

Condensed Consolidated Interim Report
1 January 2009 to 30 June 2009
Kefren Properties IX AB



Reported to OMX, The Nordic Exchange, via Company News Service on 31 August 2009.

The Supervisory Board of Kefren Properties IX AB has today held a Supervisory Board meeting at which the Group's interim results were considered.

Summary:

Interim results in Kefren Properties IX AB

The Group earned a profit before tax of tSEK 43,411 compared with tSEK 93,761 in the comparative period; 1 October 2007 - 30 June 2008 (9 months). The difference is primarily due to the net of a decrease of financial expenses, due to the lower interest level, and a write down of goodwill.

Revenue for the period amounts to tSEK 330,605, compared with tSEK 493,720 in the comparative period. The change in revenue is mainly due to the fact that the comparative period covers 9 months, whereas the current period covers only 6 months.

Operating profit before value adjustment of investment properties and debt, write down of goodwill and tax amounts to tSEK 169,182 compared with tSEK 281,316 in the comparative period for 9 months. The Supervisory Board considers the results for the period to be satisfactory.

The value of the investment properties as at 30 June 2009 amounts to mSEK 5,519.3. Investment properties have been internally revalued at 30 June 2009 and due to the general market decrease in the fair market value of the investment, the company has written down the investment properties with 5%. Since there is very little liquidity in the real estate market in Sweden there is an uncertainty associated with this decision.

The Company has decided not to give an estimate of the result for the year, since this will be highly dependent upon market values of the investment properties and bond debt and the uncertainty connected hereto.

Please address questions relating to this Announcement to Chairman Ole Vagner on tel. +45 40 25 41 13.

Stock Exchange Announcement no. 42
Kefren Properties IX AB

c/o ISS Facility Services, Box 11923
404 39 Göteborg
Sweden

www.kefren.se

Org.no. 556691-4031



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Condensed consolidated interim report
for the period
1 January 2009 - 30 June 2009

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Statement by Management on the condensed consolidated interim report

We have today discussed and approved the condensed consolidated interim report of Kefren Properties IX AB for the period 1 January 2009 to 30 June 2009.

This condensed consolidated interim report has been prepared in accordance with IAS 34, "Interim financial reporting" as adopted by the EU. Furthermore, the condensed consolidated interim report has been prepared in accordance with additional Swedish disclosure requirements on the financial reporting for companies with listed bonds. The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board RFR 2.2.

We consider the applied accounting policies appropriate for the condensed consolidated interim report to provide a true and fair view of the Group's assets, liabilities and financial position at 30 June 2009 as well as of the results of the Group's activities and cash flows for the period 1 January 2009 to 30 June 2009.

We consider the Management's review to give a true and fair view of the development in the parent company and the Group's activities, finances and results for the period and of its financial position as a whole as well as a true and fair description of the significant risks and uncertainties, faced by the parent company and the Group.

Copenhagen, 31 August 2009

Supervisory Board

Ole Vagner
(Chairman)

Per Johansson-Perrault

Helle M. Breinholt

Management´s review

Business concept

The Group's purpose is, via investments in other companies, to own and operate a property rental business, with properties located in Sweden, as well as to raise the necessary financing for the Group's activities.

Group structure

The Group consists of the parent, Kefren Properties IX AB, and its subsidiaries.

Financial review

The Group earned a profit before tax of tSEK 43,411 compared with tSEK 93,761 in the comparative period; 1 October 2007 - 30 June 2008 (9 months). The difference is primarily due to the net of a decrease of financial expenses, due to the lower interest level, and a write down of goodwill.

Revenue for the period amounts to tSEK 330,605, compared with tSEK 493,720 in the comparative period. The change in revenue is mainly due to the fact that the comparative period covers 9 months, whereas the current period covers only 6 months.

Operating profit before value adjustment of investment properties and debt, write down of goodwill and tax amounts to tSEK 169,182 compared with tSEK 281,316 in the comparative period for 9 months.

The Company owns and operates 160 properties located all over Sweden, although the majority of properties are in the southern and western parts of the country

The value of the investment properties as at 30 June 2009 amounts to mSEK 5,519.3. Investment properties have been internally revalued at 30 June 2009 and due to the general market decrease in the fair market value of the investment, the company has written down the investment properties with 5%. Since there is very little liquidity in the real estate market in Sweden there is an uncertainty associated with this decision.

In the period, there were no significant investments in the properties, and the Group has not acquired any new properties. In the same period, 4 smaller properties were sold.

The Company has recorded a value adjustment of the bond debt, which has had a positive impact on the result before tax of tSEK 361,161.

The Supervisory Board considers the results for the period to be satisfactory.

Management´s review

Expectations of full-year performance

The Company has decided not to give an estimate of the result for the year, since this will be highly dependent upon market values of the investment properties and bond debt and the uncertainty connected hereto.

Risks

Please refer to the description of risk factors in note 3 in which rental, interest and price risk have been described.

Events after the balance sheet date

Kefren Properties IX AB has entered into an agreement with AB SKF about prolongation of the lease agreement in Gamlestaden 2:8. The property comprises AB SKF's head office and will undergo substantial refurbishment during 2010.

Kefren Properties IX AB has entered in to a new Asset Management agreement with DTZ in Sweden.

In the Supervisory Board's estimate, no other events have occurred after 30 June 2009 which would be expected to materially influence the Company's activities or financial position.

Consolidated Financial Highlights

(Amounts in SEK '000)	<u>1.1.09- 30.6.09</u> 6 months	<u>1.10.07- 31.12.08</u> 15 months	<u>1.10.07- 30.6.08</u> 9 months
Revenue	330,606	818,318	493,720
Value adjustments of investment properties and debt, net	70,671	-379,278	96,039
Operating profit	172,460	-49 003	377,355
Result before tax for the period	43,411	-523,658	93,761
Result for the period	49,641	-427,976	63,721
Total assets	6,052,742	6,412,534	7,566,994
Equity	22,828	-26,813	464,884
Return on equity after tax	N/A	N/A	-1.9%
Solvency	0.4%	neg	9.7%
Net asset value	neg	neg	0.99
Share dividends	0%	0%	0%

Consolidated Balance Sheet

(Amounts in SEK '000)

	<u>30.6.09</u>	<u>31.12.08</u>	<u>30.6.08</u>
Assets			
Non-current assets			
Goodwill	317,821	385,214	431,066
Intangible assets	<u>317,821</u>	<u>385,214</u>	<u>431,066</u>
Investment properties	5,519,308	5,808,864	6,243,136
Property, plant and equipment	<u>5,519,308</u>	<u>5,808,864</u>	<u>6,243,136</u>
Financial instruments	9,994	29,871	264,397
Deferred tax asset	0	0	244,774
Other non-current assets	<u>9,994</u>	<u>29,871</u>	<u>509,171</u>
Total non-current assets	<u>5,847,123</u>	<u>6,223,949</u>	<u>7,183,373</u>
Current assets			
Other receivables	39,866	22,036	26,906
Receivables	<u>39,866</u>	<u>22,036</u>	<u>26,906</u>
Cash and cash equivalents	<u>165,753</u>	<u>166,549</u>	<u>356,715</u>
Total current assets	<u>205,619</u>	<u>188,585</u>	<u>383,621</u>
Total assets	<u>6,052,742</u>	<u>6,412,534</u>	<u>7,566,994</u>

Consolidated Balance Sheet

(Amounts in SEK '000)

	<u>30.6.09</u>	<u>31.12.08</u>	<u>30.6.08</u>
Equity and liabilities			
Share capital	755,418	755,418	755,418
Retained earnings	-732,590	-782,231	-290,534
Total equity	<u>22,828</u>	<u>-26,813</u>	<u>464,884</u>
Non-current liabilities			
Mortgage debt	4,889,037	4,966,540	4,998,794
Bond debt	323,343	706,937	880,951
Deferred tax	425,034	429,053	702,458
Other non-current liabilities	90,316	87,800	84,959
Total non-current liabilities	<u>5,727,730</u>	<u>6,190,330</u>	<u>6,667,162</u>
Current liabilities			
Current portion of non-current loans	73,433	60,062	198,747
Trade payables	34,896	29,805	23,032
Prepaid rent	81,839	76,184	189,149
Other payables	112,016	82,966	24,020
Total current liabilities	<u>302,184</u>	<u>249,017</u>	<u>434,948</u>
Total liabilities	<u>6,029,914</u>	<u>6,439,347</u>	<u>7,102,110</u>
Total equity and liabilities	<u>6,052,742</u>	<u>6,412,534</u>	<u>7,566,994</u>

Consolidated Income Statement

(Amounts in SEK '000)

	<u>1.1.2009- 30.6.2009</u> 6 months	<u>1.10.07- 31.12.08</u> 15 months	<u>1.10.07- 30.6.08</u> 9 months
Revenue	330,606	818,318	493,720
Operating expenses	-137,120	-294,069	-148,452
Value adjustments of investment properties and debt, net	70,671	-379,278	96,039
Realised profits on sale of investment properties	341	15,071	4,000
Gross profit	264,498	160,042	445,307
Administrative expenses	-24,645	-66,144	-67,952
Operating profit before special items	239,853	93,898	377,355
Write down of goodwill	-67,393	-142,901	0
Operating profit	172,460	-49 003	377,355
Financial income	567	17,291	4,024
Financial expenses	-129,616	-491,946	-287,618
Result before tax	43,411	-523,658	93,761
Income tax expense	6,230	95,682	-30,040
Result for the period	49,641	-427,976	63,721
Statement of recognised income and expenses:			
Result for the period	49,641	-427,976	63,721
Other recognised income/expenses	0	0	0
Total recognised income and expenses	49,641	-427,976	63,721

Consolidated Statement of Changes in Equity

(Amounts in SEK '000)

	Share capital	Retained earnings	Total equity
Equity at 1 January 2009	755,418	-782,231	-26,813
Profit for the period	0	49,641	49,641
Equity at 30 June 2009	755,418	-732,590	22,828
Equity at 1 October 2007	755,418	-354,255	401,163
Profit for the period	0	63,721	63,721
Equity at 30 June 2008	755,418	-290,534	464,884

Consolidated Cash Flow Statement

(Amounts in SEK '000)

	<u>1.1.09- 30.6.09</u>	<u>1.10.07- 31.12.08</u>	<u>1.10.07- 30.6.08</u>
Profit for the period before tax	43,411	-523,658	93,761
Adjustments	155,063	986,912	336,567
Working capital changes	<u>11,966</u>	<u>-17,015</u>	<u>-44,243</u>
Cash flows from primary operating activities	210,440	446,239	386,085
Financial income, received	567	17,291	4,024
Financial expenses, paid	<u>-129,616</u>	<u>-527,993</u>	<u>-263,131</u>
Cash flows from operating activities	81,391	-64,463	126,978
Acquisition of properties and equipments	-45,830	-48,078	-43,653
Sale of properties and equipment	<u>27,775</u>	<u>193,768</u>	<u>180,000</u>
Cash flows from investing activities	-18,055	145,690	263,325
Inception of debt in credit institutions	0	244,457	317,103
Repayment of debt to credit institutions	-64,132	-289,208	-353,017
Change in other longterm liabilities	<u>0</u>	<u>770</u>	<u>0</u>
Cash flows from financing activities	-64,132	-43,981	-35,914
Changes in cash and cash equivalents	-796	37,246	227,411
Cash and cash equivalents at the beginning of the	<u>166,549</u>	<u>129,303</u>	<u>129,304</u>
Cash and cash equivalents at the end of the period	<u>165,753</u>	<u>166,549</u>	<u>356,715</u>

Parent company Balance Sheet

(Amounts in SEK '000)

	<u>30.6.09</u>	<u>31.12.08</u>	<u>30.6.08</u>
Assets			
Investments in subsidiaries	301,423	301,423	357,040
Receivables from group companies	6,118,489	6,113,549	6,256,687
Deferred tax asset	172,134	163,528	1,172
Total non-current assets	<u>6,592,046</u>	<u>6,578,500</u>	<u>6,614,899</u>
Current assets			
Other receivables	14,524	2,230	5,806
Prepayments	40,046	45,771	106,691
Receivables	<u>54,570</u>	<u>48,001</u>	<u>112,497</u>
Cash and cash equivalents	<u>165,753</u>	<u>166,551</u>	<u>356,655</u>
Total current assets	<u>220,323</u>	<u>214,552</u>	<u>469,152</u>
Total assets	<u>6,812,369</u>	<u>6,793,052</u>	<u>7,084,051</u>

Parent company Balance Sheet

(Amounts in SEK '000)

	<u>30.6.09</u>	<u>31.12.08</u>	<u>30.6.08</u>
Equity and liabilities			
Share capital	300	300	300
Retained earnings	238,719	419,955	750,565
Period result	-24,058	-181,237	7,784
Total equity	<u>214,961</u>	<u>239,018</u>	<u>758,649</u>
Non-current liabilities			
Mortgage debt	4,815,605	4,966,540	5,108,329
Bond debt	1,034,242	1,087,593	903,534
Total non-current liabilities	<u>5,849,847</u>	<u>6,054,133</u>	<u>6,011,863</u>
Current liabilities			
Current portion of non-current loans	73,433	60,062	89,212
Trade payables	2,504	1,396	254
Liabilities to group companies	593,548	371,526	117,495
Other payables	78,076	66,917	106,578
Total current liabilities	<u>747,561</u>	<u>499,901</u>	<u>313,539</u>
Total liabilities	<u>6,597,408</u>	<u>6,554,034</u>	<u>6,325,402</u>
Total equity and liabilities	<u>6,812,369</u>	<u>6,793,052</u>	<u>7,084,051</u>

Parent company Income Statement

(Amounts in SEK '000)

	<u>1.1.2009- 30.6.2009</u> 6 months	<u>1.10.07- 31.12.08</u> 15 months	<u>1.10.07- 30.6.08</u> 9 months
Revenue	11,072	13,731	6,465
Operating expenses	<u>-8,743</u>	<u>-14,004</u>	<u>-6,392</u>
Operating profit	2,329	-273	73
Write down of shares in subsidiaries	0	-104,486	0
Financial income	94,722	479,757	279,986
Financial expenses	<u>-129,714</u>	<u>-583,454</u>	<u>-269,578</u>
Result before tax	-32,663	-208,456	10,481
Income tax expense	<u>8,605</u>	<u>27,219</u>	<u>-2,697</u>
Result for the period	<u>-24,058</u>	<u>-181,237</u>	<u>7,784</u>
Statement of recognised income and expenses:			
Result for the period	-24,058	-181,237	7,784
Other recognised income/expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total recognised income and expenses	<u>-24,058</u>	<u>-181,237</u>	<u>7,784</u>

Notes

List of notes

- 1 Accounting policies
- 2 Significant judgments and accounting estimates
- 3 Financial risks

1 Accounting policies

This condensed consolidated interim report has been prepared in accordance with IAS 34, "Interim financial reporting" as adopted by the EU. Furthermore, the condensed consolidated interim report has been prepared in accordance with additional Swedish disclosure requirements on the financial reporting for companies with listed bonds. The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board RFR 2.2.

The accounting policies applied for the condensed consolidated interim report are unchanged compared with the accounting policies applied in the Group's Annual Report for 2007/08, except for that now Swedish additional disclosure requirements is used (last year it is was Danish disclosure requirements). There are however no differences between those requirements. The Accounting policies are in accordance with the International Financial Reporting Standards as adopted by the EU and additional Swedish disclosure requirements on the financial reporting for companies with listed bonds. We refer to the Annual Report for 2007/08 for a more detailed description of the accounting policies, including definitions of the ratios, which have been prepared in accordance with the "Recommendations and Ratios 2005" of the Danish Association of Financial Analysts.

The following new and changed standards and amendments to standards and interpretations have not become effective for the financial year beginning 1 January 2009 and have accordingly not been incorporated in the interim report.

- IFRIC 11, *IFRS 2 - Group and Treasury Share Transactions*
- IFRIC 12, *Service Concession Arrangements*
- IFRIC 14, *IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

The interim report is presented in SEK thousands, which is the reporting currency for the Group's activities and the functional currency for the parent.

As of year-end December 31, 2009 the Group Annual Report filed at the Swedish Registration Office will also be prepared in accordance with IFRS. For this purpose the Group Annual Report will reflect the three years ending September 30, 2007, December 31, 2008 and December 31, 2009.

Notes

2 Significant judgments and accounting estimates

The preparation of interim reports requires Management to make accounting judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim report, the significant judgments made by Management in applying the Group's accounting policies and the significant related uncertainties in terms of estimates were the same as those applied for the preparation of the consolidated annual report at 31 December 2008.

Valuation of properties

In accordance with the Group's accounting policies, that remains unchanged from the publication of the consolidated financial statements of 2008, the Group value its investment properties at fair value using a discounted cash flow model based on future cash flows from the ownership of the investment properties.

The valuation of the properties as of 30 June 2009 has been carried out internally. The valuation of significant investment property portfolios has been done by looking at changes in cash flows, market yields and other relevant information that affect the valuation of investment properties.

The return requirement (discount factor) is determined for each property or for portfolios of properties with identical characteristics, if possible.

The determination of the return requirement is made based on assessments from independent broker and valuation firms in the countries in which the properties are located. External assessment is made once a year in connection with the closing of the financial year.

Based on the above, Management has estimated the effect on the fair market value of the investment properties.

Valuation of bonds

In order to apply the official rate on the market for property bonds, the prices are to represent actual market transactions which regularly take place between qualified, willing, mutually independent parties. As a result of the present financial crisis with very few market transactions the bond debt will not automatically be valued at the official rate but also take into account the price on the part of the senior loan just in front of the bond debt. Per 30 June 2009 the official rate of 30% has been used as the fair-value.

Notes

3 Financial risks

The Group's activities expose it to a variety of financial risks and market risks, including price, interest rate and liquidity risk.

Risk management is managed by the supervisory board who identify and evaluate the financial risks in in close cooperation with the administrators of the Group.

Price risks

The Company is exposed to changes in property prices and property rentals.

Cash flows and interest rate risks

The Group's main exposure to changes in interest rates is through loans taken out to finance property acquisitions. Assuming a correlation between interest rates and yields (even though there may be some time lag), increasing interest rates will result in lower market value of debt and also lower valuation of properties.

The Group's cash flows and effective interest rate risk are periodically monitored by the Group's management. The cash flows and effective interest risk policy is reviewed quarterly by the Company's Supervisory Board.

The mortgage debt has a floating rate of STIBOR + 1,44% and a predetermined repayment for the next 12 months of tSEK 86,510. Repayment of the principal is in 2011.

The bond loans have a fixed rate of 7.5 % and with a repayment of tDKK 925,000 in 2016.

Notes

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, bonds and mortgage debt.

The Group's guideline is to raise longer-term loans to reduce this risk. Going forward, the aim is to create a smooth maturity profile in order to minimise the exposure to refinancing conditions at any given point in time.

Furthermore, in order to reduce the refinancing risk, the Group's funding is mainly based on bank loans with reputable banks. Secondly, the Group has issued bonds on OMX Nordic Exchange Copenhagen.

Credit risk

The mortgage debt is raised through a loan contract with financial covenants, which is typical for international financings e.g. Loan-to-Value covenants. Breach of these covenants can result in cash sweep whereby all payments, including payments of interest to the bondholders, shall be accepted by the senior banks and can also result in an acceleration of the loan.

Auditors report on review of the interim report

To the Board of Directors of Kefren Properties IX AB
Reg no. 556691-4031

We have reviewed this report for the period 1 January 2009 – 30 June 2009 for Kefren Properties IX AB. The boards of directors are responsible for the preparation and presentation of this interim report in accordance with the Swedish Annual Accounts Act (1995:1554) and IAS 34. Our responsibility is to express an opinion about this interim report based on our review.

Scope of review

We have conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410 *Review of Interim Report Performed by the Independent Auditor of the company* issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Auditing Standard in Sweden (RS) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act (1995:1554) for the Group, and in accordance with the Annual Accounts Act (1995:1554) for Kefren Properties IX AB.

Stockholm 31 August 2009

Deloitte AB

Jan-Hugo Nihlén
Authorised Public Accountant