KLÖVERN
INTERIM REPORT
JANUARY – SEPTEMBER

2010

Klövern January–September 2010

- Income amounted to SEK 907 million (939)
- Profit from property management amounted to SEK 337 million (389), corresponding to SEK 2.09 per share (2.42)
- Net profit for the period increased to SEK 344 million (179), corresponding to SEK 2.14 per share (1.12)
- Equity amounted to SEK 4,255 million (4,112), corresponding to SEK 26.5 per share (25.6)
- The changes in value of properties amounted to SEK 222 million (–234)
- After the end of the period, 37 properties have been acquired for SEK 1,055 million.

Net profit for the period

SEKm	2010 Jan–Sep	2009 Jan–Sep
Rental income	902	920
Other income	5	19
Property and central costs	–403	–380
Net financial income	–167	–170
Profit from property management	**337**	**389**
Changes in value, properties	222	–234
Changes in value, derivatives	–120	50
Deferred and current tax	–95	–26
Net profit for the period	**344**	**179**

Cover: **Idéläran 1 in Linköping:** On 1 October 2010, Klövern took possession of a property portfolio with 37 properties in Linköping, Norrköping and Örebro. The purchase price was SEK 1,055 million.

Statement by the CEO

Swift pace of new letting

The positive development of the rental and property market noted during the second quarter continued during the third quarter. Net moving-in is once again positive and the occupancy rate is 89 per cent, which is one percentage above the level six months ago. Rental levels are rising somewhat in several of Klövern's cities.

The new tenants include the pharmaceutical manufacturer Kemwell which successively will move into 9,000 sq.m. at Uppsala Business Park. The IT consultancy company Sigma has moved into 1,500 sq.m. of office premises at Örebro Business Park and the educational company Pluskompetens into 230 sq.m. in Norrköping Science Park. We have also concluded a number of contracts during the year where the tenant has not yet moved in. Among these may be noted Svanova, Anticimex and Gammadata Mätteknik in Uppsala Business Park, The Municipality of Norrköping, Effektfabriken and Gaia at Norrköping Science Park as well and not least Ericsson which will move into a completely new 27,000 sq.m. office building in 2012 as well as a refurbished building with 9,000 sq.m. in Kista Science City.

The state of the credit market continues to improve, which has contributed to an increase in the number of property transactions. After the end of the period, Klövern has carried out its first large acquisition since 2007, a property portfolio of 37 properties, mainly in Linköping, but also in Norrköping and Örebro, for SEK 1,055 million. The property portfolio resembles a number of portfolios previously acquired by Klövern – large vacancies and great potential. To start with, the acquisition will lead to a rise in Klövern's total vacancy, although with our own local staff with good knowledge of customers and the market, all the prerequisites are in place to achieve the same positive result from this portfolio as that already achieved in, for instance, Kista and Uppsala. Klövern has raised new financing for the acquisition in Linköping, Norrköping and Örebro as well as the new construction for Ericsson and refinanced maturing loans during 2010 at Swedish banks.

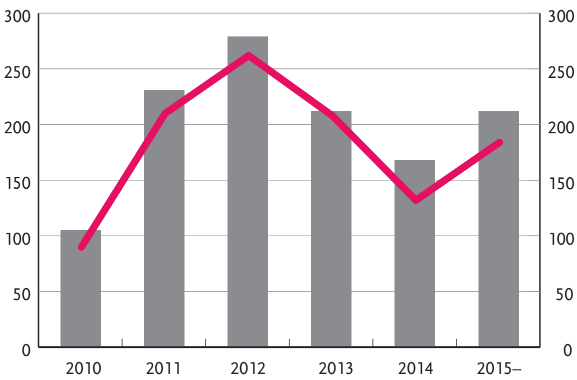
Property values are developing positively. During the third quarter, they rose by SEK 87 million or slightly less than 1 per cent. To date, property values have increased by 2 per cent. The increase in value is due to a weak fall in the required return, although also to improved letting. An increase in the number of enquiries is preparing the way for a good finish to the year.

Gustaf Hermelin

Klövern is a real estate company committed to working closely with customers to meet their needs of premises and services in Swedish growth regions. Klövern has business units in ten cities: Borås, Karlstad, Kista, Linköping, Norrköping, Nyköping, Täby, Uppsala, Västerås and Örebro. As at 30 September 2010, the value of properties totals SEK 12.2 billion and the rental income was SEK 1.4 billion. The Klövern share is listed on Nasdaq OMX Nordic Exchange in Stockholm for medium-sized companies.

Income statement items refer to the period January-September and are compared with the corresponding period last year. Balance sheet items refer to the position at the end of the period and the comparative figures the most recent year-end.

Lease contract structure



Profit

Profit from property management, i.e. profit excluding changes in value and tax, amounted to SEK 337 million (389) during January–September. Profit is lower partly due to net sales of properties and partly due to a cold, snowy and therefore expensive winter. Profit for the period amounted to SEK 344 million (179). The result for the period includes positive changes in value of properties at SEK 222 million (–234) and negative changes in value of derivatives at SEK –120 million (50). Equity increased to SEK 4,255 million (4,112) and the equity ratio was 33 per cent at the end of the period (33).

Income and occupancy rate

Income during the period amounted to SEK 907 million (939), of which rental income was SEK 902 million (920). This decrease is partly explained by sale of properties and an index reduction of rental income due to negative development of CPI during 2009. Other income, which consists of income from rental guarantees and lease redemption payments, amounted to SEK 5 million (19). The average remaining contract term was 2.9 years (3.0) and the economic occupancy rate was 89 per cent (89) at the end of the period. New letting affects the rental value and rental income when the tenants move in. This does not always have a full effect on the occupancy rate as the rental value for the previously vacant spaces is sometimes low.

Costs and operating margin

Property costs amounted to SEK –355 million (–334) during the period. This increase is mainly due to high costs due to snow and ice clearance in the winter and high energy costs during the first cold quarter of the year. The property costs include customer losses of SEK –3 million (–4). The operating surplus was SEK 552 million (605), which entails an operating margin of 61 per cent (64). SEK –3 million (–3) has been charged to central administration costs for the costs of pursuing Klövern's tax cases.

Kvarnholmen 4 in Norrköping: The property Kvarnholmen 4 in Norrköping, with, among others, Telia as tenant, is part of the acquisition of the property portfolio totalling 37 properties that Klövern took possession of on 1 October 2010.

Cash flow

The cash flow from current operations was SEK 299 million (344). Income tax paid amounts to SEK –3 million (–9). Investment operations have affected the cash flow by SEK 101 million (–254) net, mainly due to the sale of properties. The cash flow from financing operations has had an effect of SEK –310 million (–79). Overall, cash flow for the period totals SEK 90 million (11).

Financing

At the end of the period, interest-bearing liabilities amounted to SEK 7,536 million (7,646). The average financial interest rate for the whole of the financial portfolio amounted to 3.2 per cent (2.7). Excluding derivatives and the cost of credit agreements and the overdraft facility, the interest rate amounted to 2.0 per cent (1.2) on 30 September.

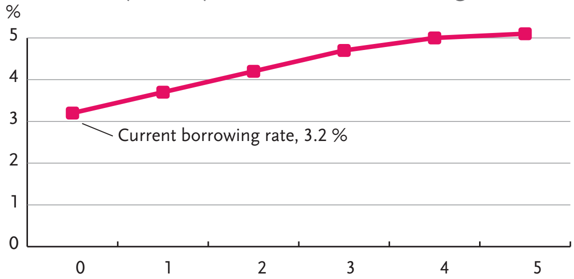
The average fixed-interest term was 2.8 years (3.2). Credit volumes with swap agreements are treated as having fixed interest. The average period of tied-up capital was 2.1 years (1.8). Not utilized credit volumes, including not utilized overdraft facilities of SEK 196 million (200), totalled SEK 1,305 million (1,128) as at 30 September.

At the end of the period, Klövern had interest rate caps of SEK 3,000 million (3,599), of which SEK 500 million matures during 2010, SEK 1,000 million in 2011, SEK 500 million per year in 2012, 2013 and 2014. The interest rate caps have a redemption rate of 4.25–4.50 per cent.

On 30 September, swap agreements totalled SEK 3,800 million, of which SEK 1.4 billion matures in 2015, SEK 1.4 billion in 2016 and SEK 1 billion in 2017.

Klövern's interest rate swap agreements and interest caps effectively limit Klövern's interest rate risk. An increase in the short market rates of one percentage point would increase Klövern's average borrowing rate by a half percentage point. If the market rate increases by five percentage points, Klövern's borrowing rate would increase by just under 2.0 percentage points, from 3.2 per cent to 5.1 per cent.

Sensitivity analysis – the borrowing rate



Change of market rate by X percentage points.

The falling long-term market interest rates during 2010 have meant falling values of Klövern's derivatives. The changes in value of derivatives amounted to SEK –120 million (50) during the period and the value was SEK –155 million (–31) at the end of September. The change in value does not affect the cash flow. On maturity, the value of the derivative is always zero.

FIXED INTEREST AND TIED-UP CAPITAL

	Fixed interest		Tied-up capital		
Maturity year	Loan volume, SEKm	Interest rate, %	Contract volume, SEKm	Utilized, SEKm	Not utilized, SEKm
Variable	3,643	2.2	—	—	—
2010	24	3.8	225	28	196
2011	69	6.0	2,544	1,705	840
2012	—	—	2,190	1,921	269
2013	—	—	3,875	3,875	—
2014	—	—	7	7	—
2015	1,400	3.8	—	—	—
2016	1,400	4.7	—	—	—
2017	1,000	4.1	—	—	—
Total	**7,536**	**3.2**	**8,841**	**7,536**	**1,305**

Property acquisitions

During the period January–September 2010, one property (2) has been acquired. On 1 July the property Ana 12 in Nyköping was taken possession of. The purchase price was SEK 12 million.

Property sales

During January–September, Klövern has sold six properties (2) where possession has also been transferred during the period. In addition to the properties, transfer of possession of an additional two properties (0) has taken place where the sale was agreed upon during 2009. Sales for the period totalling SEK 336 million (155) have led to positive realised changes in value of SEK 22 million (34).

Fonden 1 in Linköping: On 1 July, Klövern transferred possession of the property Fonden 1 in Linköping to a local purchaser. The property was originally a cash depot for Sveriges Riksbank.

Investments and projects

Klövern's aim is for the property portfolio to have a net growth of at least SEK 1 billion per year. This increase takes place both through refurbishment and extension of existing properties and through acquisition.

Building rights total 623,000 sq.m., of which 190,000 sq.m. are in Kista. The major part of the building rights consist of offices. 177,000 sq.m. of the total building rights are covered by local plans. The value of the building rights amounts to SEK 405 million.

Investments in existing properties often take place in connection with new leases with the aim of customizing and modernizing the premises and thus increasing the rental value.

A large number of projects were carried out at existing properties during the year. A total of SEK 222 million (261) was invested. Investments totalling SEK 125 million (563) were made in the projects completed during the period and, in certain cases, started in previous years. In addition to the projects completed during the period, a large number of major and smaller investments are still in process. A total of 148 projects (120) are in process for an estimated expenditure of SEK 1,458 million (649). A total of SEK 981 million (282) remains to be invested in these projects.

Fyrislund 6:6 in Uppsala: Gammadata Mätteknik has concluded a ten-year lease at Uppsala Science Park and Anticimex a three-year lease. The establishment of both companies in the park is taking place during 2010 at a total rent of SEK 2.2 million per year.

KLÖVERN'S LARGEST PROJECTS IN PROCESS

City	Property	Project type	Lettable area property, sq.m.	Project-area, sq.m.	Occupancy rate property after project, %	Estimated investment, SEKm	Remaining investment, SEKm	Increase in rental value due to project, SEKm	Rental value after project*, SEKm	Expected completion, year
Kista	Isafjord 1	Office/ experience center[1]	—	36,000[1]	100	662	582	42	133	2012
Kista	Lidarände 1	Office	19,195	3,700	100	41	36	6	27	2011
Norrköping	Koppar-hammaren 7	Office/ cinema	4,480	4,480	100	82	57	8	8	2011
Norrköping	Stjärnan 15 & 16	Office	11,415	4,405	83	58	4	7	14	2010
Uppsala	Fyrislund 6:6	Office/lab	58,319	2,050	66	28	22	2	99	2011
Total			**93,409**	**50,635**		**871**	**701**	**65**	**281**	

* According to external valuation.

[1] Of which 27,000 sq.m. refers to a new building and 9,000 sq.m. refurbishment of an existing.

Properties and changes in value

As of 30 September 2010, Klövern's portfolio consisted of 211 properties (217). The rental value totalled SEK 1,352 million (1,385) and the fair value of the properties amounted to SEK 12,152 million (12,032). The total lettable area amounted to 1,374,000 sq.m. (1,392,000).

During the period, the change in value of the properties totalled SEK 222 million (–234). The changes in value included realized changes in value of SEK 22 million (34) and unrealized changes in value of SEK 200 million (–268). The realized changes in value do not affect the cash flow.

On average, Klövern's property portfolio has been valued, as at 30 September, with a required yield of 7,2 per cent (7,2). The required yield has been slightly lowered for properties in good locations or with long-term leases. The changes in value are mostly attributable to reduced required yields and new leases.

Klövern values 100 per cent of its property portfolio every quarter. 20–30 per cent of the valuations have been carried out by DTZ Sweden and the remainder by Klövern. Accordingly, every property in the portfolio is valued externally during a rolling 12-month period. DTZ has also served as advisor when the required yields have been determined in the internal valuations. See Klövern's annual report for 2009 for a more detailed description of valuation principles.

FAIR VALUE, SEK MILLION	2010	2009
Fair value as at 1 January	12,032	11,895
Acquisitions	12	142
Investments	222	261
Sales	–336	–155
Changes in value	222	–234
Fair value as at 30 September	**12,152**	**11,909**

Profit and key ratios per business unit

Profit per business unit shows current operations, which includes properties acquired and investments made during the period. The key ratios per business unit refer to the situation at the respective periods end, however, and the figures in the two tables are accordingly not wholly comparable.

PROFIT PER BUSINESS UNIT

	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, %		Booked investments, SEKm	
	2010 Jan–Sep	2009 Jan–Sep	2010 Jan–Sep	2009 Jan–Sep	2010 Jan–Sep	2009 Jan–Sep	2010 Jan–Sep	2009 Jan–Sep	2010 Jan–Sep	2009 Jan–Sep
Borås	33	34	–14	–13	19	21	58	63	2	2
Karlstad	135	134	–51	–45	84	89	62	66	29	26
Kista	252	252	–81	–81	171	171	68	68	60	152
Linköping	102	108	–32	–33	70	75	69	69	14	8
Norrköping	68	68	–35	–32	33	36	49	53	34	16
Nyköping	77	76	–29	–23	48	53	62	69	17	3
Täby	47	48	–18	–15	29	33	62	68	4	6
Uppsala	54	48	–31	–31	23	17	43	36	26	14
Västerås	96	102	–49	–43	47	59	49	58	24	25
Örebro	38	50	–15	–18	23	32	61	65	12	9
Övrigt*	5	19	0	—	5	19	—	—	—	—
Total	**907**	**939**	**–355**	**–334**	**552**	**605**	**61**	**64**	**222**	**261**

* Income consists of rental guarantees and lease redemption payments.
Costs consist of items that are not directly attributable to normal real estate operations.

KEY RATIOS PER BUSINESS UNIT

	Fair value, SEKm		Required yield*, %		Area, 000 sq.m.		Rental value, SEKm		Econ. occupancy rate, %	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009	30.09.2010	30.09.2009
Borås	395	389	7.8	7.9	80	80	51	51	91	89
Karlstad	1,592	1,494	7.3	7.4	204	207	193	193	95	93
Kista	4,299	4,147	6.5	6.6	253	252	366	372	92	94
Linköping	1,317	1,346	7.3	7.3	161	166	153	159	89	89
Norrköping	894	835	7.3	7.4	143	142	108	105	84	82
Nyköping	882	875	7.8	7.9	135	133	110	110	92	94
Täby	532	524	7.5	7.6	67	68	70	69	95	95
Uppsala	687	537	8.5	8.6	67	66	99	99	71	67
Västerås	1,184	1,217	7.4	7.5	217	216	158	161	81	84
Örebro	370	545	7.2	7.0	47	62	44	67	94	95
Total	**12,152**	**11,909**	**7.2**	**7.2**	**1,374**	**1,392**	**1,352**	**1,386**	**89**	**89**

* Calculated excl. building rights totalling SEK 405 million.

The share and shareholders

The Klövern share is listed on Nasdaq OMX Nordic Exchange in Stockholm, list for medium-sized companies. On 30 September, the share price was SEK 32.40 per share (22.90), which corresponds to a total capitalization of SEK 5.2 billion (3.7). As at 30 September, the number of registered shares in Klövern was 166,544,326. The number of shareholders was 28,657, of which 84 per cent (86) were Swedish.

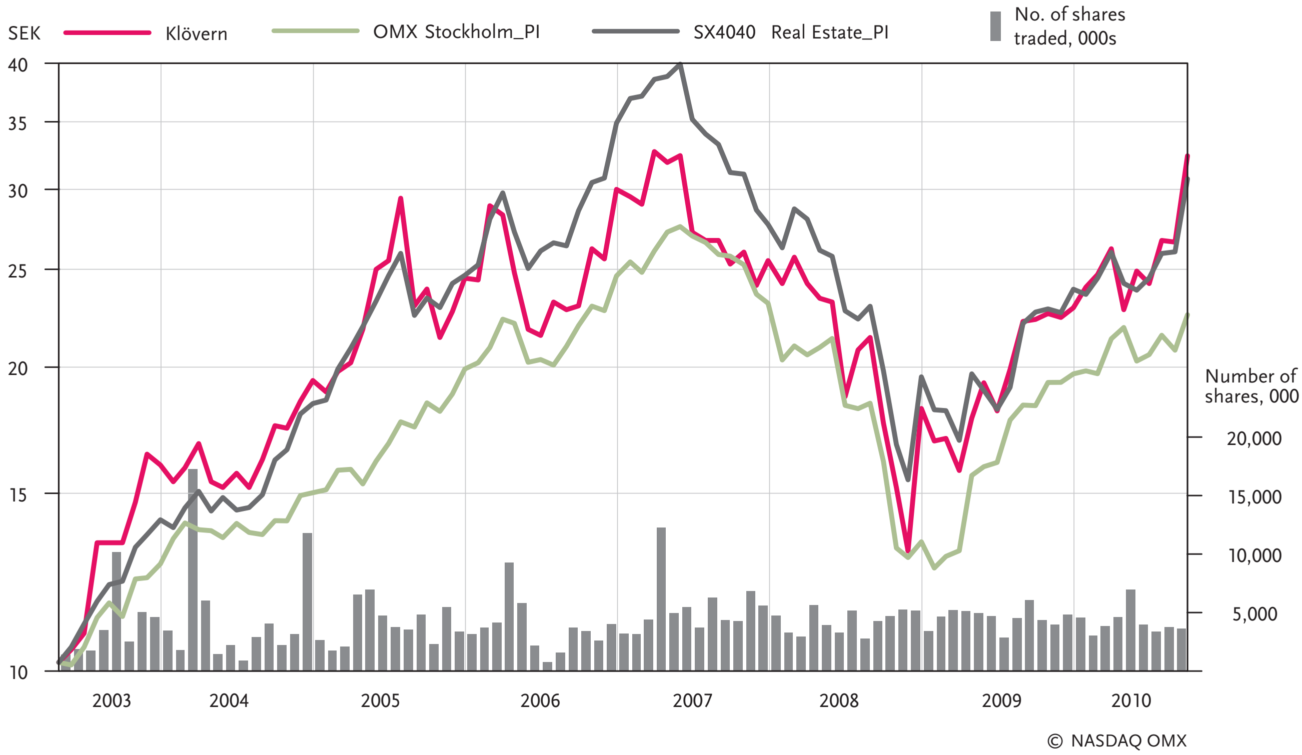
The board of directors of Klövern has been authorized since 2007 to repurchase Klövern shares up to a maximum of 10 per cent of the total number of registered shares. In accordance with the decisions previously made, Klövern has repurchased 5,741,463 shares, corresponding to 3.4 per cent of the total number of registered shares. These shares were acquired at an average price of SEK 22.15 per share. No new repurchases have been made during the period.

SHAREHOLDERS

30.09.2010	No. of shares, thousands	Share of votes and equity, %	Change 2010, %-points
Corem Property Group	20,011	12.4	–0.1
LRF	17,117	10.6	0.0
Arvid Svensson Invest	17,017	10.6	0.0
Investment AB Öresund	12,499	7.8	–1.8
Länsförsäkringar funds*	7,056	4.4	1.0
Brinova Inter	6,856	4.3	0.0
Swedbank Robur funds*	4,810	3.0	–0.1
Länsförsäkringar Södermanland	4,345	2.7	0.1
HQ funds*	4,295	2.7	0.0
Handelsbanken funds*	2,331	1.4	0.5
Total major shareholders	**96,337**	**59.9**	**–0.4**
Other shareholders	64,466	40.1	0.4
Total outstanding shares	**160,803**	**100.0**	**0.0**
Repurchased own shares	5,741		
Total registered shares	**166,544**		

*Owner group.

The Klövern share



The tax situation

Outcome of tax cases

In February 2010, the Administrative Court of Appeal decided in favour of Klövern in the matter of a tax surcharge of SEK 493 million. According to the Administrative Court of Appeal, and also previously the County Administrative Court, a tax surcharge cannot be imposed as Klövern had withdrawn its request for an additional deduction at the time the surcharge was imposed. The Tax Agency has appealed the case to the Supreme Administrative Court. The Supreme Administrative Court has not yet notified whether leave to appeal will be granted.

At the end of 2003, Klövern requested that tax assessment for 2003 should be reconsidered with a view to having considered whether Klövern was entitled to an additional tax loss carryforward of SEK 4,933 million. In the spring of 2006, Klövern withdrew its request for reconsideration and submitted a new request for a loss carryforward in 2006. The renewed request was rejected by the Administrative Court in February 2009 and by the Administrative Court of Appeal in August 2010. Klövern is considering appealing to the Supreme Administrative Court.

The Administrative Court of Appeal has in a judge in August 2010 granted Klövern tax loss carryforward of SEK 107 million for conversion of claims to shareholders' contributions.

Tax for the period

Deferred tax of SEK –48 million has been charged to profit of current real estate operations. Furthermore, among other things, the change in the difference between fair value and residual value for properties for tax purposes has entailed deferred tax of SEK –72 million. Moreover, the deferred tax liability has decreased by SEK 28 million due to tax loss carry forward granted by the Administrative Court of Appeal. In total, profit for the period includes a cost for deferred a cost for deferred tax at SEK –92 million (–17) and current tax of SEK –3 million (–9). Current tax refers to tax charged by the Tax Agency and tax surcharge for the 2008 year of assessment in accordance with the reconsideration decision in April 2010.

Personnel

Klövern's business model entails closeness to the customer by having our own staff at all business units. All employees work in accordance with the motto "making the customer's day easier every day". At the end of the period, the number of employees in Klövern was 127 (126). The average age was 44 (45) and the proportion of women was 42 per cent (41).

Important risks and uncertainty factors

Klövern's substantial risks and uncertainty factors are described on pages 26–29 of the 2009 annual report. No substantial risks have arisen subsequently.

Accounting policies

This interim report for the Group has been drawn up in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting and, in the case of the parent company, the Annual Accounts Act. The accounting policies applied in this interim report are those described in Klövern's annual report for 2009, note 1.

Events after the end of the period

On 1 October, Klövern took possession of a property portfolio with 37 properties in Linköping, Norrköping and Örebro. The purchase price was SEK 1,055 million and the economic occupancy rate was 74 per cent.

Nyköping, 21 October 2010

Klövern AB (publ)
The Board of Directors

Review report

To the Board of Directors of Klövern AB (publ)
Reg.no. 556482-5833

Introduction

We have reviewed the interim report for Klövern AB (publ) as at 30 September 2010 for the nine-month period that ended on that date. The Board of Directors and the CEO are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

The direction and scope of the review

We have performed this review in accordance with the standard for review (SÖG) 2410 *Review of financial interim report information performed by the auditor appointed by the company*. A review consists of making enquiries in the first place to persons who are responsible for financial issues and accounting matters, performing an analytical review and undertaking other general review measures. A review has a different focus and a considerably reduced scope compared with the focus and scope of an audit in accordance with Auditing Standards in Sweden RS and generally accepted auditing standards otherwise. The review measures undertaken have not made it possible for us to acquire such certainty as to be aware of all important circumstances that could have been identified in the performance of an audit. The conclusion stated is based on a general review and does not therefore have the same degree of certainty as a statement based on an audit.

Conclusion

On the basis of our general review, no circumstances have emerged which would lead us to consider that the interim report is not, in all substantials, prepared in accordance with IAS 34 and the Annual Accounts Act and, in the case of the parent company, with the Annual Accounts Act.

Stockholm, 21 October 2010

Ernst & Young AB
Mikael Ikonen
Authorised public accountant

Consolidated Statement of Income

SEK million	2010 3 months Jul–Sep	2009 3 months Jul–Sep	2010 9 months Jan–Sep	2009 9 months Jan–Sep	2009 12 months Jan–Dec	Rolling 12 months Oct–Sep
Rental income	301	303	902	920	1,231	1,212
Other income [1]	2	6	5	19	23	9
Total income	**303**	**309**	**907**	**939**	**1,254**	**1,221**
Property costs	–102	–107	–355	–334	–474	–493
Operating surplus	**201**	**202**	**552**	**605**	**780**	**728**
Central administration	–13	–12	–48	–46	–66	–69
Net financial income	–60	–53	–167	–170	–221	–218
Profit from property management	**128**	**137**	**337**	**389**	**493**	**441**
Changes in value, properties	106	–45	222	–234	–231	225
Changes in value, derivatives	–4	–7	–120	50	34	–136
Profit before tax	**230**	**85**	**439**	**205**	**296**	**530**
Current tax	0	–4	–3	–9	–9	–3
Deferred tax	–30	–13	–92	–17	–50	–124
Net profit for the period	**200**	**68**	**344**	**179**	**237**	**403**
Other comprehensive income	—	—	—	—	—	—
Comprehensive income for the period	**200**	**68**	**344**	**179**	**237**	**403**
Earnings per share, SEK	1.25	0.43	2.14	1.12	1.48	2.50
No. of shares at end of period, million	161	161	161	161	161	161
Average no. of shares, million	161	161	161	161	161	161

There are no outstanding warrants or convertibles.

[1] Income from rental guarantees and lease redemption payments.

Consolidated Balance Sheet

SEK million	30.09.2010	30.09.2009	31.12.2009
Assets			
Investment properties	12,152	11,909	12,032
Machinery and equipment	8	11	10
Deferred tax asset	398	379	418
Accounts receivable	95	70	83
Liquid funds	114	78	24
Total assets	**12,767**	**12,447**	**12,567**
Shareholders' equity and liabilities			
Equity	4,255	4,054	4,112
Deferred tax liability	442	298	370
Interest-bearing liabilities	7,536	7,726	7,646
Derivatives	155	14	31
Accounts payable	66	43	104
Other liabilities	12	14	15
Accrued expenses and prepaid income	301	298	289
Total shareholders' equity and liabilities	**12,767**	**12,447**	**12,567**

Change in Group Shareholder's Equity

SEK million	
Equity, 1 January 2009	**4,035**
Dividend	–161
Net profit for the year	237
Equity, 31 December 2009	**4,112**
Dividend	–201
Net profit for the period	344
Equity, 30 September 2010	**4,255**

Consolidated Statement of Cash Flow

SEK million	2010 3 months Jul–Sep	2009 3 months Jul–Sep	2010 9 months Jan–Sep	2009 9 months Jan–Sep	2009 12 months Jan–Dec
Current operations					
Profit from property management	128	137	337	389	493
Adjustment for items not included in the cash flow	2	3	6	8	10
Income tax paid	0	–4	–3	–9	–9
Cash flow from operations before changes in working capital	130	136	340	388	494
Change in operating receivables	4	17	–11	46	34
Change in operating liabilities	24	–2	–30	–90	–38
Total change in working capital	28	15	–41	–44	–4
Cash flow from current operations	**158**	**151**	**299**	**344**	**490**
Investment operations					
Divestment of properties	103	8	336	155	162
Acquisition of and investment in properties	–94	–75	–234	–403	–530
Acquisition of machinery and equipment	0	–1	–1	–2	–1
Investment in financial assets	—	—	—	–4	–4
Cash flow from investment operations	**9**	**–68**	**101**	**–254**	**–373**
Financing operations					
Change in interest-bearing liabilities	–75	–54	–109	82	1
Dividend	—	—	–201	–161	–161
Cash flow from financing operations	**–75**	**–54**	**–310**	**–79**	**–160**
Cash flow for the period	**92**	**29**	**90**	**11**	**–43**
Liquid funds at beginning of period	22	49	24	67	67
Liquid funds at end of period	**114**	**78**	**114**	**78**	**24**

Parent Company Statement of Income

SEK million	2010 3 months Jul–Sep	2009 3 months Jul–Sep	2010 9 months Jan–Sep	2009 9 months Jan–Sep	2009 12 months Jan–Dec
Net sales	24	23	74	72	98
Cost of services sold	–18	–16	–56	–52	–72
Gross profit	**6**	**7**	**18**	**20**	**26**
Central administration	–13	–12	–48	–46	–67
Operating profit	**–7**	**–5**	**–30**	**–26**	**–41**
Result from other securities	—	—	26	—	—
Interest income	0	0	0	0	0
Interest expense	0	–1	–1	–2	–2
Profit after financial items	**–7**	**–6**	**–5**	**–28**	**–43**
Current tax	—	–4	—	–9	–9
Tax attributable to group contribution	—	—	—	—	30
Deferred tax	6	–20	–20	–28	11
Net profit	**–1**	**–30**	**–25**	**–65**	**–11**

Parent Company Balance Sheet

SEK million	30.09.2010	30.09.2009	31.12.2009
Assets			
Machinery and equipment	2	3	2
Participation rights in group companies	320	320	320
Receivables from group companies	2,976	3,185	3,297
Deferred tax asset	398	379	418
Accounts receivable	6	3	10
Liquid funds	20	66	8
Total assets	**3,722**	**3,956**	**4,055**
Shareholders' equity and liabilities			
Equity	2,770	2,860	2,996
Liabilities to group companies	922	1,070	1,031
Accounts payable	6	3	9
Other liabilities	4	7	7
Accrued expenses and prepaid income	20	16	12
Total shareholders' equity and liabilities	**3,722**	**3,956**	**4,055**

Key ratios

	30.09.2010 9 months	30.09.2009 9 months	30.09.2010 12 months	2009	2008	2007	2006	2005
Property-related								
No. of properties	211	218	211	217	217	220	205	162
Lettable area, 000 sq.m.	1,374	1,392	1,374	1,392	1,382	1,394	1,436	1,042
Rental value, SEKm	1,352	1,386	1,352	1,385	1,360	1,309	1,276	798
Fair value properties, SEKm	12,152	11,909	12,152	12,032	11,895	12,154	10,701	5,968
Direct yield requirement valuation, %	7.2	7.2	7.2	7.2	7.1	6.6	6.9	8.0
Operating margin, %	61	64	61	62	62	63	60	61
Economic occupancy rate, %	89	89	89	89	90	88	84	87
Average lease term, years	2.9	3.0	2.9	3.0	3.1	2.9	2.6	2.8
Financial-related								
Return on equity, %	8.2	4.4	9.7	5.8	–10.7	28.1	20.6	19.1
Equity ratio, %	33.3	32.6	33.3	32.7	32.3	37.4	33.7	34.8
Leverage, %	62	65	62	64	64	58	64	67
Interest coverage ratio, multiples	3.0	3.3	3.0	3.2	2.0	2.2	2.6	2.0
Average interest, %	3.2	2.7	3.2	2.7	4.2	4.6	4.1	3.5
Average fixed interest period, years	2.8	3.2	2.8	3.2	1.1	1.4	1.8	1.0
Average period of tied-up capital, years	2.1	1.8	2.1	1.8	2.6	3.7	4.3	4.6
Interest-bearing liabilities, SEKm	7,536	7,726	7,536	7,646	7,645	7,007	6,878	3,987
Share-related								
Profit from property management per share, SEK	2.09	2.42	2.74	3.07	2.17	2.32	2.25	1.49
Equity per share, SEK	26.5	25.2	25.2	25.6	25.1	29.4	23.2	18.8
Share price at end of period, SEK	32.4	22.3	32.4	22.9	18.2	25.5	30.0	24.5
No. of shares registered at end of period, million	166.5	166.5	166.5	166.5	166.5	166.5	166.5	120.4
Outstanding shares at end of period, million	160.8	160.8	160.8	160.8	160.8	165.8	166.5	120.4
Dividend, SEK	—	—	—	1.25	1.00	1.50	1.25	1.00

Definitions

Property-related

Direct yield requirement, valuation
The required yield of property valuations on the residual value.

Economic occupancy rate
Rental income in relation to rental value at the end of the period.

Operating margin
Operating surplus as a percentage of total income.

Operating surplus
Total income less rent losses, operating and maintenance costs, site leasehold charges and property tax.

Other income
Income from rental guarantees and redemption of leases.

Profit from property management
Profit before changes in value and tax.

Realised changes in value, properties
Property sales during the period after deduction of the properties' most recent reported fair value and selling expenses.

Rental value
Contract value plus assessed market value for space not rented at the end of the period.

Unrealised change in value, properties
Change in fair value of the property portfolio after deduction of investments made at the end of the period.

Finance-related

Equity ratio
Reported equity in relation to reported total assets at the end of the period.

Interest coverage ratio
Profit from property management plus financial costs in relation to financial costs.

Leverage
Interest-bearing liabilities relating to properties in relation to the value of the properties at the end of the period.

Return on equity
Profit for the period in relation to average equity.

Share-related

Earnings per share
Profit for the period in relation to the average number of outstanding shares.

Equity per share
Reported equity in relation to the number of outstanding shares at the end of the period.

Profit from property management per share
Profit from property management in relation to the average number of outstanding shares.

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Calendar

Year-end report 2010	17 February 2011
Annual report for 2010	March 2011
Interim report Jan–Mar 2011	18 April 2011
Annual General Meeting 2011	18 April 2011
Interim report Jan–Jun 2011	7 July 2011
Interim report Jan–Sep 2011	20 October 2011
Year-end report 2011	15 February 2012

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