

Diös

15

DIÖS FASTIGHETER **ANNUAL REPORT 2015**





CONTENTS

ANNUAL GENERAL MEETING 2016

The Annual General Meeting of Diös Fastigheter AB (publ) will be held on Tuesday 26 April 2016 at 1 pm adjacent to the head office, located at Fritzhemsgatan 1A, Frösön in Östersund. We will be providing lunch from 11.30 am and registration takes place from 12.15 pm to 12.45 pm.

Shareholders wishing to attend the Annual General Meeting must:

- Be registered in the share register maintained by Euroclear Sweden AB on Wednesday 20 April 2016.
- Notify their intention of attending the Annual General Meeting no later than 12 pm on 20 April 2016.

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. They should state their name, personal identity number or company registration number, address and telephone number, shareholding and the details of any proxies. In order to participate, shareholders who have elected to register their shares with managers must temporarily re-register them to their own name with Euroclear Sweden AB. This must be done in plenty of time for the re-registration to have been completed by Wednesday 20 April 2016.

Proxies who are to attend the meeting should send the authorisation documents to the company together with the notification of attendance. A signed and dated power of attorney must be produced at the Annual General Meeting. The document must not be more than one 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 Thursday 28 April 2016. Subject to the approval of the Annual General Meeting, the dividend will be paid by Euroclear Sweden AB on Tuesday 3 May 2016.

The Nomination Committee's proposals:

- The Nomination 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 Nomination 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 Lars Helgesson as new chief auditor.

INTRODUCTION

Annual results at a glance	5
Significant events by quarter	6
Message from the CEO	8
Strategic focus	10
The shares and the owners	12

SUSTAINABLE DEVELOPMENT 15

Environment and energy	16
Social corporate responsibility	18

CUSTOMERS AND MARKETS 20

Customers and customer structures	21
The market leader in the north	22
Dalarna	24
Gävleborg	25
Västernorrland	26
Jämtland	27
Västerbotten	28
Norrbottn	29

DIRECTORS' REPORT 30

Directors' Report	31
Property portfolio and operating surplus	32
Transactions and property development	34
Property valuation	36
Tax and tax losses	37
Credits and collateral	38
Risks and risk management	40
Allocation of profit and dividend	43

FINANCIAL STATEMENTS 44

Consolidated income statement	45
Consolidated balance sheet	46
Consolidated statement of changes in equity	47
Consolidated cash flow statement	47
Parent company income statement	48
Parent company balance sheet	49
Parent company statement of changes in equity	50
Parent company cash flow statement	50
Notes	51
Annual report signature page	66
Auditors' report	67

CORPORATE GOVERNANCE REPORT 68

Corporate governance report	69
Board of Directors	73
Group management	74

PROPERTY REGISTER 75

Definitions	93
Five-year summary	94



➤ Malin Runberg, Diös leasing manager, Östersund.



ANNUAL RESULTS

AT A GLANCE

➤ Revenue increased to SEK 1,315 million (1,312)

Rental income was SEK 1,295 million (1,291), representing an economic occupancy rate of 88.3 per cent (89.2). Rental income accounts for 98 per cent of revenues.

➤ The operating surplus was SEK 776 million (762)

The main reasons for the increase in operating surplus were lower tariff-based costs, a reduction in repairs and energy savings.

➤ Property management income increased to SEK 508 million (421)

Property management income was affected positively by lower interest expenses and an improved operating surplus, corresponding to SEK 6.8 per share (5.6).

➤ Changes in the value of properties were SEK 273 million (62)

Total unrealised changes in value were SEK 262 million (47), while realised changes in value totalled SEK 11 million (15). The property portfolio had a total value of SEK 13,381 million (12,200).

➤ Changes in the value of derivatives were SEK 64 million (-91)

All changes in value for derivatives are unrealised. The accumulated value of derivatives is SEK -134 million (-198).

➤ The profit for the year was SEK 542 million (302)

Earnings per share were SEK 7.1 (4.0) but are charged by a non-recurring item made up of current tax, which amounts to SEK -137 million.

➤ Improved financial key ratios

The equity ratio increased to 27.4 per cent (27.3), the interest coverage ratio increased to 3.4 times (2.5) and the loan-to-value ratio declined to 60.7 per cent (62.9).

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

The proposed dividend is equal to 54 per cent (50) of the profit excluding unrealised changes in value and deferred tax.

FIVE-YEAR SUMMARY

	2015	2014	2013	2012	2011 ³
Revenue, SEK million	1,315	1,312	1,307	1,331	601
Operating surplus, SEK million	776	762	738	766	327
Property management income, SEK million	508	421	354	340	132
Profit for the year, SEK million	542	302	321	432	177
Surplus ratio, %	59.9	59.0	57.1	58.9	55.8
Return on equity, %	15.0	9.0	10.2	14.7	8.6
Economic occupancy rate, %	88.3	89.2	88.7	88.8	89.6
Equity ratio, %	27.4	27.3	26.8	25.3	22.9
Loan-to-value ratio, %	60.7	62.9	64.8	66.4	69.2
Average interest rate at year-end, % ¹	2.5	2.8	3.6	3.8	4.2
Interest coverage ratio, times	3.4	2.5	2.2	2.0	1.9
Property management earnings per share, SEK	6.8	5.6	4.7	4.6	3.3
Earnings per share, SEK	7.1	4.0	4.3	5.7	4.6
Dividend per share, SEK	2.85 ²	2.85	2.30	2.30	1.1
Equity per share, SEK	49.4	45.0	43.3	41.3	36.5
Share price at year-end, SEK	61.3	57.8	45.6	35.0	28.5

¹ Includes expenses relating to commitment fees and derivatives.

² The Board's proposal.

³ Diös acquired the operations of Norrvidden Fastigheter AB with effect from 30 December 2011. The income statement for 2011 has not been affected by the acquisition, while the balance sheet total includes the acquisition and therefore does affect certain key ratio.

SIGNIFICANT EVENTS *BY QUARTER*

> Q1

Improved property management income and lower financing costs.

Two new business area managers are hired, Henrik Lundmark in Jämtland and Jessica Nyman in Dalarna.

We become partners in the finance company Nya SFF.

A residential property in Gävle is sold to a tenant-owner's association.

Staff roles are changed and clarified.

> Q3

Lower loan-to-value ratio and higher surplus ratio.

Three properties, mainly consisting of holiday flats, are sold in Åre.

Continued concentration of the property portfolio via the sale of a property in Lycksele.

Due to a ruling by the Administrative Court of Appeal, a tax item is expensed as a non-recurring item.

> Q2

Property management income up 23 per cent compared to the same period in the previous year.

The Annual General Meeting proposes a dividend of SEK 2.85 per share, which is an increase of 24 per cent.

We are given the award "Best Nordic Intranet" at the Digital Workplace Summit.

Bond issue of SEK 500 million via Nya SFF.

The Swedish Agency for Economic and Regional Growth signs an agreement to lease our head office in Östersund. The work to turn the vacant property Kommunalmannen in Frösön into our new head office starts.

> Q4

Positive effect on profit from the changes in property values.

Three properties in the centre of Skellefteå are acquired with the aim of supplementing the existing portfolio.

A property swap transaction in Umeå and Östersund is made public. The deal means that centrally located commercial and residential properties are acquired and residential properties in peripheral areas are sold.

An industrial property in Ånge and a commercial property in Timrå are sold.

Sofie Stark is hired as business area manager in Västernorrland.

TEN SUCCESSFUL YEARS

>2005 Diös Fastigheter AB is established. The person behind it all is the entrepreneur and grand old man of property, Erik Paulsson. Together with, among others, Humlegården, Klövern, Catella Fonder and LRF, the company acquires 36 properties in Dalarna and Gävleborg from AP Fastigheter. The business strategy is to acquire, manage and develop properties with high yield in the north of Sweden. Christer Sundin joins as CEO.

>2006 Inclusion on the Stockholm Stock Exchange Small Cap list. AB Persson Invest invests in the company and becomes the largest owner.

>2008–2009 Financial crisis in Sweden and focus on organic growth.

>2007 Acquisition of 76 properties in, among other places, Gävle and Sundsvall. We become a large shareholder in the company Åre Centrum AB and consequently become the owner of eight properties in Åre.

>2010 Acquisition of 32 properties in Falun, Borlänge and Söderhamn. Bengtssons Tidnings AB becomes a major shareholder in Diös. Strong share performance and a balance sheet which increases by 33 per cent.



➤ The tenant Klättermusen in Åre. Gonz Ferrero, CEO of Klättermusen, and Ulrika Ritzén Kristensson, Diös property manager.

SUMMARY OF QUARTERLY RESULTS

	31/12/2015	30/09/2015	30/06/2015	31/03/2015	31/12/2014	30/09/2014	30/06/2014	31/03/2014
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue, SEK million	334	324	330	328	329	324	331	328
Operating surplus, SEK million	195	201	207	174	184	201	198	178
Property management income, SEK million	125	129	153	101	97	117	114	93
Profit for the period, SEK million	249	-10	228	75	126	92	41	44
Surplus ratio, %	59.3	62.8	63.9	53.6	57.2	62.8	60.6	55.4
Return on equity, %	6.6	-0.4	6.7	2.2	3.9	2.6	1.3	1.4
Economic occupancy rate, %	88.0	88.1	88.3	88.6	89.0	88.8	89.6	89.3
Equity ratio, %	27.4	27.1	27.3	27.4	27.3	26.6	26.6	27.0
Loan-to-value ratio, %	60.7	60.5	61.2	62.3	62.9	63.2	63.9	64.4
Average interest rate at end of period, % ¹	2.5	2.5	2.5	2.5	2.8	3.4	3.6	3.6
Interest coverage ratio, times	3.5	3.5	4.1	2.7	2.4	2.7	2.6	2.3
Property management earnings per share, SEK	1.7	1.7	2.0	1.4	1.3	1.6	1.5	1.3
Earnings per share, SEK	3.2	-0.2	3.1	1.0	1.7	1.1	0.5	0.6
Equity per share, SEK	49.4	46.1	46.3	46.0	45.0	43.4	42.1	43.9
Share price at end of period, SEK	61.3	55.5	53.3	68.5	57.8	53.3	58.5	53.8

¹ Includes expenses relating to commitment fees and derivatives.

➤ **2012-2013** We are included on the Stockholm Stock Exchange Mid Cap list. Focus on consolidation and concentration of the property portfolio in growth towns and cities in the north of Sweden. 22 properties are sold. Continued strong share performance.

➤ **2011** We become the largest private property company in northern Sweden, thanks to the acquisition of the competing property company Norrvidden AB. The acquisition encompasses 243 properties. Our market value more than doubles, from just over SEK 5 billion to almost SEK 12 billion.

➤ **2014** CEO Christer Sundin retires and the current CEO, Knut Rost, takes on the role. Focus on organic growth and continued concentration of the property portfolio.

➤ **2015** Acquisition of three properties in Skellefteå and continued concentration of the property portfolio. The number of shareholders increases by 53 per cent compared to the previous year and is now 10,329.



KNUT ROST, CEO

WE CONTINUE TO CREATE OPPORTUNITIES

It was 10 years ago that Diös started the journey to be the most active and sought-after landlord in our market. With our strongest property management income ever, I can proudly note that this journey of success is not yet at an end.

CONCENTRATED MARKET

Continued growth in the transaction volume on the northern Sweden property market was achieved this year too. This positive trend is both a challenge and an opportunity. The hotter the market, the more players enter it and that gives rise to increased demand on us to exceed the needs and requirements of our customers, staff and owners.

In order to get really good, we have to focus. That's why we have continued with our chosen strategy, which is based on focusing on our property portfolio in the growth cities of northern Sweden. Our tenants' success is our success, and value-adding property management allows us to create the best conditions for increased profitability.

VALUE-ADDING PROPERTY MANAGEMENT

Our signature strengths are utilising the right expertise and maintaining a local presence in our priority locations. Being our tenant, cooperating with us and doing business with us should be straight forward. In order to fulfil our tenants' requirements, we have made great efforts over the last few years to improve our availability and dialogue. Our primary driving force is satisfied tenants and we are always working on creating the best setting for their operations. Our focus on efficient and value-adding property

management provides results, something which is demonstrated by, among other things, an improved surplus ratio. This year's strong net leasing of SEK 48 million is further confirmation that our efforts do provide results and will lead to an improved occupancy ratio and higher profitability.

PROPERTY DEVELOPMENT

Property development has become a more central part of our operations. This is evident both from the number of projects and the amounts invested. Project investments rose by 18 per cent this year. Two successful examples are the development of Humlan 6 in Luleå and Norrbacka 12 in Sundsvall (see page 34), both of which have given rise to considerably higher revenue and thus greater returns. Over the next few years, we will increase our investments further and make more use of our development rights. All of this is so that we can create new opportunities for existing and new tenants. We will also continue our work on optimising the properties' energy supply and reducing the climate footprint of our operations. The transition to solely renewable energy sources over the course of the year meant that we reduced our carbon dioxide emissions by 85 per cent.

ATTRACTIVE YIELD

The figure of SEK 508 million for property management income is the best in our history. The main explanation for this is improved net financial items, lower management costs and reduced energy consumption. We work continuously on raising the interest of the stock market in our market and our diversified property portfolio, our stable cash flow and our high-yield share. The Board of Directors proposes a dividend of SEK 2.85 per share, which corresponds to 54 per cent of the distributable profit. Due to a non-recurring tax item of SEK 137 million,

the proposal is at the same level as last year, despite strong earnings of SEK 7.09 per share this year. The ambition for future years is for the dividend paid to our owners not to be any lower than the previous year.

WE ARE RAISING THE BAR

The future for Diös looks bright. The property market in the northern Sweden has had a strong year, with record volumes in terms of transactions and rising property values. However, higher prices may lead to a reduction in the number of transactions over the next few years. We can then grow organically by making use of our development rights and by developing our existing property portfolio.

As part of making our offering clearer and strengthening our image as straightforward, active and close, we will be making considerable investments in our training platform Diös Academy during 2016. All staff will take an active role in the creation of the company that by 2020 will have an occupancy ratio of 94 per cent and a surplus ratio of 65 per cent.

I know that we can strengthen our position still further, for example by making active contributions to urban development. We believe in our priority locations and in the strategy that we have chosen. I look forward to continuing the journey of success together with our customers, staff and owners.

A huge thank you to our committed staff for such a successful 2015. Also, a big thank you to all our tenants and shareholders for the trust you show us.



Knut Rost, CEO



STRATEGIC FOCUS

We are one of the market-leading private property companies in the north of Sweden and are listed on Nasdaq OMX Stockholm, Mid Cap. Our focus is commercial and residential properties near the centre of town with considerable variation in terms of property type and floor space. The operational strategy is growth through a diversified and focused property portfolio in locations in the north of Sweden which fulfil the following criteria: population growth, stable infrastructure, active economy, defined city centres, active and prosperous municipalities and an established university or institute of higher education. Through active participation in local networks for growth issues, we adapt our operations with the aim of helping to provide sustainable urban development.

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.

CUSTOMER VALUE

Our customer promise is based on everything being possible. Proximity, through local presence and specialist competence in all operational areas, creates the conditions for an active dialogue with our stakeholders. Customer interaction should be characterised by simplicity, as well as open and honest dialogue that focuses on creating opportunities for both parties.

BUSINESS MODEL

Value-adding property management, active property development and transactions allow us to create economic growth. Sustainable development requires satisfied and committed staff who can fulfil the tenant's needs and requirements. A satisfied tenant spreads the word about us and enhances our good reputation, something which in turn increases our profitability and the value of the share.

VISION

We are the most active and sought-after landlord in our market.





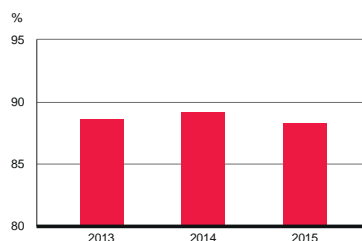
OPERATIONAL TARGETS

OUTCOME 2013–2015

TARGET 2016

ECONOMIC OCCUPANCY RATE

The economic occupancy rate was 88.3 per cent.

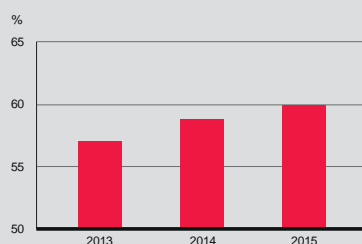


>90 PER CENT

Several rental contracts signed during 2015 will be realised during the first six months of 2016. Clearer and simpler routes of communication in order to create close and long-term tenant relationships. Continued development of the transactional activities.

SURPLUS RATIO

The surplus ratio was 59.9 per cent.

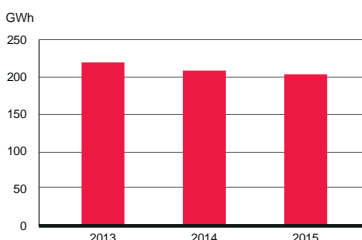


>60 per cent

Continued high levels of activity in lettings and in renovation, extension and new builds as well as in energy-saving measures. More efficient management thanks to a local presence and a more focused property portfolio.

ENERGY USE

Energy consumption declined by 3.6 per cent.

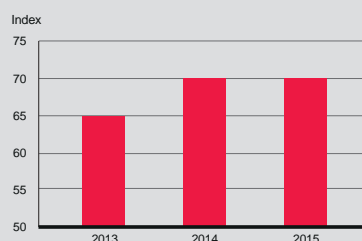


-3 per cent

Continued increase in the number of initiated and completed energy projects. Connected control systems to improve operational optimisation efforts.

EMPLOYEE SATISFACTION INDEX

ESI for the year was 70.

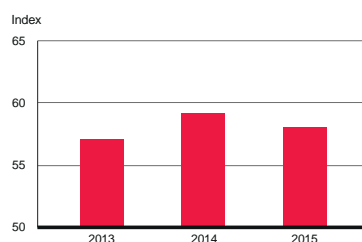


75

Greater understanding of everyone's role in the growth of the operations, through individual targets linked to operational targets as well as clearer responsibilities and powers. Company-adapted training using our educational platform Diös Academy.

CUSTOMER SATISFACTION INDEX

CSI for the year was 58.



63

The completed restructuring of the organisation, with clearer roles and contact paths, forms the basis for closer, simpler and more active relations with tenants.

FINANCIAL AND RISK MITIGATION TARGETS

CHANGES IN WORKING CAPITAL	TARGET 2015	OUTCOME 2015	TARGET 2016
Return on equity, %	6.20 ¹	15	-1
Distribution of profit for the year ² , %	≥ 50	54	~ 50
Loan-to-value ratio, %	< 65	60.7	< 65
Equity ratio, %	Short-term > 25 Long-term > 30	27.4	Short-term > 25 Long-term > 30
Interest coverage ratio, times	> 1.8	3.4	> 1.8

¹ Risk-free rate + 6%, corresponding to a five-year government bond.

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

SHARE INFORMATION AND SHAREHOLDERS

2016 will see us celebrate 10 years as a company listed on the Stockholm Stock Exchange, where our share has had one of the best dividend yields in the industry in the last five years.

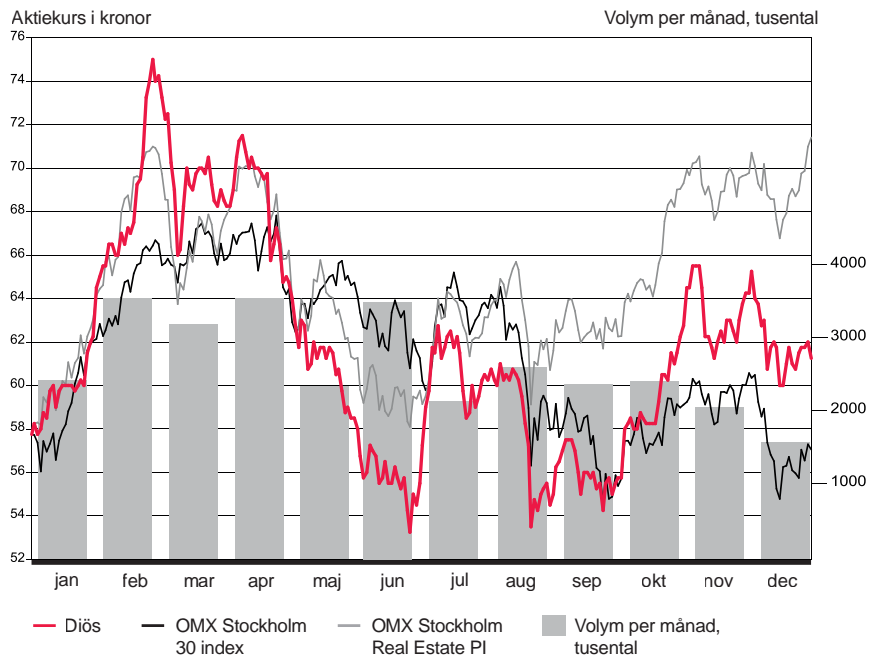
SHARES AND SHARE CAPITAL

The share was listed on the Stockholm Stock Exchange Small Cap list in 2006 and since January 2012 has been on the Mid Cap list. On 31 December, the market value was SEK 4,577 million (4,316), making us the 14th largest property company on the Stockholm stock exchange. The share capital remains unchanged since 2011 at SEK 149,457,668. As does the number of shares, namely 74,729,134. Every share has a nominal value of SEK 2 and gives one vote in the company.

SHAREHOLDERS

The number of shareholders, both those registered in Sweden and abroad, continued to rise during the year, and at the end of 2015 there were 10,329 (6,759). The number of shareholders registered abroad accounted for 17.9 per cent (13.0). It is not possible to distinguish between directly owned and managed shareholdings of those registered abroad, except where the shareholder has been obliged to state this. No new notification of a holding greater than five per cent was made during the year, for either Swedish or foreign owners. The largest single

DIÖS KURSUTVECKLING 2015



shareholder at the end of the year was AB Persson Invest with a 15.4 per cent (15.4) shareholding. The 10 largest shareholders accounted for 60.9 per cent (63.6) of the shares and votes.

SHARE PRICE PERFORMANCE

The share increased by 6.1 per cent (26.4), from SEK 57.8 to 61.3 per share. The highest and lowest listing was SEK 75.3 and 52.8 per share respectively. Over the same period, Nasdaq OMX Stockholm 30 fell by 1.2 per cent (10.6).

The property index of the Stockholm Stock Exchange, expressed as Nasdaq OMX Real Estate PI, rose by 23.6 per cent (35.3). During 2015, a total of 32 million shares (38) have been traded at a value of SEK 1,996 million (2,009). Translated as shares traded per day, this equates to 127,676 shares (152,828).

PROPOSED DIVIDEND AND DIVIDEND POLICY

The Board of Directors proposes a dividend of SEK 2.85 per share (2.85) for the financial year.



This equates to a yield of 4.7 per cent, in relation to the share price on 31 December. According to the dividend policy, approx. 50 per cent of the net profit for the year, excluding unrealised gains and deferred tax, should be passed onto the shareholders as a dividend. A dividend of SEK 2.85 per share means that a total of SEK 213 million (213) will be distributed to the shareholders. The decision on the dividend will be made at the Annual General Meeting on 26 April 2016 and the record day will be 28 April. The dividend will be paid on 3 May 2016.

YIELD AND TOTAL YIELD

The yield is the dividend divided by the share price. The total yield for the financial year amounted to 12.1 per cent (31.8) calculated as the share price growth plus the yield as above.

RETURN ON EQUITY

The target for return on equity is risk-free interest corresponding to a five-year government bond plus 6 percentage points. The return on equity was 15.0 per cent (9.0) and thus exceeded the target of 6.2 per cent (6.9). Equity amounted to SEK 3,694 million (3,365) as at 31 December 2015, which equates to SEK 49.4 (45.0) per share. Average equity was SEK 3,530 million (3,300).

LONG-TERM AND CURRENT NET ASSET VALUE

In order to provide a long-term fair value of the company's net assets, we recognise a long-term net asset value, expressed as EPRA¹ NAV². This key performance indicator is primarily aimed at long-term owners and therefore adjusts for value changes in the income statement that could be considered to be of a temporary nature, such as the fair value of financial instruments and deferred tax on temporary differences in property. In addition, adjustments are made for equity attributable to non-controlling interests. At year-end, EPRA NAV amounted to SEK 4,704 million (4,324), which equates to SEK 63.0 per

share (57.9). This means that the share price as at 31 December corresponded to 97 per cent (100) of long-term net asset value. The current net asset value per share as at 31 December was SEK 49.4 (45.0), and the premium to net asset value was thus 24 per cent (28).

EARNINGS

Earnings per share amounted to SEK 7.1 (4.0), while the long-term earning capacity per share, expressed as EPRA EPS, amounted to SEK 5.7 (5.3). EPRA EPS is based on property management income adjusted for 22 per cent corporation tax, less earnings attributable to non-controlling interests.

SHARE BUYBACKS

The 2015 AGM authorised the Company to buy back its own shares, subject to a limit of 10 per cent of all outstanding shares in the company. Share repurchase is a method used to adapt and improve the effectiveness of the capital structure. No buybacks took place during the financial year. The Board of Directors will propose to the next Annual General Meeting that the AGM extend the buyback authorisation on the same terms as before.

TRANSPARENCY AND ACCESSIBILITY

We seek to be transparent and accessible to our stakeholders without compromising external and internal regulations. The quarterly financial reports are of great interest to both existing and potential shareholders, as well as equity research analysts. In addition to this, presentations are given on an ongoing basis in English and Swedish to satisfy a wider range of stakeholders. The number of equity research analysts that follow us was 4 (5). We have gathered together more financial information at www.dios.se.

¹ EPRA = European Public Real Estate Association

² EPRA NAV = Long-term net asset value per share

THREE REASONS TO INVEST IN DIÖS

DIVERSIFIED PROPERTY PORTFOLIO

> An extensive and diversified property portfolio provides a diversification of risk between different markets, tenants and industries, meaning that over time the profit and loss even out. Our broad offering also provides us with great opportunities to offer our tenants new premises whenever their needs or business change.

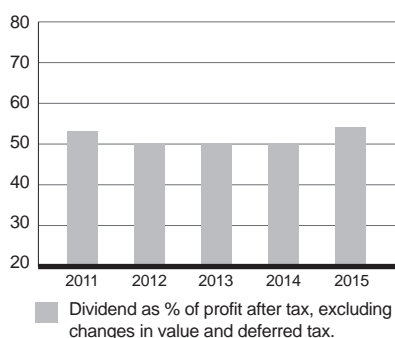
ATTRACTIVE YIELD

> The dividend policy states that around 50 per cent of the company's profit after tax for the year, excluding unrealised changes in value and deferred tax, should be paid to shareholders. Since 2011, the yield has averaged 5 per cent and is among the highest in the industry.

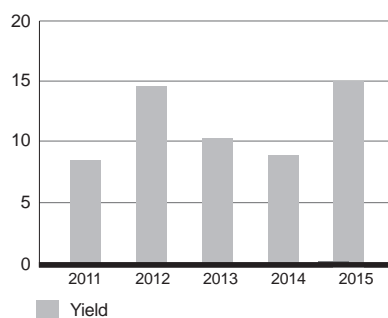
VALUE GROWTH THROUGH INCREASED CASH FLOW

> Since 2011, cash flow per share has increased by 50 per cent. Efficient management, energy-saving measures, continued property development and a tenant-oriented organisation provide the foundation for future growth.

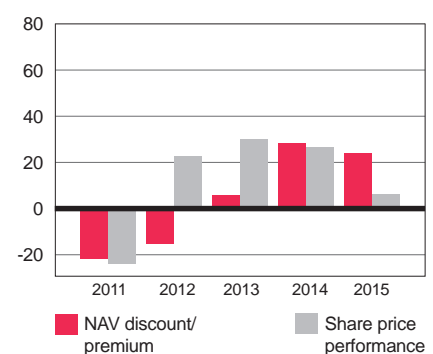
DIVIDEND DIVIDED BY PROFIT, %



RETURN ON EQUITY, %



CURRENT NAV DISCOUNT/PREMIUM AND SHARE PRICE PERFORMANCE, %



LARGEST SHAREHOLDERS

Shareholder	No. of shares	Capital and votes, %	Change over 12 months, %
AB Persson Invest	11,499,691	15.4	0.0
Backahill Inter AB	7,830,754	10.5	0.0
Bengtssons Tidnings Aktiebolag	7,518,222	10.1	0.0
Länsförsäkringar Fondförvaltning AB	5,354,209	7.2	-2.4
Pensionskassan SHB Försäkringsförening	4,498,239	6.0	0.0
Försäkringsaktiebolaget, Avanza Pension	2,411,008	3.2	0.1
SEB Investment Management	2,058,739	2.8	0.6
Fourth AP Fund	1,575,887	2.1	0.0
Handelsbankens Fonder	1,474,837	2.0	1.5
Ssb Client Omnibus Ac Om07 (15 pct)	1,300,082	1.7	0.4
Total, largest shareholders	45,521,668	60.9	0.3
Other shareholders	29,207,466	39.1	-0.3
TOTAL	74,729,134	100.0	0.0

DATA PER SHARE

	2015	2014	2013	2012	2011
Share price at 31 Dec, SEK	61.3	57.8	45.6	35.00	28.50
Market value of outstanding shares, SEK million	4,577	4,316	3,408	2,616	2,130
Equity per share, SEK	49.4	45.0	43.3	41.3	36.5
Property management earnings per share, SEK	6.8	5.6	4.7	4.6	3.3
Earnings per share, SEK	7.1	4.0	4.3	5.7	4.6
Dividend per share, SEK ¹	2.85	2.85	2.30	2.30	1.10
Payout ratio ² , %	54	50	49	50	53
Dividend yield, %	4.7	4.9	5.0	6.6	3.9
Total return, %	12.1	31.8	36.9	26.7	-19.5
EPRA EPS, SEK	5.7	5.3	4.3	4.1	1.5
EPRA NAV per share, SEK	63.0	57.9	54.2	52.7	47.4
Number of registered shares, millions	74.7	74.7	74.7	74.7	74.7
Number of outstanding shares, millions	74.7	74.7	74.7	74.7	74.7
Number of repurchased shares, millions	-	-	-	-	-
Average number of shares, millions	74.7	74.7	74.7	74.7	39.8

¹ The Board's proposal.

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

NET ASSET VALUE AS PER EPRA NAV

AS AT 31/12/2015	SEKm	Per share
Equity	3,694	
Equity belonging to non-controlling interest	-36	
<i>Reversal</i>		
Fair value of financial instruments	134	
Deferred tax on temporary differences	912	
EPRA NAV	4,704	63.0

EARNINGS PER SHARE AS PER EPRA EPS

AS AT 31/12/2015	SEKm	Per share
Property management income	508	
Tax attributable to property management income	-64	
Earnings attributable to non-controlling interests	-12	
EPRA EPS	432	5.7

RESTAURANT

CAFE

SUSTAINABLE DEVELOPMENT

> Marcus Read, caretaker, Diös, Åre.

ENVIRONMENT AND ENERGY



➤ Alderholmen 18:1 and Alderholmen 19:2, Gävle.

Operation of our properties is a significant environmental burden and expense. It is therefore strategically important for us to focus our environmental efforts on energy-saving measures and to involve the tenants in this work. At the beginning of the year we made the transition to exclusively renewable energy sources, thereby reducing our carbon dioxide emissions by around 85 per cent.

ENERGY-EFFICIENT BUILDINGS

Reducing the energy usage of our properties and buying electricity from renewable sources are the most effective steps we can take to influence the environmental impact of our operations in the

long term. Energy-efficient premises are also something that tenants are increasingly looking for. As soon as we initiate an energy-saving project in a building, we invite the tenants to participate in the planning, implementation and evaluation of the project. We can see a big difference in savings in the projects where tenants have been involved right from the start.

ENERGY PROJECTS

During the year, 30 energy projects were approved. Fourteen projects that were initiated and completed in 2014 were followed up. The combined savings in terms of electricity and heating for all the completed projects resulted in a reduction in costs of SEK 1.4 million.

For example, one project initiated during the year was the installation of a geothermal heat pump with a heat output of 240 kW in the property Metropoli in Sundsvall. The installation means that we can take advantage of rock holes

for cooling and that existing cooling plant can be taken out of operation and only be used as reserve capacity. In total, we expect to save approximately 890 MWh/year. This corresponds to the annual consumption of 40 average-size, single-family houses.

SHARED RESPONSIBILITY

By offering our tenants the opportunity to sign a Green Lease, we emphasise the tenants' and our shared responsibility for reducing the environmental impact of property operations. The lease agreement is an industry-wide standard that defines the parties' obligations.

Water usage is another priority area in terms of energy efficiency. The aim is to reduce both the amount of water used and energy consumption. When it comes to reducing water usage in our residential properties, we install, wherever possible, individual meters to measure and charge for actual hot water usage. The tenant

can thus contribute to reduced hot water usage and lower rental costs. Total water consumption during the year declined by 19,000 m³, equivalent to 3 per cent. In order to bring a reduction in water consumption into greater focus, we will establish an action plan for each property that will be followed up systematically.

TESTING NEW ENERGY SOURCES

With regard to carbon dioxide emissions from property operations, our annual target is to reduce emissions by 2 per cent in respect of heating and electricity. At the beginning of the year we made the transition to exclusively renewable energy sources, thereby reducing our carbon dioxide emissions by around 85 per cent.

The decrease in the price of solar panels in recent years has meant that interest in using solar panel systems for our properties is growing. In 2016, we will carry out a pilot project. The purpose of this will be to evaluate how much electricity a plant will produce and how big a proportion of production we will be able to use in our own building. To get a result that is as representative as possible, we will select a property that is similar to lots of other properties in terms of factors such as geometry, location, operation and energy-system solution.

CERTIFICATION

By classifying our buildings in accordance with the Green Building environmental certification system, we will make it easier to follow up our actions and results when it comes to improving the efficiency of energy consumption. To put

focus on the work, we introduced a training program to increase employee knowledge of the process. We had also set ourselves a target to certify ten properties in 2015. Because we miscalculated Sweden Green Building Council's long processing times, we did not manage to achieve certification of any buildings. We are, however, well equipped to increase the pace of certification in our work going forward.

RESOURCE-EFFICIENT CONSTRUCTION AND DEVELOPMENT PROJECTS

By classifying our new build projects according to the environmental certification system Miljöbyggnad, we contribute to energy and water consumption that is as lean as possible. We are also improving the indoor environment and reducing the impact of waste management on the climate. Nya Centralpalatset in Östersund, which opened during the year, is an example of a new build where energy, indoor climate and materials have influenced the architectural design and construction.

TARGET ACHIEVEMENT

Total energy reduction with regard to electricity and heating was 3.6 per cent, of which electricity savings accounted for 6 per cent and heating savings for 2 per cent. Therefore we did not achieve our target of a reduction of 5 per cent in 2015. The target for 2016 is an overall decrease in electricity and heating consumption of 3 per cent, and using online control systems to improve optimisation of property operations.

ENERGY CONSUMPTION AND CARBON DIOXIDE EMISSIONS

Company as a whole	Unit	2015	2014
Heating ¹	kWh/sq.m	78	79
Electricity ²	kWh/sq.m	48	51
District cooling ³	kWh/sq.m	0.7	0.7
Carbon dioxide ⁴	g CO ₂ /kWh	25	139
Water	m ³ /sq.m	0.4	0.4

¹ Heating is normal-year corrected.

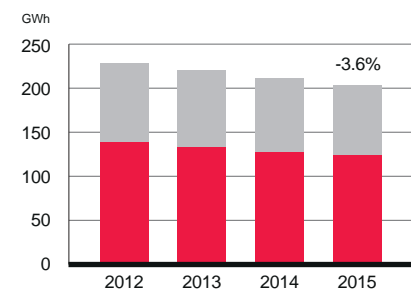
² Electricity for own use and tenants where electricity is included in the tenancy agreement.

³ District cooling does not include self-produced cooling.

⁴ Carbon dioxide from electricity and heating.

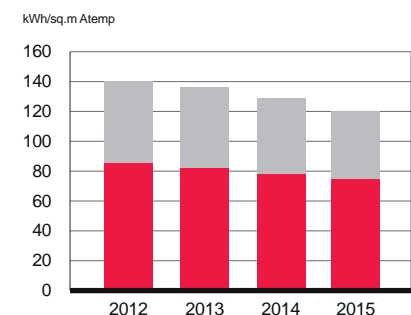
All values are from suppliers. Area is lettable area, excluding garages, multiplied by 1.15 to get the heated area. The Skellefteå acquisition is not included.

ELECTRICITY AND HEATING¹

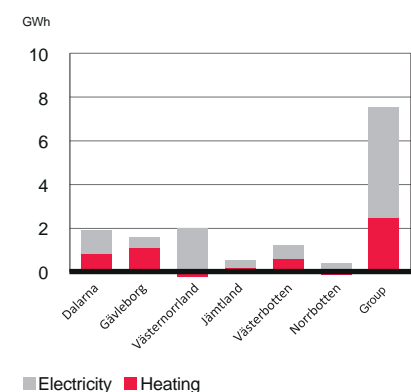


¹ Normal-year corrected.

ELECTRICITY AND HEATING PER SQUARE METRE

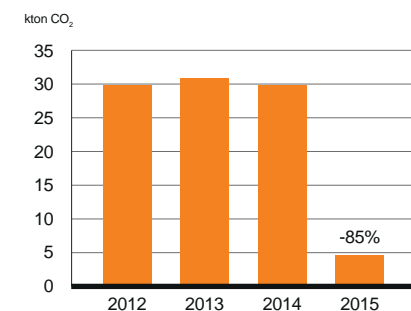


ENERGY SAVING



■ Electricity ■ Heating

TOTAL CARBON DIOXIDE EMISSIONS



CORPORATE SOCIAL RESPONSIBILITY

Identifying activities that contribute to a sustainable future and developing methods to follow up the effectiveness of our efforts, are a powerful driving force throughout the entire business.

SUSTAINABLE URBAN DEVELOPMENT

An essential factor in the attractiveness of a city is players' ability to agree on a common vision for a varied urban space that remains vibrant and accessible to all around the clock. Together with established local players, we actively participate in plans to increase the attractiveness of a city. How we plan, manage and develop our property portfolio affects the pattern of population flows, as well as the development opportunities of other businesses. Our properties are therefore important jigsaw pieces in the overall urban landscape in the locations in which we operate. As a result, we formulate our long-term investment plans based on the comprehensive local development plan for the city.

ATTRACTIVE EMPLOYER

Committed, responsible and loyal employees are a prerequisite for us to be able to achieve our vision to be the most active and sought-after property owner in our market. Attracting and retaining the right skills is therefore a priority sustainability area. As at 31 December 2015, we had 150 (149) employees, of whom 60 (54) were women. The average age was 44 years

(43.5). The majority of employees, 105 people (104), work within our business areas, and 48 (53) of these people work in physical property management roles as operations technicians and caretakers.

FOCUSED ORGANISATION

A restructuring of the organisation was implemented at the beginning of the year, as a result of which new roles were created. The primary purpose was to focus our efforts on increasing customer satisfaction and letting operations. In connection with the change, 25 employees were assigned to new roles. In addition to the restructuring of the organisation, 7 (8) employees moved jobs through internal transfers. Encouraging such transfers is a priority task in order to develop and retain existing employees. All vacancies are posted internally before being advertised externally. In 2015, staff turnover was 9 (6) per cent. 3 (8) people retired and 16 (11) people left the company.

COMPETENCE PLANNING

Functioning leadership and teamwork are prerequisites for us to be able to maintain high quality while also restructuring the organisation to meet new requirements. One way in which we systematically work towards sustainable competence planning is through our internal training platform, Diös Academy, which we launched during the year. The aim is to increase competence in the company by quickly being able to provide customised training based on specific needs. During the year we conducted a leadership development programme for all

managers and key employees, as well as a sales training programme. Diös Academy is an integral part of our efforts to strengthen our attractiveness as an employer.

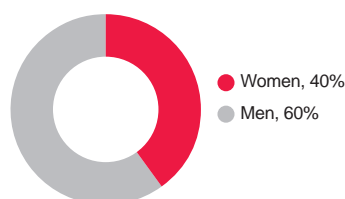
RECRUITMENT

The Education Board of the Swedish Property Industry estimates that the property sector will need 10,000 new employees by 2021. The reasons for this are the large numbers of people leaving due to retirement, increases in demand due to new business starts and new skills being required to meet technology developments. Demand for property technicians and property engineers will be particularly high in our market. To meet the challenges we visit universities and colleges to talk about our business and the opportunities for completing degree projects or traineeships with us. During the year we conducted two recruitment events aimed at students. Within the framework of Business Academy Östersund, which is a cooperation project with Mid Sweden University, we hosted two trainees. In cooperation with the property sector employer's association Fastigo, we also hired our first student employee. Yet another way of recruiting the right skills is via our collaboration with the Swedish Public Employment Service, through which we offer people who require work training the opportunity to return to the workplace.

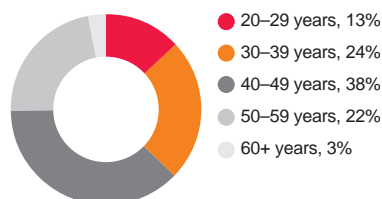
DIVERSITY

In order to have the expertise to understand and adapt our offering according to the varying needs of different people, we need to attract

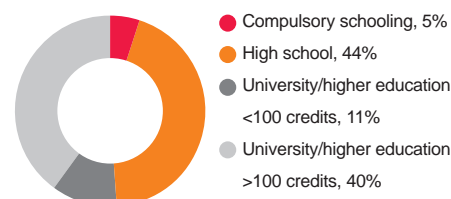
GENDER DISTRIBUTION



AGE DISTRIBUTION



LEVEL OF EDUCATION





employees from different backgrounds. The property sector remains homogeneous, which means we are required to find innovative recruitment paths. In the financial year we focused on measures to encourage more women to apply for higher positions. In 2016, we will continue our efforts to offer traineeships through cooperation with course organisers in our business areas.

One important measure aimed at making employees feel at ease, secure and like they belong, is to systematically follow up that no one has experienced any form of discrimination, harassment or offensive treatment due to gender identity, sexual orientation, ethnic belonging, belief, age or functional impairment. Follow-up takes place via employee surveys and annual performance appraisals.

WORKING ENVIRONMENT AND HEALTH

Our employees' wellbeing is a prerequisite for us to be able to offer the customer benefit and service that we strive to provide. In our annual performance appraisals we systematically follow up employees' self-perceived health and discuss the possibilities of improving their work/life balance, as well as utilisation of our contribution towards gym membership, etc. During the year, the employees started the sports club Diös IF. Through well-functioning cooperation with occupational health services we facilitate early intervention to avoid sick leave. All employees are also offered private health insurance in order to receive care quickly in the event of injury and illness. In 2015, absence through illness was 2.8 (2.2) per cent, of which long-term absence due to illness accounted for 0.5 (0.6) per cent.

Absence due to illness for women was 4.5 (3.9) per cent and for men 1.8 (1.3) per cent.

Our company-wide working group, which has representatives from all business areas and professional roles, meets regularly. The group discusses, plan and follows up essential working environment issues. In 2015, the group focused on the working environment of caretakers and operating technicians in particular, in order to map potential injury risks. During the year, two workplace accidents were reported, and no near misses.

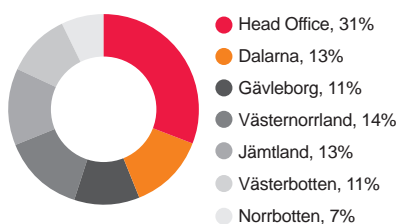
EVERYONE'S RESPONSIBILITY

To make corporate social responsibility an integral part of our corporate culture, we embarked on an extensive branding campaign during the year. Initially, all employees were given the opportunity to communicate their views about the current company culture. The results were presented in connection with the kick-off to the year, with continued discussions about the path to the desired corporate culture. In 2016, a major focus will be the work on core values that forms the basis of our corporate culture. Implementation and training will take place within the framework of Diös Academy. Contributing to a more equal industry is a natural part of our work on core values.

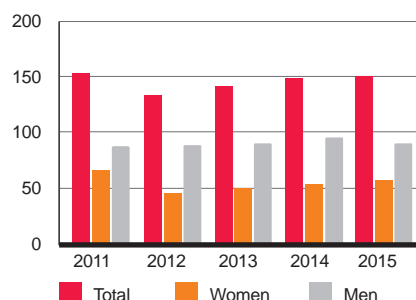


> The tenant Skhoop in Åre. Sissi Kewenter and Malin Fältskär Schillgard, Skhoop, with Ulrika Ritzén Kristensson, Property Manager at Diös.

GEOGRAPHIC BREAKDOWN



NUMBER OF EMPLOYEES





CUSTOMERS AND MARKETS



CUSTOMERS AND CUSTOMER STRUCTURE

A local presence in the locations where we own properties is a prerequisite for us to be able to deliver customer benefit and a high level of service.

The employees in our six business areas are experts when it comes to prevailing market conditions by location. This is something that both existing and potential tenants value highly.

THE TENANT IN FOCUS

We want to get to know our customers and we want them to get to know us. One way to map the needs and expectations of tenants is to offer them the opportunity to participate in our annual customer satisfaction survey, CSI. Our long-term goal is a CSI of around 75. This year's result of 58 (59) is far from satisfactory. The decline is likely to be the result of the comprehensive restructuring of the organisation that was implemented during the year, when time and energy were concentrated on internal processes. However, the result shows that we have improved our performance in a number of areas where tenants requested improvements last year, such as clear and simple contact channels.

BROAD OFFERING

We are one of the largest private property owners in all priority locations, with a broad offering. This enables us to offer flexible tenant solutions that can be adapted to tenants' changing needs. Northern Sweden is an attractive market and several of our tenants are established in several of our locations. This gives us a unique opportunity to contribute to the development of both tenants and locations.

SERVICE ACROSS THE BOARD

Our tenants' experience of what we deliver is proof of whether we have been successful or not. To facilitate dialogue with tenants, we have opted to have a local presence in our priority locations. In 2015, we clarified the contact

channels between the tenants and our employees. The roles, responsibilities and authorities of our employees have also been clarified. In order to facilitate routes of communication and follow-up of our dialogue with the tenants, we began introducing a new customer relationship system and a review of follow-up procedures during the year. We are constantly expanding our range of digital services in line with growing tenant demand for increased accessibility. The aim is to as far as possible provide our tenants with the means to help themselves, irrespective of time.

TENANT STRUCTURE

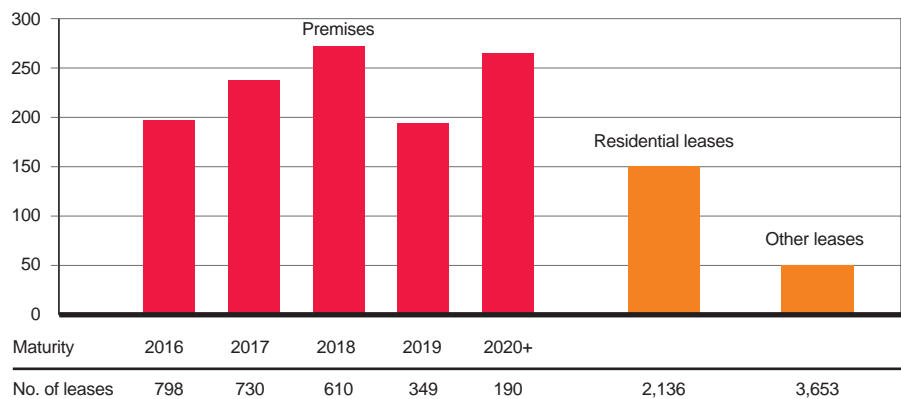
Our ten largest tenants, based on rental income, accounted for 15.6 per cent (16.0), equivalent to SEK 210 million (206). The average contract period for these was 4.3 years (3.8). The single largest tenant was the Swedish Transport Administration, which accounted for 3.6 per cent (4.0) of the total contract value. Contracts with a term of three years or more are normally subject to annual rent adjustments tracking the consumer price index. Agreements with terms of less than three years are normally adjusted upwards on a percentage basis.

LARGEST TENANTS

Tenant	Number of agreements	Annual contract value, SEK thousand	Share of total annual contract value, %	Average contract term, years
Swedish Transport Administration	13	48,010	3.6	4.2
Municipality of Östersund	120	30,216	2.2	4.1
Swedbank AB	9	21,196	1.6	2.2
Swedish Public Employment Service	27	20,498	1.5	2.4
Municipality of Falun	6	17,569	1.3	5.5
Ahléns	7	15,941	1.2	2.9
KappAhl	6	14,915	1.1	3.5
Hennes & Mauritz	10	14,740	1.1	2.0
Internationella Engelska Skolan	3	13,647	1.0	14.9
Swedish Police Authority	14	12,888	1.0	3.4
Total, largest tenants	215	209,620	15.6	4.3

LEASE MATURITIES AND RENTAL INCOME

Rental income, SEK million



MARKET LEADER IN THE NORTH

Interest in property investment in northern Sweden continued to increase during the year. Thanks to the company's long-term portfolio strategy we continued to strengthen our market position.

Northern Sweden is hotting up. In 2015, 55 transactions were carried out in the five northernmost regions. According to Pangea Property Partners, this corresponds to a transaction volume of as much as SEK 18.5 billion, which is 90 per cent higher than in the previous year. On a rolling 12-month basis, the share of volume by region was largest in Västerbotten (40%), followed by Norrbotten (26%), Jämtland (19%), Gävleborg (11%) and Västernorrland (4%). Share of volume by sector, on a rolling 12-month basis, was largest for housing (41%), retail (26%), offices (15%), other (10%) and social property (8%).

> LARS-GÖRAN DAHL, PROPERTY DIRECTOR

HOW HAS DIÖS BEEN AFFECTED BY DEVELOPMENTS?

> For us, the hot market has resulted in both opportunities and challenges. Competition is intensifying, which means that we must hone our customer service and strategy at all times. We continue to focus on activities that take us closer to our long-term portfolio strategy of geographic concentration of property holdings. We

want to be a present property owner with expertise in our local markets. We cannot be an effective manager if we have individual objects in locations that do not meet our criteria for growth locations. During the year, we have therefore sold properties in Timrå, Lycksele, Järpen and Ånge.

> Based on this strategy, we have also strengthened our presence in our priority locations. In October, we doubled our property portfolio in central Skellefteå by acquiring three properties of around 51,000 sq.m. The sellers were the Municipality of Skellefteå, Fastighets AB Polaris and Skellefteå Kraft. We also announced a property swap in Umeå and Östersund, which means that we will acquire centrally located commercial and residential properties while disposing of residential properties in peripheral locations.

WHAT KIND OF DEVELOPMENT OPPORTUNITIES DO YOU SEE AHEAD?

> We would like to take responsibility and create value by developing existing properties. In concrete terms, it is about utilising land that we own for solutions that benefit tenants and the development of the entire city. Land use surveys are currently under way in several of our locations and we are engaged in constant discussions with local players in order to keep a register of development requirements.

> Growth in value is also about utilising existing buildings for conversion and extension. It is all about developing a flexible portfolio that meets tenants' needs and preferences, both in the present and in the future. A concrete examples of value growth is that we are moving our head

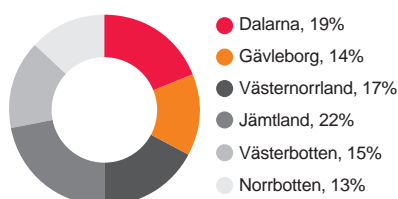
office in February 2016. Our current head office, which was refurbished a few years ago to create modern and flexible office space, is being given up to new tenants. In connection with the transfer, we are moving to premises which have been standing vacant for a few years. These have been refurbished to suit both our operations and the needs of future tenants for adaptable office space.

> Our office property at Brofästet in Sundsvall is another example of a project where we are looking into the opportunity of developing an already attractive office property. In cooperation with HSB Mitt, we are also planning to improve the area around the Selångersån river. This is an unused site that will definitely result in a more attractive city centre. With the best location in Luleå, we are planning a project in which we will build housing on an existing commercial property.

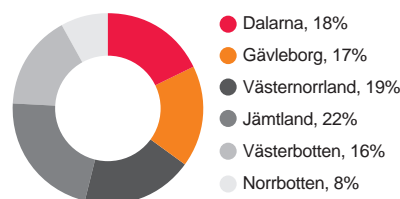
WHERE WILL DIÖS BE IN FIVE YEARS' TIME?

> In five years, we will be market leaders in all of our priority locations. We have expanded the portfolio in locations where there is long-term demand for premises, mainly in central locations. The development of our city centre shopping centres have further contributed to increased city centre retail trade. Our property portfolio remains diversified with a good spread of tenants operating in many different industries, and with a diversified contract structure. We have taken additional steps towards energy-smart solutions for property operations. Last but not least, our organisational strategy has made us the flexible quality and service-oriented tenant magnet that we want to be.

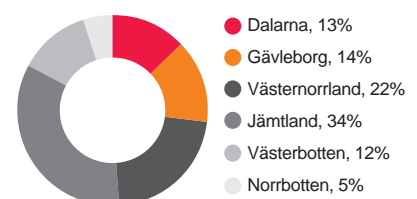
PROPERTY VALUE



LEASABLE AREA



NUMBER OF PROPERTIES





> Diös employees Marie Karlstedt, Financial Administrator; Magnus Eriksson, Caretaker; and Lars-Göran Dahl, Property Director, Östersund.



BUSINESS AREA DALARNA

With 19 per cent of the total property value, the Dalarna business area is the company's second largest business area. Centrally located retail and office properties dominate the portfolio.

Falun, Borlänge and Mora have been significant locations with high yields ever since the company began operations in 2005. Falun and Borlänge together constitute the county's primary growth engine with a broad range of industries. Some 36 per cent of the urban population in Dalarna live here and Dalarna University has campuses in both locations.

Dalarna exhibits a positive population trend. The growth rate, measured on the basis of gross regional product, has increased since 2005. Despite the low percentage of inhabitants possessing a post-secondary education, both youth and long-term unemployment are below the national average. The expected entry of young people onto the labour market is clearly lower than the anticipated number of retirements, which presents a major future challenge and opportunity.

BORLÄNGE

We are the third largest owner of private property in the commercial centre of Borlänge. Our property portfolio is concentrated in the town centre with a focus on commercial and office premises, but also includes residential properties. The city boasts one of Sweden's strongest commerce indexes, with four large contiguous commercial areas all located within a radius of 700 meters.

Local infrastructure is well-developed, including the county's Dala Airport, the E16 motorway and good train service. Both the Swedish Transport Administration and the Swedish Transport Agency have their head offices in Borlänge, which is Sweden's main transport engineering hub.

The economic occupancy rate in our 14 properties is 90.3 per cent, with a full-year rental value of SEK 101 million.

FALUN

We are the second largest owner of private property in the regional capital of Falun. Our property portfolio is concentrated in the town centre with a focus on commercial and office premises.

The labour market is diversified, with a dynamic business sector and a high proportion of public sector employees. The volume of commuters from neighbouring municipalities to Falun is growing. As are job opportunities in the tourism and cultural sectors. A new cultural centre is scheduled to open in 2016.

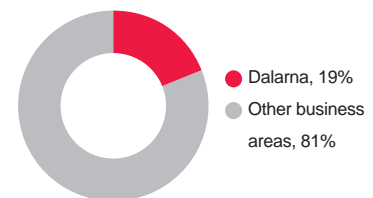
The economic occupancy rate in our 16 properties is 87.7 per cent, with a full-year rental value of SEK 140 million.

MORA

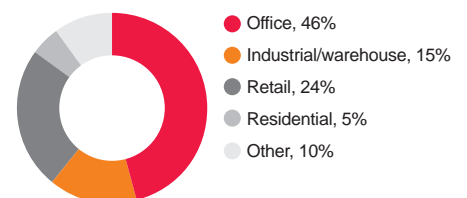
We are the second largest owner of private property in Mora. All properties in the portfolio are concentrated in the centre, and consist primarily of office and commercial premises as well as residential properties. Mora has a vibrant city centre with a wide range of shops, restaurants and cafés. The local economy is marked by manufacturing, tourism and commerce.

The economic occupancy rate in our 12 properties is 94.6 per cent, with a full-year rental value of SEK 40 million.

SHARE OF TOTAL CONTRACT VALUE



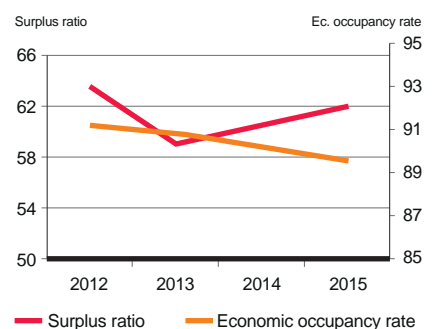
FLOOR AREA BY TYPE OF PREMISES



DIÖS PROPERTIES IN DALARNA

Number of properties	44
Area, '000 sq.m	267
Property value, SEK million	2,558
Operating surplus, SEK million	161

SURPLUS RATIO AND ECONOMIC OCCUPANCY RATE, %



MARKET RENTS¹

		Borlänge		Falun		Mora	
		Rent SEK/sq.m	Yield, %	Rent SEK/sq.m	Yield, %	Rent SEK/sq.m	Yield, %
Offices	A-location	950–1,100	6.5–7.5	900–1,400	6.5–7.0	750–1,000	7.5–9.0
	B-location	650–900	7.0–8.0	750–1,100	6.5–7.0	600–850	8.0–10
Retail	A-location	1,200–2,000	6.5–7.0	1,330–2,500	6.6–7.0	900–1,300	8.5–9.5
	B-location	700–1,100	7.0–8.0	800–1,200	6.6–7.0	750–1,100	8.5–9.5
Warehouse/ industrial	A-location	500–700	8.0–8.5	400–700	8.0–8.5	350–600	8.5–9
	B-location	350–450	8.0–9.0	400–600	9.0–10	250–400	9.0–10

¹ Data taken from Datscha AB.

BUSINESS AREA GÄVLEBORG

The Gävleborg business area comprises 14 per cent of the total property value, making it the company's fifth largest. The property portfolio consists primarily of centrally located commercial, office and industrial premises.

Gävleborg is primed to grow thanks to its strategic location on the route between northern and southern Sweden. Together with the regions of Södermanland, Uppsala, Östergötland, Örebro and Västmanland, the region is a participant in the East Central Sweden growth programme, which aims to strengthen the greater region's economy. As a regional partner of Business Sweden, Gävleborg is carrying out an initiative within the framework of Invest in Gävleborg in order to encourage more foreign companies to locate there. Efforts are also underway in the area of destination development, digital availability and international marketing. Growth in the county is mainly concentrated in the areas around Gävle and Sandviken, both of which have strong roots in the commodity-based manufacturing industry.

The county's population is primarily concentrated along the main transit corridors: the East Coast Line/E4, the North Main Line/national trunk road 83 and the Bergslagen Line/E16. Population growth is stable and increasing in the main city of Gävle, which is seeing a steady increase in commuter volume from nearby towns. Basic industry plays a significant role for the local labour market. Gävle University College, with a focus on the built environment and a healthy working life, is one of Sweden's leading higher educational institutions when it comes to distance learning.

GÄVLE

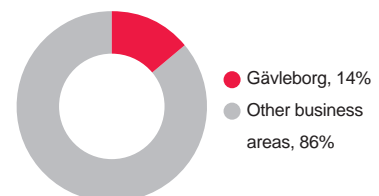
We are the largest private property owner in the regional capital of Gävle. The property portfolio consists primarily of centrally located commercial and office premises, but also includes industrial premises. There are several construction projects underway in the city, including Gävle Strand, which will comprise 1200 homes once fully built. Länsförsäkringar recently built its new head office in the city centre; in addition, the southern entrance to Gävle has been zoned to build Gävle View Business Centre, a 15-storey office building. The area is currently home to the commercial areas of Hemsta, Kryddstigen, Fjällbacken and Hemlingby Köpstad, along with the Sörby Urfjäll industrial area. The municipality is in the process of creating a new district called Gävlehov with new stadiums for football, track and field and tennis, along with homes and a new school.

Thanks to a favourable location for logistics, including the Port of Gävle, the city has seen strong growth in logistics companies in recent years. Demand for warehousing space with a favourable position in terms of logistics is significant. The infrastructure for commuting between Gävle and Stockholm/Uppsala is good, and is being further improved thanks to a double-track expansion on the section between Skutskär and Furuviik.

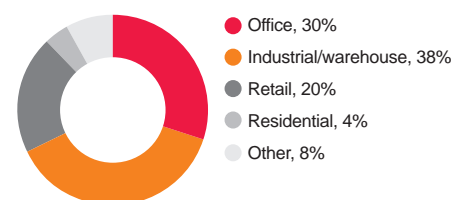
Similar to all the other cities where we conduct operations, we are actively taking part in the urban development process. We participate in the umbrella organisation Gävle Centrumssamverkan along with 14 other property owners, commercial stakeholders and the Municipality of Gävle. We also own the centrally located shopping centre Flanör.

The economic occupancy rate in our 42 properties is 88.3 per cent, with a full-year rental value of SEK 191 million.

SHARE OF TOTAL CONTRACT VALUE



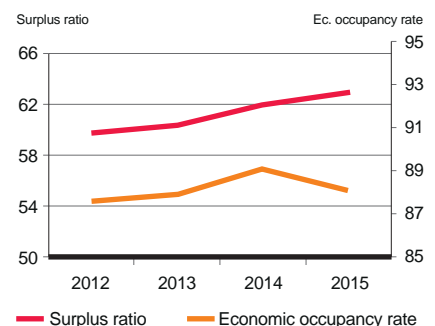
FLOOR AREA BY TYPE OF PREMISES



DIÖS PROPERTIES IN GÄVLEBORG

Number of properties	51
Area, '000 sq.m	251
Property value	1,883
Operating surplus	120

SURPLUS RATIO AND ECONOMIC OCCUPANCY RATE, %



MARKET RENTS¹

		Rent SEK/sq.m	Yield, %
Offices	A-location	1,000–1,500	6.3–6.5
	B-location	650–750	7.0–8.0
Retail	A-location	2,500–4,000	5.8–6.5
	B-location	900–2,400	6.8–7.5
Warehouse/ industrial	A-location	500–700	8.0–9.0
	B-location	400–600	8.0–10.0

¹ Data taken from Datscha AB.



BUSINESS AREA VÄSTERNORRLAND

Comprising 17 per cent of the total property value, the Västernorrland business area is the company's third largest. Half of the real estate portfolio comprises centrally located office properties.

Västernorrland is one of Sweden's leading counties in terms of industry, including the forestry, energy and engineering sectors. The county also has one of Sweden's highest gross regional products, and accounts for a significant share of net exports. The economic structure is diversified, with a broad mix in areas like pulp and paper, fibre technology, digital services, banking and insurance. Aside from the metropolitan regions, Sundsvall accounts for Sweden's largest clusters in the IT, banking, pension and insurance industries.

Västernorrland, particularly Sundsvall, is part of northern Sweden's leading labour market region, with numerous private employers. Numerous government agencies, such as the Swedish Companies Registration Office (Bolagsverket), the Central Student Grants Committee and the National Pensions Board have their head offices in Sundsvall. Transport links to and from Västernorrland are good; the region is accessible by the East Coast Line from the south, the Central Line from the west, and the Bothnia Line from the north. The county has also three airports: Sundsvall Timrå Airport, Höga Kusten Airport and Örnsköldsvik Airport. The county is traversed by the E4 in the south and the E14 in the west. The county's population has grown since 2013, particularly in Sundsvall.

SUNDSVALL

We are the third largest owner of private property in Sundsvall. The property portfolio consists of centrally located office premises, but includes commercial and industrial premises and

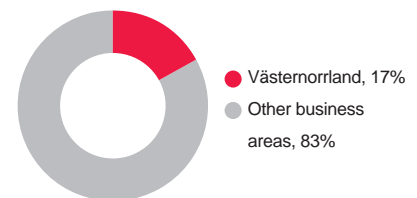
residential properties as well. Among other things, we own the central shopping centre, In:gallery, in the heart of Stenstaden. Sundsvall has experienced rapid growth in terms of both commercial space and jobs in the commercial sector.

Relative to population growth, there has been a shortage of housing for many years in the city's central areas. Numerous exciting construction projects are underway to connect the inner city to neighboring areas. Among other things, the Inner Harbour as well as Södra Kajen are being upgraded. The municipality is planning to build homes, shops, restaurants and offices here. An extensive construction project to convert a historical industrial area to an attractive part of the inner city is underway at Norra Kajen. The plan is to create 2500 condominiums in multi-level buildings, along with townhouses, a boardwalk, boat moorings, cafés and carparks. The new section of the E4 and the new bridge have significantly improved the site's accessibility. The banks of Selångersån, which flows through the heart of Sundsvall centre, are currently being transformed by an extensive project to link the city centre to the water and to improve the park trail system, scheduled for completion in the spring of 2016. Extended and more accessible areas for play and recreation, including restaurants, fishing spots, green areas and recreational grounds contribute to a more attractive and appealing city centre.

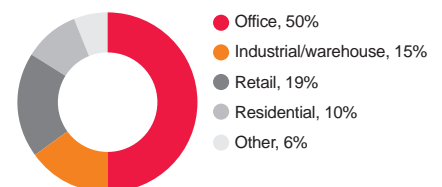
To increase the city's appeal and enhance commuting facilities, the municipality is planning a new centrally located travel centre. The aim is to enhance the ability to switch between different modes of transport. The travel centre will provide access to carparks, bus and taxi areas, as well as connections for pedestrians, bicycles, cars and bus service. Project completion is scheduled for 2020. The municipality is also planning to convert Navet bus station in the city centre; Navet is the hub from which city buses depart.

The economic occupancy rate in our 44 properties is 86.4 per cent, with a full-year rental value of SEK 229 million.

SHARE OF TOTAL CONTRACT VALUE



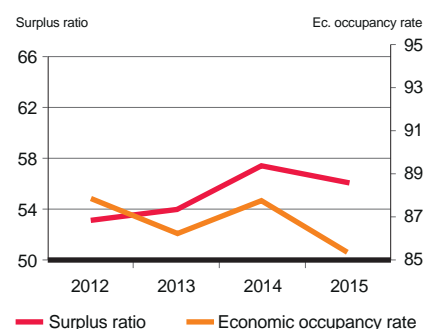
FLOOR AREA BY TYPE OF PREMISES



DIÖS PROPERTIES IN VÄSTERNORRLAND

Number of properties	76
Area, '000 sq.m	274
Property value	2,290
Operating surplus	139

SURPLUS RATIO AND ECONOMIC OCCUPANCY RATE, %



MARKET RENTS¹

		Rent SEK/sq.m	Yield, %
Offices	A-location	1,300–1,950	6.3–7.0
	B-location	1,100–1,700	6.5–7.3
Retail	A-location	1,300–3,500	5.8–6.8
	B-location	900–1,600	6.3–8.0
Warehouse/ industrial	A-location	425–800	7.0–8.5
	B-location	375–800	7.8–9.5

¹ Data taken from Datscha AB.

BUSINESS AREA JÄMTLAND

Our largest business area, Jämtland, accounts for 22 per cent of the total property value. The majority of the properties are located in Östersund, in which we are the largest private property owner. The portfolio is dominated by centrally located office properties, stores and residential properties.

The regional capital of Östersund has been our business's registered office since the company was founded. Åre, Sweden's alpine centre, is located 100 kilometres west of Östersund; Åre is the other location where we are active within the business area. Forestry and agriculture are two significant industries for Jämtland County, which is also rich in stone and minerals. Thanks to its production of hydroelectric power, wind power and bioenergy from forestry and agriculture, along with solar energy, the county is a significant net exporter of energy from renewable energy sources. Jämtland is a leading destination for outdoor experiences and holds a strong position as one of Sweden's leading tourist fishing destinations. The tourism industry is sizeable, particularly in the mountainous areas.

Thanks to its increased focus on improving energy efficiency, Jämtland harbours significant growth potential in the production of environmentally-friendly energy. Particularly if such development is linked to innovation and research. Mid Sweden University, one of whose three campuses is located in Östersund, has an industrial forestry research institution called FORIC that works in close cooperation with the fibre industry. A low level of education combined with a large number of retirements presents a challenge to the county's economic growth. Because more occupations currently require a higher level of education than before, it is critical for the county to be capable of providing the level of expertise required by the labour market.

Transport links are good in terms of both passenger traffic and freight traffic. The county has two airports with scheduled service. The E14,

running between Sundsvall and Trondheim, and the E45, running between Gothenburg and Karesuando, cross the county from east to west and north to south, respectively. Rail links are available for both passenger service and freight via the Inland Line and the Central Line.

ÖSTERSUND

We are the largest private property owner in Östersund. The property portfolio is mainly located in the central part of the city and is dominated by office and retail premises, but also includes residential properties and industry. The population trend is positive, and the municipality has set a growth target of 65,000 residents by 2025. The population is currently 61,054.

Demand for housing in central locations is very high, as is the willingness to pay. Residential projects are underway at Storsjö Strand, District North and Remonthagen, among other places. The city will play host to the Biathlon World Championships again in 2019, which is expected to contribute to the city's development. The establishment of a National Service Centre by the Swedish Government is of considerable importance to the local labour market; the Centre has been recruiting and will soon be offering 150 positions.

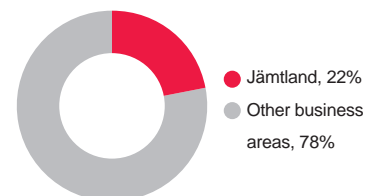
The economic occupancy rate in our 88 properties is 89.2 per cent, with a full-year rental value of SEK 282 million.

ÅRE

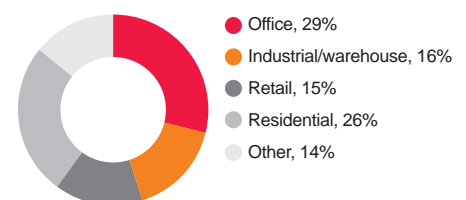
Åre is the town where the vision for Diös took shape during a meeting held by a number of investors in 2005. We own properties with office and retail premises here. With Sweden's largest ski resort, Åre is one of the country's best-known tourist destinations. In the central parts of the town, prices and rents are in line with those found in the big cities. The Alpine World Championships will be held here in 2019, and are expected to make a positive contribution to the important hospitality sector. Both the town's population and employment trends are developing positively, and its business climate is marked by an enterprising spirit and local partnerships.

The economic occupancy rate in our 28 properties is 88.9 per cent, with a full-year rental value of SEK 38 million.

SHARE OF TOTAL CONTRACT VALUE



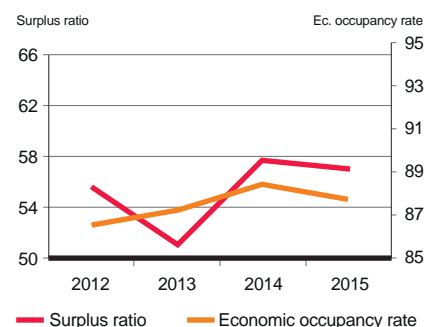
FLOOR AREA BY TYPE OF PREMISES



DIÖS PROPERTIES IN JÄMTLAND

Number of properties	119
Area, '000 sq.m	325
Property value	2,946
Operating surplus	166

SURPLUS RATIO AND ECONOMIC OCCUPANCY RATE, %



MARKET RENTS¹

		Rent SEK/sq.m	Yield, %
Offices	A-location	850–1,700	6.5–7.5
	B-location	700–1,300	7.3–8.3
Retail	A-location	1,200–2,500	6.3–7.3
	B-location	900–1,600	6.8–8.0
Warehouse/ industrial	A-location	450–800	7.5–9.5
	B-location	350–600	8.0–10.0

¹ Data taken from Datscha AB.

BUSINESS AREA VÄSTERBOTTEN

The Västerbotten business area is our fourth largest with 15 per cent of the total property value. The property portfolio is diversified, with holdings in Umeå and Skellefteå.

Västerbotten is the business area having the most diversified property portfolio. The properties in central Umeå consist primarily of office and retail premises as well as residential properties, while the properties located at the edge of the city are generally industrial premises. The portfolio in Skellefteå is varied, and is concentrated in the central areas of the city.

Västerbotten is undergoing a distinct phase of urbanisation, with 73 per cent of the county's population living in the municipalities of Umeå and Skellefteå. Population growth exhibits a positive trend in the central parts of these localities, especially in Umeå, whose population has increased by around 30 per cent since 1990. The stage is set for robust continued growth thanks to the city's good transport links, excellent access to higher education and research institutions, along with an attractive living environment. The industrial sector, especially primary industry, contributes strongly to the city's growth. As does Umeå University, which has campuses in both Umeå and Skellefteå, and is a centre of world-class research.

Västerbotten's gross regional product (BRP) has increased by more than 60 per cent since 2000. Just over 85 per cent of the county's employees work in Umeå and Skellefteå, where approximately 90 per cent of the BRP is produced and where the majority of investments are made.

UMEÅ

We are the fourth largest private property owner in Umeå. The municipality has developed an explicit sustainability strategy for the city that is based on densifying the city's central areas, partly by building vertically, and partly by adding new, dense mixed-used blocks adjacent to old ones. The city's urban planning is based on a growth target of 200,000 inhabitants by no later than

2050. Several major construction projects are underway, including the construction of the new swimming hall and a new travel centre. Another major construction project is the development of the "Umeå project E4/E12" road network, which aims to divert the two heavily trafficked arteries that currently pass through the heart of Umeå. Several residential construction projects are in progress as well.

The city has developed into an attractive location for businesses to establish a presence, including those in the IT sector, thanks to the successful research being conducted at the University. The commercial sector has also grown quite strong.

The economic occupancy rate in our 26 properties is 86.9 per cent, with a full-year rental value of SEK 100 million.

SKELLEFTEÅ

We are the third largest private property owner in Skellefteå. The property portfolio is varied, and is heavily concentrated in the centre. The city is home to local research contributing to new innovations, both by established industrial enterprises and by creative media companies. Several companies in the game development sector have established themselves here, as have various consultancies and other firms participating in the migration away from basic industry. After several years of relatively little residential construction, several residential projects have been initiated. According to the municipality's detailed master plan, it will be possible to build just over 1200 new homes in the city centre by 2030.

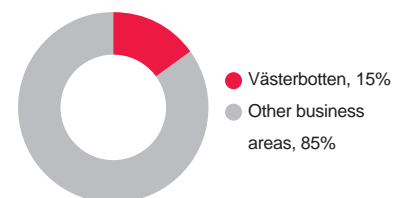
The economic occupancy rate in our 13 properties is 95.7 per cent, with a full-year rental value of SEK 62 million.

MARKET RENTS¹

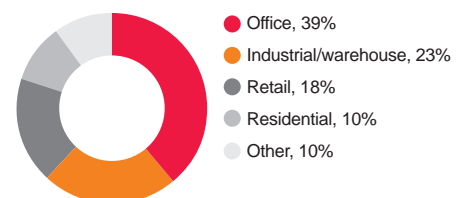
		Umeå		Skellefteå	
		Rent SEK/sq.m	Yield, %	Rent SEK/sq.m	Yield, %
Offices	A-location	1,350–2,000	5.8–6.5	850–1,350	7.3–8.5
	B-location	1,050–1,400	6.0–7.5	650–1,050	8.0–9.5
Retail	A-location	2,200–4,000	6.0–6.5	1,050–1,600	7.0–7.8
	B-location	700–1,800	6.3–6.8	750–1,150	7.0–8.8
Warehouse/ industrial	A-location	750		300–750	8.0–11.0
	B-location	350		300–550	8.0–11.0

¹ Data taken from Datscha AB.

SHARE OF TOTAL CONTRACT VALUE



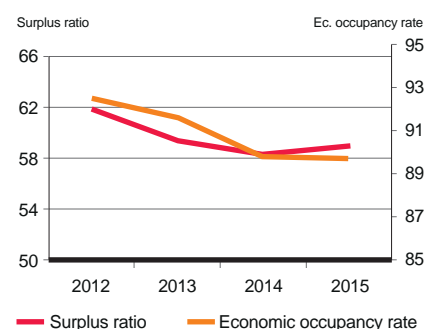
FLOOR AREA BY TYPE OF PREMISES



DIÖS PROPERTIES IN VÄSTERBOTTEN

Number of properties	43
Area, '000 sq.m	226
Property value	2,046
Operating surplus	90

SURPLUS RATIO AND ECONOMIC OCCUPANCY RATE, %





BUSINESS AREA NORRBOTTEN

The Norrbotten business area accounts for 13 per cent of the total property value, making it our smallest. The property portfolio primarily comprises office premises in central Luleå.

Norrbotten is one of the counties that has experienced the strongest growth in Sweden. Between 2000 and 2012, the gross regional product increased by 68 per cent at current prices, mainly thanks to commodities production, which increased by 189 per cent during the same period. In addition to the important basic industrial sector, knowledge-intensive service businesses, creative industries, testing and training as well as energy and environmental technology represent important growth areas. Cross-border projects, innovative power as well as transport and communications technologies represent significant prerequisites for continued growth. Luleå University of Technology is a critical cog in the region's growth machine thanks to its world-class research and education. Research is conducted in close cooperation with companies like Bosch, Ericsson, Scania, LKAB, SKF and leading international universities.

After a significant population decline in 2007, the population trend has been positive. At present, Luleå is the region north of Uppsala with the most inhabitants. The desire to grow seen in the county's small businesses is above the national average, but access to infrastructure is highlighted as an obstacle to growth. Investments in the amount of SEK 760 million from 2014–2025 will be decisive in terms of improving the region's transport infrastructure. The investments include both road-related investments and traffic safety projects on the E4, the E10, the E45 and the county's portion of the national road network, along with investments in public transport, pedestrian and cyclist projects, and contributions to municipal road works.

LULEÅ

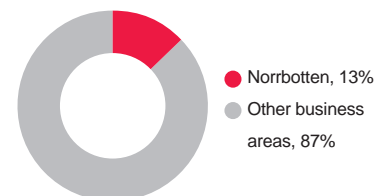
We are the second largest private property owner in Luleå, offering primarily office premises along with a certain amount of retail and industrial premises and residential properties. The municipality of Luleå has seen above-average growth in recent years, and was named the Growth Municipality of 2015 by the Arena for Growth and Sweco. Efforts by local politicians to increase the city's international appeal have prompted several international companies to establish a presence here. Facebook, EMC, Milestone, Fusion IO, Cygate, Goodtech and Coromatic are a few examples.

The municipality is pursuing a deliberate housing and urban planning policy. The commercial strategy, which was drawn up together with the Swedish Trade Federation, aims to create additional places of commerce, meeting places and taller buildings in the city centre. Several strategically important construction projects are in progress, including TeliaSonera's regional offices and Vattenfall's head office. Several residential construction projects are also in progress.

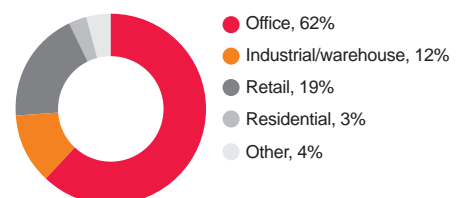
We serve as the proud landlord for Luleå Näringsliv's operations in Luleå Science Park, where we offer flexible premises to attract tenants in knowledge-intensive industries. Around 100 companies are currently engaged in global technology development, some of which are world leaders in their fields. Vetenskapens Hus (the House of Science), where IVA Nord, LKAB and Luleå University of Technology hold open events with a focus on research, education and artistic development, is another crown jewel in our portfolio.

The economic occupancy rate in our 18 properties is 91.2 per cent, with a full-year rental value of SEK 167 million.

SHARE OF TOTAL CONTRACT VALUE



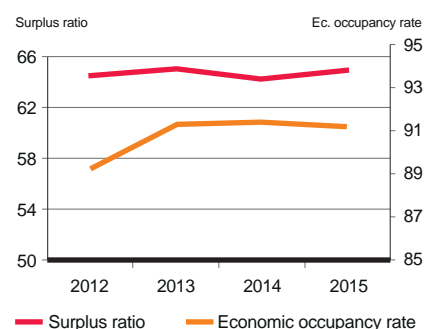
FLOOR AREA BY TYPE OF PREMISES



DIÖS' PROPERTIES IN NORRBOTTEN

Number of properties	18
Area, '000 sq.m	120
Property value	1,659
Operating surplus	100

SURPLUS RATIO AND ECONOMIC OCCUPANCY RATE, %



MARKET RENTS¹

		Rent SEK/sq.m	Yield, %
Offices	A-location	1,100–2,000	6.5–7.5
	B-location	900–1,400	6.8–8.8
Retail	A-location	1,600–4,000	5.8–6.8
	B-location	900–1,500	6.5–8.3
Warehouse/ industrial	A-location	500–750	7.3–8.8
	B-location	450–700	7.5–9.8

¹ Data taken from Datscha AB.



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 2015. The Board's report on internal control concerning financial reporting, the corporate governance report, covers both the parent company and the Group and has been prepared in accordance with the Swedish Annual Accounts Act, see pages 68–74.

OPERATIONS

We are one of northern Sweden's leading private property companies, with a total property value of SEK 13,381 million (12,200). The company provides commercial premises and residential properties in central locations. The operations are 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.

Parent company operations are made up of shared corporate functions, such as IT, economy

and finance, HR, rental administration, communications and energy optimisation, as well as the ownership and operation of the Group's subsidiaries. Sales totalled SEK 127 million (118) with a loss after tax of SEK 11 million (-9). Net sales refer chiefly to services sold to subsidiaries.

FINANCIAL TARGETS

The aim of the financial targets is to ensure the company's financial stability. The measurable and risk-limiting financial targets are as follows:

- 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.

The company achieved its financial targets for 2015, 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. The equity ratio amounted to 27.4 per cent (27.3) in the Group, and to 11.9 per cent (15.8) in the parent company. After the proposed dividend the equity ratio would be 26.2 (26.0) per cent in the Group and 9.7 (13.5) per cent in the parent company.

SHARE BUYBACKS

The 2015 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.

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.



➤ Göran Lilja, caretaker, Östersund.

PROPERTY PORTFOLIO AND OPERATING SURPLUS

The strategy of focusing the portfolio on centrally located properties in northern Sweden's growth cities continued during the year.

PROPERTIES

At 31 December the portfolio consisted of 351 properties (354) with a total lettable space of 1,423,000 (1,447,000) sq.m. The market value was SEK 13,381 million (12,200). The change in value is due to investments of SEK 456 million (386), unrealised changes in value of SEK 262 million (47), acquired properties of SEK 622 million (25) and sales of SEK -159 million (-80).

As at year-end, holdings consisted primarily of commercial properties, 90 per cent (90), with the following distribution of total rental value: 46 per cent (45) offices, 24 per cent (25) retail, 7 per cent (8) warehouse/industry and 13 per cent (12) other. Residential properties comprised 10 per cent (10) of holdings.

RENTAL VALUE AND RENTAL INCOME

The portfolio's total rental value amounted to SEK 1,466 million (1,448). The increased rental value is attributable to acquisitions and

renegotiations during the year. The assessed rental value of vacant premises is SEK 147 million (137). At year-end contracted rental income ran to SEK 1,361 million (1,290). Rental income includes rent supplements in a total amount of SEK 155 million (147), which is passed on to the tenants. The rent supplements relate to property tax, heating, water, waste collection and electricity. The number of leases for premises was 2,677 (2,544), representing a total contracted rental income of SEK 1,162 million (1,107).

Leases with terms of three years or more are normally subject to upward adjustment based on the consumer price index as at 31 October of the preceding year. For contracted commercial leases the indexed portion is 76 per cent.

Out of a total floor space of 1,463,000 sq.m (1,423,000), 1,214,000 sq.m (1,169,000) was let at 31 December 2015. This represents a physical occupancy rate of 83.0 per cent (82.2) and an economic occupancy rate of 88.3 per cent (89.2). The average rent under leases for premises, calculated as contracted rent by leased area, increased to SEK 1,100 per sq.m (1,091).

Net leasing for the year amounted to SEK 48 million (29). The positive impact of net leasing, all other things being equal, is concentrated in 2016.

PROPERTY COSTS

Property costs decreased by SEK 11 million (19) and ended at SEK 539 million (550). The chief driver is attributable to lower tariff-based costs, reduced repairs and the effect of our energy-saving measures. Continued careful monitoring of unpaid overdue rents has ensured that bad debts are low. These totalled SEK 4 million (4), representing 0.3 per cent (0.3) of total revenues.

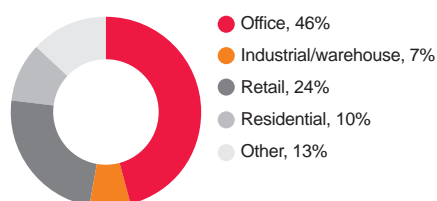
OPERATING SURPLUS AND SURPLUS RATIO

The operating surplus was SEK 776 million (762), which was an increase of 1.8 per cent (3.3). The change is mainly due to lower property costs. The surplus ratio, i.e. the operating surplus divided by rental income, increased to 59.9 per cent (59.0).

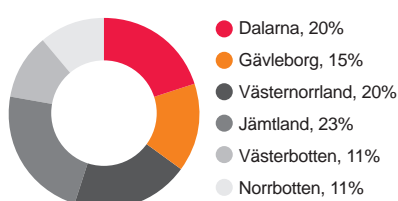
CONTRACT STRUCTURE

The total number of leases was 8,466 (8,136), of which 2,136 (2,122) related to residential properties and 3,653 (3,470) to car parks. The average lease term for the 10 largest tenants was 4.3 years (3.8). Of the total contract value for premises, -14 per cent (13) falls due next year.

RENTAL VALUE BY TYPE OF PREMISES



RENTAL VALUE BY BUSINESS AREA



OPERATING SURPLUS AND SURPLUS RATIO



PROPERTY PORTFOLIO BY BUSINESS AREA¹

Income statement items, SEKm	Dalarna	Gävleborg	Västernorrland	Jämtland	Västerbotten	Norrbottn	Diös Group
Rental income	261	190	246	293	152	152	1,295
Other revenue	4	4	6	2	1	4	20
Repairs and maintenance	-15	-10	-16	-18	-10	-7	-76
Tariff-based costs	-37	-25	-38	-50	-22	-15	-187
Property tax	-12	-10	-13	-14	-7	-8	-64
Other property costs	-29	-21	-32	-33	-17	-17	-149
Property management	-11	-8	-14	-14	-7	-10	-63
Operating surplus	161	120	139	166	90	100	776
Realised change in value	-	2	4	5	-1	-	11
Unrealised change in value	-37	98	-16	90	42	85	262
PROFIT AFTER CHANGES IN VALUE OF PROPERTIES	124	221	128	261	131	185	1,049

Balance sheet items and key ratios	Dalarna	Gävleborg	Västernorrland	Jämtland	Västerbotten	Norrbottn	Diös Group
Number of properties	44	51	76	119	43	18	351
Leasable area, '000 sq.m	267	251	274	325	226	120	1,463
Investments, SEK million	98	39	77	107	56	78	455
Fair value, SEK million	2,558	1,883	2,290	2,946	2,046	1,659	13,381
Rental value, SEKm	292	216	289	334	169	167	1,466
Surplus ratio, %	61.5	63.3	56.4	56.7	59.3	65.3	59.9
Economic occupancy rate, %	89.5	88.1	85.3	87.7	89.7	91.2	88.3

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

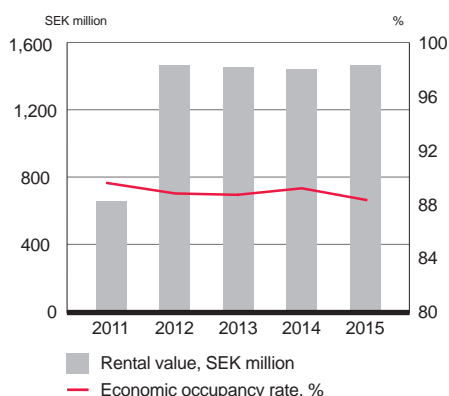
SENSITIVITY ANALYSIS PROPERTY VALUATIONS

	Change	Change in fair value, SEKm
Rental income	± SEK 50/sq.m	+984/-985
Operating costs	± SEK 25/sq.m	+493/-492
Yield	± 0.5 percentage points	+787/-678
Cost of capital	± 0.5 percentage points	+265/-259
Vacancy rate	± 1.0 percentage points	+/- 156

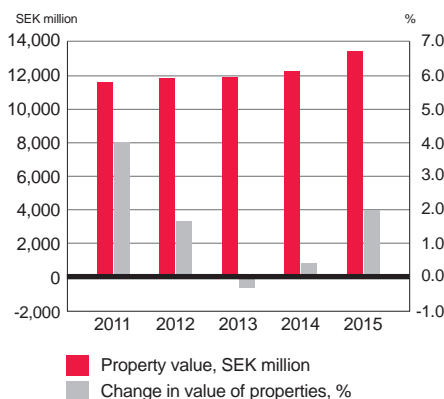
SENSITIVITY ANALYSIS RESULTS

	Change	Impact on earnings, SEKm
Contracted rental income	± 1.0 percentage points	± 13
Economic occupancy rate	± 1.0 percentage points	± 15
Property costs	± 1.0 percentage points	± 5
Interest rate on interest-bearing liabilities	± 1.0 percentage points	± 34

RENTAL VALUE AND OCCUPANCY



PROPERTY VALUE AND CHANGES IN VALUE



TRANSACTIONS AND PROPERTY DEVELOPMENT

Combined with efficient management, our strategic transaction and property development activities create the conditions for long-term growth.

We must work towards and actively contribute to growth in locations in the north of Sweden which fulfil the following criteria: population growth, stable infrastructure, active economy, defined city centres, active and prosperous municipalities and an established university or institute of higher education. Based on careful market and property analyses, we conduct property acquisitions in prioritised cities in order to achieve synergistic effects and a good return. Properties falling outside of our strategic orientation and where the opportunities for adding additional value are limited may be subject to sale. Transactions are carried out with a high degree of professionalism and primarily through recourse to internal expertise. Renovations, extensions or new builds, along with energy-saving measures, are conducted in close dialogue with our tenants in order to refine our portfolio and increase the properties' attractiveness and return.

ACQUISITIONS

During the year, we acquired 3 properties (1) totalling 51,000 sq.m., at an underlying property value of SEK 653 million (25). In Skellefteå we doubled our portfolio by acquiring three

centrally located properties that complement the remainder of our portfolio in the city. We also announced a property swap in Umeå and Östersund, which means that we will acquire centrally located commercial properties and housing while disposing of residential properties in peripheral locations. The taking of possession took place on 21 January 2016 (see Note 25).

SALES

During the year, we sold 6 properties (11) totalling 15,000 sq.m. (29), at an underlying property value of SEK 177 million (99). Of the properties sold, two were located in Västernorrland, three in Jämtland and one in Västerbotten. In addition, we made a partial sale of a property in Gävleborg. In connection with the property swaps in Östersund and Umeå, we will be selling 11 properties with a total of 40,000 sq.m. at a value of SEK 321 million, preferably in peripheral locations. Three of these are located in Umeå and eight in Östersund. These were vacated on 21 January 2016 (see Note 25).

PROPERTY DEVELOPMENT

The majority of our project investments are in the form of new construction, conversions and extensions, along with energy-saving measures. During the year we invested a total of SEK 456 million (386) in 583 projects (501). At year-end 297 projects were in progress (347) with a remaining investment volume of SEK 294 million (310) and a total investment volume of SEK 899 million (870).

EXAMPLES OF DEVELOPMENT PROJECTS

»»» GreenBuilding at Humlan 6, Luleå

Together with our tenants Sweco, NCC and Affirmo, an extensive conversion project as well as energy-saving measures are being carried out at the property Humlan 6 in central Luleå. The property consists mainly of office premises. The project was impelled by the tenants' need for modern recreational areas as well as their environmental requirements. Both the cooling and heating systems have been fitted with functional installations that satisfy the criteria required for Green Building certification. The project is expected to be complete in the first half of 2016.

»»» School and homes at Norrbacka 1, Sundsvall

Adjacent to Norra berget in Sundsvall, we are carrying out a conversion and energy project in order to meet the long-term requirements of Skvadern, a secondary school. The project includes modern ventilation and cooling systems that are being installed in order to reduce operating costs. Vacant premises in the property are being converted into residential units. By converting the property and utilising the existing development rights, we are increasing the property's return while at the same time helping reduce the housing shortage. The project is scheduled for completion in 2017.

»»» Upgrade of Galleria Vintergatan, Skellefteå

In cooperation with two other property owners, we conducted a conversion and extension project at Galleria Vintergatan in Skellefteå. The aim was to enhance the customer experience and to improve both accessibility and security. The project was completed during the year.

**SALES**

Municipality	Number	Property name	Property type	Leasable area, sq.m	Sale price, SEKm	Handover date
Gävle		Part of Söder 38:5 (3D)	Residential property	1,320	18	20/2/2015
Östersund	1	Hästen 4	Residential property	971	4	15/6/2015
Umeå	1	Stadshuset 7	Office/other	1,538	7	19/8/2015
Östersund	1	Lund 1:17 Part of	Land	-	11	9/9/2015
Östersund	1	Lien 2:7, 2:69	Residential property	5,008	123	6/11/2015
Sundsvall	1	Vivsta 3:39	Offices	2,386	12	01/12/2015
Sundsvall	1	Mallberget 1:15	Industrial/warehouse	3,238	2	23/12/2015
TOTAL	6			14,461	177	

ACQUISITIONS

Municipality	Number	Property name	Property type	Leasable area, sq.m	Acquisition price, SEKm	Occupancy
Skellefteå	1	Sirius 16/24/25	Office/hotel	24,629	312	01/12/2015
Skellefteå	1	Sleipner 5	Offices	16,661	218	01/12/2015
Skellefteå	1	Hjorten 5	Offices	9,655	122	01/12/2015
TOTAL	3			50,945	653	

TEN LARGEST ONGOING PROJECTS INITIATED IN 2015

Municipality	Property	Type of premises	Project area, sq.m	Planned investment, SEKm	Remaining investment, SEKm	Estimated ec. occupancy rate after project, %	Increase in rental value ¹ , SEKm	Total rental value, SEKm	Year of completion
Luleå	Humlan 6	Offices	6,040	39.0	13.9	94	3.5	11.5	2016
Östersund	Kommunalmannen 4	Offices	2,438	21.0	11.9	97	1.5	5.5	2016
Umeå	Rind 5	Residential	1,038	19.5	19.0	97	0.5	8.9	2016
Sundsvall	Norrbacka 1	School	7,145	14.4	11.8	86	1.2	1.2	2017
Sundsvall	Hälsan 7	Offices	2,362	14.1	5.9	85	2.5	22.1	2016
Falun	Kansliet 20	School	5,577	13.6	13.3	89	1.4	24.7	2016
Gävle	Norr 31:9	Offices	871	7.8	0.1	91	0.5	29.2	2016
Sundsvall	Lagmannen 9	Offices	1,210	7.8	4.2	92	0.5	5.4	2016
Gävle	Alderholmen 19:2	School	867	7.0	0.0	100	0.8	1.7	2016
Östersund	Frösö 3:7	Offices	1,046	6.5	0.5	88	0.6	39.4	2016
Total			28,594	150.7	80.6		13.0		
Total other 297 projects				748.3	203.6				
TOTAL				899.0	294.3				

¹ Where applicable, reduced operating costs.



PROPERTY VALUATION

Overall, the property portfolio grew in value, increasing to SEK 13,381 million (12,200). The average valuation yield amounted to 6.7 per cent (6.9).

VALUATION MODEL AND METHOD

At each closing date all properties are measured at fair value for that date. Fair value is the price at which a transfer can take place between independent and knowledgeable parties having an interest in carrying out the transaction. Each property is valued individually, for which reason any portfolio effects are not taken into account. The valuation model includes an annual external valuation (by the valuation consultant Savills) of the 100 largest properties in terms of value, of which 25 per cent are valued each quarter. Remaining properties, which are not subject to significant changes, are valued internally without external assistance. Properties which have been subject to significant changes, such as the signing of new leases or termination of leases, or extensive conversion projects or new builds, are valued internally with the assistance of Savills.

The value of the property holding is calculated as the sum of the present value of net operating surplus, 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 six. Historical outcomes for the period 2005-2015 and forecasts for 2016 formed the basis for the forecast operating surplus. The figures are based on 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. In addition, managers and business area managers have supplied specific information for each respective valuation based on continuous property inspections.

CHANGES IN VALUE

The property portfolio had a total value of SEK 13,381 million (12,200). The change in value amounted to SEK 273 million (62), of which SEK 11 million (15) was realised and SEK 262 million (47) was unrealised. The unrealised change in value represents an increase in value of 2.0 per cent (0.4). The Group's positive unrealised change in value is attributable to both lower return requirements and improved cash flows as a result of higher rents charged, primarily as a result of project investments.

UNCERTAINTY RANGE

All property valuations are based on a number of assumptions about the future and the market, which entails a degree of uncertainty. In Savills' assessments, the uncertainty is in the range of +/-7.5 per cent.

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, adjusted for inflation, 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.

SENSITIVITY ANALYSIS PROPERTY VALUE

	Change in property value, %		
	-7.5	0	7.5
Property value, SEKm	12,377	13,381	14,385
Equity ratio, %	21.5	27.4	32.4
Loan-to-value ratio, %	65.6	60.7	56.4

VALUATION ASSUMPTIONS

Value date	31/12/2015	31/12/2014
Analysis period	5 years	5 years
Yield for assessing residual value ¹ , %	6.3-7.7	6.4-8.0
Cost of capital for discounting to present value, %	8.8	9.1
Long-term vacancy, %	5.4	5.7
Inflation, %	2.0	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 2015, SEKm	Market value 31 Dec 2014, SEKm	Change, %	Change, SEKm	Average cost of capital, %	Average yield requirement valuation, %	Of which investments/ acquisitions, SEKm	Of which sales, SEKm	Of which unrealised change in value, SEKm
Dalarna	2,558	2,497	2.4%	61	9.0	6.9	98	-	-37
Gävleborg	1,882	1,760	6.9%	122	9.1	6.8	39	-15	98
Västernorrland	2,290	2,237	2.3%	52	8.8	6.7	77	-9	-16
Jämtland	2,946	2,876	2.4%	70	8.5	6.5	107	-127	90
Västerbotten	2,046	1,334	53.4%	712	8.8	6.7	678	-8	42
Norrbotten	1,659	1,496	10.9%	163	8.6	6.6	78	-	85
TOTAL	13,381	12,200	13.1%	1,180	8.8	6.7	1,077	-159	262



TAX AND TAX LOSSES

We reported current tax in the amount of SEK -163 million and deferred tax of SEK -140 million during the year. Tax losses carried forward amounted to SEK 262 million. At unchanged earning capacity, tax losses carried forward can be utilised for another two years.

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 a tax reassessment from previous years as well as 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. 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, which may be both positive and negative. The change in deferred tax assets and deferred tax liabilities, respectively is recognised 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. 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. Deferred tax liabilities are calculated based on the difference between the properties' fair value and tax bases multiplied by the applicable tax rate.

Acquired temporary differences from acquisitions, in other words the difference between the properties' fair value and tax bases, 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 a group consisting of a dormant limited company was acquired. The aim of the acquisition was to create a basis for the formation of Diös Fastigheter AB. 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. Tax losses carried forward on 31 December 2015 are estimated at SEK 262 million (335). At a tax rate of 22 per cent, deferred tax assets relating to tax loss carry-forwards amounted to SEK 58 million (74), which were netted against deferred tax liabilities. The deferred tax liability amounts to SEK 933 million (809) gross, of which SEK 912 million (784) consists of temporary differences and SEK 21 million (25) consists of other deferred tax liabilities.

The calculation of the temporary differences is based on the properties' fair values less the residual tax value, SEK 4,143 million -(3,565)

multiplied by the 22 per cent tax rate. The deferred tax liability, net, amounted to SEK 875 million (735) at year-end, and is calculated based on deferred tax liabilities minus deferred tax assets.

CURRENT TAX IN 2015

Current tax in 2015 was SEK -163 million (-10). Current tax expense is attributable to tax in subsidiaries which were prevented from offsetting losses against profits through Group contributions during the year. The year's current tax also includes SEK -137 million relating to tax and interest for a deduction relating to a capital loss for the 2006 tax year that were not granted. In 2014, the Administrative Court rejected our claim for a deduction relating to a tax loss that arose in connection with an acquisition of properties in 2005. We felt that the Administrative Court had disregarded a number of important aspects and that the acquisition was carried out in conformity with the tax rules applicable at the time. The ruling was therefore appealed to the Administrative Court of Appeal. The Administrative Court of Appeal rejected our appeal in September 2015, and the Board of Directors then decided not to pursue the matter further. The tax, which had previously been regarded as a contingent obligation, was recognised as a cost in the third quarter, and therefore impacts the financial performance for 2015. For more information, please refer to previous press releases on www.dios.se.

DEFERRED TAX IN 2015

Deferred tax in the income statement amounts to SEK -140 million (-80). The tax is attributable to a decrease in the deferred tax asset, SEK -16 million (-20), an increase in the deferred liability on temporary differences for properties, SEK -128 million (-58), and an increase in other deferred tax liabilities, SEK -4 million (-2).

CREDITS AND COLLATERAL

We continued to strengthen our financial key ratios during the year. Successful refinancing further reduced our interest costs.

FINANCIAL POLICY AND FINANCIAL MANAGEMENT

The financial policy adopted by the Board of Directors controls the company's financing and the handling of financial risks. Since 2014 there has also been a finance committee that monitors developments on the credit market and considers financial matters. The Committee submits proposals to the Board of Directors on an ongoing basis but has no decision-making powers on financial matters. The company's finance department is responsible for ensuring access to liquidity and long-term financing, and for optimising the company's interest and credit risks. The finance department also plays an advisory role with regard to the achievement of set financial targets. The Group's measurable and risk-limited financial targets for 2015 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.

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. An inter-company transaction does not therefore necessarily mean that an identical external loan

transaction is also carried out. Instead, external loans are raised after an assessment of the Group's overall borrowing requirement has been performed. To enable net management of payment flows, a Group-wide account system is used. 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.

CAPITAL STRUCTURE

We operate in a capital-intensive market in which access to capital is a prerequisite. The assets mainly consist of properties, which are funded through equity, debt and other capital. The relative share of these mechanisms depends on stability in the company, property types, risk aversion on the part of both owners and lenders, as well as the owners' required rate 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 more inexpensive but limited. At 31 December 2015, 27.4 per cent of total assets in the balance sheet of SEK 13,505 million was funded through equity, 61.8 per cent through debt and 10.8 per cent through other capital. The resulting loan-to-value ratio is therefore 60.7 per cent, which is below the maximum target figure of 65 per cent. The equity ratio amounts to 27.4 per cent, and is therefore not in line with the long-term goal of 30 per cent, but does exceed the short term goal of 25 per cent.

THE CREDIT MARKET

The credit market for property companies with strong finances remained beneficial amid good access to capital and strong interest from banks to lend. In 2015, the Swedish economy was characterised by low inflation expectations and low market interest rates. On 10 February 2016, the Riksbank decided to cut the repo rate to -0.50. The Riksbank's own main forecast is that the repo rate will be kept at this level through the first half of 2017, with low market interest rates as a result.

INTEREST RATE AND LOAN MATURITY STRUCTURE

According to the finance policy, the average remaining maturity of interest-bearing liabilities must be between two and four years. However, deviations may occur from time to time. A well-balanced average maturity, along with a diversified maturity structure, serves to reduce the refinancing risk. As at 31 December 2015, the Group's interest-bearing liabilities totalled SEK 8,119 million (7,671) with an average annual interest rate of 1.0 per cent (1.7), including loan commitments. The average annual interest rate, including costs related to derivatives and loan commitments, amounted to 2.5 per cent (2.8). During the year, we renegotiated and extended parts of our loan portfolio, leading to reduced interest expenses. This year's interest coverage of 3.4 times (2.5) exceeds the financial target of 1.8 times.

The loans had an average fixed-rate term of 0.3 years (0.2). The average fixed-rate term was 0.8 years (1.4) when the derivative portfolio is included. The average maturity was 2.4 years

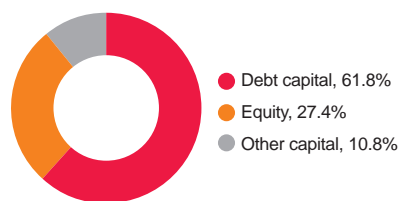
INTEREST RATE AND LOAN MATURITY STRUCTURE

	Interest rate and margin expiration		Loan maturity	
	Loan amount, SEKm	Average annual interest rate ¹ , %	Credit agreements, SEKm	Drawn ² , SEKm
2016	2,985	0.8	1,380	1,380
2017	4,126	1.1	2,918	2,648
2018	1,007	1.3	3,083	3,083
2021	-	-	1,207	1,007
Drawn credit facilities	8,119	1.0	8,589	8,119
Undrawn credit facilities	470	0.0		
Financial instruments	4,200	1.4		
TOTAL		2.5		

¹ Average annual interest rate refers to the average interest rate based on interest rate terms and the outstanding debt at 31 December 2015, with STIBOR-90 as reference rate.

² Of which SEK 500 million is financed through bond loans.

CAPITAL STRUCTURE



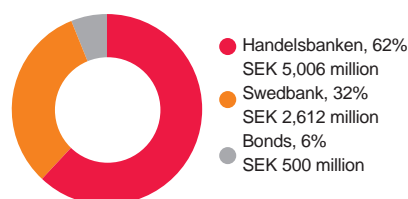
(2.0). Of the Group's total interest-bearing liabilities, SEK 4,200 million (4,200) is hedged through derivatives. The average remaining term is 1.1 years (2.1).

The company's financial instruments limit the impact of a rise in interest rates on the average borrowing rate. If interest rates had been increased by 1 percentage point on 31 December 2015, the company's average interest rate would have risen by 0.4 percentage points and the value of derivatives would have increased by SEK 42 million.

DERIVATIVES

There are derivatives linked to the credit portfolio in order to reduce interest risk. We use 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. During the year the company's derivatives holdings remained unchanged. At year-end, we had three nominal swaps in a total amount of SEK 4,200 million (4,200). Coupled with the company's fixed-rate loans and bonds, the effect of

LENDER



using derivatives is that 57.9 per cent (54.7) of all interest-bearing liabilities have been interest-hedged. As market interest rates change and the remaining maturities decrease, the value of the derivatives changes. During the year, the unrealised change in value of the derivatives was SEK 64 million (-91). The total value of the derivatives at 31 December was SEK -134 million (-198). Upon expiration the value of the derivatives will be zero. All changes in value of derivatives have been recognised in the income statement. Hedge accounting has not been applied.

LENDERS

The credit portfolio is split between bank financing, 94 per cent (100), and bond financing, 6 per cent (0). The bank financing is split between two different lenders, Handelsbanken and Swedbank, with Handelsbanken being the largest, accounting for 62 per cent (66) of the total credit portfolio. Bond financing has been secured through the jointly owned company Nya SFF's MTN programme.

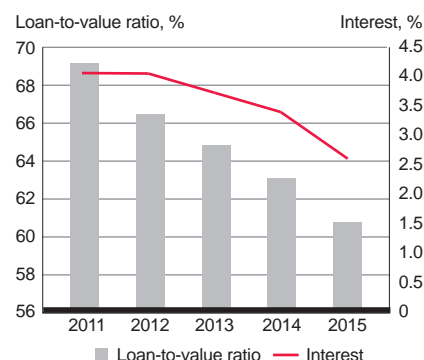
COLLATERAL AND COVENANTS

At 31 December 2015 mortgage deeds on the property portfolio covered a total value of SEK 9,188 million (8,794). 100 per cent (100) of the total credit volume has collateral in the form of mortgage deeds on properties. 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 agreements with lenders contain limits for various financial key ratios, known as covenants, which are designed to limit the counterparty risk for the company's lenders. Financial key ratios with limit values are equity/assets, loan-to-value and interest coverage. The minimum equity ratio is 25 per cent, the loan-to-value ratio must not exceed 67.5 per cent, while the interest coverage ratio needs to be higher than 1.8 times.

SENSITIVITY ANALYSIS AT 31 DECEMBER 2015

					If market rates rise by 1 per cent		
	Fixed-rate term	Maturity	Average annual interest rate	Market value	Change in annual average rate	Change in annual average interest cost	Change in market value
Loan portfolio, excl. derivatives	0.3 years	2.4 years	1.0%	SEK 8,119 m	0.9%	+ SEK 76 m	
Derivative portfolio	1.1 years		1.4%	- SEK 134 m	-1.0%	- SEK 42 m	+ SEK 42 m
Loan portfolio, incl. derivatives	0.8 years	2.4 years	2.5%		0.4%	+ SEK 34 m	+ SEK 42 m

LOAN-TO-VALUE RATIO AND INTEREST



FINANCIAL POLICY

	Target	Outcome
Loan-to-value ratio	Capped at 65%	60.7%
Interest coverage ratio	At least 1.8 times	3.4 times
Currency risk	Not allowed	No exposure
Liquidity risk	Liquidity reserve to meet payment obligations	SEK 693 million in committed undrawn credit facilities
Equity ratio	Short-term at least 25% Long-term at least 30%	27.4%

RISKS AND RISK MANAGEMENT

Our ability to manage risks and opportunities is critical to our success and to our reputation. It is therefore absolutely vital to involve all employees in the dialogue about how to minimise our exposure to potential risks without missing any opportunities. In this section we present our assessment and handling of the risks we currently deem to have the greatest impact on our business.

PROPERTY PORTFOLIO

CHANGE IN VALUE PROPERTY PORTFOLIO

RISK	MANAGEMENT
The value of the property portfolio depends on several factors, both internal and external ones. The internal factors are linked to our ability to refine the portfolio and increase the properties' attractiveness and return. The external factors are linked to the state of the overall economy, which determines supply and demand on the rental market.	In order to reduce the risk of significant fluctuations in value, we have chosen to concentrate our operations in northern Sweden's growth cities and to have a well-diversified property portfolio. We also have a well-balanced lease structure in order to reduce vacancy rates and forfeited rental income.

PROPERTY PORTFOLIO COMPOSITION

RISK	MANAGEMENT
The portfolio composition is affected both by its geographic distribution and by the properties' technical status. In cities with limited future prospects and which offer limited opportunities for long-term tenant relationships, property ownership constitutes what is referred to as an exit risk. An outdated or sub-standard portfolio, or one that is difficult to develop, carries a risk of difficulty filling vacancies.	The property portfolio is currently being concentrated in cities that meet the company's growth criteria. This is being done in order to increase the return and to create synergistic effects. Careful location-specific analysis are performed in order to ensure that the growth criteria are in place and in order to obtain factual decision-making documentation on which to base transactions. Having a diversified property portfolio allows us to spread the risks at the respective locations.

ACQUISITION OF COMPANIES AND REAL ESTATE

RISK	MANAGEMENT
The objective of our acquisitions is to add value in excess of the consideration paid. The planned acquisition strategy cannot always be guaranteed, given that external factors such as raising capital, stock market sentiment and political decisions may make the strategy more difficult to execute.	By following our established acquisition strategy, we reduce the risk of incorrect decisions and surprises. In connection with each acquisition, we conduct extensive property inspections in order to analyse and discover hidden risks and opportunities. We develop our employees' skills and rely on external assistance as required.

INVESTMENTS

RISK	MANAGEMENT
The majority of our investments are in the form of new construction, conversions and extensions, along with energy-saving measures. The purpose is to ensure a higher occupancy rate, and thus improved cash flow. In the event of an investment that does not result in increased cash flow, or in case of an increase in the cost of production, there is a risk of non-recoverable costs. Delays in completion also negatively affect the estimate.	Performing quality assurance on the contractors engaged provides predictability and security during the process. All procurements are carried out in the form of a competitive procedure. Our internal project managers manage and follow up on the investment. Long-term tenant relationships and written agreements prior to commencement of production reduce the risk of non-recoverable costs. Local presence and a good knowledge of our cities and properties let us reduce the risk of incorrect investment decisions.



PROPERTY PORTFOLIO CONTD.

»»» RENTAL INCOME

RISK	MANAGEMENT
Contracted rental income is highly dependent on the ability of tenants to pay. The rental income is affected by both internal and external factors. Deficient internal processes and commitment may result in dissatisfied tenants and increased vacancies. The external factors are linked, among other things, to the economic growth of both the outside world and the particular city, to the production of new premises and homes, and to other competitive factors. However, it is primarily demand that governs the rent level.	In order to reduce the risk of suspension of payments, in certain cases the tenant's obligation is guaranteed by a parent company or through a bank guarantee. Local presence and solid expertise with regard to the respective location create opportunities to build long-term tenant relationships. A relatively large and diversified property portfolio, with a large number of tenants, reduces the risk of significantly lower rental income if a particular industry or city should face economic setbacks. The risk of extensive renegotiations is handled by ensuring an even distribution of lease maturities. All leases include index compensation based on term.

»»» PROPERTY COSTS

RISK	MANAGEMENT
Tariff-based costs that are not governed in leases are a risk. Another risk is posed by unforeseen repair and maintenance costs.	The risk of increased costs is managed by conducting ongoing reviews of the ability to pass on costs and/or perform lease indexation. Increasing the occupancy rate spreads our fixed costs across multiple tenants. Our local presence makes it possible to engage in proactive and cost-effective management. Multiple-year maintenance plans are in place for all properties. The properties are insured based on the identified insurance requirements.

» ENVIRONMENT

RISK	MANAGEMENT
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.	We work actively to reduce our environmental impact and carbon footprint. Energy-saving measures enjoy high priority and are conducted continuously. Extensive analyses are performed to uncover any environmental risks before an acquisition is carried out. For new construction projects and extensions, we comply with Swedish construction standards in our choice of building materials. Currently the company is not aware of any significant environmental claims that could be made on the company.

» FINANCING

RISK	MANAGEMENT
LIQUIDITY AND REFINANCING RISK: -The risk that it will prove difficult or expensive to finance the company's capital requirements.	Our finance policy governs and limits financial risks. We maintain good contacts with banks and capital markets, and forward planning for liquidity and refinancing needs establishes trust between the company and its financiers and the market. We spread our risks by utilising multiple sources of financing, including bank and capital market financing via Nya SFF, and maintain a liquidity reserve in the form of undrawn credit.
INTEREST RATE RISK: The risk that the company's value and/or cash flow will be adversely affected in the event of a change in interest rates.	We have targets and guidelines in place to manage the interest rate risk. By maintaining a diversified maturity structure and securing fixed-rate terms, we reduce the risk that individual changes in interest rates will have a significant effect. We have the ability to manage the interest rate risk using derivatives and fixed-rate loans.
CAPITAL STRUCTURE: The relationship between equity and borrowed capital affects the risk structure, as a higher proportion of borrowed capital is more risky.	By establishing both long-term and short-term targets for the equity ratio, we adapt our operations via a balanced allocation between flexibility and risk profile. Our finance policy determines the minimum equity ratio.
CREDIT RISK: The risk that the counterparty to an agreement will be unable to meet its obligations.	In order to spread credit risk, the financial policy limits with which counterparties, and for what volume, an agreement may be entered into. An up-to-date individual assessment of the counterparty is performed for each contract entered into.

LAWS AND REGULATIONS

TAXES, REGULATIONS AND CONTRIBUTIONS

RISK	MANAGEMENT
Changes in corporation and property tax as well as other government levies, housing benefits and interest subsidies may result in additional costs. Changes in the ownership structure may restrict the ability to take advantage of loss carry-forwards.	In order to comply with relevant legislation and regulations, we consult with external tax experts and legal advisers to round out our internal expertise. The leases contain provisions governing unforeseen costs as a result of decisions taken by Swedish Parliament, a municipality or government agency.

LEGAL RISKS

RISK	MANAGEMENT
Operations are subject to changes in legislation and regulations in many areas. Errors and omissions in documentation and agreements, of both a business and financial nature, are always a risk.	We rely on external expertise in the respective area in cases where our internal expertise is not deemed sufficient. Clear practices and processes are established in order to prevent errors and omissions. Follow-up, policy planning and action plans are established in the event that an undesirable risk exposure is detected.

INTERNAL

EMPLOYEES AND KEY INDIVIDUALS

RISK	MANAGEMENT
The ability to attract, develop and retain appropriate expertise in order to conduct operations efficiently.	Our common corporate culture is based on clear guidelines and core values. Diös Academy has been established for the purpose of staff development and further training. Ongoing ESI (Employee Satisfaction Index) surveys are performed in order to identify potential improvements and areas for development. A profit-sharing foundation has been established for the employees in order to increase loyalty and give them a stake in the company's success. Benefits are also provided to promote physical activity and good health.

ADMINISTRATIVE RISKS

RISK	MANAGEMENT
Inadequate or inappropriate procedures, poor reporting or control, human error and skills deficiencies as well as a poorly defined division of responsibilities represent risks that may prevent business from being conducted effectively.	Procedures and guidelines are established in order to increase predictability and reduce the risk of errors. The dual control principle has been established for the verification and approval of important documents. Having the appropriate expertise in the right place and in the proper configuration lays the groundwork for taking the best decisions. Recurring reviews of responsibilities as well as the structure and organisation are performed.

RISKS IN IT SYSTEMS

RISK	MANAGEMENT
Properly functioning IT systems are needed in order to conduct our day-to-day operations and to meet regulatory and legislative requirements in the form of reporting. There is a risk of information leakage, outages and other interference risks if critical IT systems are improperly handled.	The company only uses standardised IT systems, and purchases services and software from large, stable suppliers with a good reputation. Potential risks are managed by purchasing robust IT systems and through continuous and proactive evaluation of the IT environment and its security, and by employing effective processes to prevent and manage potential threats.

ALLOCATION OF PROFIT AND DIVIDEND

DIVIDEND POLICY

Approximately 50 per cent of the company's profit after tax, excluding unrealised changes in value and deferred tax, shall be distributed in the form of dividends.

PROPOSED ALLOCATION OF PROFIT

The following profits in the parent company are at the disposal of the Annual General Meeting:

Retained earnings	SEK 606,102,711
Profit for the year	SEK -11,458,969
Total	SEK 594,643,742

The Board of Directors proposes that the profits be allocated as follows:

Distributed to ordinary shareholders:	SEK 212,978,032
Carried forward	SEK 381,665,710
Total	SEK 594,643,742

At 31 December 2015 the number of registered shares was 74,729,134. The calculation above is based on the total number of registered shares, and may be changed if the number of shares changes prior to the dividend record date.

PROPOSED DIVIDEND

The Board of Directors proposes that the 2016 Annual General Meeting authorise the payment of a dividend of SEK 2.85 per share. The proposal would mean that 54 per cent of the year's profit after tax, excluding unrealised changes in value and deferred taxes, is paid out to shareholders.

BOARD OF DIRECTORS' STATEMENT ON THE PROPOSED DIVIDEND

Consolidated equity and parent company equity has been calculated in conformity with the IFRSs approved by the EU and the Swedish Financial Reporting Board's recommendation RFR 1 for the Group and RFR 2 for the parent company.

By reference to the aforesaid calculation methods and other disclosures, the Board of Directors considers that the proposed dividend payment 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 ability to meet its short-term and long-term obligations or to make necessary investments. The proposed dividend represents 54 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 restricted equity after the proposed dividend.

The parent 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. This 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 parent 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, 18 March 2016
The Board of Directors of
Diös Fastigheter AB (publ)
CRN 556501-1771



> Glädjen 4,9 and Hälsan 6, Sundsvall.



FINANCIAL STATEMENTS



INCOME STATEMENT GROUP

INCOME STATEMENT, SEKm	Note	2015	2014
Revenue	3	1,315	1,312
Property costs	4	-539	-550
Operating surplus		776	762
Central administration	5.6	-58	-58
Financial income	8	2	1
Financial expenses	9	-212	-284
Property management income		508	421
Change in value of properties	7	273	62
Change in value of derivatives	9, 21	64	-91
Profit before tax		845	392
Current tax	10	-163	-10
Deferred tax	10	-140	-80
PROFIT FOR THE YEAR		542	302
Profit attributable to shareholders of the parent		530	297
Profit attributable to non-controlling interests		12	5
Total		542	302

STATEMENT OF COMPREHENSIVE INCOME, SEKm	2015	2014
Profit for the year	542	302
COMPREHENSIVE INCOME FOR THE YEAR	542	302
Comprehensive income attributable to shareholders of the parent	530	297
Comprehensive income attributable to non-controlling interests	12	5
Total	542	302

DATA PER SHARE	2015	2014
Earnings per share, SEK	7.09	3.97
Average number of shares (thousands)	74,729	74,729
Number of shares at end of period (thousands)	74,729	74,729
Average number of treasury shares, thousands	-	-
Number of treasury shares at end of period, thousands	-	-
Dividend per share, SEK	2.85 ¹	2.85

¹ The Board's proposal.

BALANCE SHEET GROUP

ASSETS, SEKm	Note	2015	2014
Non-current assets			
Property, plant and equipment and intangible assets			
Investment properties	11	13,381	12,200
Intangible assets	12	3	4
Other property, plant and equipment	13	4	7
Total property, plant and equipment and intangible assets		13,388	12,211
Financial assets			
Interests in associates	15	1	1
Other securities held as non-current assets	16	10	6
Promissory notes		2	-
Total financial assets		13	7
Total non-current assets		13,401	12,218
Current assets			
Current receivables			
Trade receivables	18	29	10
Other receivables		54	14
Prepaid expenses and accrued income		21	19
Total current receivables		104	43
Cash on hand and demand deposits		-	79
Total current assets		104	122
TOTAL ASSETS		13,505	12,340

EQUITY AND LIABILITIES, SEKm	Note	2015	2014
Equity¹	19		
Share capital		149	149
Capital contributed		1,820	1,820
Retained earnings		1,689	1,372
Total attributable to shareholders of the parent		3,658	3,341
Holdings without controlling influence	19	36	24
Total equity		3,694	3,365
Non-current liabilities			
Deferred tax liability	17	875	735
Other provisions	20	9	9
Liabilities to credit institutions	21	8,097	7,664
Total non-current liabilities		8,981	8,408
Current liabilities			
Current portion of non-current liabilities		22	7
Overdraft facilities	21	227	-
Trade payables		61	57
Derivatives	21	134	198
Other liabilities		56	1
Accrued expenses and deferred income	22	330	304
Total current liabilities		830	567
TOTAL EQUITY AND LIABILITIES		13,505	12,340

PLEGDED ASSETS AND CONTINGENT LIABILITIES, SEKm	2015	2014
Pledged assets		
For own liabilities		
Shares in subsidiaries	2,751	2,253
Floating charges	239	239
Property mortgages	9,188	8,794
Total pledged assets	12,185	11,286
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.



STATEMENT OF CHANGES IN EQUITY AND CASH FLOW ANALYSIS GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the parent						
SEKm	Number of outstanding shares, thousands	Share capital	Capital contributed	Retained earnings	Proportion of equity held by non-controlling interests	Total equity
EQUITY 31 DECEMBER 2013	74,729	149	1,820	1,247	19	3,235
Profit for the year after tax				297	5	302
Comprehensive income for the year after tax				297	5	302
Cash dividend				-172	-	-172
EQUITY 31 DECEMBER 2014	74,729	149	1,820	1,372	24	3,365
Profit for the year after tax				530	12	542
Comprehensive income for the year after tax				530	12	542
Cash dividend				-213	-	-213
EQUITY 31 DECEMBER 2015	74,729	149	1,820	1,689	36	3,694

CONSOLIDATED CASH FLOW STATEMENT

SEKm	Note	2015	2014
Operating activities			
Property management income	8.9	508	421
Adjustments for non-cash items, etc. ¹		7	-
Tax paid		-126	-10
Operating cash flows before change in working capital		389	411
Changes in working capital			
Decrease (+)/increase (-) in receivables		-61	48
Decrease (-)/increase (+) in liabilities		19	-37
Total change in working capital		-42	11
Operating cash flow		347	422
Investing activities			
Investment in financial assets		-6	-
Proceeds from sale of property, plant and equipment		177	101
Acquisition of intangible assets		-	-1
Purchases of property, plant and equipment		-1,059	-399
Investing cash flow		-888	-299
Financing activities			
Dividend		-213	-172
Change in borrowings		448	7
Change in overdraft facility		227	-
Financing cash flow		462	-165
CASH FLOW FOR THE YEAR		-79	-42
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR²		79	121
CASH AND CASH EQUIVALENTS AT END OF YEAR²		0	79

¹ Non-cash flow items:

Depreciation of property, plant and equipment and amortisation of intangible assets	3	3
Accrued interest and similar items	4	-3
Carrying amount at end of year	7	-

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

INCOME STATEMENT

PARENT COMPANY

INCOME STATEMENT, SEKm	Note	2015	2014
Net sales	3	127	118
Gross profit		127	118
Central administration	5.6	-180	-159
Operating profit		-53	-41
Financial income	8	232	147
Financial expenses	9	-190	-115
Current tax	10	-	-
PROFIT FOR THE YEAR AFTER TAX		-11	-9

STATEMENT OF COMPREHENSIVE INCOME	2015	2014
Profit after tax	-11	-9
COMPREHENSIVE INCOME FOR THE YEAR	-11	-9

DATA PER SHARE	2015	2014
Earnings per share, SEK	-0.15	-0.12
Average number of shares (thousands)	74,729	74,729
Number of shares at end of period (thousands)	74,729	74,729
Average number of treasury shares, thousands	-	-
Number of treasury shares at end of period, thousands	-	-
Dividend per share, SEK	2.85 ¹	2.85

¹ The Board's proposal.



BALANCE SHEET

PARENT COMPANY

ASSETS, SEKM	Note	2015	2014
Non-current assets			
Property, plant and equipment and intangible assets			
Projects in progress		-	1
Intangible assets	12	3	4
Other property, plant and equipment	13	2	2
Total property, plant and equipment and intangible assets		5	7
Financial assets			
Interests in Group companies	14	171	171
Receivables from Group companies		7,674	7,390
Total financial assets		7,845	7,561
Total non-current assets		7,850	7,568
Current assets			
Current receivables			
Receivables from Group companies		767	186
Other receivables		2	3
Prepaid expenses and accrued income		8	10
Total current receivables		777	199
Cash on hand and demand deposits		-	145
Total current assets		777	344
TOTAL ASSETS		8,627	7,912

EQUITY AND LIABILITIES, SEKm	Note	2015	2014
Equity¹			
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		-886	-664
Profit for the year		-11	-9
Total unrestricted shareholders' equity		595	819
Total equity		1,029	1,253
Non-current liabilities			
Liabilities to Group companies		3,331	2,947
Liabilities to credit institutions	21	2,701	3,311
Total non-current liabilities		6,032	6,258
Current liabilities			
Current portion of non-current liabilities		7	7
Liabilities to Group companies		1,439	365
Overdraft facilities		85	-
Trade payables		2	1
Other liabilities		9	9
Accrued expenses and deferred income	22	24	19
Total current liabilities		1,566	401
TOTAL EQUITY AND LIABILITIES		8,627	7,912

PLEDGED ASSETS AND CONTINGENT LIABILITIES, SEKM	-2015	-2014
Pledged assets		
For own liabilities		
Shares in subsidiaries	84	84
Non-current receivables in Group companies	4,326	2,593
Total pledged assets	4,410	2,677
Contingent liabilities		
Guarantees to Group companies	865	704
Other contingent liabilities	1	1
Total contingent liabilities	866	705

¹ Changes in equity, see page 50.

STATEMENT OF CHANGES IN EQUITY AND CASH FLOW STATEMENT PARENT COMPANY

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 2013	74,729	149	285	1,492	-492	1,434
Profit for the year after tax					-9	-9
Comprehensive income for the year after tax					-9	-9
Cash dividend					-172	-172
EQUITY 31 DECEMBER 2014	74,729	149	285	1,492	-673	1,253
Profit for the year after tax					-11	-11
Comprehensive income for the year after tax					-11	-11
Cash dividend					-213	-213
EQUITY 31 DECEMBER 2015	74,729	149	285	1,492	-897	1,029

PARENT COMPANY CASH FLOW STATEMENT

SEKm	2015	2014
Operating activities		
Operating profit	-53	-41
Reversal of depreciation of tangible and intangible property, plant and equipment	1	1
Interest received	232	147
Interest paid	-189	-116
Operating cash flows before change in working capital	-9	-9
Changes in working capital		
Decrease (+)/increase (-) in receivables	-581	-1
Decrease (-)/increase (+) in liabilities	1,082	296
Total change in working capital	501	295
Operating cash flow	492	286
Investing activities		
Change in long-term receivables	-284	-4,048
Acquisition of intangible assets	-	-1
Purchases of property, plant and equipment	-	-2
Investing cash flow	-284	-4,051
Financing activities		
Dividend	-213	-172
Change in borrowings	-225	4,072
Change in overdraft facility	85	-
Financing cash flow	-353	3,900
CASH FLOW FOR THE YEAR	-145	135
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR¹	145	10
CASH AND CASH EQUIVALENTS AT END OF YEAR¹	0	145

¹ 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 at www.dios.se on 5 April 2016. The consolidated and parent company income statements and balance sheets will be presented for approval at the Annual General Meeting on 26 April 2016. Diös Fastigheter AB (publ) (CRN 556501-1771) is a Swedish-registered public limited company with its headquarters in Östersund. The company offers commercial and residential properties near the centre of towns in northern Sweden with considerable variation in terms of property type and floor space. The head office's mailing address is Box 188, 831 22 Östersund. Beginning on 8 February 2016, the visiting address is Fritzhemsgatan 1A in Östersund.

OPERATIONS

The operations side of the business is conducted in the context of the Group's six geographically designed business areas: Dalarna, Gävleborg, Västernorrland, Jämtland, Västerbotten and Norrbotten. Each business area comprises an administrative district. Central administration, which includes general administration and group-wide activities, is managed from the head office in Östersund.

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 carried 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 2015 Group

As of the financial year 2015 the Group has applied a number of new standards and interpretations. These new or changed standards and interpretations had no significant impact on the Group's 2015 financial reports.

Parent company

The changes in RFR 2 which apply as of the financial year 2015 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, Group 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 if other factors exist. Estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period in which the change is made. This is done 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, the CEO, who is also the Group CEO. The Group's management and financial structure is grouped into six segments. Group operations are organised by business area according to a geographic breakdown. Internal reporting systems are designed in order to facilitate follow-up of the returns generated by the respective business area. A geographic breakdown constitutes the primary basis of division. The company's operations are also monitored based on 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 Group's financial reports include both the parent company and the subsidiaries that the parent company has a controlling influence over. A controlling interest exists which the parent company has influence over a company, is exposed to, or has the right to, a variable return on its holding in the company as well as the opportunity to exercise its influence over the company 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 the company. 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 2015. 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 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 company. 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 profit for the period.

ASSET PURCHASES VERSUS BUSINESS COMBINATIONS

Acquisitions may be classified either as business combinations or asset purchases. Acquisitions whose primary purpose is to acquire the company's property and in which the company's management organisation and administration, if any, is of secondary importance to the acquisition, are classified as asset purchases. Other acquisitions are classified as business combinations. In the case of asset purchases, no deferred tax attributable to the property acquisition is recognised. Instead, any discount reduces the property's cost basis. This means that changes in value will be affected by the tax discount upon subsequent valuation.

JOINT ARRANGEMENTS

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement is classified as either a joint venture or a joint operation. Diös has assessed its joint arrangements and determined that its interest in Nya Svensk Fastighetsfinansiering AB constitutes a joint operation. The interest was acquired in the fourth quarter of 2014 and the company had no operations in the 2014 financial year. The interest was recognised at cost at 31 December 2014, as accounting for the interest in accordance with the principles for joint operations had no material impact on the Group.

NOTES

CONT. NOTE 1 ►► ACCOUNTING PRINCIPLES

In respect of its interest in a joint operation Diös recognises its assets and liabilities (including its share of all joint assets and liabilities) as well as its revenue and expenses (including its share of all joint revenue and expenses). The Group's other joint arrangements constitute joint ventures and are accounted for in accordance with the equity method. Under the equity method, interests in joint ventures are recognised at cost in the balance sheet after adjusting for the Group's share of the profit or loss of joint ventures after the acquisition date. Dividends received reduce the carrying amount of the interest.

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, the Group's 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, IT, marketing activities, IR, 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 to which they relate. 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 when 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. This is so because cancellation does not have an impact on Group earnings. 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 the Group 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. These are categorised as "Loans and receivables", and 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. This is the case 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. 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, the property portfolio consists solely of investment properties. These 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. Fair values are based on market values. The market values are the estimated sale prices of the properties as agreed upon between a willing and well-informed buyer and seller independent of each other with an interest in carrying out the transaction. 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 if 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.

The following percentages are applied:

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



CONT. NOTE 1 >>> ACCOUNTING PRINCIPLES

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. The Group only operates defined contribution pension schemes. Legal or constructive liability is thus limited to the amount that the company is contractually required to contribute to the scheme. The amount of retirement benefits provided to an employee will depend on the contributions that the Group 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.

Only a small number of people have defined benefit ITP plans, with continuous payments made to Alecta. These are recognised as a defined contribution plan as a result of Alecta not supplying the information required, thus leading to a deficit of the information required in order to recognise the plan as a defined benefit plan. However, there is nothing to indicate any significant commitments in excess of the amount paid to Alecta. 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 and an expense. They are only recognised as an expense when the Group is demonstrably obliged 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 a company if the party directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with the company. A party is related to a company if the party has an interest in the company that gives it significant influence or joint control over the company. This includes parent companies, subsidiaries and affiliated companies.

A party is also related to a company if the party is an associate of the company, a joint venture in which the entity is a venturer. The designation also includes key individuals in a senior position in the company or its parent, close members of the family of any individual defined as a related party, a company that is controlled, jointly controlled or significantly influenced by key individuals in a senior position in the company 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 a company so as to obtain financial benefits. 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 a company without controlling interest over those policies. Significant influence may be gained by share ownership, statute or agreement. Key individuals in senior positions are those persons with the powers 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 parent 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. The parent company and Group calculate deferred tax according to the balance sheet method. This means that 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. Current deferred tax assets and liabilities are offset where they are attributable to income tax charged by the same tax authority and where the Group intends to settle the tax with a net amount.

CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. This 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 cash flows for investing or financing activities.

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 2016 financial year. These have not been applied when preparing the 2015 consolidated financial statements.

Group

Group 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.

IFRS 15 involves a model for revenue recognition for almost all income generated through agreements with customers, with the exception of leases, financial instruments and insurance agreements. IFRS 15 may affect the Group's other income in addition to the rental income but the assessment is that any effect will not be significant. The basic principle for revenue recognition according to IFRS 15 is that a company should recognise income in the way that reflects the transfer of the promised goods or service to the customer for the amount that the company expects to receive in exchange for the goods or service. Income is recognised when the customer takes control of the goods or service. IFRS 15 is applicable to financial years beginning on or after 1 January 2018; earlier application is permitted. The standard has not yet been adopted by the EU.

IFRS 16 Leases was released on 13 January 2016 and will replace IAS 17 Leases. IFRS 16 introduces a right of use model and for the lessee this means that virtually all leases should be recognised in the balance sheet. The introduction of IFRS 16 means few real differences for the lessor compared to IAS 17. The standard contains more extensive disclosure requirements than the current standard. IFRS 16 is applicable to financial years beginning on or after 1 January 2019; earlier application is permitted as long as IFRS 15 is applied simultaneously. The standard has not yet been adopted by the EU.

Group management has not yet conducted a thorough analysis of the implications of adopting IFRS 9, IFRS 15 and IFRS 16 and is therefore as yet unable to quantify the effects.

Parent company

The changes to RFR 2 Accounting for Legal Entities that will take effect from 1 January 2016 are not considered to have any significant effect on the parent company's financial statements.

NOTE 2 >>> SEGMENT REPORTING 2015

By business area, SEKm	Dalarna	Gävleborg	Västernorrland	Jämtland	Västerbotten	Norrbottn	Diös Group
Rental income	261	190	246	293	152	152	1,295
Other revenue	4	4	6	2	1	4	20
Repair and maintenance	-15	-10	-16	-18	-10	-7	-76
Tariff-based costs	-37	-25	-38	-50	-22	-15	-187
Property tax	-12	-10	-13	-14	-7	-8	-64
Other property costs	-29	-21	-32	-33	-17	-17	-149
Property management	-11	-8	-14	-14	-7	-10	-63
Operating surplus	161	120	139	166	90	100	776
Undistributed items							
Central administration	-	-	-	-	-	-	-58
Net financial items	-	-	-	-	-	-	-210
Property management income	-	-	-	-	-	-	508
Changes in value							
Property, realised	-	2	4	5	-1	-	11
Property, unrealised	-37	98	-16	90	42	85	262
Interest rate derivatives	-	-	-	-	-	-	64
Profit before tax	-	-	-	-	-	-	845
Current tax	-	-	-	-	-	-	-163
Deferred tax	-	-	-	-	-	-	-140
Non-controlling interests	-	-	-	-	-	-	-12
PROFIT FOR THE YEAR ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	-	-	-	-	-	-	530
Leasable area, sq.m	266,682	250,733	273,563	325,046	226,438	120,075	1,462,537
Construction, extension, conversion investments, SEKm	98	39	77	107	56	78	456
Carrying amount of investment properties, SEKm	2,558	1,883	2,290	2,946	2,046	1,659	13,381
Rental value, SEKm	292	216	289	334	169	167	1,466
Economic occupancy rate, %	89.5	88.1	85.3	87.7	89.7	91.2	88.3
Surplus ratio, %	61.5	63.3	56.4	56.7	59.3	65.3	59.9


CONT.NOTE 2 >>> SEGMENT REPORTING 2014

By business area, SEKm	Dalarna	Gävleborg	Västernorrland	Jämtland	Västerbotten	Norrbottn	Diös Group
Rental income	255	193	261	292	145	145	1,291
Other revenue	4	3	4	5	1	4	21
Repair 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	-63
Other property costs	-27	-21	-31	-31	-15	-15	-140
Property management	-10	-8	-14	-15	-7	-10	-64
Operating surplus	154	120	151	159	85	93	762
Undistributed items							
Central administration	-	-	-	-	-	-	-58
Net financial items	-	-	-	-	-	-	-283
Property management income	-	-	-	-	-	-	421
Changes in value							
Property, realised	-	1	6	8	-	-	15
Property, unrealised	-25	40	5	-3	-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 THE YEAR ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	-	-	-	-	-	-	297
Leasable area, sq.m							
Leasable area, sq.m	266,682	252,053	279,187	327,491	177,031	120,075	1,422,519
Construction, extension, conversion investments, SEKm	86	32	54	138	39	37	386
Carrying amount of investment properties, 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
Economic occupancy rate, %	90.2	89.1	88.4	87.7	89.8	91.4	89.2
Surplus ratio, %	60.5	62.0	57.7	54.7	58.3	64.3	59.0

NOTE 3 >>> REVENUE

SEKm	2015	2014
GROUP		
Rental income	1,295	1,291
Other revenue	20	21
TOTAL	1,315	1,312

The total rental income for the Group was SEK 1,295 million (1,291), or SEK 885/sq.m (908).

Other revenue was SEK 20 million (21). SEK 9 million (9) of this relates to costs that have been charged to tenants for work carried out in leased premises.

SEKm	2015	2014
PARENT COMPANY		
Inter-company revenue	127	118
Other revenue	-	-
TOTAL	127	118

Inter-company revenue in the parent company relates to invoiced administration and management fees.

Contract maturity structure of the property portfolio is shown in the table below. Contracted rental income refers to annual value.

Lease maturities at 31 December 2015

	Maturity year	Signed contracts	Rented area, sq.m	Contracted rental income, SEK million	Share of value, %
Leases for premises	2016	798	185,635	196	14
	2017	730	214,433	237	17
	2018	610	246,429	271	19
	2019	349	180,502	193	15
	2020+	190	230,284	265	19
Total leases for premises		2,677	1,057,283	1,162	84
Residential leases		2,136	156,266	151	12
Other leases		3,653	-	48	4
TOTAL		8,466	1,213,549	1,361	100

NOTE 4 >>> PROPERTY COSTS

SEKm	2015	2014
GROUP		
Operating costs	-336	-333
Repair and maintenance costs	-76	-90
Property tax	-64	-64
Property management	-63	-63
TOTAL	-539	-550

Property costs were SEK 539 million (550) or SEK 379/sq.m (384). The costs comprise direct costs for operation, maintenance, property taxes, etc. and indirect costs in the form of leasing and property management. The reduction in costs is mainly attributable to lower tariff-based costs, reduced cost for repair work and the effects of energy efficiencies.

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 336 million (333) or SEK 236/sq.m (232). SEK 9 million (9) of the operating costs is for the work carried out in leased premises which is charged to tenants. This corresponds to SEK 6/sq.m (6).

Repair and maintenance costs comprise periodic and ongoing measures necessary to maintain the standards of the properties and their technical systems. Costs in 2015 amounted to SEK 76 million (90) or SEK 53/sq.m (63).

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 2015 was 1 per cent (1) of the taxable value for office/retail space and 0.5 per cent (0.5) for warehouse/industrial space. Property tax for residential properties is calculated at SEK 1,243/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 (45).

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 2015 were SEK 63 million (63) or SEK 44/sq.m (44). SEK 24.6 million (23.4) of this sum relates to employee benefits.

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

Average number of employees	2015	2014
	of whom men	of whom men
Parent company	165 62%	157 63%
GROUP TOTAL	165 62%	157 65%

At year-end 2015, 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 4 (5), of whom 1 were women (2).

Salaries, other remuneration and social security contributions

	2015	2014
SEK '000	Salaries and benefits	Social security contributions
Parent company	75,994	23,897
(of which pension costs) ¹	8,216	1,957
GROUP TOTAL	75,994	23,897
(of which pension costs) ²	8,216	1,957

¹ SEK 775,000 (846,000) of the parent company's pension costs relate to the CEO.

² SEK 775,000 (846,000) of the Group's pension costs relate 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 annual performance. The Board of Directors decided on a provision of SEK 2,141,000 for 2015.

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

	2015	2014
SEK '000	Board and CEO	Other employees
Parent company	3,776	72,218
(of which bonuses etc.)	-	-
GROUP TOTAL	3,776	72,218
(of which bonuses etc.)	-	-



NOTE 5 CONT. >>>

Remuneration and other benefits during the year

SEK '000	Base salary/ Board fees	Other benefits	Pension expense	Other remuneration	Total
Chairman of the Board	185	-	-	-	185
Other Board members	540	-	-	-	540
Chief Executive Officer	1,991	285	775	-	3,051
Other senior executives	4,104	341	1,275	-	5,720
TOTAL	6,820	626	2,050	-	9,496

Remuneration paid to the Board of Directors is decided at the Annual General Meeting. At the 2015 Annual General Meeting it was decided that the Board fees would total SEK 725,000. The other Board members have received SEK 135,000 each. No other remuneration or benefits have been paid to the Board of Directors.

Management refers to the CEO and other members of the management team. Other senior executives comprised four people up until October 2015, and then three people. 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. For 2015, variable remuneration to Group management amounted to SEK 144,000 (0). There is no share-based remuneration. Variable remuneration is capped at one month's salary. For 2015, the company's CEO has received variable remuneration of SEK 0 (90,000). 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 four 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 and the mutual notice period is three to six months between the company and the employee.

NOTE 6 >>> CENTRAL ADMINISTRATION

Central administration includes costs for Group-wide functions such as senior management, IT, annual reports, auditors' fees, legal advice and so on. This item includes reversals of previous provisions for staff-related costs that were made in connection with the acquisition of Norrvägen. Central administration costs were SEK 58 million (58) or SEK 40/sq.m (41). Of these costs, SEK 31 million (30) relate to employee benefits and SEK 3 million (3) relate to the depreciation/amortisation of intangible and tangible fixed assets. Other items of SEK 24 million (25) relate to costs for e.g. IT and consulting fees.

Auditors' fees and remuneration

SEK '000	GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Deloitte				
Audit services	1,658	1,680	1,658	1,680
Audit activities other than the audit engagement	19	82	19	82
Fiscal advice	398	844	398	844
Other services	170	107	170	107
TOTAL	2,245	2,713	2,245	2,713

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, all costs relating to auditing and audit-related assignments are recognised in the parent company and then allocated among the subsidiaries through management fees.

NOTE 7 >>> CHANGES IN VALUE ON PROPERTIES

SEKm	2015	2014
GROUP		
Realised changes in value	11	15
Unrealised changes in value	262	47
TOTAL	273	62

During 2015, 6 property sales (11) and 1 partial sale were made. The selling price for these exceeded the latest valuation by SEK 11 million (15), resulting in a realised change in value. During the year, 3 properties (1) were acquired. A valuation of all properties was carried out at year-end in line with annual business plans and based on a five-year cash flow model with a valuation of future earnings capacity and required rate of return for each individual property. See Note 11. The valuation model means that the 100 largest properties in terms of value are valued externally during 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 262 million (47) on the properties' market values.

NOTE 8 >>> FINANCIAL INCOME

SEKm	2015	2014
GROUP		
Interest income, other	2	1
TOTAL	2	1
PARENT COMPANY		
Interest income, Group companies	232	147
TOTAL	232	147

All interest income refers to financial instruments that are not classified as fair value through the income statement. Interest received for the Group amounts to SEK 2 million (1).

NOTE 9 >>> FINANCIAL COSTS

SEKm	2015	2014
GROUP		
Interest expense	-202	-262
Other financial expense	-10	-22
TOTAL	-212	-284
PARENT COMPANY		
Interest expense, Group companies	-77	-22
Interest expense	-106	-85
Other financial expense	-7	-8
TOTAL	-190	-115

All interest expense refers to financial instruments that are not classified as fair value through the income statement. Interest paid for the Group is SEK -199 million (-262).

NOTE 9 CONT. >>>

INTEREST EXPENSE FOR 2015 INCLUDING WEIGHTED AVERAGE INTEREST RATE

In 2015, average interest-bearing liabilities amounted to SEK 7,895 million (7,667). The actual interest expense, including expenses related to undrawn credit facilities and the performance of financial instruments, amounted to SEK 203 million (262), which represents an average annual interest rate of 2.6 per cent (3.4). During the year, unrealised changes in value on held derivatives totalled SEK 64 million (-91), which have been fully recognised in the income statement.

GROUP, SEK million	Amount	Annual expense	Weighted average interest rate
Interest-bearing liability	7,895	98	1.2
Undrawn credit facilities ¹	350	2	0.0
Cost of financial instruments	4,200	104	1.3
Total		203	2.6

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

The rate of income tax for Swedish limited companies is 22 per cent. Tax is reported in the income statement as current tax and deferred tax. Current tax is based on the taxable profit (loss) for the year, which is lower than the recognised profit. This is largely due to the opportunity to utilise tax depreciation on properties, tax deductions for certain conversions carried out on properties which have been capitalised for accounting purposes, tax-free sales of properties and existing tax loss carryforwards.

Deferred tax is a provision for the tax that will be paid on a direct sale of the properties, when a reversal of tax depreciation and deducted investments is carried out.

Swedish accounting legislation does not allow properties to be recognised at fair value in the legal entity, meaning that changes in the value of properties only take place at Group level and thus do not affect taxation. As shown in the table below, the taxable profit for 2015 is low, which is due to Diös being able to advantage of the above mentioned tax depreciation and tax-deductible investments at the same time as completed sales mainly occurred in the form of tax-free share transfers. Paid tax arises when a number of subsidiaries do not have the option of taxable group contributions.

	2015	2015	2014	2014
GROUP, SEK million	Current tax basis	Deferred tax basis	Current tax basis	Deferred tax basis
Property management income	508		421	
Conversion projects	-90	90	-78	78
Tax-deductible depreciation	-177	177	-178	178
Other tax adjustments	48	50	-52	0
Taxable property management income	289	317	113	256
Sale of properties	19	-14	20	-27
Change in value of properties	0	262	0	47
Taxable profit before tax loss carryforwards	308	565	133	276
Opening balance, tax loss carryforwards	-335	335	-424	424
Closing balance, tax loss carryforwards	262	-262	335	-335
Taxable profit	235	638	44	365
Changed tax relating to tax case	421	-	-	-
Taxable profit including tax case	656	638	44	365
Tax for the year as per income statement	-163	-140	-10	-80

Current tax includes a recognised tax expense of SEK 137 million relating to a tax case, of which SEK 117 million refers to tax and SEK 20 million to interest.

Loss carryforwards comprise the previous year's tax losses. The losses, which are not limited in time, roll onto the next year and are utilised by being offset against future taxable gains. The remaining tax loss carryforwards are calculated to be SEK 262 million.

	GROUP		PARENT COMPANY	
SEK million	2015	2014	2015	2014
Current tax	-163	-10	-	-
Deferred tax	-140	-80	-	-
Total tax	-303	-90	-	-
Pre-tax profit for the year	845	392	-11	-9
Tax at the applicable rate of 22%	-186	-86	2	2
Tax effect of adjustments:				
Taxation relating to tax case	-137	-		
- adjustment loss carryforward, temporary differences and other items	20	-4	-2	-2
TAX ON PROFIT FOR THE YEAR	-303	-90	-	-

NOTE 11 >>> INVESTMENT PROPERTIES

GROUP, SEK million	2015	2014
Opening carrying amount	12,200	11,823
Acquisitions	622	25
Investment in existing properties	456	386
Sales	-159	-80
Change in value	262	47
CLOSING CARRYING AMOUNT	13,381	12,200

The closing carrying amount is consistent with the value according to the property valuation as at 31 December 2015.

Investments totalling SEK 456 million (386) have been made in new construction, extensions and conversions. During the year, 3 properties (1) were acquired, while 6 properties (11) have been sold and one property was partially sold.

Major investments in progress

PROPERTY	Investment, SEK million	Uninvested, SEK million	Time of completion
Gullvivan 18	28.2	3.3	Q4, 2017
G:a Bergsskolan 15	42.2	40.4	Q2, 2016
Verdandi 9	6.9	1.8	Q3, 2016
Kansliet 20	61.7	19.1	Q2, 2016
Norr 31:9	5.9	3.8	Q3, 2015
Totten 1:68	SEK 26.4	SEK 18.3	Q4, 2016
Kommunalmannen 4	21.0	11.9	Q1, 2016
Postiljonen 6	4.8	3.6	Q2, 2016
Humlan 6	39.0	13.9	Q1, 2016
Abborren 11	6.5	2.0	Q1, 2016
Rind 5	25.6	20.5	Q2, 2016
Glädjen 4	8.9	6.1	Q2, 2016
Lyckan 6	10.5	5.3	Q2, 2016
Hälsan 7	7.2	6.2	Q2, 2016
Norrbacka 1	14.4	11.6	Q2, 2017
Lagmannen 9	7.8	4.2	Q2, 2016
Stranden 20:4	6.9	6.9	Q2, 2016
Hälsan 7	14.1	5.9	Q2, 2016

NOTE 11 CONT. ►► INVESTMENT PROPERTIES

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. 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. These 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.

The investment properties are recognised 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 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.

Valuation assumptions	2015	2014
Analysis period	5 years	5 years
Yield for assessing residual value ¹ , %	6.3–7.7	6.4–8.0
Cost of capital for discounting to present value, %	8.8	9.1
Long-term vacancy, %	5.4	5.7
Inflation, %	2.0	2.0

¹ From lower to upper quartiles in the portfolio.

According to Savills, demand for property investments remained strong in 2015. The total transaction volume amounted to SEK 152 billion (160). 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. The length, size and number of contracts are taken into account.

The average required rate of return on comparable holdings has been lowered by 0.26 percentage points (-0.10). 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.

	2015		2014	
Required rate of return	Weighted yield, %	Weighted cost of capital, %	Weighted yield, %	Weighted cost of capital, %
Dalarna	6.85	8.95	7.07	9.17
Gävleborg	6.84	9.08	7.25	9.38
Västernorrland	6.69	8.80	6.99	9.10
Jämtland	6.45	8.54	6.62	8.80
Västerbotten	6.65	8.76	6.97	9.07
Norrbottn	6.55	8.62	6.84	8.88
Total	6.67	8.80	6.93	9.05

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 2015. The valuation model means that all of the 100 largest properties in terms of value are valued externally during 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 13,381 million (12,200) and resulted in unrealised changes in value of SEK 262 million (47) on the market values of the properties, an increase of 2 per cent (0.4). The table below presents the breakdown of fair value by property category and market area.

Property value, SEK million 31/12/2015	Offices	Retail	Residential	Industrial/warehouse	Other	Total
Dalarna	1,543	544	215	82	173	2,558
Gävleborg	693	590	123	360	117	1,883
Västernorrland	1,107	749	256	113	66	2,290
Jämtland	753	891	719	113	469	2,946
Västerbotten	1,188	395	255	120	89	2,046
Norrbottn	974	542	100	42	-	1,659
TOTAL	6,258	3,711	1,668	830	914	13,381

Property value, SEK million 31/12/2014	Offices	Retail	Residential	Industrial/warehouse	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% to 10% and should be seen as a measure of the uncertainty in the assumptions and calculations. Savills has estimated the current uncertainty range at ± 7.5 per cent. This results in a value range of SEK 12,377–14,385 million.

	2015		2014
Sensitivity analysis property valuations	Change	Change in fair value, SEK million	Change in fair value, SEK million
Rental income	± SEK 50/sq.m	+984/-985	± 960
Operating costs	± SEK 25/sq.m	+493/-492	± 480
Yield	± 0.5 percentage points	+787/-678	+706/-611
Cost of capital	± 0.5 percentage points	+265/-259	+248/-242
Vacancy rate	± 1.0 percentage points	+/- 156	± 148

NOTE 12 ►► INTANGIBLE ASSETS

SEKm	GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Opening cost	4	4	4	4
Closing cost	4	4	4	4
Opening depreciation	-	-	-	-
Depreciation for the year	-1	-	-1	-
Closing accumulated depreciation	-1	-	-1	-
CLOSING PLANNED RESIDUAL VALUE	3	4	3	4

NOTE 13 ►► OTHER PROPERTY, PLANT AND EQUIPMENT

SEKm	GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Opening cost	43	41	7	5
Acquisition for the year	-	2	-	2
Closing cost	43	43	7	7
Opening depreciation	-36	-34	-5	-4
Depreciation for the year	-3	-2	-	-1
Closing accumulated depreciation	-39	-36	-5	-5
CLOSING PLANNED RESIDUAL VALUE	4	7	2	2

NOTE 14 ►► INTERESTS IN GROUP COMPANIES

SEKm	2015	2014
PARENT COMPANY		
Accumulated cost	171	171
Impairment	-	-
Purchases	0	0
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 policies in Note 1.

Subsidiaries				
Name	CRN	Reg. office	Share of equity in %	Carrying amount, SEKm
Diös Fastigheter I AB	556544-4998	Östersund	100	16
Diös Fastigheter II AB	556610-9111	Östersund	100	13
Diös Fastigheter V AB	556571-9969	Östersund	100	0
Diös Fastigheter VI AB	556561-0861	Östersund	100	3
Diös Fastigheter VII AB	556589-8433	Östersund	100	11
Åre Centrum AB	556624-4678	Åre	72	88
Fastighets AB Uppum	556711-2619	Östersund	100	40
Diös Obligation Holding AB	556912-4471	Östersund	100	0
Diös Åre AB	559000-9279	Östersund	100	0
Diös Projektering AB	559015-7649	Östersund	100	0
TOTAL CARRYING AMOUNT				171

Subsidiaries with non-controlling interests

The Group has a small number of non-wholly owned subsidiaries, of which one is deemed to have a significant non-controlling interest representing 28.2 per cent of the shares and votes of the company. The profit attributable to the non-controlling interest was SEK 12 million (5) for the financial year. The accumulated non-controlling interest in Åre Centrum AB as at 31 December 2015 was SEK 36 million (24). Condensed financial information for Åre Centrum AB (the Group) is presented below.

SEKm	2015	2014
Condensed income statement		
Net sales	39	44
Operating profit	46	6
Profit for the period	39	-6
Comprehensive income for the period	39	-6

SEKm	2015	2014
Condensed balance sheet		
Non-current assets	345	438
Current assets	14	23
TOTAL ASSETS	359	461
Non-current liabilities	222	348
Current liabilities	18	33
TOTAL LIABILITIES	240	381
Equity attributable to parent company shareholders	83	56
Non-controlling interest	36	24

NOTE 15 ►► INTERESTS IN ASSOCIATES

SEKm	GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Opening cost	1	-	-	-
Acquisitions	-	1	-	-
Sales	-	-	-	-
Closing cost	1	1	-	-
Carrying amount	1	1	-	-

Name/CRN	Reg. office	Share of equity in %	Carrying amount
Fastighetsaktiebolaget Norkom, 556483-5337 ¹	Härjedalen	50.0	0.5
Kabin Väst Holding AB, 559004-6313 ²	Östersund	50.0	0.5
TOTAL			1

¹ Diös Fastigheter's interest in Fastighetsaktiebolaget Norkom is owned indirectly through Diös Norrland AB.

² Diös Fastigheter's interest in Kabin Väst Holding AB is owned indirectly through Diös Åre AB.

Joint operations

The Group has significant joint operations. Diös conducts financial activities in an associate. The activities 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, a newly-created finance company with a hedged MTN programme of about SEK 8 billion, was launched in January 2015. The company is jointly owned by Catena AB, Diös Fastigheter AB, Fabège AB, Platzer Fastigheter Holding AB and Wihlborgs Fastigheter AB, all of which own 20 per cent. The intention is to broaden the companies' funding base. Diös' interest in Nya Svensk FastighetsFinansiering AB is owned indirectly through Diös Obligation AB.

In the second quarter of 2015, a SEK 500 million bond was issued through Nya Svensk FastighetsFinansiering AB offering a fixed annual interest rate of 0.44 per cent and maturing in March 2017.

Nya Svensk FastighetsFinansiering AB was dormant during 2014 so this was recognised as an interest in an associate. In 2015 this interest is recognised as a joint operation, see Note 1.



NOTE 15 CONT. >>> INTERESTS IN ASSOCIATES

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

SEKm	2015	2014
Group		
Income statement		
Rental income	2	2
Operating surplus	2	2
Profit for the year	1	1
Balance sheet		
Non-current assets	10	10
Current assets	3	7
TOTAL ASSETS	13	17
Equity	5	9
Non-current liabilities	6	6
Other liabilities	2	2
TOTAL EQUITY AND LIABILITIES	13	17

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

SEKm	GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Opening cost	6	6	-	-
Acquisitions	5	-	-	-
Sales	-1	-	-	-
Closing cost	10	6	-	-
Carrying amount	10	6	-	-

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	6
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	1
Peak Business & Sports AB, 556647-9837	Östersund	7.5	0
Åre Destination AB, 556171-5961	Åre	2.4	0
TOTAL			10

NOTE 17 >>> DEFERRED TAX ASSET/TAX LIABILITY

SEKm	2015	2014
GROUP		
Deferred tax asset relating to tax loss carryforwards	58	74
Deferred tax liability relating to temporary differences in properties	-912	-784
Deferred tax liability relating to other items	-21	-25
TOTAL DEFERRED TAX ASSET/TAX LIABILITY	-875	-735

The reported deferred tax liability was SEK -875 million (-735) on 31 December 2015. 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. The tax loss carryforwards are estimated at SEK 262 million (335). At a tax rate of 22 per cent, deferred tax assets relating to tax loss carryforwards amounted to SEK 58 million (74), which it is considered can be used against future taxable profits and resulting temporary differences.

The reported temporary differences, i.e. properties' fair values less tax residual values, amounted to SEK 4,143 million (3,565). At a tax rate of 22 per cent, the deferred tax liability on temporary differences was SEK 912 million (784). In the financial statements, deferred tax assets have been offset against deferred tax liabilities. Other deferred taxes are recognised at SEK 21 million (25). Other deferred taxes are calculated on untaxed reserves.

NOTE 18 >>> TRADE RECEIVABLES

SEKm	2015	2014
GROUP		
Age structure of trade receivables		
Trade receivables not past due and trade receivables up to 30 days past due	29	5
Trade receivables between 31 and 60 days past due	1	5
Trade receivables more than 61 days past due	7	13
Doubtful debts	-8	-13
TOTAL	29	10
Doubtful debts		
Doubtful debts at the beginning of the year	13	17
Reserves for the year	6	3
Reversal of reserves	-4	-3
Actual credit losses	-7	-4
CLOSING BALANCE	8	13

NOTE 19 >>> EQUITY

At 31 December 2015 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 nominal (face) value of SEK 2 per share. All shares give equal rights to 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 May 2005	Split 100:1	990,000	1,000,000	-	100,000	0.10
31 May 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 July 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 DEC 2015	AT YEAR-END		74,729,134		149,457,668	2.00

Diös did not hold any of its own shares at the end of 2015. 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 proposes that a dividend of SEK 2.85 (2.85) per share be paid out for the 2015 financial year, representing a total payout of SEK 213 million (213). The proposal means that 54 per cent (50) 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 deferred stamp duty in connection with inter-company sales of properties.

	GROUP	
Other provisions, SEKm	2015	2014
At beginning of year	9	9
Provision for pensions	-	-
Change in tax	-	-
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
2016	2,985	0.8	1,380	1,380
2017	4,126	1.1	2,918	2,648
2,018	1,007	1.3	3,083	3,083
2,021	-	-	1,207	1,007
TOTAL	8,119	1.0	8,589	8,119

	GROUP		PARENT COMPANY	
Interest-bearing liabilities, SEK million	2015	2014	2015	2014
Maturity date from the balance sheet date:				
< 1 year	1,380	1,822	-	-
1-2 years	2,648	2,439	-	1,599
2-3 years	1,605	1,691	2,566	-
3-4 years	1,478	1,719	-	1,719
>4 years	1,007	-	142	-
TOTAL	8,119	7,671	2,708	3,318

NOTE 21 cont. >>>

	GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Overdraft facility, SEK million				
Credit limit granted	450	335	250	100
Undrawn	223	335	165	100
Drawn	227	-	85	-

All borrowings have mortgage collateral. 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 the loan-to-value, equity 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. The credit utilisation can increase or decrease during the term of the borrowing agreements at short notice. The agreements with lenders contain limits for various financial key ratios, known as covenants, which are designed to limit the counterparty risk for the company's lenders. Financial key ratios with limit values are equity/assets, loan-to-value and interest coverage. The minimum equity ratio is 25 per cent, the loan-to-value ratio must not exceed 67.5 per cent, while the interest coverage ratio needs to be higher than 1.8 times. At year-end, the equity ratio was 27.4 per cent, the loan-to-value ratio amounted to 60.7 per cent and the interest coverage ratio was 3.4 times, meaning that all the limits were achieved.

FUNDING AND FINANCIAL RISK MANAGEMENT POLICIES

As a net borrower, we are exposed to financial risks, primarily interest rate risk, refinancing risk and credit risk. At 31 December 2015 there was no foreign currency exposure risk. Funding requirements and financial risks are managed in accordance with the Board's established financial policy. For a more detailed description of our 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 the major cost items. The Group's interest-bearing liabilities totalled SEK 8,119 million (7,671) with an average annual interest rate of 1.0 per cent (1.7), including loan commitments. The loans had an average fixed-rate term of 0.3 years (0.2). The average fixed-rate term was 0.8 years (1.4) when the impact of the derivative portfolio is included. The average maturity was 2.4 years (2.0). Of the Group's total interest-bearing liabilities, SEK 4,200 million (4,200) is hedged through derivatives. The average remaining term is 1.1 years (2.1). The average annual interest rate, including costs related to derivatives, amounted to 2.5 per cent (2.8), including loan commitments.

Financial instruments limit the impact of a change in interest rates on the average interest expense. If interest rates had been increased by 1 percentage point on 31 December 2015, the interest expense, excluding effects of derivatives, would have increased by SEK 76 million annually. If interest rates had been increased by 1 percentage point on 31 December 2015, the average interest rate would have risen by 0.4 percentage points and the value of derivatives would have increased by SEK 42 million. During the period, unrealised changes in value arising on derivatives held totalled SEK 64 million (-91), 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

Group's cash and cash equivalents are managed through instruments with good liquidity or short-term maturity. At year-end the Group had undrawn credit facilities of SEK 693 million, of which SEK 470 million referred to undrawn loan commitments, as well as undrawn credit facilities totalling SEK 223 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. In order to spread the credit risks, the financial policy limits with which counterparties, and for what volume, an agreement may be entered into. We only enter into agreements with well-known and transparent counterparties, who have a high external credit rating. Normal credit checks should be carried out before a new tenant is accepted. 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, there were no concentrations of credit risk with respect to trade and other receivables. Impairment of trade receivables amounted to SEK 8,000 (13,000). The 10 largest clients accounted for 16 per cent (16) of sales.

Financial instruments measured at fair value

SEKm	31/12/2015	Level 2
GROUP		
Derivatives	-134	-134
TOTAL	-134	-134

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

1. Measurement is based on quoted prices in an active market for identical assets and liabilities.
2. Measurement is mainly based on observable market data for the asset or liability.
3. Measurement is mainly based on the entity's own assumptions.

All financial instruments are measured 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 earnings. 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 derivatives transactions are covered by framework agreements with netting provisions. This enables us 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 the net liability, the counterparty risk in the derivatives transactions is deemed to be negligible in relation to the outstanding market values. The Group has signed up to ISDA's 2013 EMIR Protocol, which describes the risk mitigation techniques prescribed in EMIR.

	31/12/2015			31/12/2014		
SEKm	Asset	Liability	Net	Asset	Liability	Net
Interest rate derivatives	-	-134	-134	-	-198	-198
Gross value derivatives	-	-134	-134	-	-198	-198
Covered by netting	-	-	-	-	-	-
NET VALUE DERIVATIVES	-	-134	-134	-	-198	-198

NOTE 21 cont. >>>

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	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
ASSETS										
Rent receivables	29	10	-	-	-	-	-	-	-	-
Other receivables	42	1	-	-	-	-	-	-	-	-
Cash on hand and demand deposits	-	79	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	12	13
LIABILITIES										
Interest rate derivatives	-	-	134	198	-	-	-	-	-	-
Non-current liabilities	-	-	-	-	-	-	8,112	7,664	-	-
Trade payables	-	-	-	-	-	-	61	57	-	-
Other liabilities	-	-	-	-	-	-	235	10	-	-
Other	-	-	-	-	-	-	-	-	55	3
TOTAL	71	90	134	198	0	0	8,408	7,731	67	16

The values indicated in the above table represent 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. This means that amortised cost is essentially the same as fair value.

Maturity analysis of financial assets

	2015				2014			
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	-	-	-	-
Trade receivables	-	29	-	-	-	10	-	-
Other receivables	-	70	5	-	-	20	13	-
Cash and cash equivalents	-	-	-	-	79	-	-	-
TOTAL	-	99	5	1	79	30	13	-

Maturity analysis of financial assets

	2015				2014			
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	-	-	248	-	-	-	186	-
Other receivables	-	528	1	-	-	10	3	-
Cash and cash equivalents	-	-	-	-	145	-	-	-
TOTAL	-	528	249	-	145	10	189	-

Maturity analysis of financial liabilities

	2015				2014			
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	-	61	-	-	-	57	-	-
Amortisation of liabilities	-	1,386	17	4,320	-	1,824	858	3,299
Interest expense	-	21	63	252	-	32	96	382
Derivatives	-	29	72	80	-	22	67	151
TOTAL	-	1,497	152	4,652	-	1,935	1,021	3,832

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

SEKm	2015				2014			
	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	-	2	-	-	-	1	-	-
Amortisation of liabilities	-	2	5	2,566	-	2	5	1,599
Interest expense	-	6	19	75	-	10	29	116
Derivatives	-	20	44	42	-	16	47	186
TOTAL	-	30	68	2,683	-	29	81	1,901

NOTE 22 >>> ACCRUED EXPENSES AND DEFERRED INCOME

SEKm	GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Prepaid rents	220	213	-	-
Accrued interest expense	37	34	4	4
Other items	73	57	20	15
TOTAL	330	304	24	19

NOTE 23 >>> ASSET MANAGEMENT

The 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, with an interest coverage ratio of at least 1.8 times. At 31 December 2015, the assets had a total value of SEK 13,505 million (12,340).

These were financed partly through equity of SEK 3,694 million (3,365) and liabilities of SEK 9,811 million (8,975), of which SEK 8,119 million (7,671) were interest-bearing.

Funding requirements and financial risks are managed 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 defines mandates and limits for managing the financial risks, as well as the general division of responsibility. 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 also carried out. External loans are taken up once the Group's aggregate borrowing requirements have been assessed. A group accounts system enables 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 when an individual loan with a short fixed-interest term is raised. Interest-rate derivative transactions are subsequently carried out to achieve the desired fixed-rate term for the Group's overall loan portfolio.

Policy	Target	Outcome
Loan-to-value ratio	Capped at 65%	60.7%
Interest coverage ratio	At least 1.8 times	3.4 times
Currency risk	Not allowed	No exposure
Liquidity risk	Liquidity reserve to meet payment obligations	SEK 693 million in committed undrawn credit facilities
Equity ratio	Short-term at least 25% Long-term at least 30%	27.4%

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 which were or are unusual in nature or terms and which took place in 2015. Transactions with the company's largest owner, AB Persson Invest, represented 0.7 per cent (0.6) of the company's purchasing costs for the year and were concluded on market terms. In 2015, Diös Fastigheter AB and NHP Sverige AB established the joint company Kabin Väst Holding AB. The company has been dormant during the course of the year. AB Persson Invest owns 50% of NHP Sverige AB.

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

In January 2016, a property portfolio was sold consisting of 30 properties in Härnösand, corresponding to approximately 84,000 sq.m. The buyer was Westerlinds Fastigheter i Härnösand AB/Landsorten Invest AB. The underlying property value amounted to SEK 342.5 million and it was vacated on 12 January 2016. The sale is conducted in the form of a company divestment and the result will be recognised in the first quarter of 2016.

OTHER EVENTS

For the property swap transaction with Riksborgen and Kommunal, previously announced in a press release, the date of taking possession has been moved from 30 December 2015 to 21 January 2016. This property swap transaction involves the acquisition of three central properties totalling 14,260 sq.m and the divestiture of 11 properties totalling 39,800 sq.m. The underlying property value of the acquisition amounted to SEK 149 million and for the divested properties, SEK 321 million. The transaction is conducted in the form of a company divestment and the underlying property value is in line with the most recent valuation.

ANNUAL REPORT

SIGNATURE PAGE

The Board of Directors and Chief Executive Officer of Diös Fastigheter AB (publ) hereby affirm that the Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2. The Annual Report gives 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 affirm 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 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.

Östersund, 18 March 2016

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 21 March 2016

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 26 April 2016.



AUDITORS' REPORT

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

STATEMENT ON THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

We have conducted an audit of the Annual Report and consolidated financial statements of Diös Fastigheter AB (publ) for the financial year 1 January to 31 December 2015. The company's Annual Report 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 REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors and the Chief Executive Officer are responsible for the preparation of an Annual Report that gives a true and fair view, as required by the Swedish Annual Accounts Act, and of consolidated financial statements that give a true and fair view, as required by the International Financial Reporting Standards (IFRS), as adopted 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 an Annual Report and consolidated financial statements that are free from material misstatement, whether due to fraud 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 policies 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 Report 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 Report has been prepared as required by the Swedish Annual Accounts Act and presents fairly, in all material respects, the financial position of the parent company on 31 December 2015, 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 2015, 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. Our statements do not include the corporate governance report on pages 68–72. The Directors' Report is consistent with the other sections of the Annual Report 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 Report 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 2015. We have also carried out a statutory review of the corporate governance report.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS 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 and that the corporate governance report on pages 68–72 has been prepared in accordance with the Annual Accounting 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 conducted the audit in accordance 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. 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.

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. A Corporate Governance Report has been prepared and is provided on pages 68–72 of this document. The statutory information is consistent with the other sections of the Annual Report and the consolidated financial statements.

Östersund, 21 March 2016
Deloitte AB

Svante Forsberg
Authorised public accountant

CORPORATE – GOVERNANCE – REPORT



> Bob Persson, Chairman, and Knut Rost, CEO of Diös.

CORPORATE GOVERNANCE REPORT

Diös Fastigheter AB (publ) (Diös) is a Swedish property company listed on the Mid Cap list of the Nasdaq OMX Stockholm exchange. The company's corporate governance report describes the structure and processes for Diös' governance, management and control in 2015.

THE SWEDISH CORPORATE GOVERNANCE CODE

Diös applies the Swedish Corporate Governance Code. It covers, among other things, forms for appointing the Board of Directors and auditors, the composition of the Board, financial reporting and information disclosure concerning corporate governance and internal control. Responsibility for the governance, management and control of Diös' operations is distributed between shareholders at the Annual General Meeting, the Board of Directors and Chief Executive Officer. Some governance issues are regulated in the Articles of Association. Corporate governance describes how Diös' shareholders, directly or indirectly, control the company, and how risk are managed. The company's governance is based on external and internal regulations which are developed and improved continually.

Diös deviates from the Swedish Code on Corporate Governance on a few points:

- The audit committee consists of the entire Board of Directors which will establish an audit committee. The Board of Directors consists of six members, all of whom perform the audit committee's tasks. The review process of financial reports, as

well as its internal controls are therefore managed by the entire Board of Directors.

- Independent Nomination Committee. The Nomination Committee is represented by the four largest shareholders and must consist of at least three members appointed by the Annual General Meeting. The majority of the members must be independent from the company. Diös' Nomination Committee consists of four members representing the company's four largest shareholders.

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 guidelines and handbooks

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 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.

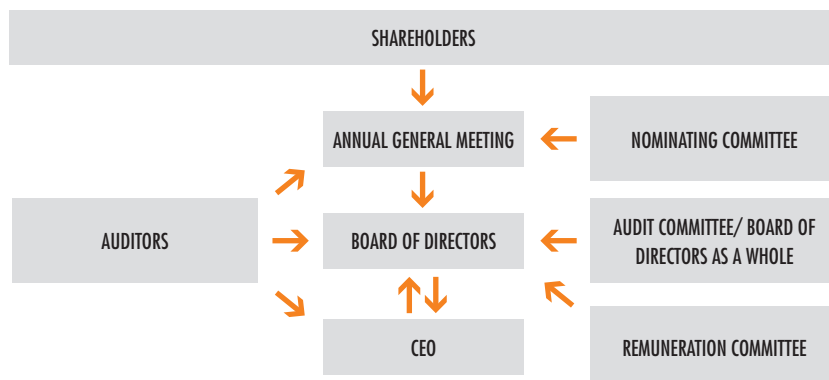
SHARE CAPITAL AND SHAREHOLDERS

At year-end Diös had 10,329 shareholders holding a total of 74,729,134 shares. Each share has a face value of SEK 2. The share of foreign shareholders was 17.9 per cent. The largest individual shareholders at 31 December 2015 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 7.2 per cent. The company's ten largest shareholders together owned 60.9 per cent of the votes and capital. Diös' share capital shall at least be SEK 74 million and at most SEK 296 million. 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 2015

The 2015 Annual General Meeting was held on 22 April in Östersund. At the AGM 115 shareholders participated, in person or by proxy. The number of shares represented was 44,070,829, which is approximately 59 per cent of the total number of shares. The AGM adopted the consolidated balance sheet and income statement for 2014 and released the Board of Directors and CEO from liability in respect of their management of the company in 2014. The AGM resolved:

- to re-elect Bob Persson, Anders Bengtsson, Maud Olofsson, Ragnhild Backman and Svante Paulsson.
- appoint Bob Persson as Chairman of the Board.



- to approve a dividend payment of SEK 2.85 per share to the shareholders with 24 April 2015 as record date.
- to approve the Board's proposed principles of remuneration and other terms of employment for the company's senior executives.
- to ensure the same principles apply to appoint the Nomination Committee before the 2016 Annual General Meeting.
- to authorise the Board to acquire and transfer own shares, during a period ending no later than the next Annual General Meeting, in accordance with the Board's proposal.
- to authorise the Board of Directors to, during a period ending no later than the next Annual General Meeting, decide on a new share issue 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 the four largest shareholders. The members of the Committee jointly represent around 43 per cent of the shares and votes of the company as per 31 December 2015. 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

All members of the Nomination Committee have carefully considered and established that there is no conflict of interest in accepting the duty as a member of the Nomination Committee in Diös. The Nomination Committee for the 2016 Annual General Meeting kept two minuted meetings where all matters were dealt with in accordance with Swedish Code on Corporate Governance. The Nomination Committee has, among other things, discussed and considered:

- the degree to which the current Board of Directors satisfies the requirements that will be placed on the Board of Directors as a result of Diös' operations and development,
- the size of the Board of Directors,
- which areas of competence there are and should be represented within the Board of Directors,
- the composition of the Board in respect of experience, gender and background,
- fees for Board members,
- which model for the composition of a new Nomination Committee for the 2017 Annual General Meeting will be applied.

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 Nomination Committee's instructions, the Nomination Committee's members are published, as well as the shareholders which they represent, no later than six months before the Annual General Meeting. The Nomination Committee's repre-

sentatives are based on known shareholdings as at 15 September 2015.

Composition of the Nominating Committee

In accordance with the principles that were adopted at the 2015 Annual General Meeting, Diös' Nomination Committee consists of representatives of the company's four largest shareholders: Bob Persson (AB Persson Invest), Bo Forsén, the Nomination Committee's Chairman (Backahill Inter AB), Jonas Bengtsson (Bengtson -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, PO 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 selected annually by the Annual General Meeting for the period until the next Annual General Meeting. The Board of Directors has overall responsibility for the company's organisation and management. This is done by ensuring that the guidelines for the company's management are properly formulated. 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 additional Group management. The Chairman's responsibilities include ensuring that the Board of Directors fulfils its duties through well organised and effective work.

BOARD OF DIRECTORS

	Age	Elected	Dependent/independent	Attendance, out of total no. of meetings			
				Board meetings	Remuneration Committee	Audit Committee	Fees, SEK '000
Bob Persson, Chairman	65	2007	Dependent in relation to owners	13/13	2/2	3/3	185
Anders Bengtsson, member	52	2011	Dependent in relation to owners	12/13	2/2	3/3	135
Maud Olofsson, member	60	2011	Independent	12/13	-	2/3	135
Ragnhild Backman, member	52	2011	Independent	13/13	-	3/3	135
Svante Paulsson, member	43	2014	Dependent in relation to owners	11/13	-	2/3	135
Tomas Mellberg, employee representative	56	2012	Dependent in relation to company	13/13	-	-	-

The number of Board meetings in 2015 refers to nine regular meetings, one constituent meeting and three conference calls.



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 contains the Board's responsibility and duties, the duties of the Chairman and audit issues and instructions to the CEO. This also states which reports and other financial information the Board of Directors must receive prior to every scheduled Board meeting. The most recent valid rules of procedure were adopted at the inaugural Board meeting on 22 April 2015. In 2015, 13 recorded Board meetings were held. Examples of scheduled items on the agenda that the Board discussed during the year are: company-wide policies, overall strategies, rules of procedure for the Board of Directors, capital structure and financing needs, sustainability work, business model and organisational issues. Forward-looking issues related 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-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 was present at three meetings during the year to report their observations during inspection and assessment of the Company's internal control concerning financial reporting.

Remuneration Committee

The Remuneration Committee consists of two Board representatives, Bob Persson and Anders Bengtsson. Its duties include preparing a proposal for remuneration of the CEO subject to the guidelines adopted by the 2015 AGM. The Remuneration Committee held two meetings in 2015 where guidelines for remuneration to senior executives were reviewed.

Finance Committee

Diös has established a Finance Committee 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 the Board representatives Bob Persson and Svante Paulsson, CEO Knut Rost and CFO 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 2015 AGM, Deloitte AB was appointed with Svante Forsberg as chief auditor for a one-year period until the 2016 AGM. Remuneration for auditors is specified in note 6.

GROUP MANAGEMENT

Responsibilities of senior management and the CEO

The senior management consists since October 2015 of CEO Knut Rust, CFO Rolf Larsson, HR Manager Kristina Grahn-Persson and property manager 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 holds meetings at least once a month, where strategic and operational issues are discussed. Additionally, the senior management produces a business plan each year. This is followed up through monthly reports where the review focuses on the earnings trends, improvement, new investments and growth.

Principles of remuneration

The 2015 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. There is no share-related remuneration.
- The variable remuneration for the CEO and senior executives, 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 Group management are terminable by either party on three to six months' notice.
- Diös has a profit-sharing foundation for all its employees. Provisions to profit-sharing foundation are based on the outcome in relation to the set budget and are capped at SEK 35,000 per year and employee.

Remuneration for 2015

The CEO received fixed remuneration of SEK 1,991,000, other benefits worth SEK 285,000 and pension plan contributions of SEK 775,000. Other members of the senior management team received total fixed remuneration of SEK 4,104,000, variable remuneration of SEK 144,000, SEK 341,000 in other benefits and pension plan contributions of SEK 1,275,000. The group other members of senior management consisted of four persons until 6 October 2015 and three 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 judgments, 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 consists of components: control environment, risk assessment, control activities, information and communication and monitoring.

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 guidelines and frameworks relating to the company's financial reporting activities. The Company's main policy documents are instructions for the CEO, 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 during the year. This is 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 2015 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. This is to ensure that identified risks are managed in an appropriate manner subject to the defined criteria. Diös' Group management 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 in order 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 Diös' intranet. The company has 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 Diös' communication policy, which sets forth guidelines aimed at ensuring that the company meets its disclosure obligations.

Long-term value creation

A prerequisite to creating value over the long term is that the business is operated based on a focus on sustainability. The sustainability work involves environmental considerations such as reduced use of resources and good management of properties, as well as corporate responsibility by contributing to the development of the communities in which Diös operates. The work also involves ensuring a good working environment for employees. The sustainability work is carried out in cooperation with customers and other stakeholders, which is a prerequisite for success. Guidelines for how value creation of sustainability work is operated appears among other things in the company's environmental policy and code of conduct. Feedback of the work takes place regularly to Diös' Board of Directors.

Follow-up

Internal control is followed up continuously at individual property, subsidiary company and Group level. The Board of Directors reviews the present 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 considered as insignificant. 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 Group management and the Board of Directors. The Board of Directors review interim reports and annual reports before publication. The Board of Directors is also continuously informed of risk management, internal auditing and financial reporting by the auditors.



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 7,518,222 shares via Bengtssons Tidnings AB.

➤ Svante Paulsson

Board member since 2014, born 1972.

Current function: responsible for strategy and projects as well as deputy chairman of the board of Backahill AB.

Other directorships: Board member of Fabège AB, Bilja AB and AB Cernelle.

Education: High School in the USA

Shareholding in Diös Fastigheter: 103,125 equity via company. Indirect ownership of 7,830,754 equity via the company Backahill Inter AB.

➤ 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/training: M.Sc. Engineering, KTH Royal Institute of Technology.

Shareholding in Diös Fastigheter: 12,300 directly owned shares.

➤ Bob Persson

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

Current function: Chairman of the Board and partner in AB Persson Invest, Östersund.

Previous experience: posts within the group AP Persson Invest including Group CEO.

Other directorships: Board member at Volvofinans, NHP Eiendom and Bergvik Skog AB.

Education/training: Economics degree, Umeå University.

Shareholding in Diös Fastigheter: 30,000 directly owned shares. Indirect ownership: 11,499,691 shares via the company AB 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/training: high school.

Shareholding in Diös Fastigheter: 6,000 shares via company.

➤ Tomas Mellberg

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

Current function: Property Controller, Diös Fastigheter.

Previous experience: Internal Auditor and Accounts Manager, Skanska.

Accounts Officer at Hallström & Nisses Fastigheter and Norrvidden Fastigheter.

Other directorships: none.

Education: Economics degree, Umeå University.

Shareholding in Diös Fastigheter: 600 directly owned shares.

GROUP MANAGEMENT



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

➤ **Knut Rost**

CEO since 2014, born 1959.

Previous experience: various posts within ICA Properties in Västerås and Aspholmen Properties.

Other posts: Board member of Destination Östersund AB and Biathlon Events i Sverige AB.

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

Shareholding in Diös Fastigheter: 5,300 directly owned shares.

➤ **Rolf Larsson**

CFO since 2005, employed since 2005, born 1964.

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

Education/training: M.Sc. in Economics and Business and executive MBA.

Shareholding in Diös Fastigheter: 3,754 directly owned shares.

➤ **Kristina Grahn-Persson**

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

Previous experience: Recruitment Consultant, Manpower, HR Administrator at Jämtland County Council, Team Assistant at McKinsey & Company.

Education: Degree in Human Resources and Labour Relations.

Shareholding in Diös Fastigheter: 560 directly owned shares.

➤ **Lars-Göran Dahl**

Property Director since 2014, born 1961.

Previous experience: Responsible for Riksbanken's commercial activities in Sweden.

Education/training: M.Sc. in Economics and Business.

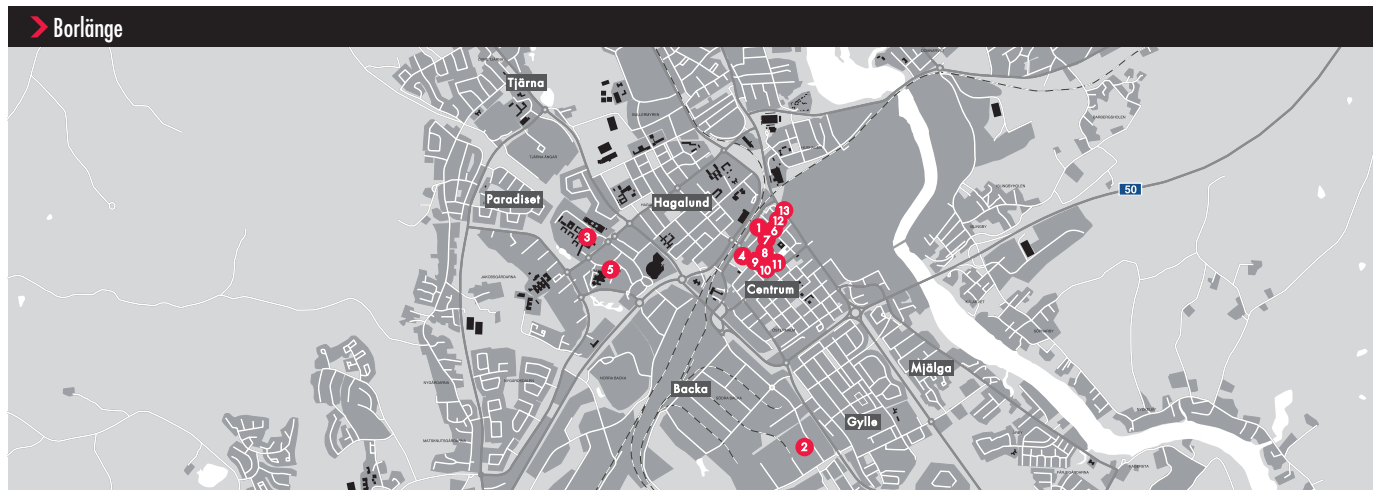
Shareholding in Diös Fastigheter: none.

PROPERTY LIST



> Anders Norin, care taker, Diös, Sundsvall.

PROPERTIES DALARNA

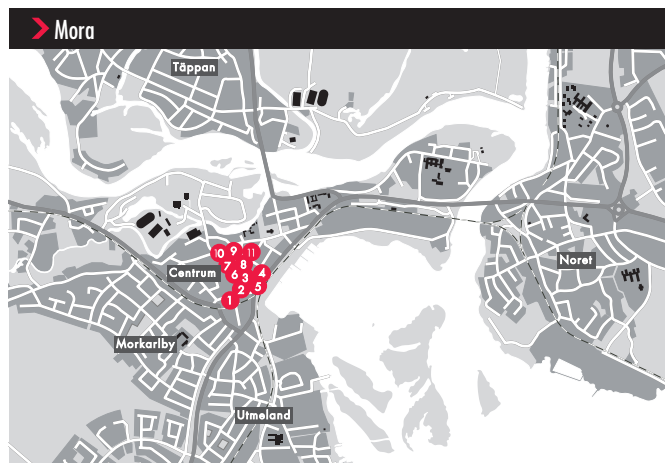


BORLÄNGE

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					Offices	Industrial/ warehouse	Retail	Residential	Other	Total		
Borlänge	1	Frigga 7	Målaregatan 1	1983/1983	2,196	122	1,276	-	-	3,594	4.2	17.6
Borlänge	2	Hammaren 6	Hammargatan 4-6	1973/1983	1,002	400	4,475	-	-	5,877	4.7	18.6
Borlänge	3	Intagan 1	Röda Vägen 1	1978/1980	32,681	49	-	-	795	33,525	41.9	158.0
Borlänge	4	Mimer 1	Stationsgatan 2-4	1967/1988	2,773	370	2,646	-	1,302	7,091	8.5	38.8
Borlänge	5	Mälaren 3	Skomakargatan 18	1986/1986	883	-	-	-	350	1,233	1.5	9.4
Borlänge	6	Rolf 2	Borganäsvägen 43	1952/1973	5,628	58	560	-	482	6,728	5.8	-
Borlänge	7	Rolf 5	Borganäsvägen 37, 39, 41, Målaregatan 5	1895/1973	2,119	-	341	207	335	3,002	2.2	8.9
Borlänge	8	Saga 25	Borganäsvägen 30	1960/1960	1,631	823	3,589	401	-	6,444	5.2	20.7
Borlänge	9	Sigrid 10	Borganäsvägen 26	1974/1974	3,466	275	2,431	-	-	6,172	6.9	28.2
Borlänge	10	Sigrid 11	Stationsgatan 12	1971/1971	978	12	1,482	-	-	2,472	2.3	8.7
Borlänge	11	Tyr 10, Valhall 1 (2 properties)	Wallingatan 37	1972/1974	6,534	32	72	-	-	6,638	6.2	25.5
Borlänge	12	Verdandi 9	Borganäsvägen 42-44	1929/1949	861	2,727	834	-	4,701	9,123	2.7	11.4
Borlänge	13	Verdandi 10	Borganäsvägen 46-48	1971/1971	1,415	361	1,192	195	-	3,163	8.9	27.6
TOTAL BORLÄNGE: 14 PROPERTIES					62,167	5,229	18,898	803	7,965	95,062	101.1	373.4

MALUNG

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					Offices	Industrial/ warehouse	Retail	Residential	Other	Total		
Malung		Fisken 5	Grönlandsvägen 23	1967/1967	93	-	2,298	-	390	2,781	2.7	8.4
Malung		Mobyarna 113:4	Västra Industrigatan	1966/1977	15	24,413	-	-	-	24,428	8.2	21.0
TOTAL MALUNG: 2 PROPERTIES					108	24,413	2,298	0	390	27,209	10.9	29.4



FALUN

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million	
					Offices	Industrial/ ware- house	Retail	Residential	Other				Total
Falun	1	Björken 8	Bergmästaregatan 2	1981/1981	2,277	41	-	86	-	2,404	3.0	81.5	11.8
Falun	2	Dalpilen 10	Myntgatan 20	1989/1989	2,273	-	224	-	662	3,159	3.3	86.5	15.0
Falun	3	Falan 20	Stora torget	1966/1975	15,905	518	5,854	-	1,084	23,361	35.1	94.2	181.4
Falun	4	Falan 22	Ö:a Hamngatan 16, 18	1938/2009	-	-	619	471	600	1,690	1.9	84.2	21.5
Falun	5	G:a Bergsskolan 15	Holmgatan 14,26	1979/1979	1,670	-	8,420	-	-	10,090	9.9	77.5	48.4
Falun	6	Gullvivan 18	N Järnvägsgränd 2-4, Semi- nariegatan 3	1929/-	-	-	-	-	6,000	6,000	8.3	100.0	-
Falun	7	Hattmakaren 16	Nybrogatan 21, Slaggatan 19, Ö:a Hamngatan	1980/1980	2,263	60	709	-	259	3,291	4.0	73.2	20.5
Falun	8	Holmen 7	Holmgatan 11	1978/1978	495	-	743	64	-	1,302	2.3	94.7	12.1
Falun	9	Holmen 8	Holmgatan 9	1970/1973	1,757	17	15,891	-	1,062	18,727	30.6	88.5	178.2
Falun	10	Kansliet 20	Nybrogatan 20	1950/1950	15,314	342	-	124	4,979	20,759	23.3	77.4	95.5
Falun	11	Köpmannen 3	Holmgatan 13	1929/1997	180	-	530	670	400	1,780	3.3	100.0	17.6
Falun	12	Köpmannen 4	Falugatan 5	1984/1984	325	33	1,395	1,687	-	3,440	4.7	99.6	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	5.8	93.1	18.5
Falun	15	Nya Bergsskolan 4	Engelbrektsgatan 25, Sturegatan 60, Stigaregatan 8 & 10	1929/1950	1,183	984	-	-	-	2,167	0.8	0.0	6.2
Falun	16	Teatern 6	Engelbrektsgatan 25, Stigaregatan 7A-B, Sturegatan 58	1929/1988	1,925	-	63	-	-	1,988	2.0	76.6	8.6
TOTAL FALUN: 16 PROPERTIES					45,800	7,320	34,448	3,188	16,701	107,457	140.2	87.7	663.6

MORA

					sq.m					Rental value, SEK million	Ec. occu- pancy rate, %	Taxable value, SEK million	
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	3.4	91.9	14.4
Mora	2	Stranden 16:1	Kyrkogatan 31	1958/1958	349	327	713	2,389	156	3,934	3.5	95.5	14.3
Mora	3	Stranden 16:2	Kyrkogatan 27	1975/1975	1,026	105	447	-	223	1,801	2.3	93.0	9.2
Mora	4	Stranden 17:4	Moragatan 13	1960/1963	308	531	333	3,497	276	4,945	4.8	94.5	20.0
Mora	5	Stranden 17:6	Strandgatan 24	1964/1964	-	30	246	1,538	-	1,814	1.6	95.7	6.6
Mora	6	Stranden 18:2	Kyrkogatan 25	1970/1972	1,106	410	3,167	-	475	5,158	5.1	84.0	22.2
Mora	7	Stranden 19:5	Kyrkogatan 18 A	1966/1966	-	82	3,288	-	280	3,650	4.4	100.0	16.9
Mora	8	Stranden 19:6	Kyrkogatan 20	1977/1977	2,082	50	573	-	-	2,705	3.5	93.8	14.7
Mora	9	Stranden 20:2	Millåkersgatan 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	3.7	100.0	17.1
Mora	11	Stranden 35:7, 35:8 (2 properties)	Kyrkogatan 10	1920/2001	287	20	904	1,397	-	2,608	2.6	96.7	10.6
TOTAL MORA: 12 PROPERTIES					14,234	2,013	9,671	8,821	2,215	36,954	39.8	94.6	162.3

TOTAL DALARNA

	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
	Offices	Industrial/ warehouse	Retail	Residential	Other			
44 PROPERTIES	122,309	38,975	65,315	12,812	27,271	266,682	292.0	1,228.7

PROPERTIES GÄVLEBORG



GÄVLE

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Total	Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					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	2.0	90.5	8.1
Gävle	2	Alderholmen 19:2	Hamntorget 4, Första Magasinsgatan 1, Andra Magasinsgatan 2, 4A	1977/1977	793	-	-	-	-	793	0.9	61.6	3.1
Gävle	3	Alderholmen 19:3	1:a Magasinsgatan 3, -2:a Magasinsgatan 4	1929/1991	809	-	-	-	-	809	1.0	71.5	3.6
Gävle	4	Alderholmen 23:1	Elfbrinksgatan 2; Första Magasinsgatan 8; Norra Skeppsbron 7	1929/1950	1,766	-	-	-	-	1,766	1.9	90.3	6.9
Gävle	5	Alderholmen 24:3	Norra Skeppsbron 5 A	1929/1929	1,155	-	-	-	-	1,155	1.1	84.7	4.3
Gävle	6	Alderholmen 24:5	Norra Skeppsbron 5 B	1929/1950	1,181	-	-	-	-	1,181	1.2	85.5	4.3
Gävle	7	Brynäs 12:1	S:a Fältskärsgatan 10	1970/-	3,425	1,995	1,026	-	-	6,446	5.0	73.6	-
Gävle	8	Brynäs 34:9	Atlasgatan 12	1968/1968	-	3,498	-	-	-	3,498	1.1	100.0	7.9
Gävle	9	Hemlingby 56:10	Kryddstigen 1-3	1980/1980	1,255	-	3,415	-	-	4,670	3.5	85.9	16.5
Gävle	10	Hemsta 12:16	Skolgången 18-20	1984/1989	2,384	-	625	-	-	3,009	2.8	74.8	13.9
Gävle	11	Hemsta 12:17	Skolgången 10	1988/1988	-	3,425	-	-	-	3,425	2.3	81.8	14.1
Gävle	12	Järvsta 63:3	Uttjörsvägen 9A-H, 9J-O	1991/1991	848	2,232	-	-	-	3,080	1.8	94.2	8.6
Gävle	13	Kungsback 2:13	Nobelvägen 1	2001/2001	5,327	-	-	-	-	5,327	5.3	0.3	37.7
Gävle	14	Norr 11:4	Kaplansgatan 12, 14; Norra Stapeltorgsgatan 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	10.9	90.5	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	18.6	90.7	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	97.6	53.2



Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Total	Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					Offices	Industrial/ warehouse	Retail	Residential	Other				
Gävle	17	Norr 19:4	Hattmakargatan 10; Nygatan 41	1966/1966	2,000	0	866	-	-	2,866	4.1	99.9	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	7.6	95.0	47.5
Gävle	19	Norr 26:3	Hattmakargatan 6, Drottninggatan 33	1990/1990	2,578	0	220	209	-	3,007	3.4	89.3	23.2
Gävle	20	Norr 29:5	Drottninggatan 6, N Skep- parg. 5, N Stapeltorgsg. 6	1985/1985	2,911	25	332	-	2,289	5,557	8.0	87.0	46.0
Gävle	21	Norr 30:5	N:a Slottsgatan 3 A-B	1946/1946	-	-	303	1,464	1,245	3,012	3.0	99.3	20.7
Gävle	22	Norr 31:9	Kyrkogatan 17, Drottninggatan 16-18	1973/1973	6,491	1,572	11,500	-	2,972	22,535	28.7	89.8	157.8
Gävle	23	Norr 34:3	Kyrkogatan 25, N Kopparslagsgatan 3	1995/1995	89	-	-	-	5,991	6,080	1.2	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	100.0	45.8
Gävle	25	Norr 6:7	Norra Köpmangatan 21; Norra Rådmansgatan 20; Staketgatan 32, 34	1971/1971	2,473	-	959	-	68	3,500	3.6	84.7	19.4
Gävle	26	Näringen 11:3	Strömsbrovägen 18	1955/1977	1,981	2,057	-	-	-	4,038	2.3	97.7	8.1
Gävle	27	Näringen 12:2	Strömsbrovägen 12	1990/1990	-	592	-	-	-	592	0.5	100.0	2.1
Gävle	28	Näringen 13:11	Förrådgatan 7	1968/1968	780	1,150	-	-	-	1,930	1.3	91.4	3.8
Gävle	29	Näringen 16:6	Kanalvägen 6	1981/1992	819	5,859	-	-	400	7,078	4.0	100.0	19.8
Gävle	30	Näringen 22:3	Beckasinvägen 15	Land	-	-	-	-	-	-	0.2	89.2	1.4
Gävle	31	Näringen 05:15	Lötängsgatan 6-12	1966/1976	-	25,400	-	-	-	25,400	3.7	70.4	48.6
Gävle	32	Näringen 6:4	Lötängsgatan 13	1968/1978	904	624	-	-	-	1,528	1.0	76.8	4.8
Gävle	33	Näringen 8:5	Strömsbrovägen 19	1965/1995	-	5,945	-	-	-	5,945	2.4	100.0	14.1
Gävle	34	Sätra 107:7	Bromsargatan 3, Marielundsvägen 2	1991/1991	3,134	75	-	-	-	3,209	4.0	97.3	22.2
Gävle	35	Söder 38:5	Södra Kansligatan 27; Södra Kungsgatan 32, 32A-H, 32J-P	1957/1978	-	130	1,401	-	-	1,531	2.5	95.3	16.4
Gävle	36	Södertull 33:1	S Kungsgatan 59, Helgögatan 2,	1910/1970	2,466	791	3,113	-	4,678	11,048	11.2	94.0	21.3
Gävle	37	Sörby Urfjäll 27:2	Rälsigatan 2-4	1972/1973	354	4,688	-	-	-	5,042	2.8	74.4	10.5
Gävle	38	Sörby Urfjäll 28:3	Utmarksvägen 35	1979/1983	-	2,223	-	-	-	2,223	1.6	100.0	5.6
Gävle	39	Sörby Urfjäll 36:4	Utmarksvägen 15	1975/1991	1,295	5,087	142	-	-	6,524	4.4	99.5	19.6
Gävle	40	Sörby Urfjäll 37:3	Utmarksvägen 10	1979/1979	688	9,928	2,530	-	123	13,269	9.7	93.0	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	1.2	52.1	5.0
TOTAL GÄVLE: 42 PROPERTIES					67,243	82,074	41,072	8,028	18,275	216,692	191.3	88.3	1,022.4

LJUSDAL, SANDVIKEN, SÖDERHAMN

					sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million	
Municipality	No.	Property name	Address	Year of construc- tion/value year	Offices	Industrial/ ware- house	Retail	Residential	Other				Total
Ljusdal	Norrkämsta 16:3	Norrkämstaleden 6		1977/1982	1,924	13,515	500	50	8	15,997	7.0	86.1	22.5
Ljusdal	Norrkämsta 17:2	Norrkämstaleden 7		1992/1992	2,300	-	-	-	-	2,300	2.3	86.1	7.7
Ljusdal	Tälle 23:8	Bokhandlärargränd 12; Norra Järnvägsgatan 39; Stationsgatan 1-5		1965/1979	658	20	3,337	-	-	4,015	1.4	100.0	4.7
Ljusdal	Östernäs 14:4	Löjtnantsgatan 9		1963/1986	1,695	-	-	-	-	1,695	3.6	91.5	12.1
Sandviken	Klappsta 8:1	-	Land		-	-	-	-	-	-	-	-	-
Söderhamn	Furan 1	Köpmangatan 13		1970/1991	-	-	2,481	-	-	2,481	3.5	77.8	13.1
Söderhamn	Furan 10	Kungsgatan 10		1984/1984	-	-	257	709	316	1,282	1.1	79.6	4.4
Söderhamn	Furan 9	Köpmangatan 15		1964/1972	334	-	3,566	1,059	162	5,121	4.2	83.8	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	24.4	86.5	85.6

TOTAL GÄVLEBORG

	Offices	Industrial/ warehouse	Retail	Residen- tial	Other	Total	Rental value, SEK million	Ec. occu- pancy rate, %	Taxable value, SEK m
51 PROPERTIES	75,304	95,609	51,213	9,846	18,761	250,733	215.7	88.1	1,108.0

PROPERTIES VÄSTERNORRLAND





SUNDSVALL

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million	
					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	3.7	67.1	25.2
Sundsvall	2	Aeolus 9	Trädgårdsgatan 7-9	1992/1992	2,768	-	-	-	-	2,768	4.0	93.5	24.2
Sundsvall	3	Alliero 20	Universitetsallén 14, Universitetsallén 20	1929/1929	314	1,288	787	-	-	2,389	1.3	87.2	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	82.4	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	95.8	29.0
Sundsvall	6	Balder 3	Norrmalmsgatan 8-10	1957/1957	-	526	-	3,676	-	4,202	7.1	86.5	29.2
Sundsvall	7	Bisittaren 1	Thulegatan 25; Södra Järnvägs gatan 29	1929/1981	1,300	185	263	-	-	1,748	1.8	83.8	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 Järnvägs gatan 24	1956/1956	4,244	368	-	-	873	5,485	7.5	97.8	38.0
Sundsvall	10	Cupido 5	Köpmangatan 16	1947/1957	100	-	700	1,052	-	1,852	1.9	96.4	10.4
Sundsvall	11	Fryshuset 2	Nya Hamngatan 12	2004/2004	5,853	-	-	-	-	5,853	10.5	99.9	66.4
Sundsvall	12	Glädjen 4, 9 (2 properties)	Storgatan 30-34; Thulegatan 3; Torggatan 2-4; Sjö gatan 23	1929/1960	4,644	792	10,979	537	-	16,951	28.8	90.2	199.7
Sundsvall	13	Hälsan 6	Storgatan 26; Centralgatan 6	1891/1930	1,039	77	989	1,281	-	3,385	5.5	91.2	33.0
Sundsvall	14	Hälsan 7	Storgatan 28; Centralgatan 4; Torggatan 1-3; Sjö gatan 15-17, 16-18	1929/1965	3,329	559	7,785	-	8	11,680	19.6	80.5	129.0
Sundsvall	15	Högom 3:170	Bergsgatan 130	1993/1993	4,623	244	-	-	-	4,867	4.6	82.9	20.4
Sundsvall	16	Högom 3:186	Tegelvägen 20-22	1990/1990	1,500	1,888	-	-	-	3,388	2.7	87.1	9.5
Sundsvall	17	Högom 3:189	Tegelvägen 17	1990/1990	367	2,213	-	-	-	2,580	1.8	72.8	6.1
Sundsvall	18	Lagmannen 9	Fredsgatan 3-5; Södra Järnvägs gatan 23	1976/1976	4,501	22	-	-	-	4,523	4.9	74.3	23.1
Sundsvall	19	Lagret 4	Heffnersvägen 34	1942/1960	8,322	438	384	-	-	9,144	8.6	71.7	44.2
Sundsvall	20	Ljusta 3:10	Gesällvägen 20; Lär l ingsvägen 9, 13B	1978/1989	38	2,741	-	-	-	2,779	1.2	84.6	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	17.6	86.4	143.6
Sundsvall	22	Målås 3:20	Birstavägen 21	1990/1990	-	3,116	-	-	-	3,116	1.9	99.7	5.7
Sundsvall	23	Nolby 7:139	Sandslävägen 3	1970/1970	150	5,561	-	-	-	5,711	2.2	76.1	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	10.4	88.9	1.8
Sundsvall	25	Norrmalm 1:24	Universitetsallén 32	1987/1987	11,771	199	462	-	1,467	13,898	19.0	94.1	91.8
Sundsvall	26	Penningen 12	Storgatan 29; Varvsgränd 3	1929/1970	1,522	-	-	-	-	1,522	2.2	63.4	11.5
Sundsvall	27	Penningen 9	Storgatan 23-27, Thulegatan 4	1929/1960	1,469	124	2,371	96	1,759	5,819	9.4	96.4	14.5
Sundsvall	28	Rätten 1	Centralgatan 9; Esplan den 6; Kyrkogatan 17; Rådhusgatan 20	1929/1993	1,185	-	-	935	-	2,120	2.8	99.5	20.6
Sundsvall	29	Sköns Prästbord 01:59	Arbetsledarvägen 14	1991/1991	0	1,774	-	-	-	1,774	1.1	100.0	4.0
Sundsvall	30	Sköns Prästbord 1:69	Norra Förmansvägen 22	1989/1989	0	-	2,632	-	-	2,632	1.6	49.6	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	3.3	7.8	23.4
Sundsvall	32	Skönsberg 1:73	Lagergatan 12-14	1988/1988	5,762	-	-	-	-	5,762	5.9	86.0	30.8
Sundsvall	33	Skönsmon 2:13	Kontorsvägen 8	1981/1981	481	3,332	-	-	-	3,813	2.6	98.1	8.5
Sundsvall	34	Skönsmon 2:4	Kolvägen 15	1989/1989	2,215	300	850	-	-	3,365	3.6	89.4	16.0
Sundsvall	35	Skönsmon 2:5	Kolvägen 19-21	1930/1980	2,719	-	-	-	-	2,719	3.2	97.1	14.5
Sundsvall	36	Skönsmon 2:97	Kolvägen 17	1959/1999	2,560	11	-	-	-	2,571	4.6	100.1	22.1
Sundsvall	37	Stenstaden 1:14	Nya Hamngatan 21	2006/2006	1,488	-	-	-	73	1,561	2.3	100.0	1.2
Sundsvall	38	Venus 3	Storgatan 11; Kyrkogatan 12; Nybrogatan 9-11	1929/1950	2,380	13	1,624	1,202	-	5,219	6.6	91.2	34.8
Sundsvall	39	Vesta 4	Esplanaden 13 / Trädgårdsgatan 22	1892/1930	354	-	200	574	274	1,402	1.8	91.4	10.9
Sundsvall	40	Västland 26:3	Finstavägen 36	1968/-	-	600	546	-	1,140	2,286	1.5	78.4	-
TOTAL SUNDSVALL: 44 PROPERTIES					95,202	28,089	42,926	10,528	12,473	189,217	229.3	86.4	1,220.7



HÄRNÖSAND¹

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million	
					Offices	Industrial/ ware- house	Retail	Residential	Other				Total
Härnösand	1	Adjunkten 3	Backgränd 16; Brunnhusgatan 8	1935/1940	751	-	-	684	-	1,435	1.2	55.2	4.3
Härnösand	2	Barkassen 3	Stationsgatan 2; Strandgatan 3-5	1956/1956	246	67	424	-	13	750	0.5	70.0	1.6
Härnösand	3	Barken 9	Strandgatan 4	1970/1970	1,702	1,318	-	-	-	3,020	2.3	79.7	3.7
Härnösand	4	Börsen 1	Köpmangatan 9; Nybro- gatan 1; Skeppsbron 7	1929/1973	1,485	100	928	1,074	-	3,587	2.8	82.7	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	3.5	84.9	13.8
Härnösand	7	Guldsmeden 10	Storgatan 23	1880/1930	-	-	424	591	-	1,015	0.7	78.6	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
Härnösand	9	Kandidaten 3	Seminariegatan 11-33; Eriksbergsgränd 12A-B	1929/1986	-	150	0	1,789	-	1,939	1.7	99.4	6.6
Härnösand	10	Kopparslagaren 28	Storgatan 15; Västra Kyrkogatan 2-4	1958/1970	1,462	90	2,260	-	-	3,812	3.4	76.7	14.2
Härnösand	11	Kostern 1	Stationsgatan 7	1943/1964	-	1,172	-	-	-	1,172	0.9	69.2	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; Nybro- gatan 2; Skeppsbron 3	1974/1983	2,519	361	1,142	759	1,035	5,816	5.3	76.1	23.5



Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Total	Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					Offices	Industrial/ warehouse	Retail	Residential	Other				
Härnösand	14	Motorn 3	Matrosgatan 5	1974/-	50	1,576	-	-	90	1,716	0.5	70.6	-
Härnösand	15	Notarien 5	Eriksbergsgränd 6A-C; Norra Kyrkogatan 16A-C, 18A-D	1979/1979	328	-	-	5,467	-	5,795	5.4	96.7	19.8
Härnösand	16	Saltvik 2:68	Saltviksvägen 11	1989/1990	2,578	-	-	-	-	2,578	1.5	100.0	6.3
Härnösand	17	Skepparen 5,8 (2 properties)	Storgatan 44A-D	1929/1986	216	-	-	767	-	983	0.9	97.6	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	1.1	63.3	3.3
Härnösand	20	Stenhammar 1:209	Talgoxevägen 6	1993/1993	-	-	-	456	-	456	0.4	100.0	-
Härnösand	21	Smultronet 4	Utsiktsvägen 2	1989/1989	-	-	-	298	-	298	0.3	100.0	-
Härnösand	22	Städet 2,15 Svarven 1,3,15 (5 properties)	Fiskaregatan 6; Streng- bergsgatan 1, Brunnhus- gatan 37, Fiskaregatan 4; Strengbergsgatan 2-4	1960/1960	20,191	3,523	126	-	840	24,680	5.6	41.4	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	95.3	6.0
Härnösand	25	Ön 2:53	Storgatan 28-30; Trädgårdsgatan 5	1983/1983	4,562	283	1,110	495	817	7,267	8.0	95.5	32.7
TOTAL HÄRNÖSAND: 31 PROPERTIES					42,277	14,164	8,941	16,169	2,795	84,346	56.5	82.5	205.2

¹ All properties in HÄRNÖSAND built on have been sold after the balance sheet date. Read more about this on page 65 of the Annual Report.

SOLLEFTEÅ

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Total	Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					Offices	Industrial/ warehouse	Retail	Residential	Other				
Sollefteå		Staden 02:29	-	Land	-	-	-	-	-	-	-	-	-
TOTAL SOLLEFTEÅ: 1 PROPERTY					0	0	0	0	0	0	0.0	0.0	0.0

TOTAL VÄSTERNORRLAND

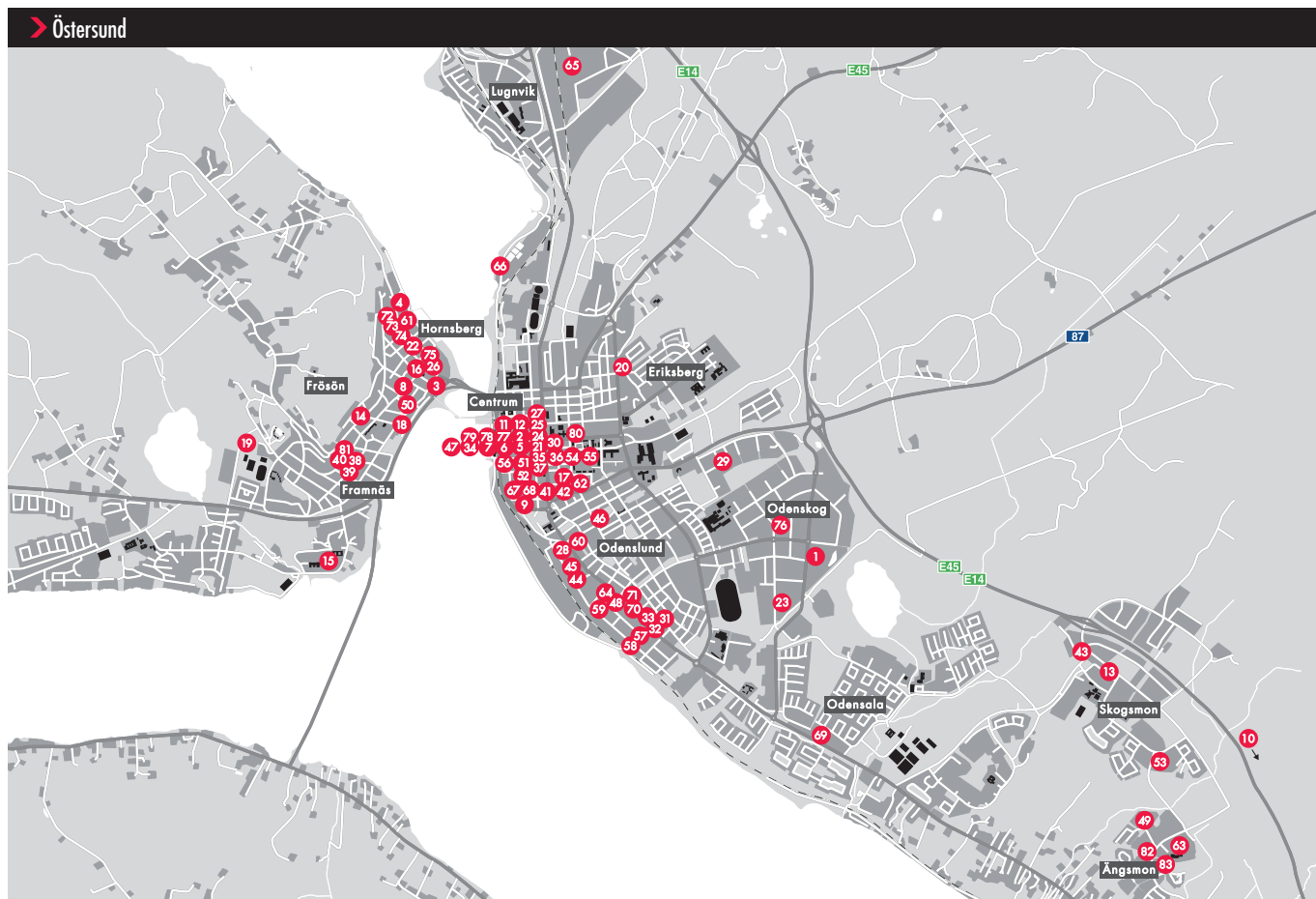
	sq.m					Total	Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
	Offices	Industrial/ warehouse	Retail	Residen- tial	Other				
76 PROPERTIES	137,479	42,253	51,867	26,697	15,268	273,563	285.8	85.6	1,425.9

PROPERTIES JÄMTLAND



ÅRE

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Total	Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					Offices	Industrial/ ware- house	Retail	Residential	Other				
Åre	1	Arvesund 2:185 etc. (23 properties)	-	Land	-	-	-	-	-	-	-	-	3.7
Åre	2	Mörviken 1:107	Kabinbaneanvägen 22 (Hotell Åre Torg)	1985/2007	-	-	-	-	1,400	1,400	1.3	94.6	14.5
Åre	3	Mörviken 2:102	Sankt Olavs väg 33, 37	2006/2007	-	149	4,368	-	3,435	7,952	12.8	95.0	104.0
Åre	4	Totten 1:68	Kurortsvägen 20	1929/1929	3,173	830	-	-	6,870	10,873	10.1	81.2	74.2
Åre	5	Åre Prästbord 1:37	Årevägen 55	1990/1997	2,240	-	1,419	-	479	4,138	5.4	79.9	40.8
Åre	6	Åre Prästbord 1:76	Årevägen 78	2007/2007	-	22	2,006	648	399	3,075	8.0	94.1	64.2
TOTAL ÅRE: 28 PROPERTIES					5,413	1,001	7,793	648	12,583	27,438	37.7	88.9	301.4



ÖSTERSUND

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m						Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					Offices	Industrial/ warehouse	Retail	Residential	Other	Total			
Östersund	1	Bandsågen 11	Hagvägen 17	1978/1978	1,106	299	-	-	-	1,405	0.9	53.9	4.9
Östersund	2	Barberaren 7	Biblioteksgatan 11; Prästgatan 28-30	1917/1992	251	-	2,157	2,282	200	4,890	5.0	98.0	35.3
Östersund	3	Befälhavaren 2	Frösövägen 3A-C	1983/1983	1,888	-	-	-	-	1,888	2.1	99.9	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	3.3	75.1	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	0.7	85.3	4.3
Östersund	8	Bonden 3	Fritzhemsgatan 14	1988/1988	90	-	-	855	-	945	1.0	93.6	6.7
Östersund	9	Brandenburg 5	Brunnsgränd 6; Storgatan 61A-C	1960/1969	-	15	38	1,225	887	2,165	2.2	99.2	14.0
Östersund	10	Brunflo-Viken 5:2	Mariebyvägen 10 A-Å, -12 A-T	1992/1992	-	-	-	4,514	200	4,714	3.9	99.4	19.5
Östersund	11	Buntmakaren 2	Törnstens Gränd 11; Stortorget 8	1929/1950	842	124	575	153	-	1,694	2.1	94.5	14.5
Östersund	12	Buntmakaren 3	Prästgatan 22-24; Stortorget 10; Törnstens Gränd 13	1963/1963	1,178	170	1,107	-	81	2,536	2.9	97.2	21.6
Östersund	13	Busken 1	Splintvägen 5	1991/1991	2,012	-	-	-	-	2,012	1.7	61.4	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	38.8	86.2	44.4
Östersund	16	Frösö 6:22,6:30 (2 properties)	Fjällgatan 10A-B,	1945/1984	-	10	-	926	-	936	0.7	98.6	6.3
Östersund	17	Förskinn 6	S:a Gröngatan 39	1971/1971	208	-	-	1,431	-	1,639	1.8	99.4	11.3
Östersund	18	Gubbåkern 8	Frösövägen 19	1937/1937	-	-	94	561	5	660	0.7	99.3	3.9

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Östersund	19	Guckuskon 1	Lövstavägen 6	1992/1992	1,643	-	-	-	-	1,643	1.4	41.7	5.6
Östersund	20	Gårdvaren 1	Eriksbergsvägen 19A-H, 21A-D	1963/1992	-	59	-	2,791	-	2,850	2.6	95.8	17.9
Östersund	21	Gästgivaren 3,6 (2 properties)	Hamngatan 11, Prästgatan 40	1945/1945	449	-	1,162	465	182	2,258	2.8	83.4	15.8
Östersund	22	Handlanden 4	Hornsgatan 16 A-B	1954/1954	-	30	-	1,225	-	1,255	1.2	99.3	7.4
Östersund	23	Hejaren 5	Odenskogsvägen 35-37	1960/1978	617	9,733	725	-	-	11,075	6.8	79.5	27.2
Östersund	24	Häradshövdingen 1	Prästgatan 29; Törnstens Gränd 14	1965/1965	173	49	697	465	432	1,816	2.3	97.9	15.4
Östersund	25	Häradshövdingen 6	Prästgatan 31, 31A, 31C-D	1910/1948	476	70	691	416	624	2,277	2.6	90.1	19.8
Östersund	26	Kommunalmannen 4	Bergsgatan 5; Fjällgatan 4A-C; Fritzhemsgatan 1A-F	1966/1971	3,461	1,710	-	-	-	5,171	4.0	31.2	14.5
Östersund	27	Kopparslagaren 3	Prästgatan 21; Samuel Permans Gata 7-9	1929/1978	3,513	0	595	990	5	5,103	4.8	100.0	33.9
Östersund	28	Kräftan 6	Rådhusgatan 82	1969/1989	1,203	-	-	-	1,615	2,818	3.9	97.9	21.7
Östersund	29	Körfältet 11	Körfältsvägen 4	1973/1973	-	-	-	-	2,187	2,187	2.1	96.0	9.2
Östersund	30	Logen 6	Kyrkgatan 47, 49, Thoméegränd 18 A-C	1938/1975	1,622		985	1,450	1,959	6,016	5.9	84.4	42.7
Östersund	31	Lutfisken 2	Odensviksvägen 19; Brunflovägen 66	1987/1987	110	-	-	1,447	-	1,557	1.6	99.1	10.9
Östersund	32	Lutfisken 4,5 (2 properties)	Odensviksvägen 15A-B, Odensviksvägen 17	1989/1989	24	-	-	2,003	-	2,027	2.0	100.0	14.9
Östersund	33	Lutfisken 9	Tjalmargatan 14-16, 18A-B	1988/1988	-	47	-	2,684	-	2,731	3.0	97.2	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, Storga- tan 31; Zätagränd 10-14	1970/1970	4,860	252	6,084	1,306	822	13,324	16.6	95.6	120.2
Östersund	35	Magistern 1	Kyrkgatan 43, 43B	1984/1984	2,080	-	335	-	-	2,415	3.2	90.0	17.5
Östersund	36	Magistern 2	Postgränd 20; Rådhusgatan 46	1990/1990	1,954	-	-	-	-	1,954	2.4	79.3	15.7
Östersund	37	Magistern 5	Hamngatan 17-19; Kyrkgatan 45	1953/1964	1,843	65	1,408	86	-	3,402	3.6	78.9	23.9
Östersund	38	Majoren 5	Örjansvägen 10; Östbergsvägen 11	1955/1955	-	-	-	488	-	488	0.5	96.1	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	99.8	8.3
Östersund	41	Motboken 1	Rådhusgatan 37	1984/1984	2,109	742	-	-	12	2,863	3.2	91.9	-
Östersund	42	Motboken 3	Södra Gröngatan 38A-B	1939/1939	30	9	-	1,070	-	1,109	1.3	98.4	8.2
Östersund	43	Motorsågen 2	Kolarevägen 2	1965/1988	-	918	-	-	-	918	0.6	73.2	2.4
Östersund	44	Musslan 13	Bangårdsgatan 27	1956/1956	-	1,017	-	-	-	1,017	0.5	67.6	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	4.4	91.0	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	14.7	83.1	87.0
Östersund	48	Nejonögat 3	Rådhusgatan 104	1945/1973	4,991	630	-	-	-	5,621	6.7	98.7	37.1
Östersund	49	Nordsvensken 1	Havrevägen 36-168	1991/1991	-	-	-	6,779	-	6,779	5.8	99.5	37.6
Östersund	50	Odlaren 5	Ruuthsvägen 3	1991/1991	-	-	-	938	-	938	1.1	98.9	7.4
Östersund	51	Pantbanken 1	Hamngatan 10, 10B; Storgatan 39	1929/1929	1,429	100	661	337	-	2,527	3.2	96.0	17.0
Östersund	52	Pantbanken 5	Prästgatan 46, 46B; Thoméegränd 11	1985/1985	698	-	640	597	-	1,935	3.0	98.4	18.0
Östersund	53	Parketten 6	Skogvaktarvägen 1-139	1989/1989	-	-	-	5,331	-	5,331	4.7	99.3	23.6
Östersund	54	Postiljonen 6	Kyrkgatan 60-62	1913/1967	6,261	1,541	175	-	18	7,995	8.9	90.6	51.0
Östersund	55	Postiljonen 9	Hamngatan 13; Prästgatan 39-43	1966/1991	1,559	20	3,632	910	74	6,195	8.3	91.2	58.7
Östersund	56	Riksbanken 7	Storgatan 46	1974/1979	4,153	-	-	-	-	4,153	5.4	100.0	29.9
Östersund	57	Rudan 2	Tjalmargatan 4-8	1959/1972	1,726	977	855	-	-	3,558	2.2	58.4	11.1



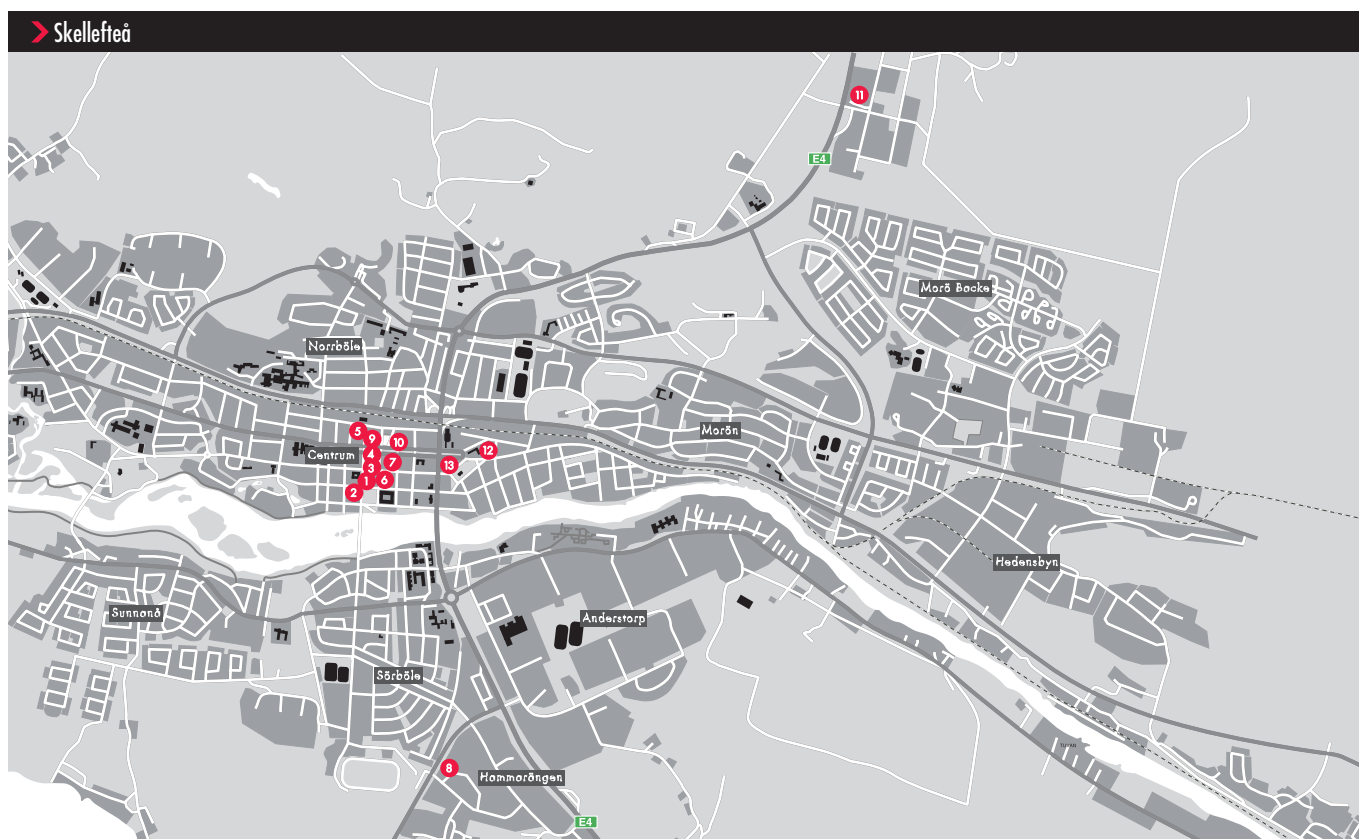
Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Östersund	58	Rudan 4	Bangårdsgatan 55-57, Odensviksvägen 5, 7, Tjalmargatan 2	1966/1966	2,483	100	1,375	-	-	3,958	3.4	82.7	1.4
Östersund	59	Sarven 21	Bangårdsgatan 41-43	1964/1964	-	450	3,709	-	-	4,159	2.3	86.4	12.5
Östersund	60	Siken 10	Nedre Frejagatan 5	1989/1989	-	8	-	342	-	350	0.4	95.7	2.8
Östersund	61	Sjökaptenen 8	Bergsgatan 30A-B	1946/1946	-	-	-	710	-	710	0.7	99.6	4.4
Östersund	62	Skogsskiftet 5	Tullgatan 26; Regementsgatan 44-48	1986/1986	-	-	-	2,531	-	2,531	2.8	99.5	19.9
Östersund	63	Slätterängen 7	Nekvägen 2-92, Skylvägen 5-59	1992/1992	-	-	-	5,727	-	5,727	4.9	99.0	26.0
Östersund	64	Snäckan 25	Rådhusgatan 100	1985/1985	1,519	1,949	-	-	-	3,468	3.1	82.9	20.3
Östersund	65	Sprinten 4	Ställverksvägen 1	1975/1975	456	12,736	-	-	-	13,192	5.1	41.3	19.2
Östersund	66	Spökis 1	Lugnaviksvägen 3	1950/1999	-	1,045	-	-	-	1,045	1.1	92.3	3.3
Östersund	67	Staben 14	Prästgatan 54, 54A-D; Storgatan 51A-B	1992/1992	180	-	262	3,181	30	3,653	4.2	98.0	12.7
Östersund	68	Staben 2	Prästgatan 48A, 48B, 48C; Thoméegränd 12	1985/1985	1,002	-	-	202	15	1,219	1.5	49.7	11.7
Östersund	69	Stallet 12	Lingonvägen 7B	1951/1951	1,700	-	-	-	-	1,700	2.7	98.2	0.3
Östersund	70	Strömmingen 6	Rådhusgatan 107 A-B	1948/1950	163	-	-	750	-	913	0.9	89.5	5.4
Östersund	71	Strömmingen 7	Rådhusgatan 105 A-B	1952/1952	125	-	33	849	-	1,007	0.9	98.1	5.6
Östersund	72	Svarvaren 1	Bergsgatan 31A-B	1948/1991	50	-	60	599	-	709	0.8	100.0	5.0
Östersund	73	Svarvaren 2	Bergsgatan 29A-B	1948/1948	-	50	50	578	-	678	0.6	99.0	3.8
Östersund	74	Svarvaren 4	Bergsgatan 25, 25A-B; Kaptensgatan 6A-E	1946/1988	48	-	141	976	-	1,165	1.2	99.8	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	2.5	62.4	9.8
Östersund	77	Traktören 10	Prästgatan 25	1929/1960	1,520	23	-	667	10	2,220	2.7	96.9	19.5
Östersund	78	Traktören 5	Prästgatan 27; Törnstens Gränd 15	1930/1930	426	-	994	260	-	1,680	2.3	92.5	12.5
Östersund	79	Traktören 9	Kyrkgatan 42; Samuel Permans Gata 10	1937/1937	-	10	470	625	-	1,105	1.2	100.0	7.0
Östersund	80	Vadmalsväven 5	Regementsgatan 13-15	1988/1992	-	-	-	2,101	-	2,101	2.4	99.0	16.5
Östersund	81	Valkyrian 1	Fritzhemsgatan 58-62; Östmundstigen 5-11	1963/1963	-	-	-	1,982	-	1,982	1.9	98.9	12.4
Östersund	82	Varmblodet 1	Havrevägen 9-43	1991/1991	-	-	-	5,671	183	5,854	5.3	99.2	28.3
Östersund	83	Ängsбетet 4	Skördevägen 1-44	1992/1992	-	-	-	3,600	-	3,600	3.0	100.0	20.8
TOTAL ÖSTERSUND: 88 PROPERTIES					87,238	38,777	40,392	81,860	33,457	281,723	281.7	89.2	1,429.7

BRÄCKE AND SVEG, HÄRJEDALEN

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Bräcke		Bräcke 4:4	Svedjegatan 20	2000/2000	-	12,000	-	-	-	12,000	2.4	-	4.5
Sveg		Kilen 1	Fjällvägen 7; Genvägen (1)	1960/1980	1,238	-	-	-	-	1,238	1.4	100.0	3.3
Sveg		Moroten 9	Grängsgatan 17	1979/1979	1,192	1,242	213	-	-	2,647	1.9	54.8	3.9
TOTAL BRÄCKE AND SVEG, HÄRJEDALEN: 3 PROPERTIES					2,430	13,242	213	0	0	15,885	5.7	43.1	11.7

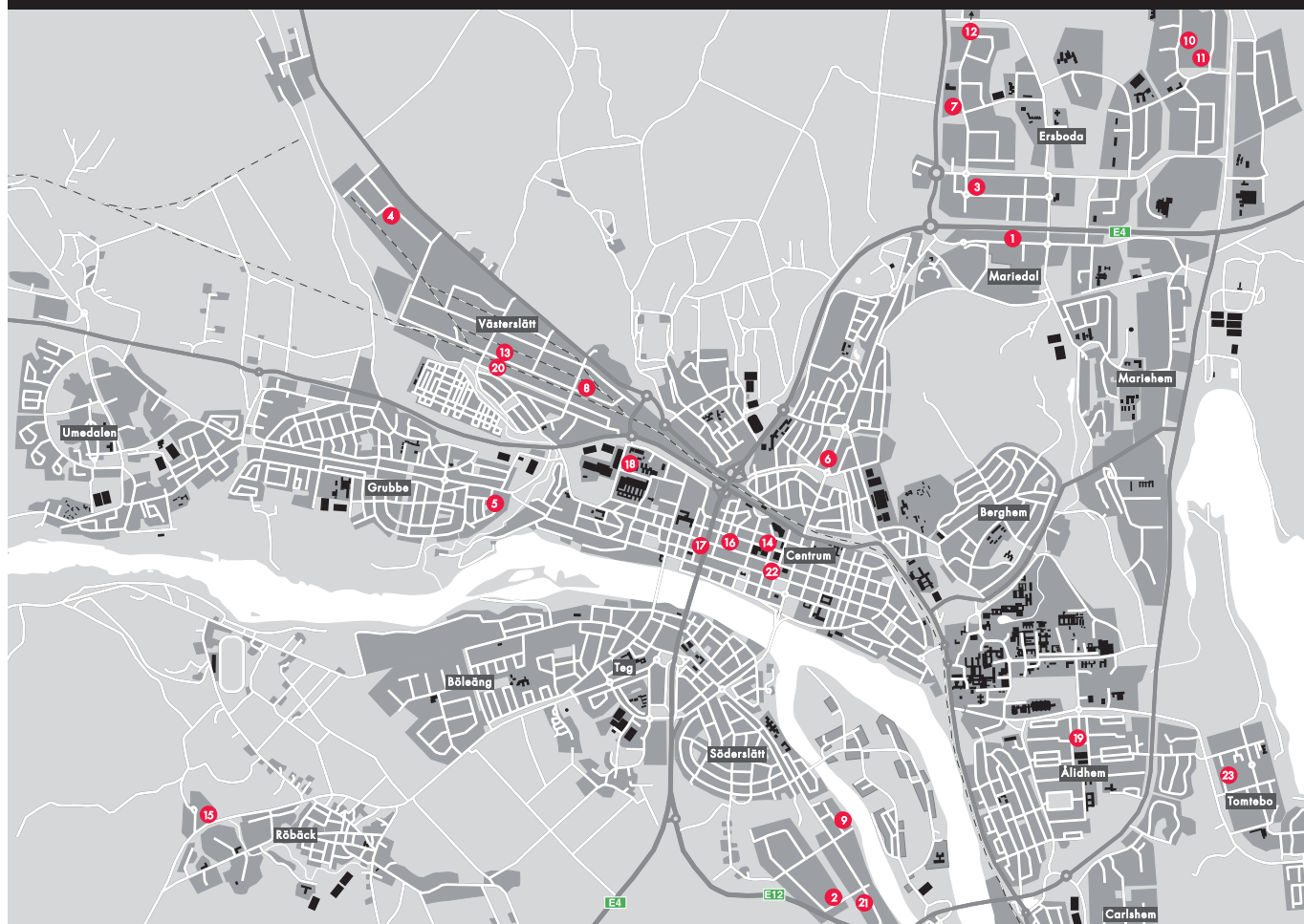
TOTAL JÄMTLAND	sq.m						Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
	Offices	Industrial/ warehouse	Retail	Residen- tial	Other	Total			
119 PROPERTIES	95,080	53,020	48,398	82,508	46,040	325,046	325.0	88.4	1,742.8

PROPERTIES VÄSTERBOTTEN



SKELLEFTEÅ

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million	
					Offices	Industrial/ warehouse	Retail	Residential	Other				Total
Skellefteå	1	Hjorten 5	Nygatan 42	1958/-	6,761	762	1,893	-	239	9,655	1.1	99.4	
Skellefteå	2	Höken 2	Stationsgatan 5, Storgatan 38-40	1944/1960	2,546	335	-	871	-	3,752	4.6	96.0	20.7
Skellefteå	3	Idun 6	Nygatan 47	1933/1960	993	342	4,196	-	1,103	6,634	2.7	96.0	11.7
Skellefteå	4	Idun 12	Kanalgatan 40, Trädgårdsgatan 13-15	1961/1985	30	13	1,485	240	-	1,768	7.5	99.4	46.8
Skellefteå	5	Kastor 6	Stationsgatan 21	1966/1973	1,650	-	-	-	-	1,650	1.6	100.0	6.5
Skellefteå	6	Lekatten 9	Nygatan 46-48, Storgatan 43 A-B, Trädgårdsgatan 8	1960/1960	2,423	171	7,117	2,893	710	13,314	15.1	95.0	78.0
Skellefteå	7	Loke 7	Hörmellgatan 13, Nygatan 51, Torget 2	1975/1986	3,041	272	1,232	364	3,835	8,744	9.7	97.0	63.4
Skellefteå	8	Motorn 18	Plåtvägen 3	1990/1990	2,624	952	926	-	-	4,502	3.2	92.1	10.1
Skellefteå	9	Orion 8	Kanalgatan 41 A-B, Kanalgatan 43, Trädgårdsgatan 17	1966/1985	883	397	873	979	394	3,526	3.6	96.2	14.9
Skellefteå	10	Polaris 8	Kanalgatan 45 A-B Kanalagatan 49, Torggatan 2	1945/1960	1,830	401	629	-	-	2,860	3.6	96.1	13.3
Skellefteå	11	Servicen 1	Servicegatan 1	1991/1993	3,442	2,622	-	-	-	6,064	4.6	84.6	18.7
Skellefteå	12	Sirius 25	Bäckgatan 1	1993/1993	12,930	124	0	-	11,575	24,629	2.4	100.0	92.0
Skellefteå	13	Sleipner 5	Kyrkgränd 5	1975/1987	12,229	3,051	322	-	1,059	16,661	1.7	100.0	78.6
TOTAL SKELLEFTEÅ: 13 PROPERTIES					51,382	9,442	18,673	5,347	18,915	103,760	61.5	95.7	454.7

UMEÅ

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					Offices	Industrial/ ware- house	Retail	Residential	Other	Total		
Umeå	1	Björnjägaren 1	Björnvägen 9	1976/1981	-	-	4,008	-	0	4,008	4.4	24.6
Umeå	2	Cisternen 3,4 (2 properties)	Läringsgatan 33, Läringsgatan 31	1980/1981	1,509	739	-	-	-	2,248	1.5	9.6
Umeå	3	Formen 2	Formvägen 3	1978/1978	-	-	1,941	-	-	1,941	2.4	11.8
Umeå	4	Grubbe 9:55	Mätarvägen 11B	1991/1991	240	960	-	-	-	1,200	0.9	3.8
Umeå	5	Hantverkaren 1	Per Jans Väg 1-3	1960/1970	-	35	-	1,222	-	1,257	1.1	10.2
Umeå	6	Karbinen 13	Östra Kyrkogatan 45-47	1976/1992	100	-	-	1,508	-	1,608	1.7	16.4
Umeå	7	Kedjan 4	Gräddvägen 7	1991/1991	1,783	98	-	-	-	1,881	2.7	9.9
Umeå	8	Kolven 4	Spårvägen 8	1967/1975	1,007	1,861	2,697	-	-	5,565	4.3	12.5
Umeå	9	Kopplingen 6	Pendelgatan 2; Rondellgatan 3	1986/1986	3,815	399	-	-	-	4,214	4.5	19.5
Umeå	10	Krukan 16	Mjölkvägen 28-56	1991/1991	-	-	-	4,133	-	4,133	4.3	25.8
Umeå	11	Krukan 18	Filgränd 11-21, 25-29	1991/1991	-	-	-	2,330	-	2,330	2.4	16.2
Umeå	12	Kärran 9	Löpevägen 15-17	1991/1991	-	955	-	-	-	955	0.5	4.3
Umeå	13	Pumpen 3	Spårvägen 20	1967/1967	4,060	5,835	497	-	-	10,392	4.2	13.6
Umeå	14	Rind 5	Nygatan 23-25; Vasagatan 17-19	1964/1972	6,239	-	-	342	-	6,581	8.4	60.8
Umeå	15	Röbbäck 30:94;30:113 (2 properties)	Täktvägen 4, Täktvägen 6	1989/1991	-	5,110	-	-	-	5,110	3.0	16.5
Umeå	16	Saga 3	Götgatan 1-3; Magasinsgatan 4; Nygatan 16; Skolgatan 47	1965/1980	2,466	101	1,119	-	630	4,316	6.6	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	6.9	52.7
Umeå	18	Stigbygeln 2	Signalvägen 12	1973/-	-	4,321	-	-	-	4,321	3.3	-

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Total	Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					Offices	Industrial/ ware- house	Retail	Residential	Other				
Umeå	19	Stipendiet 2	Ekonomstråket 1-3, 7, 11; Examensvägen 3	1970/1980	1,717	-	5,871	1,673	-	9,261	9.7	87.4	54.2
Umeå	20	Syllen 14	Industrivägen 28	1967/1976	760	1,377	273	-	-	2,410	1.5	73.1	7.6
Umeå	21	Tändstiftet 2	Norra Obbolavägen 118	1987/1987	2,260	-	-	-	-	2,260	1.4	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	94.2	168.3
Umeå	23	Vittergubben 1,4 (2 properties)	Folkrovägen 32-78, Folkrovägen 1-27, 29A-B	1989/2000	-	-	-	2,963	66	3,029	2.8	97.3	21.9
TOTAL UMEÅ: 26 PROPERTIES					33,153	22,653	22,875	17,968	3,060	99,709	99.6	86.9	603.5

VILHELMINA

Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Total	Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					Offices	Industrial/ warehouse	Retail	Residential	Other				
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 VILHELMINA: 4 PROPERTIES					3,111	19,859	0	0	0	22,970	6.7	76.0	18.2

					sq.m								
TOTAL VÄSTERBOTTEN					Offices	Industrial/ warehouse	Retail	Residential	Other	Total	Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEKm
43 PROPERTIES					87,646	51,954	41,548	23,315	20,916	226,438	167.8	89.7	1,076.4



PROPERTIES NORRBOTTEN



Municipality	No.	Property name	Address	Year of construction/ value year	sq.m					Rental value, SEK million	Ec. occupancy rate, %	Taxable value, SEK million
					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	30.6	186.0
Luleå	2	Bergnäset 2:671	Västra Skolgatan 10, Upplagsvägen 28 A-B	1962/1986	7,335	3,798	-	-	2,090	13,223	9.0	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	72.0
Luleå	4	Braxen 2	Köpmangatan 36 A-; Stationsgatan 47 A-B	1985/1985	303	-	448	-	-	751	4.0	23.9
Luleå	5	Djuret 3	Blomgatan 17	1946/-	628	6,626	107	-	266	7,627	5.9	-
Luleå	6	Gösen 7	Sandviksgatan 81	1987/1987	2,003	158	-	-	290	2,451	2.5	15.7
Luleå	7	Humlan 6	Sandviksgatan 12; Varvs- gatan 9A-D, 11, 11A	1970/1980	7,685	530	-	-	1,544	9,759	8.0	39.6
Luleå	8	Mörten 1	Köpmangatan 38, 40A-C	1985/1986	4,673	314	270	-	12	5,269	7.2	40.0
Luleå	9	Pelikanen 6	Smedjegatan 1	1942/1990	3,930	90	-	-	-	4,020	5.5	30.2
Luleå	10	Porsön 1:423	Aurorum	1989/2002	19,528	68	-	-	185	19,781	27.9	126.0
Luleå	11	Rudan 7	Skomakargatan 18B; Storgatan 40A-G	1936/1961	-	-	850	1,288	-	2,138	3.6	25.5
Luleå	12	Råttan 18	Storgatan 53, Kungsgatan 23	1953/1953	3,350	-	10	-	90	3,450	7.3	31.8
Luleå	13	Siken 7	Sandviksgatan 55; Smedjegatan 8-10, 10A; Stationsgatan 50 (52)	1989/1989	4,079	10	859	-	-	4,948	9.2	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	6.8	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	30.9
Luleå	16	Stören 17	Bangårdsgatan 12, 12A; Småbåtsgatan 3-7	1989/1990	4,630	2,781	5,230	-	10	12,651	10.8	62.7
Luleå	17	Tjädern 17	Nygatan 13-15; -Skeppsbrogatan; 24; -Storgatan 25, 25A	1964/1988	-	-	4,360	-	54	4,414	7.8	42.8
Luleå	18	Vattenormen 8	Midgårdsvägen 19	1964/1964	3,905	-	-	-	-	3,905	5.5	20.9
TOTAL LULEÅ: 18 PROPERTIES					74,262	15,091	22,439	3,561	4,722	120,075	167.2	847.0

TOTAL NORRBOTTEN	sq.m					Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
	Offices	Industrial/ warehouse	Retail	Residential	Other			
18 PROPERTIES	74,262	15,091	22,439	3,561	4,722	120,075	167.2	847.0

TOTAL DIÖS	sq.m					Rental value, SEKm	Ec. occupancy rate, %	Taxable value, SEKm
	Offices	Industrial/ warehouse	Retail	Residential	Other			
351 PROPERTIES	592,081	296,901	280,780	158,738	134,036	1,462,538	1,453.6	7,428.8



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.

PROPERTY MANAGEMENT INCOME

Revenue less property costs, costs for central administration and net financial items.

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.

EPRA EPS

Property management income less nominal tax attributable to property management income, divided by average number of shares. Taxable property management income refers to property management income less, inter alia, tax-deductible depreciation and amortisation and conversion projects.

EPRA NAV/LONG-TERM NET ASSET VALUE PER SHARE

Equity at the end of the period after reversal of interest rate derivatives and deferred tax attributable to temporary differences in properties and minority's share of equity, divided by the number of outstanding shares 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.

ECONOMIC VACANCY RATE

Estimated market rent for unoccupied premises divided by the total rental value.

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.

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.

OCCUPANCY RATE BASED ON AREA

Rented area in relation to total rentable 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	2015	2014	2013	2012	2011
Rental income	1,295	1,291	1,292	1,300	587
Other revenue	20	21	15	31	15
Property costs	-539	-550	-569	-565	-274
Operating surplus	776	762	738	766	327
Central administration	-58	-58	-84 ²	-98 ³	-51 ⁴
Profit from financial items	-210	-283	-300	-329	-144
Property management income	508	421	354	339	132
Unrealised changes in value on interest-rate derivatives	64	-91	68	-76	-88
Change in value of properties, realised	11	15	11	9	32
Change in value of properties, unrealised	262	47	-35	180	175
Profit before tax	845	392	482	550	302
Current tax	-163 ¹	-10	-15	-6	-8
Deferred tax	-140	-80	-62	-14	-66
Non-controlling interests	-12	5	-2	3	-5
PROFIT FOR THE YEAR ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	530	297	323	428	182

¹ Current tax includes a provision of SEK 137 million relating to a tax case, of which SEK 117 million refers to tax and SEK 20 million to interest.

² Of which SEK 26 million refers to restructuring costs attributable to the acquisition of Norrvidden.

³ Of which SEK 38 million refers to transaction costs attributable to the acquisition of Norrvidden.

⁴ Of which SEK 14 million refers to transaction costs attributable to the acquisition of Norrvidden.

BALANCE SHEET

SEKm	2015	2014	2013	2012	2011
Investment properties	13,381	12,200	11,823	11,878	11,562
Other property, plant and equipment	4	7	7	12	14
Intangible assets	3	4	4	-	-
Financial assets	13	7	9	11	19
Current receivables	104	43	91	172	180
Cash and cash equivalents	-	79	121	120	104
ASSETS	13,505	12,340	12,055	12,193	11,879
Equity	3,694	3,365	3,235	3,086	2,724
Deferred tax liability	875	735	655	593	556
Non-current liabilities	8,121	7,673	7,666	7,895	8,013
Overdraft facilities	227	-	-	-	-
Current liabilities	588	567	499	619	585
LIABILITIES AND EQUITY	13,505	12,340	12,055	12,193	11,879

CASH FLOW STATEMENT

SEKm	2015	2014	2013	2012	2011
Operating cash flow	347	422	334	313	173
Investing cash flow	-888	-299	68	-107	-592
Financing cash flow	462	-165	-401	-190	462
Cash flow for the year	-79	-42	1	16	43
CASH AND CASH EQUIVALENTS AT END OF YEAR	0	79	121	120	104

FINANCIAL KEY RATIOS

	2015	2014	2013	2012	2011
Return on equity, %	15.0	9.0	10.2	14.7	8.6
Return on total assets, %	8.2	5.5	5.8	6.5	4.6
Return on capital employed, %	8.6	5.8	6.1	6.8	4.8
Equity ratio, %	27.4	27.3	26.8	25.3	22.9
Loan-to-value ratio, %	60.7	62.9	64.8	66.4	69.2
Interest coverage ratio, times	3.4	2.5	2.2	2.0	1.9
Debt/equity ratio, times	2.2	2.3	2.4	2.6	2.9

DATA PER SHARE

	2015	2014	2013	2012	2011
Earnings per share, SEK	7.1	4.0	4.3	5.7	4.6
Equity per share, SEK	49.4	45.0	43.3	41.3	36.5
Cash flow per share, SEK	4.8	5.5	4.6	4.5	3.2
EPRA EPS, SEK ¹	5.7	5.3	4.3	4.1	1.5
EPRA NAV per share, SEK ¹	63.0	57.9	54.2	52.7	47.4
Average number of shares outstanding at year-end (thousands)	74,729	74,729	74,729	74,729	39,771
Number of shares outstanding at end of period (thousands)	74,729	74,729	74,729	74,729	74,729
Dividend	2.85 ²	2.85	2.30	2.30	1.10

¹ The KPI's were first presented in the interim report for the period January–September 2015 which is why there is no information for previous years.

² The Board's proposal.

PROPERTY-RELATED KEY RATIOS AT YEAR-END

	2015	2014	2013	2012	2011
Number of properties	351	354	364	378	385
Leasable area, sq.m	1,462,538	1,422,519	1,446,900	1,504,738	1,516,549
Carrying amount of investment properties, SEKm	13,381	12,200	11,823	11,878	11,562
Rental value, SEKm	1,466	1,448	1,457	1,464	655
Economic occupancy rate, %	88.3	89.2	88.7	88.8	89.6
Surplus ratio, %	59.9	59.0	57.1	58.9	55.8



341 Trycksaak 250

Diös' annual report has been produced by Diös Fastigheter in collaboration with Strand Kommunikation and Lyssna Kommunikation. Photos: Tina Stafren Printed by: Agrenshuset, Örnköldsvik Paper: Cocoon Silk, FSC-certified and made from 100 per cent recycled fibre.



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