

Diös

Q1

INTERIM REPORT **JANUARY – MARCH 2015**



OVERVIEW OF THE PERIOD

JAN-MAR 2015

- Rental income for the period was SEK 325 million (322)
- Property management income was SEK 101 million (93)
- Changes in value on properties were SEK 2 million (2)
- Changes in value on financial instruments were SEK -6 million (-33)
- Earnings per share were SEK 1.00 (0.62)

	2015 3 mths Jan-Mar	2014 3 mths Jan-Mar	2014 12 months Jan-Dec
PROFIT FOR THE PERIOD, SEKm			
Rental income	325	322	1,291
Other revenue	3	6	21
Operating and central costs	-169	-165	-608
Net financial items	-58	-70	-283
Property management income	101	93	421
Changes in value of properties and derivatives	-4	-31	-29
Current tax	-3	-2	-10
Deferred tax	-19	-16	-80
Profit after tax	75	44	302
Surplus ratio, %	53.6	55.4	59.0
Occupancy rate, %	88.6	89.3	89.2
Equity ratio, %	27.4	27.0	27.3
Loan-to-value ratio, properties, %	62.3	64.4	62.9
Equity per share, SEK	46.0	43.9	45.0

FOR FURTHER INFORMATION, PLEASE CONTACT

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KNUT ROST, CEO

A FOCUSED PORTFOLIO IN THE RIGHT LOCATIONS

Diös Fastigheter's income from property management in the first quarter was up by 9 per cent on the same quarter in 2014. With the aim of becoming the most active and sought-after landlord in our market, we have continued to concentrate our portfolio and commitment to those locations where we can grow together with our tenants.

For the first quarter of the year we report an after-tax profit of SEK 75 million (44), or SEK 1 per share (0.62). Based on the AGM-approved dividend of SEK 2.85 per share, this makes us one of the highest-yielding property companies in Sweden. Our surplus ratio for the period was 54 per cent, which is slightly below the figure for the first quarter of 2014 of 55 per cent. This is chiefly due to an increase in property costs due to winter-related costs. Net leasing for the period was SEK 2 million (10).

In the past year we have seen a growing interest in northern Sweden, with more property players and higher expectations from tenants as well as employees. Overall, this is a healthy development that we are well equipped to meet. Diös Fastigheter can today offer a broad portfolio of residential properties and flexible commercial space in the most sought-after locations. To go from being biggest to best, we have continued to concentrate our portfolio to strategically selected growth locations. All with the aim of paving the way for increased profitability through the development of existing properties and a focus on good, long-term tenant relationships.

When I look back at what I and our employees and tenants have achieved during my first year as chief executive, I feel a sense of pride and see an inspiring challenge. We have made significant progress on creating a company with a clearer focus and a culture in which the tenant takes centre stage. A part of the challenge is to simplify the way we work so that we can place full emphasis on tenant relationships and



transactions. We have renegotiated the terms and maturities of our loans, which has cut our cost of capital as well as reduced our refinancing and interest rate risk. Having established a stable financial basis, the challenge lies in acquiring and developing the right properties at the right time, at the right place and at the right price in a hot property market.

The stock market continues to give us a vote of confidence. I hope, of course, that our tenants and partners will also continue to do so. With a stronger focus on those locations where we see the biggest growth opportunities, we are building a foundation that will enable us to become the most active and sought-after landlord in our market.


Knut Rost, CEO





REVENUE, EXPENSES AND RESULTS, JANUARY-MARCH 2015

Property management income for the period, i.e. income excluding changes in value and tax, was SEK 101 million (93).

The operating surplus was SEK 174 million (178), representing a surplus ratio of 53.6 per cent (55.4). The change in the surplus ratio is mainly due to increased property costs.

- Rental income for the reporting period was SEK 325 million (322), representing an economic occupancy rate of 88.6 per cent (89.3).
- Other property management income totalled SEK 3 million (6) and consisted mainly of re-billing to tenants regarding work carried out in leased premises.
- Total property costs were SEK 154 million (150). The increased costs are primarily attributable to higher property maintenance costs and winter-related costs. Of total property costs, SEK 1.7 million (2.2) refers to work in leased premises that is re-billed to tenants.

CHANGES IN VALUE OF PROPERTIES AND DERIVATIVES

A valuation of all properties was conducted in the period. Diös' valuation model is based on an exterior valuation of 25% of the 100 properties with the highest value every quarter on a rolling basis and an interior valuation of the remaining 75% of the properties. Internal valuations are carried out quarterly on other properties and the quality is assessed by external valuers. The valuation shows a decline in value of -0.01 per cent (0.02), or SEK -1.1 million (2.3). At 31 March the market value was SEK 12,295 million (11,902).

During the period one (0) properties were sold with a realised change in value of SEK 2.6 million (0) before tax.

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

The low interest rates resulted in a negative unrealised change in value in the income statement relating to our derivatives portfolio. As long as interest rates remain low the value of the derivatives portfolio will be negative, but as market interest rates go up so will the value of the portfolio, resulting in positive changes in value in the income statement and thus also an increase in equity.

During the period, unrealised changes in value on Diös' derivatives totalled SEK -6 million (-33), which have been fully recognised in the income statement. The change in the market values of the derivatives is attributable to a long-term forecast for lower interest rates.

NET FINANCIAL ITEMS

Net financial items for the period were SEK -58 million (-70). The interest costs for the period, including costs for interest-rate derivatives, represent borrowings at an average annual interest rate of 3.0 per cent (3.5), including loan commitment costs. The average annual interest rate based on the applicable terms and market interest rates at 31 March was 1.2 per cent (2.8).

PROFIT BEFORE TAX

Profit before tax was SEK 97 million (62). This change in profit is mainly attributable to unrealised changes in value on properties and interest rate derivatives as well as a change in the net interest expense.

PROFIT AFTER TAX

Profit after tax was SEK 75 million (44). Current tax totalled SEK -3 million (-2). This is mainly attributable to tax in subsidiaries, which may not offset loss equities against Group profits. The calculation of deferred tax has given rise to a deferred tax expense of SEK -19 million (-16).



PROPERTY PORTFOLIO AT 31 MARCH 2015

Diös owned 354 properties in 15 locations, from Borlänge in the south to Luleå in the north. The total leasable area was 1,421,199 square metres and the economic occupancy rate, based on concluded leases at 31 December, 89.1 per cent. Diös invested SEK 111 million in the construction, extension and conversion of premises over the period. In terms of value, the largest share of the portfolio is property in Gävle, Sundsvall and Östersund. The total market value of the properties was SEK 12,295 million.

Figures refer to SEK millions unless otherwise indicated.

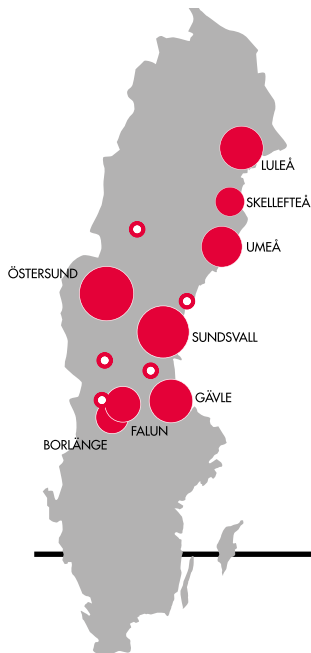
By business area	Dalarna	Gävleborg	Jämtland	Väster-norrland	Väster-botten	Norr-botten	Diös Group
Rental income	65	48	75	63	36	38	325
Other revenue	0	1	0	0	0	1	3
Repair and maintenance	-4	-2	-4	-5	-3	-2	-19
Tariff-based costs	-12	-8	-16	-12	-7	-4	-59
Property tax	-3	-2	-4	-3	-2	-2	-16
Other property costs	-8	-7	-9	-10	-5	-5	-44
Property management	-3	-2	-3	-3	-2	-3	-17
Operating surplus	36	28	40	30	19	22	174
Undistributed items							
Central administration	-	-	-	-	-	-	-15
Net financial items	-	-	-	-	-	-	-58
Property management income	-	-	-	-	-	-	101
Changes in value							
Property, realised	-	3	-	-	-	-	3
Property, unrealised	-13	5	-6	-8	14	7	-1
Interest rate derivatives	-	-	-	-	-	-	-6
Profit before tax	-	-	-	-	-	-	97
Current tax	-	-	-	-	-	-	-3
Deferred tax	-	-	-	-	-	-	-19
Non-controlling interests	-	-	-	-	-	-	-
Profit for period attributable to shareholders of the parent	-	-	-	-	-	-	75
Leasable area, sq.m	266,682	250,733	327,491	279,187	177,031	120,075	1,421,199
Construction, extension, conversion investments, SEKm	20	7	16	39	8	21	111
Carrying amount, SEKm	2,505	1,757	2,908	2,245	1,356	1,525	12,295
Rental value, SEKm	73	54	84	73	41	42	367
Economic occupancy rate, %	89.0	88.2	88.9	86.7	89.0	90.7	88.6
Surplus ratio, %	55.3	58.7	53.3	47.3	51.4	57.8	53.6

PROPERTY PORTFOLIO AT 31 MARCH 2014

Diös owned 364 properties in 15 locations, from Borlänge in the south to Luleå in the north. The total leasable area was 1,446,900 square metres and the economic occupancy rate, based on concluded leases at 31 December, 89.3 per cent. Diös invested SEK 77 million in the construction, extension and conversion of premises over the period. In terms of value, the largest share of the portfolio is property in Gävle, Sundsvall and Östersund. The total market value of the properties was SEK 11,902 million.

Figures refer to SEK millions unless otherwise indicated.

By business area	Dalarna	Gävleborg	Jämtland	Väster-norrland	Väster-botten	Norr-botten	Diös Group
Rental income	63	48	73	65	37	37	322
Other revenue	1	0	0	3	0	1	6
Repair and maintenance	-3	-2	-4	-3	-2	-1	-16
Tariff-based costs	-12	-9	-17	-13	-7	-4	-61
Property tax	-3	-2	-3	-3	-2	-2	-16
Other property costs	-6	-4	-10	-10	-5	-5	-40
Property management	-2	-2	-4	-3	-2	-2	-16
Operating surplus	38	28	35	34	20	23	178
Undistributed items							
Central administration	-	-	-	-	-	-	-15
Net financial items	-	-	-	-	-	-	-70
Property management income	-	-	-	-	-	-	93
Changes in value							
Property, realised	-	-	-	-	-	-	-
Property, unrealised	6	9	-21	10	-4	2	2
Interest rate derivatives	-	-	-	-	-	-	-33
Profit before tax	-	-	-	-	-	-	62
Current tax	-	-	-	-	-	-	-2
Deferred tax	-	-	-	-	-	-	-16
Non-controlling interests	-	-	-	-	-	-	2
Profit for period attributable to shareholders of the parent	-	-	-	-	-	-	46
Leasable area, sq.m	263,032	253,509	338,654	294,600	177,031	120,075	1,446,900
Construction, extension, conversion investments, SEKm	13	13	27	10	2	11	77
Carrying amount, SEKm	2,430	1,719	2,796	2,220	1,301	1,436	11,902
Rental value, SEKm	69	53	84	73	40	40	360
Economic occupancy rate, %	90.2	88.9	87.4	88.4	91.4	92.1	89.3
Surplus ratio, %	60.4	59.9	47.5	53.3	53.6	62.2	55.4

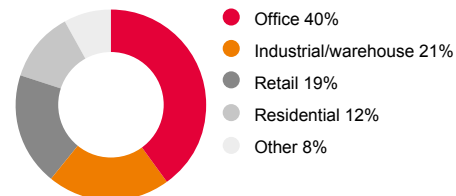


BUSINESS AREAS

Diös is northern Sweden's largest private property company and a market leader in several of the localities in which it operates. The company's market, which stretches from Borlänge in the south to Luleå in the north, is divided into the business areas Dalarna, Gävleborg, Jämtland, Västernorrland, Västerbotten and Norrbotten.

The portfolio comprises a well balanced mix of residential, office, retail and industrial space with a range of small and large premises, creating wide scope to offer flexible solutions. We have a decentralised property management organisation with a strong local base.

PROPERTY PORTFOLIO AT 31 MARCH 2015

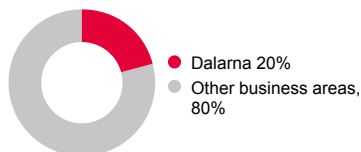


DALARNA

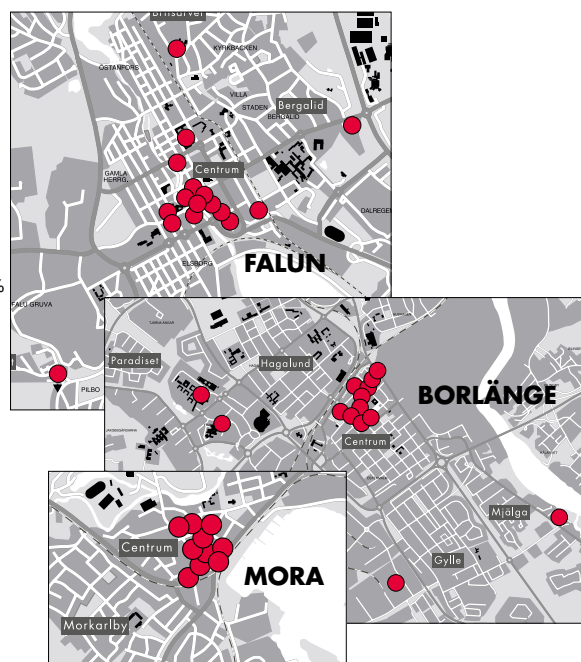
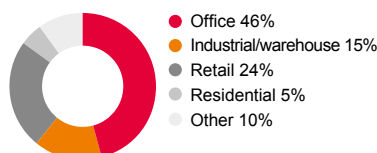
PROPERTY HOLDINGS

No. of properties	44
Area, '000 sq.m	267
Property value, SEKm	2,505
Operating surplus, SEKm	36
Surplus ratio, %	55

SHARE OF TOTAL CONTRACT VALUE



FLOOR AREA BY TYPE OF PREMISES



DALARNA - LARGEST TENANTS

TENANT	No. contract contracts	Annual contract value, SEK '000	Share of total contract value, %*	Average contract term, years
Swedish Transport Administration	4	39,968	15.5%	5.2
Municipality of Falun	8	17,359	6.7%	3.0
Swedish Police Authority	8	10,013	3.9%	4.3
Pyslingen Förskolor och Skolor AB	1	8,335	3.2%	9.3
County Administrative Board of Dalarna	13	7,741	3.0%	4.7
Total, largest tenants	34	83,416	32.3%	5.0

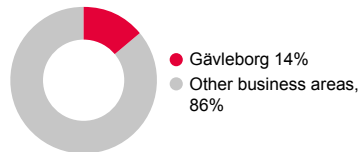
*In relation to the annual contract value for each business area.

GÄVLEBORG

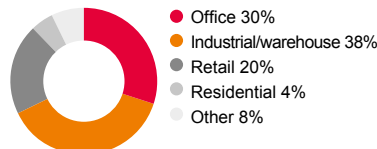
PROPERTY HOLDINGS

No. of properties	51
Area, '000 sq.m	251
Property value, SEKm	1,757
Operating surplus, SEKm	28
Surplus ratio, %	59

SHARE OF TOTAL CONTRACT VALUE



FLOOR AREA BY TYPE OF PREMISES



GÄVLEBORG - LARGEST TENANTS

TENANT	No. contract contracts	Annual contract value, SEK '000	Share of total contract value, %*	Average contract term, years
Swedish Public Employment Service	9	7,417	3.9%	2.5
Swedish Transport Administration	3	6,977	3.7%	3.5
Internationella Engelska Skolan AB	2	5,653	3.0%	8.5
Gävlefastigheter Gävle Kommun	7	4,183	2.2%	1.9
Ahléns	3	2,909	1.5%	1.5
Total, largest tenants	24	27,139	14.3%	3.7

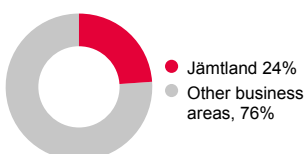
*In relation to the annual contract value for each business area.

JÄMTLAND

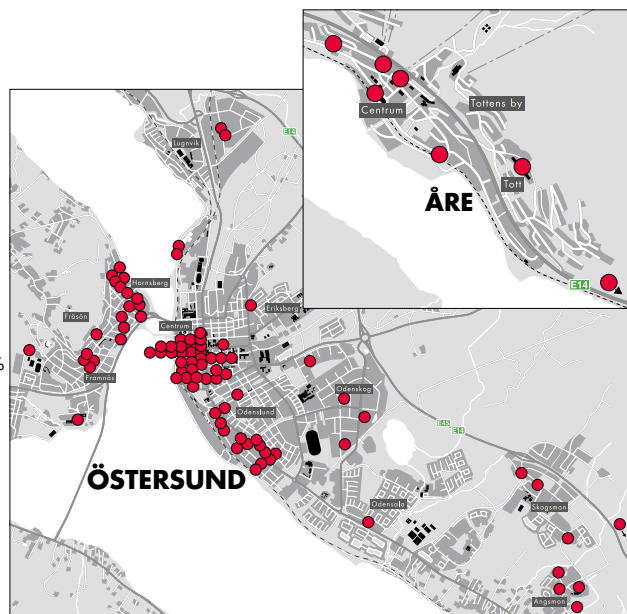
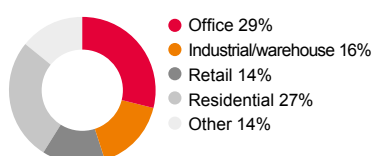
PROPERTY HOLDINGS

No. of properties	122
Area, '000 sq.m	327
Property value, SEKm	2,908
Operating surplus, SEKm	40
Surplus ratio, %	53

SHARE OF TOTAL CONTRACT VALUE



FLOOR AREA BY TYPE OF PREMISES



JÄMTLAND - LARGEST TENANTS

TENANT	No. contracts	Annual contract value, SEK '000	Share of total contract value, %*	Average contract term, years
Municipality of Östersund	100	26,393	9.0%	4.5
Region Jämtland Härjedalen	18	11 382	3.9%	2.8
SkiStar AB	10	11,233	3.8%	0.8
Swedbank AB	7	7,421	2.5%	2.4
Swedish Public Employment Service	2	7,087	2.4%	3.5
Total, largest tenants	137	63,516	21.6%	3.2

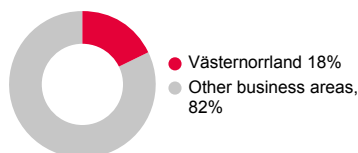
*In relation to the annual contract value for each business area.

VÄSTERNORRLAND

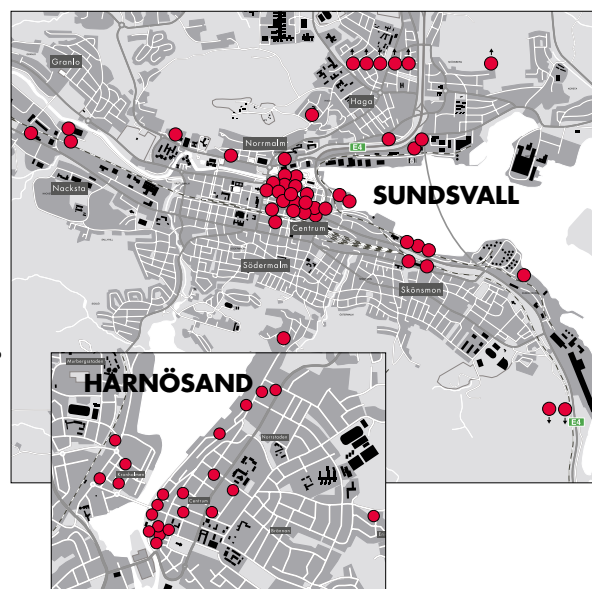
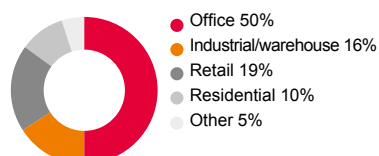
PROPERTY HOLDINGS

No. of properties	78
Area, '000 sq.m	279
Property value, SEKm	2,245
Operating surplus, SEKm	30
Surplus ratio, %	47

SHARE OF TOTAL CONTRACT VALUE



FLOOR AREA BY TYPE OF PREMISES



VÄSTERNORRLAND LARGEST TENANTS

TENANT	No. contracts	Annual contract value, SEK '000	Share of total contract value, %*	Average contract term, years
Norrlidens Kunskapscentrum AB	1	7,014	2.8%	1.3
Länsförsäkringar Västernorrland	16	5,693	2.3%	4.9
Com Hem AB	4	5,224	2.1%	1.8
Ähléns	1	4,528	1.8%	3.5
Municipality of Sundsvall	11	4,510	1.8%	2.7
Total, largest tenants	34	26,969	10.8%	2.7

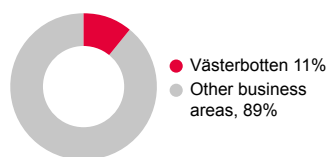
*In relation to the annual contract value for each business area.

VÄSTERBOTTEN

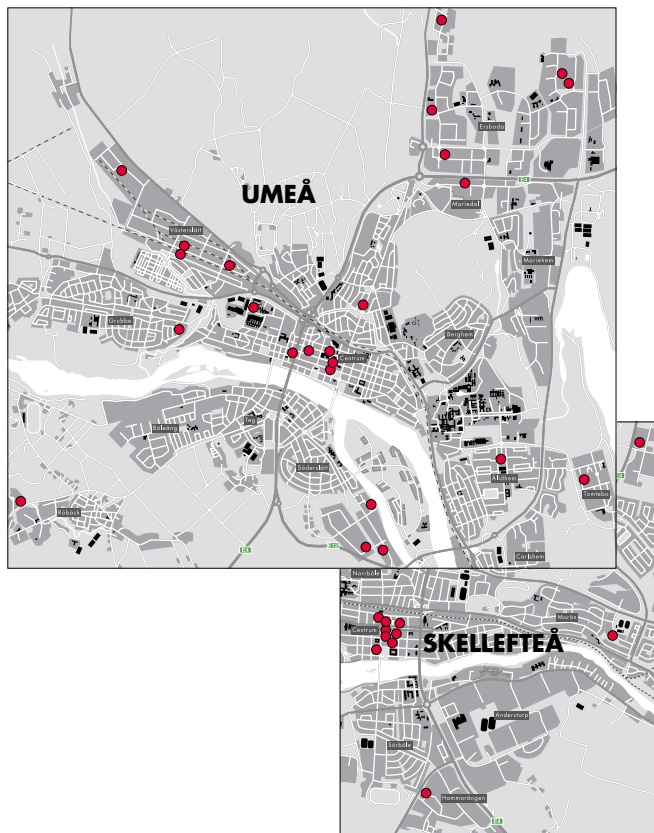
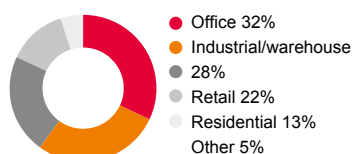
PROPERTY HOLDINGS

No. of properties	41
Area, '000 sq.m	177
Property value, SEKm	1,356
Operating surplus, SEKm	19
Surplus ratio, %	51

SHARE OF TOTAL CONTRACT VALUE



FLOOR AREA BY TYPE OF PREMISES



VÄSTERBOTTEN - LARGEST TENANTS

TENANT	No. contracts	Annual contract value, SEK '000	Share of total contract value, %*	Average contract term, years
Municipality of Umeå	9	6,950	4.8%	1.9
PostNord Sverige AB	3	3,927	2.7%	3.4
Swedbank AB	1	3,694	2.6%	2.8
Balticgruppen Centrumhandel AB	4	3,602	2.5%	0.7
Åhléns AB	1	2,703	1.9%	3.3
Total, largest tenants	18	20,876	14.5%	2.3

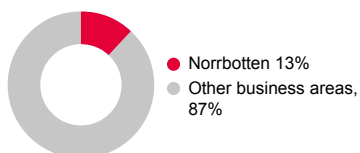
*In relation to the annual contract value for each business area.

NORRBOTTEN

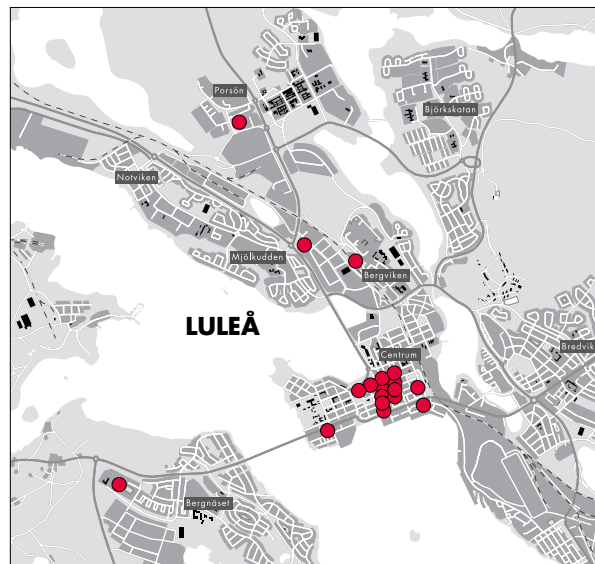
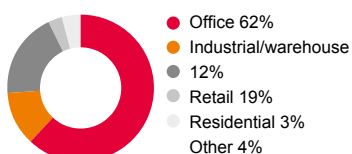
PROPERTY HOLDINGS

No. of properties	18
Area, '000 sq.m	120
Property value, SEKm	1,525
Operating surplus, SEKm	22
Surplus ratio, %	58

SHARE OF TOTAL CONTRACT VALUE



FLOOR AREA BY TYPE OF PREMISES



NORRBOTTEN - LARGEST TENANTS

TENANT	No. contracts	Annual contract value, SEK '000	Share of total contract value, %*	Average contract term, years
Municipality of Luleå	6	10 872	7.6%	2.6
Swedish Customs IT Department	3	7,297	5.1%	1.9
Swedbank AB	3	6,195	4.3%	3.9
Folksam ömsesidig sakförsäkring	18	5,949	4.2%	6.4
SWECO Sverige AB	6	5,308	3.7%	3.9
Total, largest tenants	36	35,621	24.9%	3.5

*In relation to the annual contract value for each business area.



LEASE MATURITIES AT 31 MARCH 2015

	Maturity year	Signed contracts no.	Rented area sq.m	Contracted rental income SEKm	Percentage share
Leases for premises	2015	469	88,733	90	7
	2016	767	235,634	257	20
	2017	593	226,282	230	18
	2018	509	224,763	248	19
	2019+	208	233,882	284	22
Total leases for premises		2,546	1,009,294	1,109	86
Residential leases		2,118	153,324	145	11
Other leases		3 499	-	39	3
TOTAL		8,163	1,162,618	1,293	100

LARGEST TENANTS AT 31 MARCH 2015

Tenant	No. contracts	Annual contract value, SEK '000	Share of total annual contract value, %	Average contract term, years
Swedish Transport Administration	13	48,016	3.7%	5.0
Municipality of Östersund	100	26,393	2.1%	4.5
Swedish Public Employment Service	28	21,713	1.7%	2.8
Swedbank AB	13	21,403	1.7%	2.9
Municipality of Falun	8	17,359	1.4%	3.0
Åhléns	7	15,991	1.2%	2.6
KappAhl	6	14,913	1.2%	4.3
Hennes & Mauritz	10	14,740	1.1%	3.7
Swedish Police Authority	14	13,197	1.0%	3.7
PostNord Sverige AB	11	11,985	0.9%	3.0
Total, largest tenants	210	205,710	16.0%	3.8

CHANGES IN THE PROPERTY PORTFOLIO JANUARY - MARCH 2015

IMPROVEMENT

- SEK 111 million has been invested in conversion and extension work on existing properties in the period. At present 41 major improvement projects are underway. In these, costs of SEK 299 million out of a total budget of SEK 487 million have been accrued.

SALES

- On 20 February 2015 a part of the Söder 38:5 property in Gävle was sold. The property has a total floor area of 2,851 sq.m, of which 1,320 sq.m was sold. The sale took the form of the establishment of a three-dimensional property. The sale price was SEK 18 million.



FINANCIAL POSITION AT 31 MARCH 2015

EQUITY AND EQUITY RATIO

Shareholders' equity was SEK 3,440 million (3,279) and the equity ratio 27.4 per cent (27.0). The target is an equity ratio of 25 per cent in the short term and 30 per cent over the longer term.

CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents (excluding unused bank overdraft facilities) were SEK 151 million (114) at the end of the period.

INTEREST EXPENSE JANUARY–MARCH 2015

	Amount, SEKm	Cost, SEKm	Weighted average interest rate, %
Interest-bearing liability	7,671	34	1.8
Undrawn credit facility ¹	327	0	0.0
Cost of financial instruments	4,200	22	1.2
TOTAL		57	3.0

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

In the period, Diös' average interest-bearing liabilities amounted to SEK 7,671 million (7,663). The actual interest expense, including expenses related to undrawn credit facilities and the performance of financial instruments, amounted to SEK 57 million (68), which

represents an average annual interest rate of 3.0 per cent (3.5). During the period, unrealised changes in value arising on derivatives held totalled SEK -6 million (-33), which are fully recognised in the income statement.

INTEREST RATES AND LOAN MATURITY AT 31 MARCH 2015

Maturity year	Interest rate and margin expiration		Loan maturity	
	Loan amount, SEKm	Average annual interest rate ¹ , %	Credit agreements, SEKm	Drawn, SEKm
2015	853	1.2	929	853
2016	4,076	1.1	2,658	2,358
2017	2,742	1.3	2,791	2,742
2018	-	-	1,719	1,719
Drawn credit facilities	7,671	1.1	8,097	7,671
Undrawn credit facilities ²	425	0.0		
Financial instruments	4,200	1.3		
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 Mar 2015, with STIBOR-90 as reference rate.

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

Average maturity 2.1 years

Average fixed-rate term 1.3 years

The company is currently reviewing its fixed-rate terms and loan maturities.

DERIVATIVE CONTRACTS

Counterparty	Nominal value, SEKm	Remaining maturity, years	Interest rate level, %	Market value, SEKm
Handelsbanken	2,000	1.5	2.3	-72
Handelsbanken	600	3.2	3.7	-73
Swedbank	1,600	1.8	1.9	-59
TOTAL	4,200	1.8	2.4	-204

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

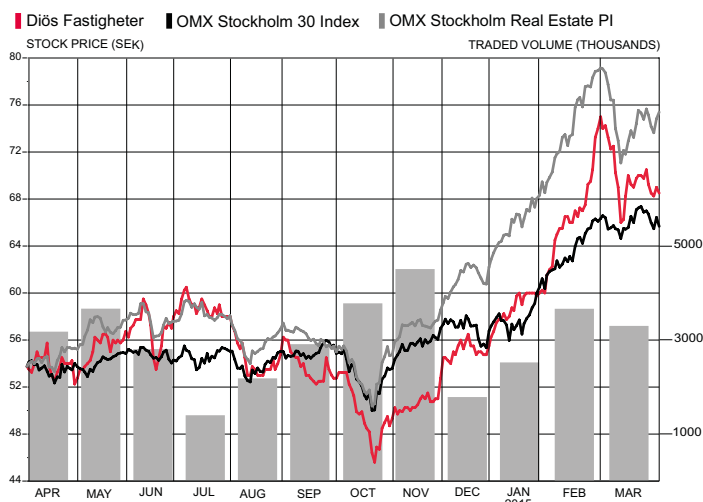
INTEREST-BEARING LIABILITIES AND AVERAGE INTEREST RATE ON 31 MARCH 2015

The Group's interest-bearing liabilities totalled SEK 7,671 million (7,662) with an average annual interest rate of 1.2 per cent (2.8), including loan commitments.

The loans had an average fixed-rate term of 3.0 months (2.8). The average interest rate commitment period was 1.3 years (1.8) when the impact of the derivative portfolio is included. The average maturity was 2.1 years (1.9). Of the Group's total interest-bearing liabilities, SEK 4,200 million (4,200) is hedged through derivatives. The average remaining term is 1.8

years (2.8). The average annual interest rate, including costs related to derivatives, amounted to 2.5 per cent (3.6), including loan commitments. Diös' financial instruments restrict any impact from increased interest rates on the company's average borrowing rate. If interest rates had been increased by 1 percentage point as of 31 March 2015, Diös' average interest rate would have risen by 0.4 percentage points (0.4). The market value of the derivative portfolio on 31 March 2015 was SEK -204 million (-141) and the weighted average annual interest rate was 2.4 per cent (2.4). With the derivative portfolio totalling SEK 4,200 million, 54.7 per cent (54.8) of the Group's total outstanding borrowings has been hedged.

SHARE PRICE PERFORMANCE



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

The number of shares in Diös on 31 March 2015 was 74,729,134 (74,729,134). The closing price of SEK 68.5 (53.8) gave the company a stock market value of SEK 5,119 million (4,017).

The diagram shows share prices for the past 12 months for both Diös and the indexes. Over the past 12 months Diös has gained 27.4 per cent (30.1), compared with 22.2 per cent for the OMX Stockholm 30 Index (12.8) and 40.3 per cent for the OMX Stockholm Real Estate PI (22.8). In the past 12 months Diös' total return (return including reinvested dividends) was 34.4 per cent (38.6).

LARGEST SHAREHOLDERS OF DIÖS FASTIGHETER AB AT 31 MARCH 2015

SHAREHOLDER	No. of shares	Shareholding and votes, %
AB Persson Invest	11,499,691	15.4
Brinova Inter AB	7,830,754	10.5
Bengtssons Tidnings Aktiebolag	7,518,222	10.1
Länsförsäkringar Fondförvaltning AB	7,387,452	9.9
Pensionskassan SHB Försäkringsförening	4,498,239	6.0
Försäkringsaktiebolaget, Avanza Pension	2,155,006	2.9
SEB Investment Management	1,813,136	2.4
Fourth AP Fund	1,727,108	2.3
Länsförsäkringar Jämtland	1,468,773	2.0
Staffan Rasjö	1,263,846	1.7
Total, largest shareholders	47,162,227	63.1
Other shareholders	27,566,907	36.9
TOTAL	74,729,134	100.0

SHAREHOLDINGS AT 31 MARCH 2015

SHARE-HOLDING	No. of share-holders	No. of shares	Holding (%)	Votes (%)	Market value (SEKm)
1 - 500	5,507	851,106	1.1	1.1	58
501 - 1,000	1,232	1,051,260	1.4	1.4	72
1,001 - 5,000	1,275	2,966,354	4.0	4.0	203
5,001 - 10,000	172	1,301,628	1.7	1.7	89
10,001 - 15,000	49	617,340	0.8	0.8	42
15,001 - 20,000	38	688,536	0.9	0.9	47
20,001 -	163	67,252,910	90.0	90.0	4,607
TOTAL	8,436	74,729,134	100.0	100.0	5,119

Diös Fastigheter AB had 8,436 shareholders (6,337) on 31 March 2015. A significant proportion, 84.2 per cent (91.3), of the shareholders were in Sweden. The largest single shareholder of Diös was AB Persson Invest with a stake of 15.4 per cent (15.4). The ten largest shareholders accounted for 63.1 per cent (65.5) of the shares and votes.

SHARE CAPITAL HISTORY

DATE	Event	Increase in number of shares	Increase in share capital, SEK	Total number of shares	Total share capital	Par value
1 Jan 2005	At the start of the period	-	-	10,000	100,000	10.00
21 Jun 2005	Split	990,000	-	1,000,000	100,000	0.10
21 Jun 2005	New issue	1,489,903	148,990	2,489,903	248,990	0.10
14 Sep 2005	Non-cash issue	1,503,760	150,376	3,993,663	399,366	0.10
2 Jan 2006	Bonus issue	-	39,537,264	3,993,663	39,936,630	10.00
2 Jan 2006	Split	15,974,652	-	19,968,315	39,936,630	2.00
18 May 2006	New issue	8,333,400	16,666,800	28,301,715	56,603,430	2.00
11/07/2006	Non-cash issue	5,000,000	10,000,000	33,301,715	66,603,430	2.00
19/04/2007	Non-cash issue	666,250	1,332,500	33,967,965	67,935,930	2.00
29 Oct 2010	Non-cash issue	99,729	199,458	34,067,694	68,135,388	2.00
14/12/2010	New issue	3,285,466	6,570,932	37,353,160	74,705,720	2.00
17/12/2010	New issue	11,407	22,814	37,364,567	74,728,534	2.00
05/12/2011	New issue	22,854,136	45,708,272	60,218,703	120,436,806	2.00
14/12/2011	New issue	14,510,431	29,020,862	74,729,134	149,457,668	2.00



EMPLOYEES AND ORGANISATION

The number of employees at 31 March 2015 was 149 (141), of whom 55 were women (48). The change in the number of employees is primarily attributable to the replacement of consultants and temporary staff with employees on fixed-term and full-time contracts, and the creation of new positions.

Diös Fastigheter is geographically divided into the six business areas of Gävleborg, Dalarna, Västernorrland, Jämtland, Västerbotten and Norrbotten. The company's head office and central Group functions are located in Östersund. Most of the employees, 106 (96) of them, work in the business areas, 54 (50) of them with the physical aspects of real estate management.

PARENT COMPANY

The activities of the parent company consist of central Group functions as well as the ownership and operation of the Group's subsidiaries. Sales totalled SEK 30 million (30) and post-tax profit was SEK -6 million (4). Net sales refer chiefly to services sold to the Group's subsidiaries. The company's cash and cash equivalents were SEK 123 million (8) on 31 March 2015. The change in parent company cash and cash equivalents and intercompany balances is attributable to a change in the Group's liquidity account structure. External interest-bearing liabilities, excluding overdraft facilities, amounted to SEK 2,663 million (1,481). The average annual interest rate based on the situation at 31 March 2015 was 1.2 per cent (2.7). The parent company prepares its financial reports in compliance with RFR 2 Accounting for Legal Entities.

DEFERRED TAXES

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

The reported deferred tax liability was SEK 754 million (671) at 31 March 2015. The value of the deferred tax liability will be assessed at the end of each accounting period and, if necessary, re-valuation will be carried out.

Diös' reported temporary differences, i.e. the fair values of properties less tax residual values, were SEK 3,629 million at 31 March 2015. At a tax rate of 22.0 per cent, deferred tax liability relating to temporary differences was SEK 798 million.

Diös' tax losses carried forward at 31 March 2015 are estimated at SEK 312 million. At a tax rate of 22.0 per cent, deferred tax asset relating to tax losses carried forward was SEK 69 million, which in Diös' financial statements has been offset against deferred tax liability. Other deferred tax liabilities were SEK 25 million at 31 March 2015.

The change since 31 December 2014 is attributable to a decrease in deferred tax assets of SEK 5 million and an increase in deferred tax on temporary differences of SEK 14 million.

Accounts of taxes comply with accounting rules but note that the tax paid over a period generally differs from that reported. Tax regulations are also complex and difficult to interpret. The application of the regulations may also change over time.

CURRENT TAX CASE

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

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

The total increase in the tax assessment under the ruling of the administrative court is SEK 421 million. If Diös Fastigheter were to lose the case in the court of final instance, the company would incur an additional tax and interest charge of around SEK 135 million. Diös Fastigheter has applied for and been granted a reprieve on payment by the Tax Agency. No provisions have therefore been made in the company's balance sheet. For the time being the total amount of tax and interest, SEK 135 million, is regarded as a contingent liability.

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

SIGNIFICANT RISKS AND UNCERTAINTIES

Diös Fastigheters' principal risks and uncertainties are described in the 2014 annual report on pages 40-42. Apart from the following, there have not been any substantial changes to Diös' risks and uncertainties.

At its monetary policy meeting on 18 March the Riksbank announced a cut in the repo rate from -0.10 per cent to -0.25 per cent as well as a SEK 30 billion government bond purchase programme, which are aimed at boosting inflation. The Riksbank expects the repo rate to remain at this level until the second half of 2016. This will help to ensure that funding costs for Swedish businesses and households remain low.

According to the March 2015 edition of Swedish Economy, a publication of the National Institute of Economic Research (NIER), the outlook for the Swedish economy and for Swedish exports has improved. The global recovery and the relatively weak krona are fuelling a recovery in Swedish exports after a several years of weak performance. Over the next two years exports are expected to grow by around 5 per cent annually. Swedish GDP is forecast to increase by 3 per cent in 2015 while unemployed is seen at 7.8 per cent.

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



»»» 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.

»»» ACCOUNTING PRINCIPLES

Diös complies with EU-adopted IFRS standards and the interpretations of these (IFRIC). This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act. The report for the parent company has been prepared in accordance with RFR 2, Accounting for Legal Entities and the Swedish Annual Accounts Act. The accounting policies applied in the interim report are consistent with the accounting policies applied in preparing the consolidated financial statements and Annual Report for 2014, Note 1, with the exceptions indicated in the following. New and amended standards which entered into force in 2015 have not had any impact on the interim report.

IFRS 11 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 prior financial year. The interest was recognised at cost at 31 December 2014. Accounting for the interest in accordance with the principles for joint operations has, however, had no material impact on the consolidated financial statements.

In respect of its interest in the joint operation Diös has recognised 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.

¹ Annual Report 2014 is available at www.dios.se





>>> DIVIDEND POLICY

At least 50 per cent of the company's profit after tax, excluding unrealised changes in value and deferred tax, should be distributed to the shareholders in the form of dividends.

>>> EVENTS AFTER THE REPORTING PERIOD

There have been no significant events since the reporting date.

The Board of Directors and Chief Executive Officer declare that the interim report gives a true and fair view of the company's and Group's operations, financial position and income, and describes the principal risks and uncertainties faced by the company and the companies in the Group.

This interim report has not been subject to review by the company's auditor.

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

Östersund, 24 April 2015

Bob Persson
Chairman

Maud Olofsson
Board member

Ragnhild Backman
Board member

Svante Paulsson
Board member

Anders Bengtsson
Board member

Knut Rost
Chief Executive Officer

Tomas Mellberg
Board member
Employee representative



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

	2015 3 mths Jan-Mar	2014 3 mths Jan-Mar	2014 12 mths Jan-Dec
INCOME STATEMENT			
Rental income and other property management income	328	328	1,312
Property costs	-154	-150	-550
Operating surplus	174	178	762
Central administration	-15	-15	-58
Net financial items	-58	-70	-283
Property management income	101	93	421
Change in value of properties	2	2	62
Change in value of interest rate derivatives	-6	-33	-91
Profit before tax	97	62	392
Current tax	-3	-2	-10
Deferred tax	-19	-16	-80
Profit after tax	75	44	302
Profit attributable to shareholders of the parent	75	46	297
Profit attributable to non-controlling interests	-	-2	5
Total	75	44	302
STATEMENT OF COMPREHENSIVE INCOME			
Profit after tax	75	44	302
Comprehensive income for the period	75	44	302
Comprehensive income attributable to shareholders of the parent	75	46	297
Comprehensive income attributable to non-controlling interests	-	-2	5
Total	75	44	302
Profit per share after tax, SEK	1.00	0.62	3.97
Number of shares at end of period (thousands)	74,729	74,729	74,729
Average number of shares (thousands)	74,729	74,729	74,729



CONDENSED CONSOLIDATED BALANCE SHEET, SEK M

ASSETS	2015 31 Mar	2014 31 Mar	2014 31 Dec
Non-current assets			
Investment properties	12,295	11,902	12,200
Other property, plant and equipment	6	7	7
Intangible assets	4	4	4
Financial assets	6	9	7
Total non-current assets	12,311	11,922	12,218
Current assets			
Current receivables	112	120	43
Cash and cash equivalents	151	114	79
Total current assets	263	234	122
TOTAL ASSETS	12,574	12,156	12,340
EQUITY AND LIABILITIES			
Equity	3,440	3,279	3,365
Deferred tax liability	754	671	735
Non-current liabilities	7,658	7,664	7,673
Overdraft facilities	119	-	-
Current liabilities	603	542	567
TOTAL LIABILITIES AND EQUITY	12,574	12,156	12,340
Contingent liabilities	135	-	135

CONDENSED STATEMENT OF CHANGES IN EQUITY, SEK M

	Equity	Attributable to shareholders of the parent	Attributable to minority interests
Equity, 31 Dec 2013	3,235	3,216	19
<i>Profit for the period after tax</i>	44	46	-2
Comprehensive income for the period	44	46	-2
Equity, 31 Mar 2014	3,279	3,262	17
<i>Profit for the period after tax</i>	258	251	7
Comprehensive income for the period	258	251	7
Cash dividend	-172	-172	-
Equity at 31 Dec 2014	3,365	3,341	24
<i>Profit for the period after tax</i>	75	75	-
Comprehensive income for the period	75	75	-
Equity at 31 Mar 2015	3,440	3,416	24



CONDENSED CONSOLIDATED CASH FLOW STATEMENT, SEK M

	2015 3 mths Jan-Mar	2014 3 mths Jan-Mar	2014 12 mths Jan-Dec
OPERATING ACTIVITIES			
Property management income	101	93	421
Adjustments for non-cash items	-22	-24	-
Tax paid	-3	-2	-10
Operating cash flows before change in working capital	76	67	411
Changes in working capital			
Decrease (+)/increase (-) in receivables	-69	-29	48
Decrease (-)/increase (+) in current liabilities	19	8	-37
Total change in working capital	-50	-21	11
Operating cash flow	26	46	422
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment	18	-	101
Acquisition of intangible assets	-	-	-1
Purchases of property, plant and equipment	-83	-51	-399
Investing cash flow	-65	-51	-299
FINANCING ACTIVITIES			
Dividends paid	-	-	-172
Change in non-current liabilities	-8	-2	7
Change in overdraft facility	119	-	-
Financing cash flow	111	-2	-165
Cash flow for the period	72	-7	-42
Cash and cash equivalents at beginning of period	79	121	121
Cash and cash equivalents at end of period	151	114	79



KEY RATIOS

	2015 3 months Jan-Mar	2014 3 months Jan-Mar	2014 12 months Jan-Dec
Return on equity, %	2.2	1.4	9.0
Equity ratio, %	27.4	27.0	27.3
Loan-to-value ratio, properties, %	62.3	64.4	62.9
Interest coverage ratio, times	2.7	2.3	2.5
Equity per share, SEK	46.0	43.9	45.0
Net asset value (EPRA NAV) per share, SEK	59.1	55.8	57.9
Cash flow per share, SEK	1.3	1.2	5.5
Number of properties at end of period	354	364	354
Leasable area at end of period, sq.m.	1,421,199	1,446,900	1,422,519
Market value of properties, SEKm	12,295	11,902	12,200
Rental value, SEKm	367	360	1,448
Economic occupancy rate, %	88.6	89.3	89.2
Yield, %	1.4	1.5	6.2
Surplus ratio, %	53.6	55.4	59.0

CONDENSED PARENT COMPANY INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME, SEK M

	2015 3 months Jan-Mar	2014 3 months Jan-March	2014 12 months Jan-Dec
INCOME STATEMENT			
Net sales	30	30	118
Gross profit	30	30	118
Central administration	-41	-40	-159
Operating profit	-11	-10	-41
Financial income	43	43	147
Financial costs	-38	-29	-115
Profit after financial items	-6	4	-9
Current tax	-	-	-
Profit after tax	-6	4	-9
STATEMENT OF COMPREHENSIVE INCOME			
Profit after tax	-6	4	-9
Comprehensive income for the year	-6	4	-9

CONDENSED PARENT COMPANY BALANCE SHEET, SEK M

	2015 31 Mar	2014 31 Mar	2014 31 Dec
ASSETS			
Projects in progress ¹	1	1	1
Intangible assets ¹	4	4	4
Machinery and equipment	2	1	2
Interests in Group companies	171	171	171
Non-current receivables from Group companies	7,413	3,396	7,390
Total non-current assets	7,591	3,573	7,568
Current receivables from Group companies	193	140	186
Other current receivables	17	9	13
Cash and cash equivalents	123	8	145
Total current assets	333	157	344
TOTAL ASSETS	7,924	3,730	7,912
EQUITY AND LIABILITIES			
Equity	1,247	1,438	1,253
Non-current liabilities to credit institutions	2,656	1,474	3,311
Non-current liabilities to Group companies	2,974	673	2,947
Current liabilities to credit institutions	7	7	7
Current liabilities to Group companies	992	103	365
Trade payables	2	2	1
Other current liabilities	46	33	28
Total current liabilities	1,047	145	401
TOTAL LIABILITIES AND EQUITY	7,924	3,730	7,912

¹SEK 4 million has been reclassified between projects in progress and intangible assets for 31 March 2014.



DEFINITIONS

RETURN ON EQUITY

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

EQUITY RATIO

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

LOAN-TO-VALUE RATIO, PROPERTIES

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

INTEREST COVERAGE RATIO

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

EARNINGS PER SHARE

Profit for the period after tax, attributable to shareholders, divided by the average number of shares.

EQUITY PER SHARE

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

NET ASSET VALUE (EPRA NAV) PER SHARE

Equity at the end of the period after reversal of interest rate derivatives and deferred tax in accordance with the balance sheet, divided by the number of outstanding shares at the end of 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 shares.

AVERAGE NUMBER OF SHARES

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

NUMBER OF SHARES AT END OF PERIOD

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

RENTAL VALUE

Rent at the end of the period plus addition for 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.

ECONOMIC OCCUPANCY RATE

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

RENTAL INCOME

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

YIELD

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

SURPLUS RATIO

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

PROFIT FROM IMPROVEMENTS

Sale price minus capital invested.

LIST OF PROPERTY TRANSACTIONS JANUARY–MARCH 2015

Property	Business area	Municipality	Category	Area, sq.m.
SALES				
Quarter 1				
Söder 38:5 (part of property)	Gävleborg	Gävle	Residential	1,320
Total property sales January-March				1,320

CALENDAR 2015

Q2 Interim report January-June 2015

6 July 2015

Q3 Interim report January-September 2015

23 October 2015





DIÖS FASTIGHETER AB (PUBL)

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