services and SEK 107,000 (312,000) to other advisory services.

GROUP MANAGEMENT

Responsibilities of senior management and the CEO

In March 2014 Knut Rost took over as CEO of Diös Fastigheter in place Christer Sundin, who stepped down to go into retirement. Since spring 2014 the senior management team consists of CEO Knut Rost, CFO Rolf Larsson, HR Director Kristina Grahn-Persson, Director of Communications Karin Falkeström and Property Director Lars-Göran Dahl. The team's work is led by the CEO in accordance with the applicable instructions. The senior management team's duties include presenting relevant information and decision guidance documents prior to Board meetings as well as the reasoning behind their proposed resolutions. The Chairman of the Board annually conducts a performance appraisal with the CEO in accordance with the applicable instructions and the current requirements specification. The senior management team holds meetings every three weeks at which strategic and operational issues are discussed. The team also prepares an annual business plan which it follows up through monthly reports with a focus on financial performance, improvements to existing properties, new investments and growth.

Principles of remuneration

The 2014 Annual General Meeting approved the following principles for remuneration to senior executives:

- Remuneration and benefits to the CEO are decided by the Board of Directors.
- Remuneration to other senior executives is decided by the CEO in consultation with the Board of Directors.
- As of 2012 an incentive plan has been in place, under which senior executives have the potential to earn variable remuneration. No other forms of share-based remuneration exist.
- Variable remuneration is capped at one month's salary.
- During their term of employment the CEO and other members of the senior management team are entitled to a company car and receive insurance and retirement benefits in accordance with the applicable ITP plan. Individual investment options are available. Insurance and pension premiums are based on cash salary only.

- The retirement age for the CEO is 65 years. The period of notice given by the company to the CEO is twelve months. The period of notice given by the CEO to the company is four months.
- The contracts of other members of the senior management team are terminable by either party on three to six months' notice, subject to the terms of the contract.
- The company has a profit-sharing foundation for all its employees. Provision to the profit-sharing foundation is based on return on equity and is capped at SEK 35,000 per year per employee.

Remuneration for 2014

The CEO received fixed remuneration of SEK 1,518,000, other benefits worth SEK 130,000 and pension plan contributions of SEK 696,000. The departing CEO received fixed remuneration of SEK 908,000, other benefits worth SEK 34,000 and pension plan contributions of SEK 150,000. Other members of the senior management team received total fixed remuneration of SEK 4,159,000, SEK 331,000 in other benefits and pension plan contributions of SEK 886,000. The group other members of senior management consisted of five persons until 31 May 2014 and four persons after that date. For more information, see Note 5.

THE BOARD ON INTERNAL CONTROL

The Board of Directors is responsible for ensuring that Diös has effective internal control procedures in place. The Board fulfils this quality assurance duty by reviewing critical accounting issues as well as the financial reports prepared by the company. This means that the Board assesses compliance with applicable laws and regulations, material uncertainties in the carrying amounts, any uncorrected irregularities or errors, events after the balance sheet date, changes in estimates and judgements, any noted inconsistencies and inaccuracies, and other circumstances that affect the quality of the financial statements. The internal control complies with the regulatory guidance, Internal Control - Integrated Framework, COSO. The framework comprises the components: control environment, risk assessment, control activities, information and communication, and follow-up.

Control environment

Effective work by the Board of Directors is the basis for good internal control. The Board has therefore adopted rules of procedure along with defined work processes with the aim of creating clear guidelines for its work. The Board's responsibilities include formulating and adopting a number of fundamental policies, guidelines and frameworks relating to the company's financial reporting activities. The company's main policy document is entitled "Instructions for the Chief Executive Officer, including financial reporting, financial policy and credit policy". The instructions are monitored and reviewed on a regular basis and findings are communicated to all employees who are involved in the financial reporting process, all for the purpose of establishing a platform for good internal control. The Board conducts regular evaluations of the company's performance and results, using a reporting package, which includes an income statement, projected key ratios and other material operational and financial information. In its role as Audit Committee the Board has monitored the risk management and internal control systems in 2014 to ensure that the company's operations are conducted in compliance with applicable legislation and regulations, that they are efficient and that financial reporting is reliable. The Board has familiarised itself with and assessed the procedures for accounting and financial reporting, and has followed up and assessed the work, qualifications and independence of the external auditors. In 2014 the Board conducted a review with and received a written report from the company's external auditors.

Risk assessment

Diös works continuously and pro-actively with risk assessment and risk management activities to ensure that identified risks are managed in an appropriate manner subject to the defined criteria. The senior management team conducts an annual analysis which involves the analysis and assessment of the risks according to a risk scale. Risk assessment considers factors such as the company's administrative procedures for invoicing and contract management. Balance sheet and income statement items are also reviewed regularly wherever there is a risk of material misstatement.

Control activities

Control activities are performed at all stages of the accounting and reporting process. The aim is to manage the risks that the Board considers may materially affect the internal control over financial reporting. Examples of control activities include reporting of processes and procedures for making critical decisions, such as decisions on major new tenants, major investments and current contracts. Reviewing submitted financial statements is another control activity. An organisation with a clear division of responsibilities and clearly defined procedures and roles constitute the basis for company's control structure.

Information and communication

The company's general governing documents, including policies, guidelines and manuals, are updated continually and can be accessed through the company's Intranet. In 2014 the company developed a new Intranet with the aim of promoting increased transparency and employee participation through an improved structure, search function and new communication functions. The company's external communications are formulated in accordance with its communication policy, which sets forth guidelines aimed at ensuring that the company meets its disclosure obligations.

Follow-up

Internal control is followed up continuously at individual property, subsidiary company and Group level. The Board reviews the current situation with the company's auditor at least once a year. This is done without the presence of the CEO or any other member of senior management. The Board also ensures that the company's auditors conduct a general review of the third quarter interim report. The need to appoint a separate internal audit function is assessed each year. So far, the need has been deemed to be small. The financial operations and accounting and leasing administration are managed from Diös' head office. The company's balance sheets and income statements are reviewed quarterly by accounts staff as well as by the senior management team and Board of Directors. The company's financial management and reporting practices are reviewed by the company's auditor and the findings of the review are reported to the Board.

AUDITOR'S STATEMENT ON THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of Shareholders in Diös Fastigheter AB (publ), CRN 556501-1771

The Board of Directors is responsible for the Corporate Governance Report for 2014, which is included in the printed version of this document on pages 66-70, and for ensuring that it has been prepared in accordance with the Swedish Annual Accounts Act. We have read the Corporate Governance Report and, based on this reading and our knowledge of the company and the Group, we believe that we have obtained sufficient basis for our opinion. This means that our statutory review of the Corporate Governance Report has a different aim and is of significantly smaller scope than the aim and scope of an audit as per the International Standards on Auditing and good auditing practice in Sweden. We believe that a Corporate Governance Report has been prepared and its statutory content is consistent with the Annual Report and consolidated financial statements.

Östersund, 18 March 2015
Deloitte AB
Svante Forsberg,
Authorised public accountant



BOARD OF DIRECTORS



➤ Anders Bengtsson, Svante Paulsson, Ragnhild Backman, Bob Persson, Maud Olofsson and Tomas Mellberg.

➤ Anders Bengtsson

Board member since 2011, born 1963.

Current function. Board member and partner of Bengtssons Tidnings AB.

Previous experience: 20 years as CEO of SMEs and several years as a management consultant for Semcon, etc.

Other directorships: Board member of Scandinavian Biogas Fuels International, Nordic Iron Ore and of a number of property development projects.

Education: MBA from Monterey Institute of International Studies, USA.

Shareholding in Diös Fastigheter: Indirect ownership of 7.5 million shares through Bengtssons Tidnings Aktiebolag.

➤ Svante Paulsson

Board member since 2014, born 1972.

Current function. Responsible for strategy and projects, also Deputy Chairman of Backahill AB.

Other directorships: Board member of Fabega AB, Bilia AB and AB Cernelle.

Education: High School in the USA

Shareholding in Diös Fastigheter: 10,000 shares.

➤ Ragnhild Backman

Board member since 2011, born 1963.

Current function. CEO of Byggnads AB O. Tjärnberg, Backmans Fastighets- och Företagsutveckling AB.

Previous experience: Property Management Director, Piren.

Other directorships: Deputy Chairman, Fastighetsägarna MittNord and Board member of Malux AB and Fastighetsägarna Sverige.

Education: M.Sc. Engineering, KTH Royal Institute of Technology.

Shareholding in Diös Fastigheter: 8,000 shares.

➤ Bob Persson

Chairman of the Board since 2011, Board member since 2007, born 1950.

Current function. Chairman of the Board and partner, Persson Invest.

Previous experience: CEO and other positions at Persson Invest.

Other directorships: Board member of Volvofinans and NHP Eiendom.

Education: Economics degree, Umeå University.

Shareholding in Diös Fastigheter: 30,000 directly owned shares.

Indirect ownership of 11.5 million through Persson Invest.

➤ Maud Olofsson

Board member since 2011, born 1955.

Current function. Own company, RomoNorr.

Previous experience: Leader of the Swedish Centre Party, Deputy Prime Minister, Minister for Enterprise and Energy.

Other directorships: Chairman of Visita, Board member of LKAB, Arise, Envac and AF.

Education: High school.

Shareholding in Diös Fastigheter: 3,000 shares.

➤ Tomas Mellberg

Board member (employee representative) since 2012, born 1959.

Current function. Property Controller, Diös.

Previous experience: Internal auditor and Accounts Manager at Skanska, Accounts Officer at Hallström & Nisses Fastigheter and Norrvidden Fastigheter.

Other directorships: None.

Education: Economics degree, Umeå University.

Shareholding in Diös Fastigheter: 400 shares.

SENIOR MANAGEMENT



➤ Knut Rost, Rolf Larsson, Kristina Grahn-Persson, Lars-Göran Dahl and Karin Falkeström.

➤ **Knut Rost**

CEO since 2014, born 1959.

Previous experience: Various positions at Aspholmen Fastigheter and ICA Fastigheter in Västerås since 1995.

Education: Land surveyor with a degree from the Royal Institute of Technology.
Shareholding in Diös Fastigheter: 3,500.

➤ **Rolf Larsson**

CFO since 2005, employed since 2005, born 1964.

Previous experience: Acting CEO of Inlandsbanan, Administrative Director of Haninge Bostäder and Director of Accounting at Haninge HSB.

Education: M.Sc. in Economics and Business and Executive MBA.
Shareholding in Diös Fastigheter: 3,754 shares.

➤ **Kristina Grahn-Persson**

HR Director since 2013 and employed since 2011, born 1973.

Previous experience: HR and employee-related roles at Manpower AB and the Jämtland County Council, team and partner assistant for McKinsey & Company.

Education: Degree in Human Resources and Labour Relations.
Shareholding in Diös Fastigheter: 560.

➤ **Lars-Göran Dahl**

Property Director since 2014, born 1961.

Previous experience: Responsible for Riksbankens fastighetskomplex's commercial activities in Sweden.
Education: M.Sc. in Economics and Business.

Shareholding in Diös Fastigheter: None.

➤ **Karin Falkeström**

Director of Communications since 2014, born 1969.

Previous experience: Owner of a strategic communications agency, strategic communications roles at companies, government agencies and member organisations.

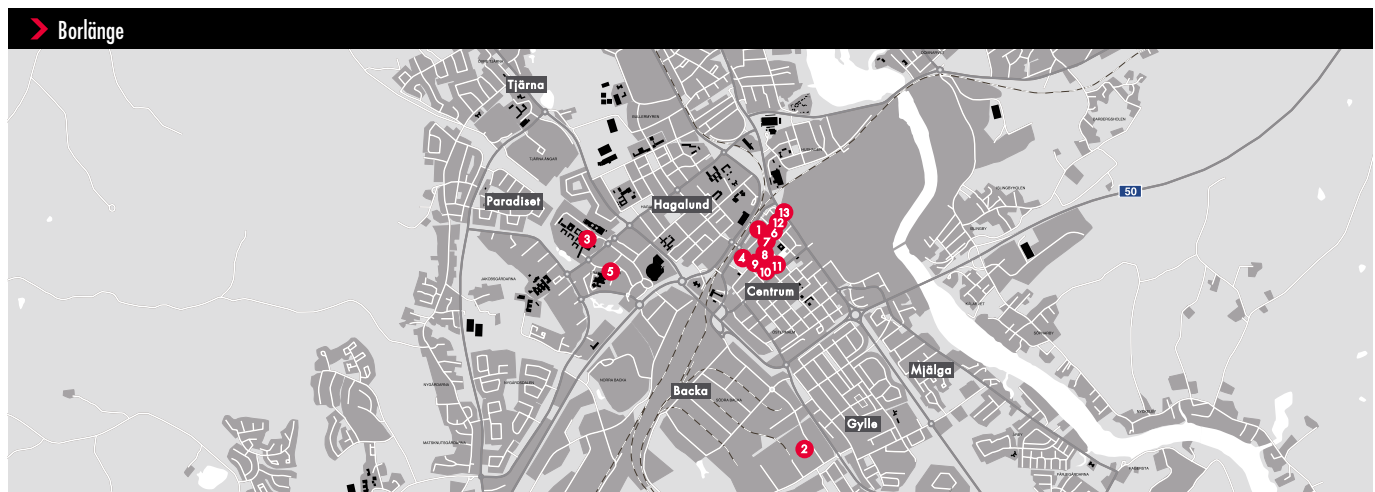
Education: M.Sc. in Strategic Communications.
Shareholding in Diös Fastigheter: None.



PROPERTY REGISTER

> Mattias Nygren, caretaker, Sundsvall.

PROPERTIES DALARNA

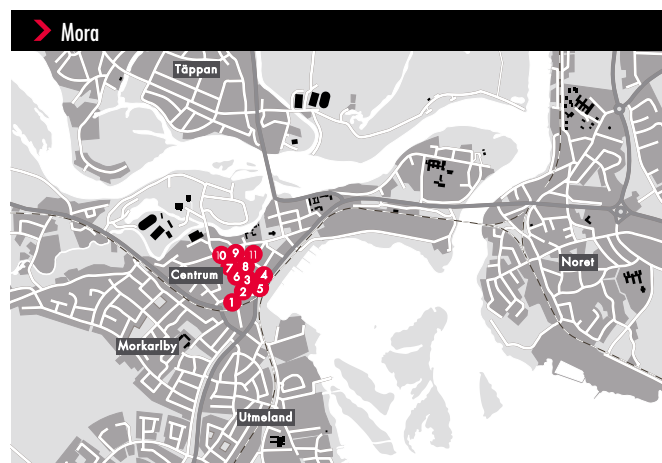
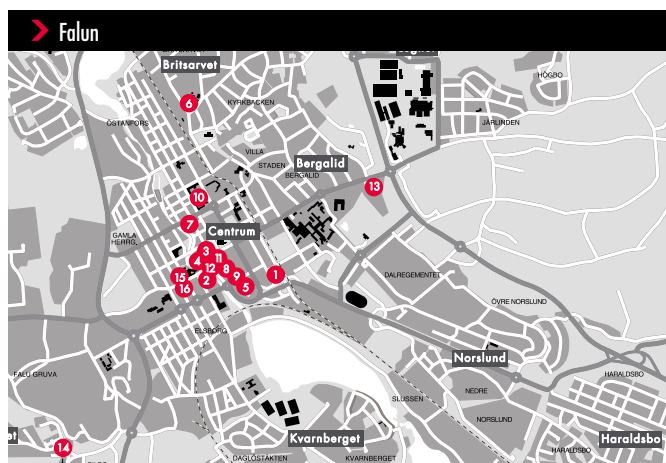


BORLÄNGE

sq.m													
Municipality	No.	Property name	Address	Year of construction/ value year						Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Borlänge	1	Frigga 7	Mälaregatan 1	1983/1983	2,196	122	1,276	–	–	3,594	4.1	91.9	17.6
Borlänge	2	Hammaren 6	Hammargatan 4-6	1973/1983	1,002	400	4,475	–	–	5,877	4.8	95.7	18.6
Borlänge	3	Intagan 1	Röda Vägen 1	1978/1980	32,681	49	–	–	795	33,525	41.7	100.0	158.0
Borlänge	4	Mimer 1	Stationsgatan 2-4	1967/1988	2,773	370	2,646	–	1,302	7,091	8.9	88.1	38.8
Borlänge	5	Mälaren 3	Skomakargatan 18	1986/1986	883	–	–	–	350	1,233	1.4	90.9	9.4
Borlänge	6	Rolf 2	Borganäsvägen 43	1972/1983	5,628	58	560	–	482	6,728	5.9	86.3	–
Borlänge	7	Rolf 5	Borganäsvägen 37, 39, 41, Mälaregatan 5	1952/1973	2,119	–	341	207	335	3,002	2.2	84.4	8.9
Borlänge	8	Saga 25	Borganäsvägen 30	1960/1960	1,631	823	3,589	401	–	6,444	4.8	81.8	20.7
Borlänge	9	Sigrid 10	Borganäsvägen 26	1974/1974	3,466	275	2,431	–	–	6,172	6.5	88.2	28.2
Borlänge	10	Sigrid 11	Stationsgatan 12	1971/1971	978	12	1,482	–	–	2,472	2.5	68.0	8.7
Borlänge	11	Tyr 10, Valhall 1 (2 properties)	Wallingatan 37	1972/1974	6,534	32	72	–	–	6,638	6.2	100.0	25.5
Borlänge	12	Verdandi 9	Borganäsvägen 42-44	1929/1949	861	2,727	834	–	4,701	9,123	2.5	45.9	11.4
Borlänge	13	Verdandi 10	Borganäsvägen 46-48	1971/1971	1,415	361	1,192	195	–	3,163	8.5	69.4	27.6
TOTAL BORLÄNGE: 14 PROPERTIES					62,167	5,229	18,898	803	7,965	95,062	100.0	90.7	373.4

MALUNG

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Malung		Fisken 5	Grönlandsvägen 23	1967/1967	93	-	2,298	-	390	2,781	2.7	98.3	8.4
Malung		Mobyarna 113:4	Västra Industrigatan	1966/1977	15	24,413	-	-	-	24,428	7.7	91.7	21.0
TOTAL MALUNG: 2 PROPERTIES					108	24,413	2,298	0	390	27,209	10.4	94.2	29.4



FALUN

				sq.m									
Municipality	No.	Property name	Address	Year of construction/ value year						Rental value, SEK/m	Ec. occupancy rate, %	Carrying amount, SEK/m	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Falun	1	Björken 8	Bergmästaregatan 2	1981/1981	2,277	41	-	86	-	2,404	2.5	65.9	11.8
Falun	2	Dalpilen 10	Myntgatan 20	1989/1989	2,273	-	224	-	662	3,159	3.4	97.0	15.0
Falun	3	Falan 20	Stora torget	1966/1975	15,905	518	5,854	-	1,084	23,361	34.9	94.4	181.4
Falun	4	Falan 22	Ö:a Hamngatan 16, 18	1938/2009	-	-	619	471	600	1,690	1.9	97.1	21.5
Falun	5	G:a Bergsskolan 15	Holmgatan 14,26	1979/1979	1,670	-	8,420	-	-	10,090	10.0	86.6	48.4
Falun	6	Gullvivan 18	N Järnvägsg 2-4, Seminarieg 3	1929/-	-	-	-	-	6,000	6,000	7.0	100.0	-
Falun	7	Hattmakaren 16	Nybrogatan 21, Slaggatan 19, Ö:a Hamngatan	1980/1980	2,263	60	709	-	259	3,291	3.9	65.5	20.5
Falun	8	Holmen 7	Holmgatan 11	1978/1978	495	-	743	64	-	1,302	2.1	85.5	12.1
Falun	9	Holmen 8	Holmgatan 9	1970/1973	1,757	17	15,891	-	1,062	18,727	30.6	89.5	178.2
Falun	10	Kansliet 20	Nybrogatan 20	1950/1950	15,314	342	-	124	4,979	20,759	20.3	76.2	95.5
Falun	11	Köpmannen 3	Holmgatan 13	1929/1997	180	-	530	670	400	1,780	3.2	100.0	17.6
Falun	12	Köpmannen 4	Falugatan 5	1984/1984	325	33	1,395	1,687	-	3,440	4.7	99.8	26.6
Falun	13	Lasarettet 16	Svårdsjögatan 28	1987/1987	233	-	-	86	1,655	1,974	1.9	100.0	1.7
Falun	14	Nedre Gruvriset 33:156	Krontallsvägen 1, 3, 16	2003/2003	-	5,325	-	-	-	5,325	5.6	92.4	18.5
Falun	15	Nya Bergsskolan 4	Engelbrektsgatan 25, Sturegatan 60, Stigaregatan 8 & 10	1929/1950	1,183	984	-	-	-	2,167	1.1	3.4	6.2
Falun	16	Teatern 6	Engelbrektsgatan 25, Stigaregatan 7A-B, Sturegatan 58	1929/1988	1,925	-	63	-	-	1,988	1.8	76.4	8.6
TOTAL FALUN: 16 PROPERTIES					45,800	7,320	34,448	3,188	16,701	107,457	134.9	88.2	663.6

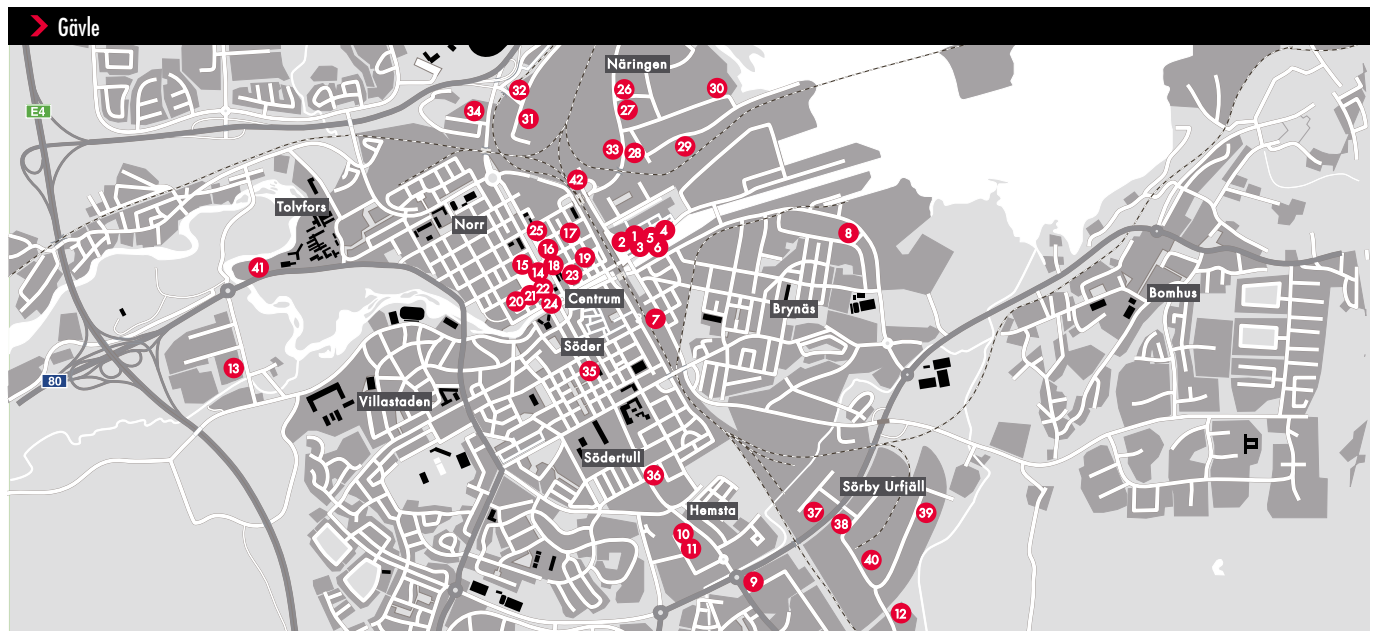
MORA

					sq.m					Rental value, SEKm	Ec. occupancy rate, %	Carrying amount, SEKm	
Municipality	No.	Property name	Address	Year of construction/ value year	Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Mora	1	Stranden 11:4	Fridhemsgatan 9	1981/1981	2,816	89	-	-	-	2,905	3.3	92.8	14.4
Mora	2	Stranden 16:1	Kyrkogatan 31	1958/1958	349	327	713	2,389	156	3,934	3.2	93.1	14.3
Mora	3	Stranden 16:2	Kyrkogatan 27	1975/1975	1,026	105	447	-	223	1,801	2.4	98.1	9.2
Mora	4	Stranden 17:4	Moragatan 13	1960/1963	308	531	333	3,497	276	4,945	4.7	98.9	20.0
Mora	5	Stranden 17:6	Strandgatan 24	1964/1964	-	30	246	1,538	-	1,814	1.6	98.7	6.6
Mora	6	Stranden 18:2	Kyrkogatan 25	1970/1972	1,106	410	3,167	-	475	5,158	5.2	83.5	22.2
Mora	7	Stranden 19:5	Kyrkogatan 18 A	1966/1966	-	-	3,370	-	280	3,650	4.5	97.8	16.9
Mora	8	Stranden 19:6	Kyrkogatan 20	1977/1977	2,082	50	573	-	-	2,705	3.7	94.5	14.7
Mora	9	Stranden 20:2	Milläkersgatan 6	1968/1974	3,895	369	-	-	298	4,562	4.9	98.0	16.3
Mora	10	Stranden 20:4	Hantverkaregatan 14	1989/1989	2,365	-	-	-	507	2,872	3.8	100.0	17.1
Mora	11	Stranden 35:7, 35:8 (2 properties)	Kyrkogatan 10	1920/2001	287	20	904	1,397	-	2,608	2.7	98.4	10.6
TOTAL MORA: 12 PROPERTIES					14,234	1,931	9,753	8,821	2,215	36,954	40.0	94.8	162.3

TOTAL DALARNA

TOTAL DALARNA	sq.m						Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
	Offices	Industrial/ warehouse	Retail	Residential	Other	Total			
44 PROPERTIES	122,309	38,893	65,397	12,812	27,271	266,682	285.3	90.8	1,228.7

PROPERTIES GÄVLEBORG



GÄVLE

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Total	Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
					Offices	Industrial/ warehouse	Retail	Residential	Other				
Gävle	1	Alderholmen 18:1	Hamntorget 6, 2:a Magasinsgatan 1	1929/1970	1,829	1,180	-	-	-	3,009	1.9	81.9	8.1
Gävle	2	Alderholmen 19:2	Hamntorget 4, Första Magasinsgatan 1, Andra Magasinsgatan 2, 4A	1977/1977	793	-	-	-	-	793	0.6	0.0	3.1
Gävle	3	Alderholmen 19:3	1:a Magasinsgatan 3, 2:a Magasinsgatan 4	1929/1991	809	-	-	-	-	809	0.8	68.9	3.6
Gävle	4	Alderholmen 23:1	Elfbrinksgatan 2; Första Magasinsgatan 8; Norra Skeppsbron 7	1929/1950	1,766	-	-	-	-	1,766	1.8	75.8	6.9
Gävle	5	Alderholmen 24:3	Norra Skeppsbron 5 A	1929/1929	1,155	-	-	-	-	1,155	1.1	81.8	4.3
Gävle	6	Alderholmen 24:5	Norra Skeppsbron 5 B	1929/1950	1,181	-	-	-	-	1,181	1.2	84.4	4.3
Gävle	7	Brynäs 12:1	S:a Fältskärgatan 10	1970/-	3,425	1,995	1,026	-	-	6,446	4.9	72.6	-
Gävle	8	Brynäs 34:9	Atlasgatan 12	1968/1968	-	3,498	-	-	-	3,498	1.0	100.0	7.9
Gävle	9	Hemlingby 56:10	Kryddstigen 1-3	1980/1980	1,255	-	3,415	-	-	4,670	3.6	85.9	16.5
Gävle	10	Hemsta 12:16	Skolgången 18-20	1984/1989	2,384	-	625	-	-	3,009	2.7	87.4	13.9
Gävle	11	Hemsta 12:17	Skolgången 10	1988/1988	-	3,425	-	-	-	3,425	2.5	84.0	14.1
Gävle	12	Järvsta 63:3	Ulfjordsvägen 9A-H, 9J-O	1991/1991	848	2,232	-	-	-	3,080	1.8	90.7	8.6
Gävle	13	Kungsbäck 2:13	Nobelvägen 1	2001/2001	5,327	-	-	-	-	5,327	5.3	0.3	37.7
Gävle	14	Norr 11:4	Kaplangatan 12, 14; Norra Stapelborgsgatan 11-13; Nygatan 9-11, 9A-I, 9K-N, 11A-I, 11K-M (Gävle)	1964/1986	1,132	489	3,467	4,940	180	10,208	10.0	88.8	75.6
Gävle	15	Norr 14:5	Norra Kansligatan 7-9; Norra Slottsgatan 8, 10; Nygatan 21, 23 (Gävle); Ruddammsgatan 24, 26	1971/1971	1,109	289	6,784	-	193	8,375	19.8	95.2	134.3
Gävle	16	Norr 16:5	Norra Köpmangatan 13; Norra Rådmansgatan 12, 12C; Nygatan 29-31 (Gävle)	1973/1973	6,385	479	258	-	-	7,122	9.3	98.2	53.2



Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Gävle	17	Norr 19:4	Hattmakargatan 10; Nygatan 41	1966/1966	2,000	-	866	-	-	2,866	3.9	96.3	21.4
Gävle	18	Norr 23:5	Nygatan 22, N Rådmansgatan 8A-C, Drottninggatan 21	1959/1959	2,358	5	2,211	1,415	136	6,125	7.5	93.3	47.5
Gävle	19	Norr 26:3	Hattmakargatan 6, Drottninggatan 33	1990/1990	2,578	-	220	209	-	3,007	3.5	97.8	23.2
Gävle	20	Norr 29:5	Drottninggatan 6, N Skepparg. 5, N Stapeltorgsg. 6	1985/1985	2,911	25	332	-	2,289	5,557	8.2	97.5	46.0
Gävle	21	Norr 30:5	N:a Slottsgatan 3 A-B	1946/1946	-	-	303	1,464	1,245	3,012	3.0	98.7	20.7
Gävle	22	Norr 31:9	Kyrkogatan 17, Drottninggatan 16-18	1973/1973	6,491	1,572	11,500	-	2,972	22,535	29.2	93.6	157.8
Gävle	23	Norr 34:3	Kyrkogatan 25, N Kopparslagsgatan 3	1995/1995	89	-	-	-	5,991	6,080	0.8	100.0	4.7
Gävle	24	Norr 40:3	Kyrkogatan 16, 18; Norra Kungsgatan 1; Norra Strandgatan 15-17	1971/1981	5,172	-	1,920	-	-	7,092	8.7	97.9	45.8
Gävle	25	Norr 6:7	Norra Köpmangatan 21; Norra Rådmansgatan 20; Staketgatan 32, 34	1971/1971	2,473	-	959	-	68	3,500	3.3	78.1	19.4
Gävle	26	Näringen 11:3	Strömsbrovägen 18	1955/1977	1,981	2,057	-	-	-	4,038	2.2	97.6	8.1
Gävle	27	Näringen 12:2	Strömsbrovägen 12	1990/1990	-	592	-	-	-	592	0.5	94.8	2.1
Gävle	28	Näringen 13:11	Förrådsgatan 7	1968/1968	780	1,150	-	-	-	1,930	1.1	84.9	3.8
Gävle	29	Näringen 16:6	Kanalvägen 6	1981/1992	819	5,859	-	-	400	7,078	3.9	100.0	19.8
Gävle	30	Näringen 22:3	Beckasinvägen 15	Land	-	-	-	-	-	-	0.2	89.2	1.4
Gävle	31	Näringen 05:15	Lötångsgatan 6-12	1966/1976	-	25,400	-	-	-	25,400	4.5	73.2	48.6
Gävle	32	Näringen 6:4	Lötångsgatan 13	1968/1978	904	624	-	-	-	1,528	1.0	77.0	4.8
Gävle	33	Näringen 8:5	Strömsbrovägen 19	1965/1995	-	5,945	-	-	-	5,945	2.4	97.9	14.1
Gävle	34	Sätra 107:7	Bromsargatan 3, Marielundsvägen 2	1991/1991	3,134	75	-	-	-	3,209	4.0	99.8	22.2
Gävle	35	Söder 38:5	Södra Kansligatan 27; Södra Kungsgatan 32, 32A-H, 32J-P	1957/1978	-	130	1,401	1,320	-	2,851	3.6	96.2	27.8
Gävle	36	Södertull 33:1	S Kungsgatan 59, Helgöatan 2,	1910/1970	2,466	791	3,113	-	4,678	11,048	10.8	91.5	21.3
Gävle	37	Sörby Urfjäll 27:2	Rålgsgatan 2-4	1972/1973	354	4,688	-	-	-	5,042	2.8	78.6	10.5
Gävle	38	Sörby Urfjäll 28:3	Utmarskvägen 35	1979/1983	-	2,223	-	-	-	2,223	1.6	100.0	5.6
Gävle	39	Sörby Urfjäll 36:4	Utmarskvägen 15	1975/1991	1,295	5,087	142	-	-	6,524	4.3	96.6	19.6
Gävle	40	Sörby Urfjäll 37:3	Utmarskvägen 10	1979/1979	688	9,928	2,530	-	123	13,269	9.6	93.5	33.9
Gävle	41	Väster 4:17	V:a Vägen 52	1973/1980	159	2,336	-	-	-	2,495	1.6	94.7	6.6
Gävle	42	Öster 10:1	Ö Hantverkargatan 62	1988/1988	1,193	-	-	-	-	1,193	1.1	46.5	5.0
TOTAL GÄVLE: 42 PROPERTIES					67,243	82,074	41,072	9,348	18,275	218,012	191.5	89.1	1,033.8

LJUSDAL, SANDVIKEN, SÖDERHAMN

				sq.m						Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
Municipality	No.	Property name	Address	Year of construction/ value year	Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Ljusdal	Norrkämsta 16:3	Norrkämstaleden 6		1977/1982	1,924	13,515	500	50	8	15,997	6.9	85.4	22.5
Ljusdal	Norrkämsta 17:2	Norrkämstaleden 7		1992/1992	2,300	-	-	-	-	2,300	2.3	86.1	7.7
Ljusdal	Östernäs 14:4	Löjtnantsgatan 9		1965/1979	658	20	3,337	-	-	4,015	1.4	100.0	4.7
Ljusdal	Tälle 23:8	Bokhandlärgränd 12; Norra Järnvägsgatan 39; Stationsgatan 1-5		1963/1986	1,695	-	-	-	-	1,695	3.5	94.9	12.1
Sandviken	Klappsta 8:1	-	Land		-	-	-	-	-	-	-	-	-
Söderhamn	Furan 1	Köpmangatan 13		1970/1991	-	-	2,481	-	-	2,481	3.4	84.1	13.1
Söderhamn	Furan 10	Kungsgatan 10		1984/1984	-	-	257	709	316	1,282	1.1	90.0	4.4
Söderhamn	Furan 9	Köpmangatan 15		1964/1972	334	-	3,566	1,059	162	5,121	4.1	87.6	16.9
Söderhamn	Svalan 6	Västra Tullgatan 12		1998/1998	1,150	-	-	-	-	1,150	1.2	100.0	4.2
TOTAL LJUSDAL, SANDVIKEN, SÖDERHAMN: 9 PROPERTIES					8,061	13,535	10,141	1,818	486	34,041	24.1	88.9	85.6

TOTAL GÄVLEBORG

					sq.m					Rental value, SEK/m	Ec. occupancy rate, %	Taxable value, SEK/m	
					Offices	Industrial/ warehouse	Retail	Residential	Other	Total			
51 PROPERTIES					75,304	95,609	51,213	11,166	18,761	252,053	215.6	89.1	1,119.4

PROPERTIES VÄSTERNORRLAND

> Härnösand



HÄRNÖSAND

				sq.m									
Municipality	No.	Property name	Address	Year of construction/ value year						Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Härnösand	1	Adjunkten 3	Backgränd 16; Brunnhusgatan 8	1935/1940	751	-	-	684	-	1,435	1.1	84.9	4.3
Härnösand	2	Barkassen 3	Stationsgatan 2; Strandgatan 3-5	1956/1956	246	67	424	-	13	750	0.5	100.0	1.6
Härnösand	3	Barken 9	Strandgatan 4	1970/1970	1,702	1,318	-	-	-	3,020	2.3	80.4	3.7
Härnösand	4	Börsen 1	Köpmangatan 9; Nybrogatan 1; Skeppsbron 7	1929/1973	1,485	100	928	1,074	-	3,587	2.8	90.0	12.7
Härnösand	5	Fyrvaktaren 19	Långgatan 41; Skeppsbron 69-71	1974/1974	-	1,649	-	-	-	1,649	1.2	100.0	-
Härnösand	6	Guldsmeden 9	Stora Torget 3A-D, 4A-D; Trädgårdsgatan 2; Västra Kyrkogatan 1	1962/1973	2,259	91	1,479	-	-	3,829	3.3	65.0	13.8
Härnösand	7	Guldsmeden 10	Storgatan 23	1880/1930	-	-	424	591	-	1,015	0.8	88.6	3.3
Härnösand	8	Guldsmeden 11	Storgatan 25; Trädgårdsgatan 4-6	1962/1962	698	65	1,009	-	-	1,772	1.9	77.4	7.3



Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK/m	Ec. occupancy rate, %	Taxable value, SEK/m	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Härnösand	9	Kandidaten 3	Seminariegatan 11-33; Eriksbergsgränd 12A-B	1929/1986	-	150	-	1,789	-	1,939	1.7	99.3	6.6
Härnösand	10	Kopparslagaren 28	Storgatan 15; Västra Kyrkogatan 2-4	1958/1970	1,462	90	2,260	-	-	3,812	3.4	83.6	14.2
Härnösand	11	Kostern 1	Stationsgatan 7	1943/1964	-	1,172	-	-	-	1,172	0.8	68.4	1.4
Härnösand	12	Kullen 1:35	Bergsstigen 18	1993/1993	-	-	-	241	-	241	0.2	100.0	1.2
Härnösand	13	Köpmannen 9	Köpmangatan 5-7; Nybrogatan 2; Skeppsbron 3	1974/1983	2,519	361	1,142	759	1,035	5,816	5.2	79.9	23.5
Härnösand	14	Motorn 3	Matrosgatan 5	1974/-	50	1,576	-	-	90	1,716	0.5	64.1	-
Härnösand	15	Notarien 5	Eriksbergsgränd 6A-C; Norra Kyrkogatan 16A-C, 18A-D	1979/1979	328	-	-	5,467	-	5,795	5.3	92.3	19.8
Härnösand	16	Saltvik 2:68	Saltviksvägen 11	1989/1990	2,578	-	-	-	-	2,578	1.5	90.9	6.3
Härnösand	17	Skepparen 5,8 (2 properties)	Storgatan 44A-D	1929/1986	216	-	-	767	-	983	0.9	91.0	3.3
Härnösand	18	Skepparen 6,7 (2 properties)	-	Land	-	-	-	-	-	-	-	-	-
Härnösand	19	Skutan 8	Djuphamnsvägen 3-7	1965/1965	912	1,528	39	-	-	2,479	1.3	72.9	3.3
Härnösand	20	Stenhammar 1:209	Talgöxevägen 6	1993/1993	-	-	-	456	-	456	0.3	100.0	-
Härnösand	21	Smultronet 4	Utsiktsvägen 2	1989/1989	-	-	-	298	-	298	0.4	100.0	-
Härnösand	22	Städet 2,15 Svarven 1,3,15(5 properties)	Fiskaregatan 6; Strengbergsgatan 1, Brunnhusgatan 37, Fiskaregatan 4; Strengbergsgatan 2-4	1960/1960	20,191	3,523	126	-	840	24,680	5.6	38.3	19.4
Härnösand	23	Tullen 10	Köpmangatan 13	1983/1994	2,318	2,191	-	-	-	4,509	4.5	94.6	20.8
Härnösand	24	Åland 2:87	Ramsåsvägen 55A-B, 57A-B, 59A-B, 61A-B, 63A-B, 65A-B, 67A-B, 69A-B, 71A-B, 73A-B, 75A-B, 77A-B, 79A-B, 81A-B, 83A-B, 85A-B, 87A-B, 89A-B, 91A-B, 93A-B, 95A-B, 97A-B, 99A-B, 101A-B, 103A-B, 105A-B, 107A-B, 109A-B	1991/1992	-	-	-	3,548	-	3,548	2.6	72.2	6.0
Härnösand	25	Ön 2:53	Storgatan 28-30; Trädgårdsgatan 5	1983/1983	4,562	283	1,110	495	817	7,267	7.9	96.3	32.7
TOTAL HÄRNÖSAND: 31 PROPERTIES					42,277	14,164	8,941	16,169	2,795	84,346	55.9	82.0	205.2



SUNDSVALL

				sq.m									
Municipality	No.	Property name	Address	Year of construction/ value year						Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Sundsvall	1	Aeolus 5	Köpmangatan 8B-C, 10; Tullgatan 18	1937/1982	2,722	110	332	-	-	3,163	3.5	81.2	25.2
Sundsvall	2	Aeolus 9	Trädgårdsgatan 7-9	1992/1992	2,768	-	-	-	-	2,768	3.9	97.0	24.2
Sundsvall	3	Alliero 20	Universitetsallén 14, Universitetsallén 20	1929/1929	314	1,288	787	-	-	2,389	1.2	85.6	6.2
Sundsvall	4	Apollo 3, 7, 8 (3 properties)	Trädgårdsgatan 1-3	1956/1956	77	1,201	1,005	933	193	3,409	2.7	88.7	19.5
Sundsvall	5	Arbetet 3	Centralgatan 11; Esplanaden 8-10; Rådhusgatan 25; Trädgårdsgatan 24	1969/1969	3,087	151	794	-	520	4,552	5.4	95.4	29.0
Sundsvall	6	Balder 3	Normalmsgatan 8-10	1957/1957	-	526	-	3,676	-	4,202	7.0	92.6	29.2
Sundsvall	7	Bisittaren 1	Thulegatan 25; Södra Järnvägsgatan 29	1929/1981	1,300	185	263	-	-	1,748	1.8	83.7	9.8
Sundsvall	8	Björneborg 11	Björneborgsgatan 37	1968/1968	6,709	-	-	-	-	6,709	2.0	0.0	9.6
Sundsvall	9	Borgmästaren 10	Köpmangatan 19, N.a Järnvägsgatan 24	1956/1956	4,244	368	-	-	873	5,485	7.3	97.4	38.0
Sundsvall	10	Cupido 5	Köpmangatan 16	1947/1957	100	-	700	1,052	-	1,852	1.8	93.9	10.4
Sundsvall	11	Fryshuset 2	Nya Hamngatan 12	2004/2004	5,853	-	-	-	-	5,853	10.5	99.8	66.4



Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
					Offices	Industrial/warehouse	Retail	Residential	Other			
Sundsvall	12	Glädjen 4,9 (2 properties)	Storgatan 30-34; Thulegatan 3; Torggatan 2-4; Sjögatan 23	1929/1960	4,644	792	10,979	537	-	16,951	30.9	199.7
Sundsvall	13	Hälsan 6	Storgatan 26; Centralgatan 6	1891/1930	1,039	77	989	1,281	-	3,385	5.7	33.0
Sundsvall	14	Hälsan 7	Storgatan 28; Centralgatan 4; Torggatan 1-3; Sjögatan 15-17, 16-18	1929/1965	3,329	559	7,785	-	8	11,680	20.4	129.0
Sundsvall	15	Högom 3:170	Bergsgatan 130	1993/1993	4,623	244	-	-	-	4,867	4.6	20.4
Sundsvall	16	Högom 3:186	Tegelvägen 20-22	1990/1990	1,500	1,888	-	-	-	3,388	2.7	9.5
Sundsvall	17	Högom 3:189	Tegelvägen 17	1990/1990	367	2,213	-	-	-	2,580	1.7	6.1
Sundsvall	18	Lagmannen 9	Fredsgatan 3-5; Södra Järnvägsgatan 23	1976/1976	4,501	22	-	-	-	4,523	4.8	23.1
Sundsvall	19	Lagret 4	Heffnersvägen 34	1942/1960	8,322	438	384	-	-	9,144	9.2	44.2
Sundsvall	20	Ljusta 3:10	Gesällvägen 20; Lärilingsvägen 9, 13B	1978/1989	38	2,741	-	-	-	2,779	1.1	14.0
Sundsvall	21	Lyckan 6	Storgatan 36-40; Ågatan 1-5, 2-4; Thulegatan 2; Varvsgränd 1	1929/2007	107	162	8,973	152	2	9,396	18.5	143.6
Sundsvall	22	Mälås 3:20	Birstavägen 21	1990/1990	-	3,116	-	-	-	3,116	1.9	5.7
Sundsvall	23	Nolby 7:139	Sandslävägen 3	1970/1970	150	5,561	-	-	-	5,711	2.0	4.3
Sundsvall	24	Norrbacka 12	Baldersvägen 15; Kungsvägen 17A-D, 19A-C, 21, 23A-B, 25	1968/1968	2,172	24	-	90	6,164	8,450	10.7	1.7
Sundsvall	25	Norrmalm 1:24	Universitetsallén 32	1987/1987	11,771	199	462	-	1,467	13,898	18.8	91.8
Sundsvall	26	Penningen 12	Storgatan 29; Varvsgränd 3	1929/1970	1,522	-	-	-	-	1,522	2.3	11.5
Sundsvall	27	Penningen 9	Storgatan 23-27; Thulegatan 4	1929/1960	1,469	124	2,371	96	1,759	5,819	9.2	14.5
Sundsvall	28	Rätten 1	Centralgatan 9; Esplanen 6; Kyrkogatan 17; Rådhusgatan 20	1929/1993	1,185	-	-	935	-	2,120	2.8	20.6
Sundsvall	29	Sköns Prästbord 01:59	Arbetsledarvägen 14	1991/1991	0	1,774	-	-	-	1,774	1.1	4.0
Sundsvall	30	Sköns Prästbord 1:69	Norra Förmansvägen 22	1989/1989	0	-	2,632	-	-	2,632	1.9	14.2
Sundsvall	31	Skönsberg 1:7, 1:8 (2 properties)	Industrigatan 1; Ortviksvägen 2-4, -	1969/1969	3,333	73	1,252	-	-	4,658	5.4	23.4
Sundsvall	32	Skönsberg 1:73	Lagergatan 12-14	1988/1988	5,762	-	-	-	-	5,762	5.7	30.8
Sundsvall	33	Skönsmon 2:13	Kontorsvägen 8	1981/1981	481	3,332	-	-	-	3,813	2.5	8.5
Sundsvall	34	Skönsmon 2:4	Kolvägen 15	1989/1989	2,215	300	850	-	-	3,365	3.2	16.0
Sundsvall	35	Skönsmon 2:5	Kolvägen 19-21	1930/1980	2,719	-	-	-	-	2,719	3.3	14.5
Sundsvall	36	Skönsmon 2:97	Kolvägen 17	1959/1999	2,560	11	-	-	-	2,571	4.6	22.1
Sundsvall	37	Stenstaden 1:14	Nya Hamngatan 21	2006/2006	1,488	-	-	-	73	1,561	2.3	1.2
Sundsvall	38	Venus 3	Storgatan 11; Kyrkogatan 12; Nybrogatan 9-11	1929/1950	2,380	13	1,624	1,202	-	5,219	6.5	34.8
Sundsvall	39	Vesta 4	Esplanaden 13 / Trädgårdsgatan 22	1892/1930	354	-	200	574	274	1,402	1.8	10.9
Sundsvall	40	Västland 26:3	Finstavägen 36	1968/-	-	600	546	-	1,140	2,286	1.5	-
TOTAL SUNDSVALL: 44 PROPERTIES					95,202	28,089	42,926	10,528	12,473	189,217	234.3	1,220.6

SOLLEFTEÅ, TIMRÅ, ÅNGE

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
					Offices	Industrial/warehouse	Retail	Residential	Other			
Sollefteå		Staden 02:29	-	Land	-	-	-	-	-	-	-	-
Timrå		Vivsta 3:39	Köpmangatan 44	1983/1983	2,122	59	205	-	-	2,386	1.8	6.6
Ånge		Mallberget 1:15	Verkmästargatan 11	1995/1995	326	2,912	-	-	-	3,238	1.5	2.9
TOTAL SOLLEFTEÅ, TIMRÅ, ÅNGE: 3 PROPERTIES					2,448	2,971	205	0	0	5,624	3.3	9.5

TOTAL VÄSTERNORRLAND

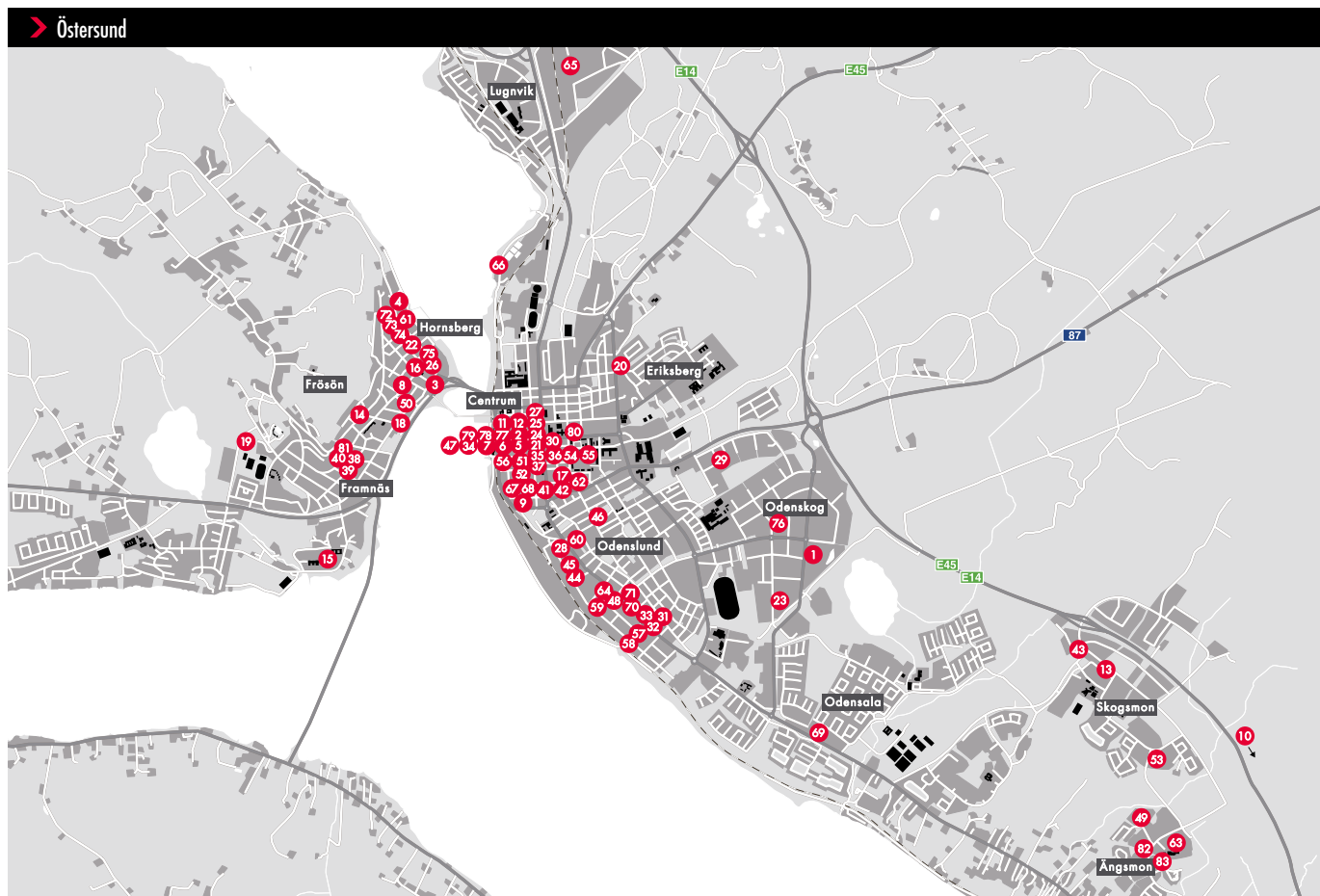
					sq.m					Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
					Offices	Industrial/warehouse	Retail	Residential	Other			
78 PROPERTIES					139,927	45,224	52,072	26,697	15,268	279,187	293.5	1,435.3

PROPERTIES JÄMTLAND



ÅRE

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Åre	1	Arvesund 2:185 etc. (23 properties)	-	Land	-	-	-	-	-	-	-	3.7	
Åre	2	Hästen 4	Grönvägen 6A-C (Järpen)	1964/1980	-	-	-	971	-	971	0.8	84.4	3.1
Åre	3	Lien 2:7	Kabinbänvägen 1	1929/2005	-	-	443	4,565	-	5,008	9.8	99.4	97.6
Åre	4	Mörviken 1:107	Kabinbänvägen 22 (Hotell Åre Torg)	1985/2007	-	-	-	-	1,400	1,400	1.3	96.7	14.5
Åre	5	Mörviken 2:102	Sankt Olavs väg 33, 37	2006/2007	-	149	4,368	-	3,435	7,952	12.7	85.5	104.0
Åre	6	Totten 1:68	Kurortsvägen 20	1929/1929	3,173	830	-	-	6,870	10,873	9.4	69.6	74.2
Åre	7	Åre Lund 1:17		Land	-	-	-	-	-	-	-	-	-
Åre	8	Åre Prästbord 1:37	Årevägen 55	1990/1997	2,240	-	1,419	-	479	4,138	5.0	96.3	40.8
Åre	9	Åre Prästbord 1:76	Årevägen 78	2007/2007	-	22	2,006	648	399	3,075	8.2	92.3	64.2
TOTAL ÅRE: 31 PROPERTIES					5,413	1,001	8,236	6,184	12,583	33,417	47.1	90.1	402.1



ÖSTERSUND

				sq.m									
Municipality	No.	Property name	Address	Year of construction/ value year						Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Östersund	1	Bandsågen 11	Hagvägen 17	1978/1978	1,106	299	-	-	-	1,405	0.8	44.1	4.9
Östersund	2	Barberaren 7	Biblioteksgatan 11; Prästgatan 28-30	1917/1992	-	-	381	775	200	1,356	2.0	100.0	21.5
Östersund	3	Befälhavaren 2	Frösövägen 3A-C	1983/1983	1,888	-	-	-	-	1,888	2.1	96.5	8.7
Östersund	4	Bergvik 10	Bergsgatan 44	1948/1987	-	-	-	746	-	746	0.8	99.5	5.6
Östersund	5	Boktryckaren 1	Köpmangatan 39; Biblioteksgatan 6A-C, 8; Storgatan 32-34, 34A-B	1929/1929	1,231	159	1,488	489	-	3,367	3.1	81.3	22.3
Östersund	6	Boktryckaren 5	Köpmangatan 43; Postgränd 5	1929/1930	-	-	320	90	-	410	0.5	100.0	3.7
Östersund	7	Boktryckaren 6	Köpmangatan 41, 41B	1930/1991	341	-	-	212	-	553	0.6	86.3	4.3
Östersund	8	Bonden 3	Fritzhemsgatan 14	1988/1988	90	-	-	855	-	945	1.0	91.5	6.7
Östersund	9	Brandenburg 5	Brunnsgränd 6; Storgatan 61A-C	1960/1969	-	15	38	1,225	887	2,165	2.2	98.8	14.0
Östersund	10	Brunflo-Viken 5:2	Mariebyvägen 10 A-Å, 12 A-T	1992/1992	-	-	-	4,514	200	4,714	3.9	99.5	18.6
Östersund	11	Buntnakaren 2	Törnstens Gränd 11; Stortorget 8	1929/1950	842	124	575	153	-	1,694	2.1	92.6	14.5
Östersund	12	Buntnakaren 3	Prästgatan 22-24; Stortorget 10; Törnstens Gränd 13	1963/1963	1,178	170	1,107	-	81	2,536	2.9	90.7	21.6
Östersund	13	Busken 1	Splintvägen 5	1991/1991	2,012	-	-	-	-	2,012	1.6	41.2	5.4
Östersund	14	Fabrikören 3	Byvägen 74	1945/1986	-	-	-	458	-	458	0.5	99.2	3.2
Östersund	15	Frösö 3:7	Öneslingan, Önevägen	1929/2004	12,884	1,670	140	1,418	23,879	39,991	37.3	83.5	44.4
Östersund	16	Frösö 6:22.6:30 (2 properties)	Fjällgatan 10A-B	1945/1984	-	10	-	926	-	936	0.9	98.8	6.3
Östersund	17	Förskinn 6	S:a Gröngatan 39	1971/1971	208	-	-	1,431	-	1,639	1.7	98.8	11.3
Östersund	18	Gubbäkern 8	Frösövägen 19	1937/1937	-	-	94	561	5	660	0.7	98.4	3.9
Östersund	19	Guckuskon 1	Löfstavägen 6	1992/1992	1,643	-	-	-	-	1,643	1.4	83.7	5.6

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK/m	Ec. occupancy rate, %	Taxable, SEK/m	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Östersund	20	Gårdvaren 1	Eriksbergsvägen 19A-H, 21A-D	1963/1992	-	59	-	2,791	-	2,850	2.1	98.9	17.9
Östersund	21	Gästgivaren 3,6 (2 properties)	Hamngatan 11; Prästgatan 40	1945/1945	449	-	1,162	465	182	2,258	2.8	77.7	15.8
Östersund	22	Handlanden 4	Hornsgatan 16 A-B	1954/1954	-	30	-	1,225	-	1,255	1.2	99.1	7.4
Östersund	23	Hejaren 5	Odenskogsvägen 35-37	1960/1978	617	9,733	725	-	-	11,075	6.3	73.9	27.2
Östersund	24	Häradshövdingen 1	Prästgatan 29; Törnstens Gränd 14	1965/1965	173	49	697	465	432	1,816	2.2	98.4	15.4
Östersund	25	Häradshövdingen 6	Prästgatan 31, 31A, 31C-D	1910/1948	476	70	691	416	624	2,277	2.6	90.5	19.8
Östersund	26	Kommunalmannen 4	Bergsgatan 5; Fjällgatan 4A-C; Fritzhemsgatan 1A-F	1966/1971	3,461	1,710	-	-	-	5,171	3.9	19.6	14.5
Östersund	27	Kopparslagaren 3	Prästgatan 21; Samuel Permans Gata 7-9	1929/1978	3,513	-	595	990	5	5,103	4.9	99.5	33.9
Östersund	28	Kräftan 6	Rådhusgatan 82	1969/1989	1,203	-	-	-	1,615	2,818	3.7	91.3	21.7
Östersund	29	Körfältet 11	Körfältsvägen 4	1973/1973	-	-	-	-	2,187	2,187	2.1	92.2	9.2
Östersund	30	Logen 6	Kyrkgatan 47, 49, Thoméegränd 18 A-C	1938/1975	1,622		985	1,450	1,959	6,016	5.0	66.0	42.7
Östersund	31	Lutfisken 2	Odensviksvägen 19; Brunflovägen 66	1987/1987	110	-	-	1,447	-	1,557	1.5	90.6	10.9
Östersund	32	Lutfisken 4,5 (2 properties)	Odensviksvägen 15A-B, Odensviksvägen 17	1989/1989	24	-	-	2,003	-	2,027	2.0	99.8	14.9
Östersund	33	Lutfisken 9	Tjalmargatan 14-16, 18A-B	1988/1988	-	47	-	2,684	-	2,731	2.9	96.7	20.0
Östersund	34	Läkaren 12,13,14 (3 properties)	Storgatan 27; Zätagränd 2-4, Biblioteksgatan 10; Storgatan 29; Zätagränd 1-11, 6-8; Postgränd 11; Prästgatan 32-36, Storgatan 31; Zätagränd 10-14	1970/1970	4,860	252	6,084	1,306	822	13,324	17.5	96.7	120.2
Östersund	35	Magistern 1	Kyrkgatan 43, 43B	1984/1984	2,080	-	335	-	-	2,415	3.2	90.4	17.5
Östersund	36	Magistern 2	Postgränd 20; Rådhusgatan 46	1990/1990	1,954	-	-	-	-	1,954	2.5	80.6	15.7
Östersund	37	Magistern 5	Hamngatan 17-19; Kyrkgatan 45	1953/1964	1,843	65	1,408	86	-	3,402	3.6	83.7	23.9
Östersund	38	Majoren 5	Örjansvägen 10; Östbergsvägen 11	1955/1955	-	-	-	488	-	488	0.5	96.7	2.9
Östersund	39	Majoren 6	Örjansvägen 12	1991/1991	-	-	-	708	-	708	0.8	97.4	-
Östersund	40	Majoren 9	Fritzhemsgatan 49; Östbergsvägen 13A-B	1956/1956	38	-	-	1,409	10	1,457	1.3	99.2	8.3
Östersund	41	Motboken 1	Rådhusgatan 37	1984/1984	2,109	742	-	-	12	2,863	3.4	74.0	-
Östersund	42	Motboken 3	Södra Gröngatan 38A-B	1939/1939	30	9	-	1,070	-	1,109	1.3	98.7	8.2
Östersund	43	Motorsågen 2	Kolarevägen 2	1965/1988	-	918	-	-	-	918	0.6	100.0	2.4
Östersund	44	Musslan 13	Bangårdsgatan 27	1956/1956	-	1,017	-	-	-	1,017	0.5	63.8	3.3
Östersund	45	Musslan 16	Bangårdsgatan 21, 23-25; Fabriksgatan 3; Furutorpsgatan 2; Rådhusgatan 90, 94	1938/1977	1,252	1,558	3,929	145	-	6,884	4.2	87.7	25.0
Östersund	46	Myrten 5	Allégatan 13; Bryggargränd 6; Ringvägen 31; Tingsgatan 12	1969/1979	2,835	-	-	-	-	2,835	3.8	100.0	14.3
Östersund	47	Månadsmötet 8	Kyrkgatan 64; Prästgatan 45	1966/1966	1,983	408	4,805	-	27	7,223	13.9	79.9	87.0
Östersund	48	Nejonögat 3	Rådhusgatan 104	1945/1973	4,991	630	-	-	-	5,621	6.7	96.0	37.1
Östersund	49	Nordsvensken 1	Havrevägen 36-168	1991/1991	-	-	-	6,779	-	6,779	5.7	98.4	37.9
Östersund	50	Odlaren 5	Ruuthsvägen 3	1991/1991	-	-	-	938	-	938	1.1	97.8	7.4
Östersund	51	Pantbanken 1	Hamngatan 10, 10B; Storgatan 39	1929/1929	1,429	100	661	337	-	2,527	3.0	96.3	17.0
Östersund	52	Pantbanken 5	Prästgatan 46, 46B; Thoméegränd 11	1985/1985	698	-	640	597	-	1,935	2.9	96.3	18.0
Östersund	53	Parketten 6	Skogvaktarvägen 1-139	1989/1989	-	-	-	5,331	-	5,331	4.6	98.8	23.6
Östersund	54	Postiljonen 6	Kyrkgatan 60-62	1913/1967	6,261	1,541	175	-	18	7,995	9.2	86.5	51.0
Östersund	55	Postiljonen 9	Hamngatan 13; Prästgatan 39-43	1966/1991	1,559	20	3,632	910	74	6,195	7.8	83.7	58.7
Östersund	56	Riksbanken 7	Storgatan 46	1974/1979	4,153	-	-	-	-	4,153	6.1	100.0	29.9
Östersund	57	Rudan 2	Tjalmargatan 4-8	1959/1972	1,726	977	855	-	-	3,558	1.9	50.6	11.1
Östersund	58	Rudan 4	Bangårdsgatan 55-57; Odensviksvägen 5, 7; Tjalmargatan 2	1966/1966	2,483	100	1,375	-	-	3,958	3.5	81.6	1.4



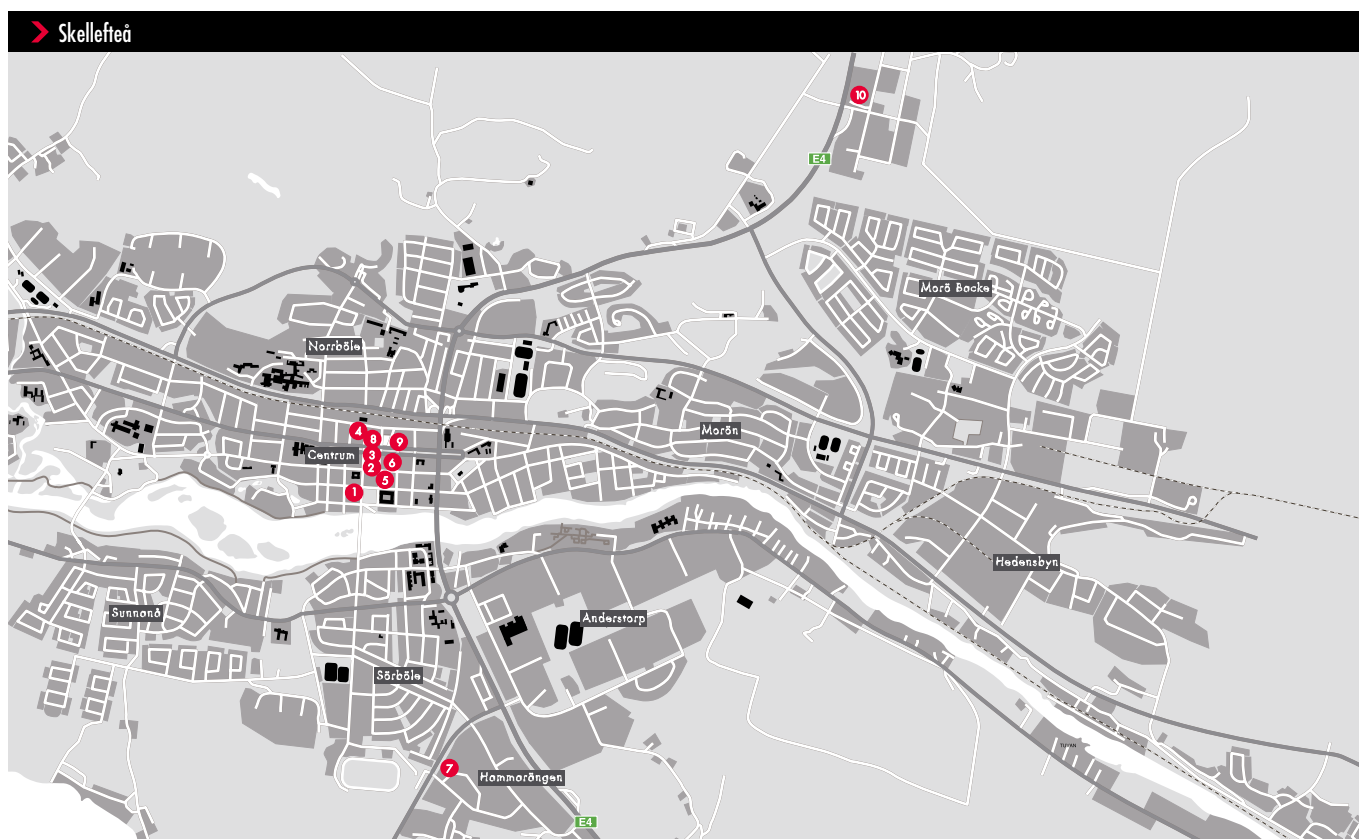
Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Östersund	59	Sarven 21	Bångårdsgatan 41-43	1964/1964	-	450	3,709	-	-	4,159	2.3	66.4	12.5
Östersund	60	Siken 10	Nedre Frejagatan 5	1989/1989	-	8	-	342	-	350	0.4	97.6	2.8
Östersund	61	Sjökaptenen 8	Bergsgatan 30A-B	1946/1946	-	-	-	710	-	710	0.7	95.0	4.4
Östersund	62	Skogsskiftet 5	Tullgatan 26; Regementsgatan 44-48	1986/1986	-	-	-	2,531	-	2,531	2.8	99.3	19.9
Östersund	63	Slätterängen 7	Nekvägen 2-92, Skylvägen 5-59	1992/1992	-	-	-	5,727	-	5,727	4.8	98.6	26.0
Östersund	64	Snäckan 25	Rådhusgatan 100	1985/1985	1,519	1,949	-	-	-	3,468	3.2	95.8	20.3
Östersund	65	Sprinten 4	Ställverksvägen 1	1975/1975	456	12,736	-	-	-	13,192	4.8	45.9	19.2
Östersund	66	Spökis 1	Lugnaviksvägen 3	1950/1999	-	1,045	-	-	-	1,045	1.1	67.8	3.3
Östersund	67	Staben 14	Prästgatan 54, 54A-D; Storgatan 51A-B	1992/1992	180	-	262	3,181	30	3,653	4.1	91.5	12.7
Östersund	68	Staben 2	Prästgatan 48A, 48B, 48C; Thoméegränd 12	1985/1985	1,002	-	-	202	15	1,219	1.6	91.6	11.7
Östersund	69	Stallet 12	Lingonvägen 7B	1951/1951	1,700	-	-	-	-	1,700	3.3	100.0	0.3
Östersund	70	Strömmingen 6	Rådhusgatan 107 A-B	1948/1950	163	-	-	750	-	913	0.9	95.2	5.4
Östersund	71	Strömmingen 7	Rådhusgatan 105 A-B	1952/1952	125	-	33	849	-	1,007	1.0	97.2	5.6
Östersund	72	Svarvaren 1	Bergsgatan 31A-B	1948/1991	50	-	60	599	-	709	0.7	97.2	5.0
Östersund	73	Svarvaren 2	Bergsgatan 29A-B	1948/1948	-	50	50	578	-	678	0.6	98.9	3.8
Östersund	74	Svarvaren 4	Bergsgatan 25, 25A-B; Kaptensgatan 6A-E	1946/1988	48	-	141	976	-	1,165	1.2	99.2	8.0
Östersund	75	Tivolit 2	Hornsgatan 8, 8A-B	1943/1986	93	24	-	1,110	-	1,227	1.2	99.4	8.0
Östersund	76	Traktorn 6	Odenskogsvägen 13-17	1975/1990	2,351	-	-	-	-	2,351	2.4	61.9	9.8
Östersund	77	Traktören 10	Prästgatan 25	1929/1960	1,520	23	-	667	10	2,220	2.7	89.5	19.5
Östersund	78	Traktören 5	Prästgatan 27; Törnstens Gränd 15	1930/1930	426	-	994	260	-	1,680	2.1	91.7	12.5
Östersund	79	Traktören 9	Kyrkgatan 42; Samuel Permans Gata 10	1937/1937	-	10	470	625	-	1,105	1.1	100.0	7.0
Östersund	80	Vadmalsväven 5	Regementsgatan 13-15	1988/1992	-	-	-	2,101	-	2,101	2.3	99.3	16.5
Östersund	81	Valkyrian 1	Fritzhemsgatan 58-62; Östrmundstigen 5-11	1963/1963	-	-	-	1,982	-	1,982	1.9	98.7	12.5
Östersund	82	Varmblodet 1	Havrevägen 9-43	1991/1991	-	-	-	5,671	183	5,854	5.3	98.0	28.3
Östersund	83	Ängsbetet 4	Skördevägen 1-44	1992/1992	-	-	-	3,600	-	3,600	3.0	98.5	21.5
TOTAL ÖSTERSUND: 88 PROPERTIES					86,987	38,777	38,616	80,354	33,457	278,190	274.2	88.4	1,416.1

BRÄCKE AND SVEG, HÄRJEDALEN

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Bräcke		Bräcke 4:4	Svedjegatan 20	2000/2000	-	12,000	-	-	-	12,000	2.4	0.0	4.5
Sveg		Kilen 1	Fjällvägen 7; Genvägen (1)	1960/1980	1,238	-	-	-	-	1,238	1.5	90.7	3.3
Sveg		Moroten 9	Grängsgatan 17	1979/1979	1,191	1,242	213	-	-	2,646	1.8	42.9	3.9
TOTAL BRÄCKE AND SVEG, HÄRJEDALEN: 3 PROPERTIES					2,429	13,242	213	0	0	15,884	5.6	39.3	11.7

TOTAL JÄMTLAND	sq.m						Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
	Offices	Industrial/ warehouse	Retail	Residen- tial	Other	Total			
122 PROPERTIES	94,829	53,020	47,065	86,537	46,040	327,491	327.0	87.8	1,829.9

PROPERTIES VÄSTERBOTTEN



SKELLEFTEÅ

				sq.m						Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
Municipality	No.	Property name	Address	Year of construction/ value year	Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Skellefteå	1	Höken 2	Stationsgatan 5, Storgatan 38-40	1944/1960	2,546	335	-	871	-	3,752	3.8	77.6	20.7
Skellefteå	2	Idun 6	Nygatan 47	1933/1960	993	342	4,196	-	1,103	6,634	2.6	87.0	11.7
Skellefteå	3	Idun 12	Kanalgatan 40, Trädgårdsgatan 13-15	1961/1985	30	13	1,485	240	-	1,768	7.5	99.5	46.8
Skellefteå	4	Kastor 6	Stationsgatan 21	1966/1973	1,650	-	-	-	-	1,650	1.8	100.0	6.5
Skellefteå	5	Lekatten 9	Nygatan 46-48, Storgatan 43 A-B, Trädgårdsgatan 8	1960/1960	2,423	171	7,117	2,893	710	13,314	14.9	93.9	78.0
Skellefteå	6	Loke 7	Hörnellgatan 13, Nygatan 51, Torget 2	1975/1986	3,041	272	1,232	364	3,835	8,744	9.9	98.1	63.4
Skellefteå	7	Motorn 18	Plåtvägen 3	1990/1990	2,624	952	926	-	-	4,502	3.2	92.0	10.1
Skellefteå	8	Orion 8	Kanalgatan 41 A-B, Kanalgatan 43, Trädgårdsgatan 17	1966/1985	883	397	873	979	394	3,526	3.3	91.2	14.9
Skellefteå	9	Polaris 8	Kanalgatan 45 A-B Kanalgatan 49, Torggatan 2	1945/1960	1,830	401	629	-	-	2,860	3.6	97.8	13.3
Skellefteå	10	Servicen 1	Servicegatan 1	1991/1993	3,442	2,622	-	-	-	6,064	4.3	89.9	18.7
TOTAL SKELLEFTEÅ: 10 PROPERTIES					19,462	5,505	16,458	5,347	6,042	52,814	55.0	93.8	284.1



Umeå



UMEÅ

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Total	Rental value, SEK/m	Ec. occupancy rate, %	Taxable value, SEK/m
					Offices	Industrial/ warehouse	Retail	Residential	Other				
Umeå	1	Björnjägaren 1	Björnvägen 9	1976/1981	-	-	4,008	-	-	4,008	4.4	99.3	24.6
Umeå	2	Cisternen 3,4 (2 properties)	Läringsgatan 33, Läringsgatan 31	1980/1981	1,509	739	-	-	-	2,248	1.4	44.7	9.6
Umeå	3	Formen 2	Formvägen 3	1978/1978	-	-	1,941	-	-	1,941	2.3	71.1	11.8
Umeå	4	Grubbe 9:55	Mästarvägen 11B	1991/1991	240	960	-	-	-	1,200	0.9	100.0	3.8
Umeå	5	Hantverkaren 1	Per Jans Väg 1-3	1960/1970	-	35	-	1,222	-	1,257	1.1	99.0	10.2
Umeå	6	Karbinen 13	Östra Kyrkogatan 45-47	1976/1992	100	-	-	1,508	-	1,608	1.6	99.0	16.4
Umeå	7	Kedjan 4	Gräddvägen 7	1991/1991	1,783	98	-	-	-	1,881	2.7	99.6	9.9
Umeå	8	Kolven 4	Spårvägen 8	1967/1975	1,007	1,861	2,697	-	-	5,565	4.2	92.6	12.5
Umeå	9	Kopplingen 6	Pendelgatan 2; Rondellgatan 3	1986/1986	3,815	399	-	-	-	4,214	4.5	81.1	19.5
Umeå	10	Krukan 16	Mjölkvägen 28-56	1991/1991	-	-	-	4,133	-	4,133	4.2	99.7	25.8
Umeå	11	Krukan 18	Filgränd 11-21, 25-29	1991/1991	-	-	-	2,330	-	2,330	2.3	96.8	16.2
Umeå	12	Kärnan 9	Löpevägen 15-17	1991/1991	-	955	-	-	-	955	0.5	99.4	4.3
Umeå	13	Pumpen 3	Spårvägen 20	1967/1967	4,060	5,835	497	-	-	10,392	4.2	53.4	13.6
Umeå	14	Rind 5	Nygatan 23-25; Vasagatan 17-19	1964/1972	6,239	-	-	342	-	6,581	8.4	68.1	60.8
Umeå	15	Röbbäck 30:94;30:113 (2 properties)	Täktvägen 4, Täktvägen 6	1989/1991	-	5,110	-	-	-	5,110	3.0	96.0	16.5
Umeå	16	Saga 3	Götgatan 1-3; Magasinsgatan 4; Ny- gatan 16; Skolgatan 47	1965/1980	2,466	101	1,119	-	630	4,316	6.5	90.0	34.2
Umeå	17	Skarpskytten 3	Bankgatan 10, 10A-B; Kungsgatan 45; Skolgatan 44; Västra Esplanaden 7A-B, 9A-B	1957/1990	1,508	286	1,142	2,884	556	6,376	6.7	94.4	52.7
Umeå	18	Stigbygeln 2	Signalvägen 12	1973/-	-	4,321	-	-	-	4,321	3.3	98.8	-

				sq.m						Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
Municipality	No.	Property name	Address	Year of construction/ value year	Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Umeå	19	Stipendiet 2	Ekonomstråket 1-3, 7, 11; Examensvägen 3	1970/1980	1,717	-	5,871	1,673	-	9,261	9.7	87.6	54.2
Umeå	20	Syllen 14	Industrivägen 28	1967/1976	760	1,377	273	-	-	2,410	1.6	85.8	7.6
Umeå	21	Tändstiftet 2	Norra Obbolavägen 118	1987/1987	2,260	-	-	-	-	2,260	1.5	100.0	9.1
Umeå	22	Vale 17	Kungsgatan 69-73, 69B-C, 71B, 73B; Vasagatan 10, 10B-C; Västra Kyrkogatan 9	1969/1975	5,689	576	5,327	913	1,808	14,313	21.1	93.7	168.3
Umeå	23	Vittergubben 1,4 (2 properties)	Folktrovägen 32-78, Folktrovägen 1-27, 29A-B	1989/2000	-	-	-	2,963	66	3,029	2.7	98.4	21.9
TOTAL UMEÅ: 26 PROPERTIES					33,153	22,653	22,875	17,968	3,060	99,709	99.0	88.4	603.5

LYCKSELE, VILHELMINA

				sq.m						Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
Municipality	No.	Property name	Address	Year of construction/ value year	Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Lycksele		Stadshuset 7	Fabrikgatan 12, Storgatan 24	1984/-	278	816	394	-	50	1,538	1.3	95.1	-
Vilhelmina		Matsdal 1:144	Matsdal 611	Land	-	-	-	-	-	-	-	-	-
Vilhelmina		Plasten 1	Sälggatan 1	1972/1972	374	12,732	-	-	-	13,106	1.7	100.0	6.3
Vilhelmina		Granberg 1:59,1:76 (2 properties)	Terminalgatan 2A, 2B; Terminalgatan 2C-D, 4-6	1982/1988	2,737	7,127	-	-	-	9,864	5.0	67.9	11.9
TOTAL LYCKSELE, VILHELMINA: 5 PROPERTIES					3,389	20,675	394	0	50	24,508	8.0	79.1	18.2

sq.m							Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
Offices	Industrial/ warehouse	Retail	Residential	Other	Total				
TOTAL VÄSTERBOTTEN									
41 PROPERTIES	56,004	48,833	39,727	23,315	9,152	177,031	161.9	89.8	905.8



PROPERTIES NORRBOTTEN



LULEÅ

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Luleå	1	Abborren 11	Storgatan 36, 36A; Köpmangatan 45; Skomakargatan 19	1962/1986	-	543	9,161	-	12	9,715	30.3	93.8	186.0
Luleå	2	Bergnäset 2:671	Västra Skolgatan 10, Upplagsvägen 28 A-B	1962/1986	7,335	3,798	-	-	2,090	13,223	7.7	51.4	16.6
Luleå	3	Braxen 1	Köpmangatan (32), 34; Smedjegatan 12-16; Stationsgatan 45	1987/1987	7,468	174	324	-	144	8,110	11.9	99.1	72.0
Luleå	4	Braxen 2	Köpmangatan 36 A-; Stationsgatan 47 A-B	1985/1985	303	-	448	-	-	751	3.9	97.6	23.9
Luleå	5	Djuret 3	Blomgatan 17	1946/-	628	6,626	107	-	266	7,627	6.0	87.2	-
Luleå	6	Gösen 7	Sandviksgatan 81	1987/1987	2,003	158	-	-	290	2,451	2.3	93.5	15.7
Luleå	7	Humlan 6	Sandviksgatan 12; Varvsgatan 9A-D, 11, 11A	1970/1980	7,685	530	-	-	1,544	9,759	7.9	88.8	39.6
Luleå	8	Mörtén 1	Köpmangatan 38, 40A-C	1985/1986	4,673	314	270	-	12	5,269	6.3	88.9	40.0
Luleå	9	Pelikanen 6	Smedjegatan 1	1942/1990	3,930	90	-	-	-	4,020	5.2	83.3	30.2
Luleå	10	Porsön 1:423	Aurorum	1989/2002	19,528	68	-	-	185	19,781	25.7	88.5	126.0
Luleå	11	Rudan 7	Skomakargatan 18B; Storgatan 40A-G	1936/1961	-	-	850	1,288	-	2,138	3.5	99.9	25.5
Luleå	12	Råttan 18	Storgatan 53, Kungsgatan 23	1953/1953	3,350	-	10	-	90	3,450	7.6	94.1	31.8
Luleå	13	Siken 7	Sandviksgatan 55; Smedjegatan 8-10, 10A; Stationsgatan 50 (52)	1989/1989	4,079	10	859	-	-	4,948	7.2	96.9	42.0
Luleå	14	Simpan 1	Köpmangatan 42, 44A-B, 46; Kungsgatan 11-13, 13 A-B	1951/1960	3,721	-	385	675	5	4,786	6.7	97.8	40.4
Luleå	15	Strutsen 6	Nygatan 18; Storgatan 27, 27 A-C	1958/1958	1,023	-	436	1,598	20	3,077	4.0	99.0	30.9
Luleå	16	Stören 17	Bangårdsgatan 12, 12A; Småbåtsgatan 3-7	1989/1990	4,630	2,781	5,230	-	10	12,651	10.0	94.4	62.7
Luleå	17	Tjädern 17	Nygatan 13-15; Skeppsbrogatan; 24; Storgatan 25, 25A	1964/1988	-	-	4,360	-	54	4,414	7.1	98.5	42.8
Luleå	18	Vattenormen 8	Midgårdsvägen 19	1964/1964	3,905	-	-	-	-	3,905	5.4	100.0	20.9
TOTAL LULEÅ: 18 PROPERTIES					74,262	15,091	22,439	3,561	4,722	120,075	158.8	91.4	847.0

TOTAL NORRBOTTEN

	Offices	Industrial/warehouse	Retail	Residential	Other	Total	Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
18 PROPERTIES	74,262	15,091	22,439	3,561	4,722	120,075	158.8	91.4	847.0

TOTAL DIÖS

	Offices	Industrial/warehouse	Retail	Residential	Other	Total	Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
354 PROPERTIES	562,635	296,670	277,913	164,087	121,213	1,422,519	1,442	89.2	7,366.1



DEFINITIONS

> FINANCIAL

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.

RETURN ON TOTAL ASSETS

Profit before tax plus financial expense divided by average assets. Average assets are calculated by adding the opening and closing balances and dividing by two.

RETURN ON CAPITAL EMPLOYED

Profit before tax plus financial expense in relation to average capital employed.

LOAN-TO-VALUE RATIO, PROPERTIES

Interest-bearing and other liabilities relating to properties divided by the properties' carrying amount at the end of the period.

INTEREST COVERAGE RATIO

Profit after financial items, excluding unrealised changes in value, plus financial expense, in relation to financial expense during the period.

DEBT/EQUITY RATIO

Interest-bearing liabilities in relation to shareholders' equity at the end of the period.

EQUITY RATIO

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

CAPITAL EMPLOYED

Total assets at the end of the period minus non-interest bearing liabilities and provisions. Average capital employed is calculated by adding the opening and closing balances and dividing by two.

> SHARE-RELATED

EQUITY PER SHARE

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

AVERAGE NUMBER OF OUTSTANDING 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.

CASH FLOW PER SHARE

Profit before tax, adjusted for unrealised changes in value, plus depreciation less current tax divided by the average number of outstanding shares.

EARNINGS PER SHARE

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

DIVIDEND PER SHARE

Approved or proposed dividend divided by the number of shares outstanding at the end of the period.

> PROPERTY-RELATED AND OTHER

YIELD

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

OPERATING COSTS

Costs of electricity, heating, water, cleaning, insurance, repairs, care and regular maintenance.

OPERATING SURPLUS

The rental income less building operating and maintenance costs, ground rent fees, property taxes and property management.

ECONOMIC OCCUPANCY RATE

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

PROPERTY CATEGORY

The main use of the properties is based on the distribution of their areas. Properties are defined according to the purpose and use of the largest proportion of the property's total area.

MARKET VALUE OF PROPERTIES

Estimated market value from the most recent valuation.

RENTAL INCOME

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

RENTAL VALUE

Rent invoiced for the period plus estimated market rent for unoccupied floor space. In the property register rental value refers to the value at year-end.

NET LEASING

Net annual rent, excluding discounts and supplements, for newly signed, terminated and renegotiated contracts. No account is taken of the length of contracts.

PHYSICAL OCCUPANCY RATE

Leased area divided by total leasable area.

SURPLUS RATIO

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

FIVE-YEAR SUMMARY

Diös acquired the operations of Norrvidden Fastigheter AB with effect from 30 December 2011. The acquisition has not affected the income statement for 2011 but is included in total assets in the balance sheet, which also affects certain key ratios.

INCOME STATEMENT

SEKm	2014	2013	2012	2011	2010
Rental income	1291	1,292	1,300	587	486
Other revenue	21	15	31	15	13
Property costs	-550	-569	-565	-274	-214
Operating surplus	762	738	766	327	286
Central administration	-58	-84 ¹	-98 ²	-51 ³	-35
Profit from financial items	-283	-300	-329	-144	-122
Property management income	421	354	340	132	128
Unrealised changes in value on interest-rate derivatives	-91	68	-76	-88	4
Change in value of properties, realised	15	11	9	32	11
Change in value of properties, unrealised	47	-35	180	175	163
Profit before tax	392	398	452	251	306
Current tax	-10	-15	-6	-8	-10
Deferred tax	-80	-62	-14	-66	-62
Non-controlling interests	5	-2	3	-5	4
PROFIT FOR THE YEAR ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	297	323	428	182	230

¹ Of which SEK 26 million refers to restructuring costs attributable to the acquisition of Norrvidden.

² Of which SEK 38 million refers to transaction costs attributable to the acquisition of Norrvidden.

³ Of which SEK 14 million refers to transaction costs attributable to the acquisition of Norrvidden.

BALANCE SHEET

SEKm	2014	2013	2012	2011	2010
Investment properties	12,200	11,823	11,878	11,562	5,204
Other property, plant and equipment	7	7	12	14	9
Intangible assets	4	4	-	-	-
Financial assets	7	9	11	19	6
Deferred tax asset	-	-	-	-	37
Current receivables	43	91	172	180	52
Cash and cash equivalents	79	121	120	104	61
ASSETS	12,340	12,055	12,193	11,879	5,369
Equity	3,365	3,235	3,086	2,724	1,518
Deferred tax liability	735	655	593	556	-
Non-current liabilities	7,673	7,666	7,895	8,013	3,654
Current liabilities	567	499	619	585	196
LIABILITIES AND EQUITY	12,340	12,055	12,193	11,879	5,369

CASH FLOW STATEMENT

SEKm	2014	2013	2012	2011	2010
Operating cash flow	422	334	313	173	39
Investing cash flow	-299	68	-107	-592	-537
Financing cash flow	-165	-401	-190	462	510
Cash flow for the year	-42	1	16	43	12
CASH AND CASH EQUIVALENTS AT END OF YEAR	79	121	120	104	61

FINANCIAL KPIS

	2014	2013	2012	2011	2010
Return on equity, %	9.0	10.2	14.7	8.6	17.2
Return on total assets, %	5.5	5.8	6.5	4.6	9.0
Return on capital employed, %	5.8	6.1	6.8	4.8	9.8
Equity ratio, %	27.3	26.8	25.3	22.9	28.3
Loan-to-value ratio, properties, %	62.9	64.8	66.4	69.2	69.9
Interest coverage ratio, times	2.5	2.2	2.0	1.9	2.0
Debt/equity ratio, times	2.3	2.4	2.6	2.9	2.4

DATA PER SHARE

	2014	2013	2012	2011	2010
Earnings per share, SEK	4.0	4.3	5.7	4.6	6.7
Equity per share, SEK	45.0	43.3	41.3	36.5	40.6
Cash flow per share, SEK	5.5	4.6	4.5	3.2	3.6
Average number of shares outstanding at year-end (thousands)	74,729	74,729	74,729	39,771	34,148
Number of shares outstanding at end of period (thousands)	74,729	74,729	74,729	74,729	37,365
Dividend	2.85 ¹	2.30	2.30	1.10	1.75

¹ The Board's proposal.

PROPERTY-RELATED KPIS AT YEAR-END

	2014	2013	2012	2011	2010
No. of properties	354	364	378	385	142
Leasable area, sq.m	1,422,519	1,446,900	1,504,738	1,516,549	699,670
Carrying amount of investment properties, SEKm	12,200	11,823	11,878	11,562	5,204
Rental value, SEKm	1,448	1,457	1,464	655	537
Economic occupancy rate, %	89.2	88.7	88.8	89.6	90.5
Surplus ratio, %	59.0	57.1	58.9	55.8	58.8