

KLÖVERN

Klövern wins tax surcharge case of SEK 493 million

Klövern has won the tax surcharge case of SEK 493m, not only at the County Administrative Court but also now at the Administrative Court of Appeal. According to the judgment, the tax surcharge cannot be imposed since Klöverns withdrew its request for a deduction.

The tax surcharge, which has now once more been declared invalid, was imposed in spring 2006 despite Klöverns having withdrawn its request for reconsideration of taxation.

"It is extremely gratifying that the Administrative Court of Appeal also shares our view that a tax surcharge cannot be imposed in the way done by the Tax Agency. What now remains is for the tax loss carryforward of almost SEK 5 billion to be approved by the Administrative Court of Appeal", says Klöverns CEO Gustaf Hermelin.

The background is that Klöverns asked in December 2003 for the tax assessment for 2003 to be reconsidered and openly requested an additional tax loss carryforward of SEK 4,933m for a loss. This loss related to sale of a subsidiary that took place when the company was an IT company.

The Tax Agency considered that Klöverns was not entitled to the deduction and moreover considered imposing a tax surcharge of SEK 493m. For this reason Klöverns withdrew its request for a deduction. Despite the fact that the Tax Agency no longer had any request for a deduction to take a position on, it imposed a tax surcharge. The County Administrative Court earlier consented to Klöverns appeal and quashed the tax surcharge. The Administrative Court of Appeal has now rejected the Tax Agency's appeal and upheld the judgment of the County Administrative Court.

The Tax Agency may appeal against the judgment of the Administrative Court of Appeal to the Supreme Administrative Court. Appeal must be made within two months. The court must grant leave to appeal in order for the Supreme Administrative Court to consider the appeal. If the Tax Agency does not appeal, or if Klöverns also wins at the Supreme Administrative Court, the tax surcharge of SEK 493m will be finally quashed.

"Our view has been the whole time that it is not possible to impose a tax surcharge in the way done by the Tax Agency. The judgment of the Administrative Court of Appeal has further confirmed this view", say Klöverns tax advisors Thomas Andersson, Deloitte and Börje Leidhammar, Wistrand advokatbyrå.

A renewed request for deduction for the loss of SEK 4,933m has been submitted. The Tax Agency and the County Administrative Court have not approved the deduction, although no tax surcharge was imposed. The issue of deduction is at present being considered by the Administrative Court of Appeal. This proceeding is separate from the matter of the tax surcharge. The tax surcharge of SEK 493m imposed by the Tax Agency has neither been paid nor expensed.

Nyköping, 10 February 2010

Klövern AB (publ)

For further information, please contact:

Gustaf Hermelin, CEO, tel +46 155-44 33 10, tel +46 70-560 00 00, gustaf.hermelin@klovern.se
Caesar Åfors, CFO and Deputy CEO, tel +46 155-44 33 02, +46 70-662 48 48, caesar.afors@klovern.se
Britt-Marie Einar, Finance and Information Manager, tel +46 155-44 33 12, +46 70-224 29 35,
britt-marie.einar@klovern.se
Börje Leidhammar, Tax Advisor, Wistrand advokatbyrå, tel +46 70-950 72 49

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 2009, the value of the properties was SEK 12 billion and the rental income on an annual basis was approximately SEK 1.4 billion. The Klövern share is listed on Nasdaq OMX Nordic Exchange in Stockholm for medium-sized companies.

Klövern AB (publ), Box 1024, SE-611 29 Nyköping, Sweden. Tel +46 155-44 33 00, Fax +46 155-44 33 22.
Corporate registration no. 556482-5833. Registered office: Nyköping. Website: www.klovern.se