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Kefren Properties IX AB, 556691-4031 ("Company")
Preliminary announcement of annual report for the financial year 2009

The Board of Directors in Kefren Properties IX AB has today held a Board meeting at which the Group's annual report for the financial year 2009 was discussed. The report is enclosed.

Summary:

Kefren Properties IX AB's financial performance 2009

The consolidated statement of comprehensive income shows a loss before tax of TSEK 432,830 (2007/08: negative TSEK 523,658) and the consolidated statement of financial position shows equity at 31 December 2009 of negative TSEK 430,159 (2007/08: negative TSEK 26,813).

Revenue for the period amounts to TSEK 656,195 (2007/08: TSEK 818,318). The difference in revenue is mainly due to the fact that the comparative period covers 15 months, whereas the current period covers only 12 months. The revenue for period is slightly higher compared to a 12 month average of the 2007/2008 period.

Profit before value adjustments, write-down of goodwill and tax amounts to TSEK 77,649 (2007/08: negative TSEK 1,479).

The loss for the period is mainly due to negative value adjustments of investment properties, debt and derivatives of net TSEK 295,375 (2007/08: negative TSEK 379,278), which is the result of the negative development on the real estate and financial markets in 2009.

The development in 2009 is attributable to:

- Financial vacancy increased during 2009 and ended at 13% for the last quarter (7.5% for the same period 2008).
- Leases amounting to 14% of the portfolio's rental value were terminated during 2009 (6% in 2008), the vast majority during the second and fourth quarters.
- The re-letting situation was significantly worsened following the financial crisis and lowered financial activity in 2009. Still, re-lettings were quite strong in the last quarter and re-lettings will be a main focus area also in 2010 with ongoing negotiations with major tenants.
- During the financial year, 11 properties were sold including a sale back of 4 properties to the seller.
- Liquidity has been positively affected due to a material decrease in interest rate
- Interest to bond holders has not been paid due to the loan-to-value breach



The Board of Directors considers the result for the period to be unsatisfactory.

The value of the investment properties as at 31 December 2009 amounts to MSEK 4,847, representing a write down of 14% compared to 31.12.2008. In 2009, the global financial crisis has had significant adverse influence on, among others, the market for investment properties, with no or very few transactions in the market, and declining prices. This has complicated the determination of the values of the Company's investment properties. As a result of the uncertain and negative markets, the recognised values of investment properties are to be considered subject to great uncertainty.

The Board of Directors expects the vacancy rate to increase further in 2010 and together with high project and maintenance costs this will result in a lower NOI compared to 2009. Due to the low Swedish interest rates, cash flow will be positively affected.

The Board of Directors has decided not to give an estimate of the result for 2010, since this will be highly dependent upon market values of the investment properties and bond debt and the uncertainty connected hereto.

At 28 October 2009, Kefren Properties IX AB received a notification of non-compliance with the loan-to-value covenant under the Senior Loan Facility Agreement, in that the principal amount of the loans outstanding exceeded 88% of the market value of the properties securing the loan.

It is the Board of Directors' belief that a solution will be found and therefore the annual report has been prepared assuming the Company is, and will continue to be, a going concern.

The Board of Directors

Please address questions relating to this Notice to Chairman Ole Vagner on telephone +45 40254113 or via e-mail ole@vagner.dk.

Further information about Kefren Properties IX AB is available on the Company's website, www.kefren.se.



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Management's review

The Board of Directors of Kefren Properties IX AB, business registration number 556691-4031, hereby presents their 2009 report for the Group and Parent Company.

Business concept

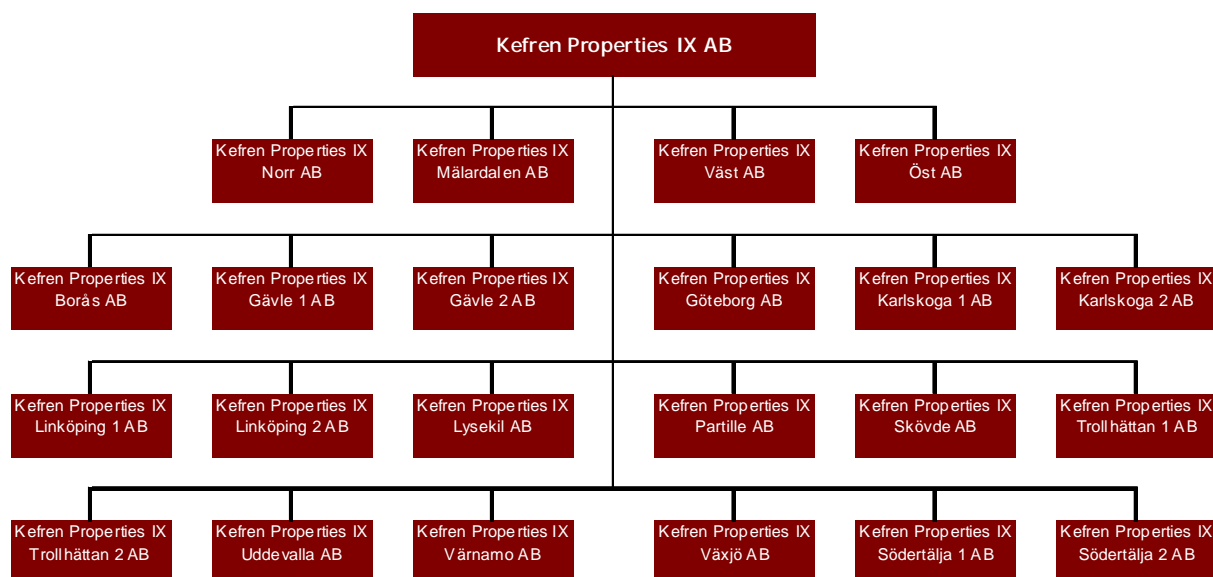
The Company's purpose is, via investments in other companies, to own and operate letting business through a Swedish property portfolio of a total of 150 properties as well as to raise the necessary financing for the Group's activities.

Financial objective

The objective under the previous Board of Directors was to achieve an annual return on operations of approx. 7.5% on the original acquisition price of the properties. Due to the current market situation and the current default of the senior loan, caused by the breach of loan terms, the objective is to optimize the portfolio. Thereby making the portfolio attractive and achieving the highest possible proceeds to the bond holders given the current situation and with respect to demands and requirements from the senior lenders.

Group structure

At 31 December 2009, the Group consists of the following companies (100% ownership):



Activities

Kefren Properties IX AB owns – and works as Parent of - 22 subsidiaries of which 4 have divested their properties during the period.

Financing

Kefren Properties IX has issued property bonds of a total of DKK 740 million (SEK 1,105 million). Furthermore, Kefren Properties IX AB has taken out a bank loan with Barclays Capital, who has syndicated part of the loan, of approx. SEK 5,026 million exclusive accrued interest and has taken out a loan through a seller note of approx. SEK 100 million (Nominal value).

The bond loan and the loan with Barclays Capital are secured by mortgage deeds in the properties.



Management's review

Generally about the year

The general decline of the Swedish property market has also had an impact for the Kefren Properties IX group's portfolio valuation. At 28 October 2009, Kefren Properties IX AB received a notification of non-compliance with the loan-to-value covenant under the Senior Loan Facility Agreement, in that the principal amount of the loans outstanding exceeded 88% of the market value of the properties securing the loan.

The Company is in a positive dialogue with the Senior Bank with respect to finding a long-term solution that will minimise the risk of the Company breaching the Senior Bank's loan-to-value condition going forward.

A final solution is not yet in place and the Company has therefore requested and received stand-still period until 28 April 2010. During this period the senior loan cannot be terminated due to non-compliance of the loan-to-value condition. Due to the indication of uncertainty in this situation the Company classifies debt secured by mortgage deeds as a short-term liability.

It is the Board of Directors' belief that a solution will be found and therefore the annual report has been prepared assuming the Company is, and will continue to be, a going concern.

The financial period represents 12 months. Last year, the financial period represented 15 months and the financial period 2006/07 represented 12 months, but only with activities for 11 months.

The consolidated statement of comprehensive income shows a loss before tax of TSEK 432,830 (2007/08: negative TSEK 523,658) and the consolidated statement of financial position shows equity at 31 December 2009 of negative TSEK 430,159 (2007/08: negative TSEK 26,813).

Revenue for the period amounts to TSEK 656,195 (2007/08: TSEK 818,318). The difference in revenue is mainly due to the fact that the comparative period covers 15 months, whereas the current period covers only 12 months. The revenue for period is slightly higher compared to a 12 month average of the 2007/2008 period.

Profit before value adjustments, write-down of goodwill and tax amounts to TSEK 77,649 (2007/08: negative TSEK 1,479).

The loss for the period is mainly due to negative value adjustments of investment properties, debt and derivatives of net TSEK 295,375 (2007/08: negative TSEK 379,278), which is the result of the negative development on the real estate and financial markets in 2009.

The development in 2009 is attributable to:

- Financial vacancy increased during 2009 and ended at 13% for the last quarter (7.5% for the same period 2008).
- Leases amounting to 14% of the portfolio's rental value were terminated during 2009 (6% in 2008), the vast majority during the second and fourth quarters.
- The re-letting situation was significantly worsened following the financial crisis and lowered financial activity in 2009. Still, re-lettings were quite strong in the last quarter and re-lettings will be a main focus area also in 2010 with ongoing negotiations with major tenants.
- During the financial year, 11 properties were sold including a sale back of 4 properties to the seller.
- Liquidity has been positively affected due to a material decrease in interest rate
- Interest to bond holders has not been paid due to the loan-to-value breach

The Board of Directors considers the result for the period to be unsatisfactory.



Management's review

Capital loss

In accordance with Swedish GAAP, none of the statutory legal entities have lost their capital and are therefore not subject to the Swedish rules regarding capital loss.

Risk factors

The Company's Board of Directors will currently monitor the risks facing the Group and attempt to ensure hedging of them, in consideration of the Company's overall objective of return on operations. Below, a number of the risk factors which the Company's Board of Directors assesses to have specific influence and the Board of Directors' actual assessment of the actual risk are outlined:

External risk factors:

Investment properties and property bonds: In 2009, the global financial crisis has had significant adverse influence on, among others, the market for investment properties and property bonds with no or very few transactions in the market and declining prices. This has complicated the determination of the values of the Company's investment properties and bond debt in this annual report. Please refer to note 2, in which the valuation of investment properties and property bonds has been described in further detail. As a result of the uncertain and negative markets, the recognised values of investment properties and property bonds are to be considered subject to great uncertainty.

Rental income: Two uncertainties have been identified which may influence rental income significantly. Firstly, vacancy in the property portfolio and secondly, the development in the rental income level. There is a risk of the letting and re-letting market being lower than budgeted for 2010 due to the uncertain financial outlook.

Interest level: The Group's mortgage debt is linked to a floating rate of interest. The Company has concluded agreement about interest cap which limits the interest rate until the expiry of the loan, and accordingly, the uncertainty as to increasing interest rates is expected to be low until the time of refinancing.

Exchange rate: As the Group's income is in SEK, the current strengthening of SEK in relation to DKK will result in lower interest costs on the bond debt taken out in DKK. The financial statements are positively affected by this factor.

Internal risk factors:

Revaluation: Any unperformed current maintenance may impair the Group's investment properties as the rental level may drop in a possible re-letting situation. In line with the long-term budget of the Group, the Board of Directors is focused on providing funds for current maintenance estimated by the Management to be necessary for maintaining the budgeted rent level.

See further in note 24.

Environment

To contribute to a long-term sustainable development, the Group's strategy is to develop its properties in a resource-effective way and with least possible impact on the environment.

Management's review

Events after the balance sheet date

In the Board of Directors' estimate, no events have occurred after the balance sheet date to this date which would materially influence the Company's operations and financial position.

Claus Klostermann resigned from the Board of Directors on 17 February.

Expectations of 2010

The Board of Directors expects the vacancy rate to increase further in 2010 . Together with high project and maintenance costs this will result in a lower NOI compared to 2009. Due to the low Swedish interest rates, cash flow will be positively affected. The three month's STIBOR is currently well below the cap rate of 3.75%.

However, the Board of Directors 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.

The Company is in continued positive dialogue with the senior lenders and expects to find a long-term solution that will minimise the risk of further Loan-To-Value breaches. However, it is not expected that the senior lenders will allow payment of bond interest, unless current market conditions improve significantly.

Proposed allocation of profits

The following amounts are at the disposal of the Annual General Meeting:

Retained earnings	66,049,684
Loss for the year	<u>-59,531,907</u>
Total	6,517,777

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

Carried forward	<u>6,517,777</u>
Total	6,517,777



Company details

Kefren Properties IX AB
c/o ISS Property Services
Westmansgatan 23
582 16 Linköping, Sweden

www.kefren.se

Central Business Registration no.:	556691-4031
Established on:	24 November 2005
Registered office:	Stockholms Län, Municipality of Stockholm

Board of Directors

Ole Vagner (Chairman)
Helle M. Breinholt
Per Johansson-Perrault

Company auditor

Jan Hugo Nihlén
Deloitte AB
113 79 Stockholm

The Annual General Meeting will be held on 27 April 2010.

Financial highlights for the Group

	2009	2007/08	2006/07	2005/06
	12 months	15 months	12 months	10 months
	SEK 1,000	SEK 1,000	SEK 1,000	SEK 1,000
Revenue	656 195	818 318	582 080	-
Value adjustment of investment properties, debt and derivatives, net	-295 375	-379 278	16 724	-
Operating profit before write-down of goodwill	32 645	93 898	371 697	-
Write-down of goodwill	-215 104	-142 901	-331 686	-
Operating profit/loss	-182 459	-49 003	40 011	-
Financial income and expenses, net	-250 371	-474 655	-402 816	-
Loss for the period before tax	-432 830	-523 658	-362 805	-
Loss for the period	-403 346	-427 976	-354 255	-
Fixed assets	5 022 650	6 130 236	7 089 970	311 945
Current assets	283 921	188 585	151 100	-
Total assets	5 306 571	6 318 821	7 241 070	311 945
Share capital	300	300	300	100
Retained earnings	-430 459	-27 113	400 863	100
Liabilities	5 736 730	6 345 634	6 839 907	311 845
Total equity and liabilities	5 306 571	6 318 821	7 241 070	311 945
Cash flows from operating activities	257 087	-64 463	221 705	302 000
Cash flows from investment activities, net	126 470	145 690	-6 571 931	-302 000
Cash flows from financing activities	-304 733	-43 981	6 479 429	100
Total cash flows	78 824	37 246	129 203	100
Ratios				
Return on equity (after tax)	N/A	N/A	6,0%	N/A
Solvency	neg.	neg.	neg.	0,0%
Net asset value	neg.	neg.	5,5%	0,0%
Share dividends	0%	0%	0%	0%
Number of employees at year-end	0	0	0	0

Please refer to definitions and concepts of ratios under accounting policies.

Comments on amount in:

2005/06: Kefren Properties IX AB was established on 24 November 2005. No profit was earned the first year.

2006/07: The operating year 2006/07 included 11 months as the portfolio was purchased in November.

2007/08: The operating year included 15 months due to change in financial year.

Shareholder information

Share capital

Kefren Properties IX AB has a share capital of a total of TSEK 300 allocated into 3,000 shares of nominally SEK 100.

Kefren Properties IX A/S, Copenhagen owns 100 % of the equity in Kefren Properties IX AB.

Dividends

No dividend is proposed. The full-year profit is to be transferred for the consolidation of the Company.

Policy for treasury shares

The Company's Articles of Association do not provide the possibility to acquire treasury shares.

Shares and dividend ratios

See financial highlights.

Announcements to the Stock Exchange in the period 1 October 2007 – 31 March 2010:

No.	Date	Subject
59	17 March 2010	Extension of stand-still period
58	17 February 2010	Resignation from the Board
57	17 February 2010	Extension of stand-still period
56	28 January 2010	Financial calendar 2010
55	6 January 2010	Extension of stand-still period
54	6 January 2010	Request for extension of stand-still period
53	15 December 2009	Summary of bond holder's meeting
52	14 December 2009	New valuation of the property portfolio
51	12 December 2009	Presentation to be used at the bond holder's meeting
50	7 December 2009	Addendum to notification of bond holder's meeting
49	19 November 2009	Notification of bond holders meeting
48	2 November 2009	Sale back of properties
47	27 October 2009	Non-payment of interest
46	20 October 2009	Loan-to-Value breach expected
45	30 September 2009	Condensed consolidated interim report 1 January 2009 to 30 June 2009, Danish translation
44	29 September 2009	Extraordinary general meeting
43	29 September 2009	Notice of extraordinary general meeting
42	31 August 2009	Condensed consolidated interim report 1 January 2009 to 30 June 2009
41	31 August 2009	Prolongation of lease agreement in Gothenburg
40	28 August 2009	New asset manager
39	1 June 2009	Annual general meeting
38	27 May 2009	Notice of annual general meeting
37	11 May 2009	Statement from Special Servicer
36	30 April 2009	Changes to the financial calendar
35	27 April 2009	Prolongation of lease agreement in Mölndal
34	27 April 2009	Extraordinary general meeting
33	24 April 2009	Notice of extraordinary general meeting
32	16 April 2009	Sale of shares in Kefren Properties IX A/S (formerly Landic Property Bonds IX A/S)
31	3 April 2009	Annual report for 1 October 2007 – 31 December 2008
30	2 April 2009	Preliminary announcement of annual report. Delayed.
29	31 April 2009	Preliminary announcement of annual report. Delayed.
28	6 February 2009	Recent Developments
27	31 January 2009	Financial Calendar



Shareholder information

Financial calendar for 2010:

Date	Subject
31 March 2010	Preliminary announcement of annual report for the financial year 2009 is published.
27 April 2010	Ordinary General Meeting for financial year 2009.
31 August 2010	Interim report announcement for the financial year 2010.

Information about bonds issued

The Company has issued the following bonds listed on NASDAQ OMX Copenhagen:

7.5% Bond Loan, DKK 740,000,000, maturity 31 October 2016, ISIN code DK0030039300

Accruing of yield is made once a year on 31 October, first time 31 October 2007. The loan amounts and the yield rates are fixed during the term to maturity.

Contacts

Further information about Kefren Properties IX AB is available on the Company's website www.kefren.se.

Please address questions relating to the annual report to Chairman Ole Vagner on telephone +45 40 25 41 13 or via email to ole@vagner.dk.

Consolidated statement of comprehensive income

	<u>Note</u>	<u>2009</u> <u>SEK 1,000</u> <u>12 months</u>	<u>2007/08</u> <u>SEK 1,000</u> <u>15 months</u>
Revenue	3	656 195	818 318
Operating expenses	4	-251 012	-294 069
Value adjustment of investment properties, debt and derivatives, net	5	-295 375	-379 278
Realised loss/gain on sale of investment properties		<u>-14 320</u>	<u>15 071</u>
Gross profit		95 488	160 042
Administrative expenses	6	<u>-62 843</u>	<u>-66 144</u>
Operating profit before write-down of goodwill		32 645	93 898
Write-down of goodwill	10	<u>-215 104</u>	<u>-142 901</u>
Operating loss		-182 459	-49 003
Financial income	7	64 056	17 291
Financial expenses	8	<u>-314 427</u>	<u>-491 946</u>
Loss before tax		-432 830	-523 658
Tax on loss for the year	9	<u>29 484</u>	<u>95 682</u>
Loss for the year		<u>-403 346</u>	<u>-427 976</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>-403 346</u>	<u>-427 976</u>

Consolidated statement of financial position

	<u>Note</u>	<u>2009-12-31</u> <u>SEK 1,000</u>	<u>2008-12-31</u> <u>SEK 1,000</u>	<u>2007-10-01</u> <u>SEK 1,000</u>
Assets				
Goodwill	10	170 110	291 501	535 278
Intangible assets		170 110	291 501	535 278
Investment properties	11	4 846 668	5 808 864	6 383 528
Property, plant and equipment		4 846 668	5 808 864	6 383 528
Derivatives	14	5 872	29 871	171 164
Deferred tax assets	16	0	0	0
Financial fixed assets		5 872	29 871	171 164
Fixed assets		5 022 650	6 130 236	7 089 970
Current assets				
Receivables from tenants	17	9 546	7 209	3 846
Other receivables		17 992	8 314	7 358
Prepayments		11 010	6 513	10 592
Receivables		38 548	22 036	21 796
Cash funds	15	245 373	166 549	129 304
Current assets		283 921	188 585	151 100
Assets		5 306 571	6 318 821	7 241 070

Consolidated statement of financial position, continued

	<u>Note</u>	<u>2009</u> <u>SEK 1,000</u>	<u>2008</u> <u>SEK 1,000</u>	<u>2007-10-01</u> <u>SEK 1,000</u>
Equity and liabilities				
Share capital		300	300	300
Retained earnings		-430 459	-27 113	400 863
Equity		-430 159	-26 813	401 163
Long-term liabilities				
Debt secured by mortgage deeds	18	-	4 966 540	5 018 496
Bond debt	18	168 925	706 937	900 989
Seller notes	18	91 381	87 030	81 881
Other long-term liabilities		-	770	-
Deferred tax	16	402 888	335 340	523 894
Long-term liabilities		663 194	6 096 617	6 525 260
Short-term liabilities				
Short-term portion of long-term liabilities		148 615	60 062	54 101
Debt secured by mortgage deeds	18	4 661 807	-	-
Trade payables		33 282	29 805	55 050
Debt to group enterprises		-	-	12 924
Tax payables		5 181	-	-
Deferred income	19	90 699	76 184	50 177
Other payables		133 952	82 966	142 395
Short-term liabilities		5 073 536	249 017	314 647
Liabilities		5 736 730	6 345 634	6 839 907
Equity and liabilities		5 306 571	6 318 821	7 241 070
Pledged assets	20	6 403 603	6 574 611	6 537 276
Contingent liabilities	21	-	-	-

Income statement for the Parent company

	<u>Note</u>	<u>2009</u> <u>SEK 1,000</u> <u>12 months</u>	<u>2007/08</u> <u>SEK 1,000</u> <u>15 months</u>
Revenue	3	24 437	13 732
Gross profit		24 437	13 732
Administrative expenses	6	-11 046	-13 934
Operating profit/loss		13 391	-202
Writedown of shares in subsidiaries	12	-35 665	-104 486
Financial income	7	266 170	463 773
Financial expenses	8	<u>-311 892</u>	<u>-567 541</u>
Loss before tax		-67 996	-208 456
Tax on loss for the year	9	<u>8 465</u>	<u>27 219</u>
Loss for the year		<u>-59 531</u>	<u>-181 237</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>-59 531</u>	<u>-181 237</u>

Balance sheet for the Parent company

	<u>Note</u>	<u>2009-12-31</u> <u>SEK 1,000</u>	<u>2008-12-31</u> <u>SEK 1,000</u>
Assets			
Investments in subsidiaries	12	301 423	301 423
Receivables from group enterprises	13	5 987 642	6 113 549
Deferred tax assets	16	233 610	163 528
Other long-term receivables		24 194	43 568
Financial fixed assets		<u>6 546 869</u>	<u>6 622 068</u>
Fixed assets		<u>6 546 869</u>	<u>6 622 068</u>
Current assets			
Receivables from group enterprises		3 587	-
Tax receivables		-	133
Other receivables		5 755	-
Prepayments		3 938	2 202
Receivables		<u>13 280</u>	<u>2 335</u>
Cash funds	15	<u>245 373</u>	<u>166 551</u>
Current assets		<u>258 653</u>	<u>168 886</u>
Assets		<u>6 805 522</u>	<u>6 790 954</u>

Balance sheet for the Parent company, continued

	<u>Note</u>	<u>2009-12-31</u> <u>SEK 1,000</u>	<u>2008-12-31</u> <u>SEK 1,000</u>
Equity and liabilities			
Share capital		300	300
Retained earnings		6 518	238 718
Equity		6 818	239 018
Long-term liabilities			
Debt secured by mortgage deeds	18	-	4 966 540
Bond debt	18	1 104 807	1 087 593
Long-term liabilities		1 104 807	6 054 133
Short-term liabilities			
Short-term portion of long-term liabilities		148 616	60 062
Debt secured by mortgage deeds	18	4 661 807	-
Trade payables		1 473	1 396
Debt to group enterprises		763 562	369 429
Other payables		118 439	66 916
Short-term liabilities		5 693 897	497 803
Liabilities		6 798 704	6 551 936
Equity and liabilities		6 805 522	6 790 954
Pledged assets	20	6 534 438	6 581 520
Contingent liabilities	21	-	-



Statements of changes in equity

Attributable to the shareholders of the parent company.

Group:	Number of outstanding shares	Share capital SEK 1,000	Retained earnings SEK 1,000	Total SEK 1,000
Equity at 1 October 2007	3 000	300	400 863	401 163
Loss for 2007/08	-	-	-427 976	-427 976
Equity at 31 December 2008	3 000	300	-27 113	-26 813
Loss for 2009	-	-	-403 346	-403 346
Equity at 31 December 2009	3 000	300	-430 459	-430 159

Parent:	Number of outstanding shares	Share capital SEK 1,000	Retained earnings SEK 1,000	Total SEK 1,000
Equity at 1 October 2007	3 000	300	760 515	760 815
Group contribution	-	-	-473 000	-473 000
Tax on group contribution	-	-	132 440	132 440
Profit for 2007/08	-	-	-181 237	-181 237
Equity at 31 December 2008	3 000	300	238 718	239 018
Group contribution	-	-	-234 285	-234 285
Tax on group contribution	-	-	61 616	61 616
Profit for 2009	-	-	-59 531	-59 531
Equity at 31 December 2009	3 000	300	6 518	6 818

Consolidated cash flow statement

	<u>Note</u>	<u>2009</u> <u>SEK 1,000</u> <u>12 months</u>	<u>2007/08</u> <u>SEK 1,000</u> <u>15 months</u>
Loss before tax for the year		-432 830	-523 658
Adjustments to cash flows	22	775 170	986 912
Change in working capital	23	70 212	-17 015
Cash flows before financial income and expenses		412 552	446 239
Financial income, received		986	17 291
Financial expenses, paid		-156 451	-527 993
Cash flows from operating activities		257 087	-64 463
Investment in properties		-14 724	-48 078
Sales of investment properties		141 194	193 768
Acquisition of derivatives		-	-
Cash flows from investing activities		126 470	145 690
Proceeds from borrowings		-	244 457
Repayments of borrowings		-304 733	-289 208
Proceeds from capital increase		-	-
Change in other long-term liabilities		-	770
Cash flows from financing		-304 733	-43 981
Cash flows for the year		78 824	37 246
Cash and cash equivalents at the beginning of the year		166 549	129 303
Cash and cash equivalents at year-end		245 373	166 549

Cash flow statement for the Parent Company

	<u>Note</u>	<u>2009</u> <u>SEK 1,000</u> <u>12 months</u>	<u>2007/08</u> <u>SEK 1,000</u> <u>15 months</u>
Profit before tax for the year		-67 996	-208 456
Adjustments to cash flows	22	81 387	213 403
Change in working capital	23	177 405	110 823
Cash flows before financial income and expenses		190 796	115 770
Financial income, received		210 825	479 757
Financial expenses, paid		-143 973	-439 506
Cash flows from operating activities		257 648	156 021
Investment in subsidiaries		-	-38 555
Change in receivables		125 907	-
Cash flows from investing activities		125 907	-38 555
Proceeds from borrowings		-	244 457
Repayments of borrowings		-304 733	-289 208
Proceeds from capital increase		-	-
Payment of group contribution		-	-473 000
Change in other long-term liabilities		-	438 831
Cash flows from financing		-304 733	-78 920
Cash flows for the year		78 822	38 546
Cash and cash equivalents at the beginning of the year		166 551	128 005
Cash and cash equivalents at year-end		245 373	166 551



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1. Accounting policies

Grounds for the accounting

This annual report was prepared in accordance with the Annual Accounts Act and the International Financial Reporting Standards (IFRS) as adopted by the EU and the interpretations of them (IFRIC). The parent company applies the same accounting principles as the Group with the exceptions and supplements stipulated in recommendation RFR 2 "Accounting for legal entities" from the Swedish Financial Reporting Board.

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

Due to rounding in the annual report, there may be differences between individual items in the report and the totals.

The annual report is prepared on the basis of historical cost, apart from investment properties and derivatives that are measured at fair value.

Standards and interpretations not yet effective

At the time of publishing this annual report the new or changed standards and interpretations have not yet taken effect and have accordingly not been incorporated in the annual report.

The Group has planned implementation of these standards as they become mandatory. The potential effect of the implementation of these standards on the annual report has not yet been estimated.

Published standards not yet effective:

- Improvements to IFRSs 2009*
- Revised IFRS 1 First Time Adoption of IFRS
- Revised IFRS 3 Business Combinations
- Amendments to IAS 27 Consolidated and Separate Financial Statements
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement
- Amendments to IFRS 1 First Time Adoption of IFRS*
- Amendments to IFRS 2 Share-based Payments*
- Amendments to IAS 32 Financial Instruments: Presentation
- Revised IAS 24 Related Party Disclosures*
- IFRS 9 Financial Instruments*

Applicable for annual periods beginning:

On or after 1 January 2009 (earliest)
 On or after 1 January 2009 (earliest)
 On or after 1 July 2009
 On or after 1 July 2009
 On or after 1 July 2009
 On or after 1 July 2010
 On or after 1 July 2010
 On or after 1 July 2010
 On or after 1 July 2011
 On or after 1 July 2013

Published interpretations not yet effective:

- IFRIC 17 Distribution of Non-Cash Assets to Owners
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments*
- Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement*

Applicable for annual periods beginning:

On or after 1 July 2009
 On or after 1 July 2010
 On or after 1 January 2011

*Not yet adopted by EU

Notes

Critical Assessment

In order for the accounts to be completed in accordance with the IFRS and generally accepted accounting principles assessments and assumptions must be made that affect the recorded assets, liabilities, income and costs as well as other information in the accounts. These assessments and assumptions are based upon historical experiences and other factors which are considered fair under the current conditions.

Classification

Fixed assets and long-term liabilities consist of amounts that are expected to be regained or settled more than twelve months from the balance sheet day. Current assets and short-term liabilities consist of amounts that are expected to be regained or settled in less than twelve months from the balance sheet day.

Consolidated financial statements

The consolidated financial statements comprise the Parent, Kefren Properties IX AB and subsidiaries in which Kefren Properties IX AB directly or indirectly possess more than 50% of the votes or otherwise has controlling influence.

Subsidiaries

Subsidiaries are those companies in which the Group directly or indirectly holds more than 50 per cent of the votes or in other ways exercises a controlling influence. Controlling influence means that the Group has the right to draw up financial and operational strategies. Subsidiaries are included in the consolidated financial statements as of the time when the controlling influence is transferred to the Group and are excluded from the consolidated financial statements as of the time when the controlling influence ceases. Subsidiaries are reported in accordance with the acquisition method. Acquired identifiable assets, liabilities and contingent liabilities are valued at fair value on the date of acquisition.

The surplus, which is defined as the difference between cost and fair value of the acquired interests and the sum of fair value of acquired identifiable assets and liabilities, is recognised as goodwill. If the historical cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognised directly in the profit and loss account. All inter-company transactions and balances within the Group have been eliminated in preparing the consolidated financial statements. In case of the acquisition of a group of assets or net assets that do not constitute an operation, the costs for the Group are instead allocated to the individually identifiable assets and liabilities in the group based on their relative fair values at the time of acquisition.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Kefren Properties IX AB and its subsidiaries. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated.

Notes

Income statement

Revenue

Rental revenue

Rental income, which from an accounting perspective is also called income from operating leases, is debited in advance and allocated linear in the income statement, based on the terms in the lease. Rental income includes supplementary charges for the tenant, such as debited real estate tax and heating costs. Rents debited in advance are recorded as deferred rental income. In cases where a lease during a certain period of time offers a reduced rent, corresponding to a higher rent at another point in time, this lower/higher rent is spread out over the period of the lease. Pure discounts, such as reduction for successive moving in, are recorded in the income statement in the period when they are given.

Income from property sales

Income from property sales is entered as of the contract date, unless there exist special conditions in the purchasing agreement. On sale of a property through a company, the transaction is recorded using gross accounting regarding the underlying property price and the calculated deduction for deferred tax. The result from a property sale is accounted for as a realized change in value and refers to the difference between the received sales price after deduction of sales costs, and the recorded value in the latest interim report with adjustment for capitalized investments after the latest interim report.

Other income

Income from other group operations, such as income from business support services is reported in the income statement when significant risks and benefits have been transferred to the counterparty. The income is reported at the fair value of that which was received or is expected to be received with deductions for discounts provided.

Expenses

Operating expenses

Operating expenses comprise costs and expenses incurred to earn revenue for the year, including costs and expenses in connection with operation of the properties. The operating expenses i.a. comprise taxes and duties, insurance, repairs and current maintenance as well as large maintenance work.

Value adjustments of investment properties and debt, net

Changes in the fair value of investment properties and related debt and derivative financial instruments are recognised in the income statement in the financial statement item "Value adjustments of investment properties, debt and derivatives, net".

Administrative expenses

Administrative expenses include costs and expenses incurred during the year for management and administration of the Group.

Loan expenses

In the consolidated financial statements loan expenses have been charged to earnings in the year to which they refer, except to the extent that they have been included in the historical cost of a building project (qualifying asset). The interest rate used to calculate the capitalised borrowing cost is the average interest rate of the loan portfolio. In the accounts of individual companies the main principle, that all loan expenses should be charged to expense in the year to which they refer, has been applied.

Notes

Financial income and expenses

Financial income and expenses comprise interest income and expenses, transaction costs incurred on borrowing as well as amortisation of financial assets and liabilities, realised and unrealised exchange gains and losses on liabilities other than provisions, apart from fair value adjustment of debt and derivative financial instruments relating to the investment properties.

Dividends from equity investments are recognised when final right to such dividends has been acquired. This typically means at the time of the General Meeting's adoption of the distribution from the relevant company.

Tax on profit or loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, also as a result of change in tax rate, is recognised in the income statement by the portion attributable to the profit/loss for the year and classified directly as equity by the portion attributable to entries directly in equity.

Deferred tax is measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Current tax and deferred tax

Deferred tax is measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. However, deferred tax on temporary differences regarding non-amortisable goodwill and other items for which temporary differences - apart from enterprise acquisitions - have occurred at the time of acquisition without affecting the results or taxable income is not recognised. Where statement of the tax-based value can be made according to alternative tax rules, deferred tax is measured on the basis of the by Management planned use of the asset or settlement of the liability.

Deferred tax on temporary differences related to investments in subsidiaries is recognised unless the Parent is able to control when the deferred tax is realised. It is probable that the deferred tax will not be triggered as current tax in a foreseeable future.

Deferred tax assets, including the tax base of tax loss carry-forward, are recognised by the value at which they are expected to be utilised, either by setting off tax on future earnings or by a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustment of deferred tax is made relating to eliminations of unrealised intra-group profits and losses.

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect according to law at the balance sheet date when the deferred tax is estimated to be triggered as current tax.

Balance sheet

Goodwill

Goodwill is recognised and measured on initial recognition in the balance sheet at cost. Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the time of acquisition. Determination of cash-generating units complies with management structure and internal financial management.

Notes

The carrying amount of goodwill is tested at least once a year for impairment together with the other non-current assets in the cash-generating unit, to which goodwill is allocated, and is written down to recoverable amount over the income statement, if the carrying amount is higher. The recoverable amount is mainly stated as the current value of future cash flows from the enterprise or activity (cash-generating unit) to which the goodwill relates.

Investment properties

Investment properties are properties owned to earn rental income and/or capital gains. On initial recognition, investment properties are measured at cost which comprises the properties' acquisition price and any directly related costs.

Costs, adding new or improved qualities to an investment property compared with the date of acquisition, and which thereby improve the future yield of the property, are added to cost as an improvement. Costs which do not add new or improved qualities to an investment property are expensed in the income statement under cost of sales.

Valuation

Investment properties are subsequently measured at fair value. Measurement is made by application of a discounted cash flow model, by which future cash flows from the ownership of the investment properties are discounted.

The valuation model is based on a value determined on an earnings basis by calculating the net present value of future cash flows with a differentiated required yield for each property depending on such factors as location, intended use, condition and standard.

Value adjustments are recognised in the income statement under the item "Value adjustments of investment properties, debt and derivatives, net".

Properties under construction, additional constructions and refurbishment projects for the purpose of future use as investment properties are measured at fair value.

Properties which are expected sold are reclassified to "Investment properties for sale".

Investments in subsidiaries in the financial statements of the Parent

Investments in subsidiaries are measured at cost in the financial statements of the Parent.

If cost exceeds the recoverable amount of the investments, they are written down to such lower amount. Cost is also reduced if higher dividends are distributed than have been earned in total in the enterprise since the Parent's acquisition of the equity investments.

Financial instruments

Financial instruments which are recorded in the balance sheet includes assets such as interest rate derivatives, cash and bank, lease receivables, other receivables and long-term receivables and liabilities such as accounts payable, other liabilities, and loans. Financial instruments are initially recognised at acquisition cost equivalent to fair value, with addition of transaction costs, except for the category financial instruments which are recorded at fair value through income statement, without transaction costs.

Notes

Following the initial recognition the accounting is based on the classification made to the following categories in accordance with IAS 39:

- Financial asset or liability at fair value through profit and loss (classified as held for trading or upon initial recognition it is designated as at fair value through profit and loss – fair value option)
- Held to maturity investments
- Loans and receivables
- Available for sale financial assets
- Other financial liabilities.

The Group has not classified any financial assets as “Held to maturity investments” or “Available for sale financial assets”.

Financial transactions such as cash received or paid on interests and loans are recorded on the settlement day of the bank holding the account, while other payments are recorded on the accounting date of the bank holding the account.

Cash and bank

Cash and bank consist of the bank balance at the end of the accounting period and are recorded at nominal value.

Loans and receivables

Financial assets which are not derivatives, that has fixed or determinable payments and that are not quoted on an active market, are classified as loans and receivables. Loans and receivables are measured at amortized cost. Amortized cost is calculated using the effective interest method, which means that any premiums or discounts and directly attributable costs or benefits are accrued over the expected term using the estimated effective rate. The effective interest rate is the rate that gives the instrument's cost as a result of discounted future cash flows.

In the Group loans and receivables consists of rent receivables and other receivables. Receivables have, after individual valuation, been recorded at the amount at which they are expected to be received, which means that they are recorded at acquisition value, with addition of transaction costs, with provision for receivables which are uncertain. Provisions for uncertain receivables are made when an objective risk assessment gives at hand that the Group will not receive the entire receivable. As the expected duration of the receivables is less than one year they are recorded at nominal value without discounting. There are no receivables in foreign currency. Receivables in the parent company consist only of receivables for the subsidiaries, which are recorded at acquisition value.

Financial liabilities at fair value through profit and loss

Debt to mortgage credit institutions, bond debt, seller note and other credit institutions relating to investment properties is recognised at the time of borrowing at fair value, using fair value option. Subsequently, these debt items are measured at fair value. The change in fair value is recognised in the income statement under the item “Value adjustment of investment properties, debt and derivatives, net”. Deferred unpaid interest is recorded in accrued expenses.

Other financial liabilities

Other financial liabilities include borrowings, trade payables and other payables to Authorities, etc.

Other financial liabilities are initially recognised at fair value less any transaction costs. Subsequently, these debt items are measured at amortised cost accordance to the effective interest method as a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant

Notes

period. As the expected duration of the liabilities is less than one year they are recorded at nominal value without discounting.

Interest derivatives

Derivatives are financial instruments that are measured at fair value through profit and loss. Derivatives are automatically classified as held for trading. In order to manage the exposure to fluctuations in the market interest rate according to the financial policy the Group has entered into interest rate derivative agreements. When using interest rate derivatives changes in value may occur partly due to changes in market interest rates and partly due to the time factor. Interest rate derivatives are initially recorded in the balance sheet on the settlement day at acquisition value, where the absolute majority refers to exchange of interest rates flows meaning an acquisition value of zero, and are thereafter valued at fair value with changes in value in the income statement. Interest rate derivatives are valued by calculating the net present value by discounting future cash flows, instruments containing some sort of option are valued at the current repurchase price which may be received from respective counterparty.

Realized changes in value refer to redeemed interest rate derivatives and is the difference between the price and the time of redemption and the recorded book value according to the latest interim report. Unrealized changes in value refer to the changes in value during the financial year for the interest rate derivatives that the Group held at the end of the financial year. Changes in value are calculated based on the valuation at the end of the financial year compared to the valuation previous year, or the acquisition value if the interest rate derivative agreements have been entered into during the year. For interest rate derivatives that have been redeemed an unrealized change in value is recorded and calculated based on the valuation at the latest interim report prior to the redemption, compared with the valuation at the end of previous year. Payments made under these agreements are accounted for in the period which they refer to.

Dividends

Proposed dividends are recognised as a liability at the time of adoption at the Annual General Meeting (time of declaration). Dividends expected distributed for the year are disclosed as a separate equity item.

Foreign currencies

Transactions in foreign currencies are translated, upon inclusion in the accounts, to the functional currency at the exchange rates applying on the transaction date. Monetary assets and liabilities in foreign currencies are translated on the balance sheet date at the exchange rates applying on the balance sheet date. Any resulting exchange rate differences are recognised in the profit and loss account for the period.

Deferred income

Deferred income comprises received income relating to subsequent financial years.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Company's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit or loss adjusted for non-cash operating items, working capital changes as well as paid financial income, financial expenses and corporation taxes.

Notes

Cash flows from investing activities comprise payments in connection with the acquisition, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the Parent's share capital and related costs as well as inception and repayment of loans and instalments on interest-bearing debt.

Cash and cash equivalents comprise cash funds and short-term securities with insignificant price risk less any overdraft facilities included as an integral part of the cash flow management.

Segment information

The operating segment of the Group is lease of commercial tenancies, and the Group's geographical segment is Sweden.

The Group's income statement and balance sheet to a significant extent reflect both segments, and accordingly, no further segment information is provided apart from as appears from the income statement and balance sheet.

Ratios

The ratios stated in the list of financial highlights are calculated as follows:

Return on equity (after tax)	$\frac{\text{Profit or loss after tax} \times 100}{\text{Average equity}}$
Solvency	$\frac{\text{Equity at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$
Equity value at year-end	$\frac{\text{Total equity at year-end}}{\text{Share capital at year-end}}$
Dividends	$\frac{\text{Dividends} \times 100}{\text{Parent's share capital}}$

Differences in accounting principles between the Group and the parent company

RFR 2.2 states that a legal entity shall apply the same IFRS/IAS that is applied in the consolidated financial statements, with exceptions for and additions of rules and laws mainly according to the Annual Accounts Act, and with consideration to the relation between accounting and taxation. The difference in accounting principles between the Group and the Parent Company is mentioned below:

Bond debt is valued at fair value in the Group whereas in the Parent Company, Bond debt is valued at acquisition cost with addition of discounted increase to meet agreed exercise price upon maturity.



Notes

2. Significant judgements and accounting estimates

The preparation of annual reports requires the Board of Directors to make accounting judgements, 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 consolidated annual report, the significant judgements made by the Board of Directors 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 remain unchanged from the publication of the consolidated financial statements of 2008, the Group measures 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 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.

Based on the above, the Board of Directors has estimated the effect on the fair 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 31 December 2009 the official rate of 16.5% has been used as fair value.

Notes

	2009	2007/08
	SEK 1,000	SEK 1,000
	12 months	15 months
3 Revenue		
Group:		
Rental income, investment properties	554 764	713 970
Discounts	-9 991	-7 957
Chargeable costs and Reimbursements	93 368	77 524
Other income	18 054	34 781
	656 195	818 318

Parent:

Other income	24 437	13 732
	24 437	13 732

4 Operating expenses

Group:

Property caretaking	-39 819	-51 931
Repairs	-20 667	-21 191
Maintenance	-30 634	-47 805
Tenant Improvements	-14 811	-2 601
Taximeter restricted expenses and heating	-107 734	-123 572
Property tax	-22 777	-31 507
Property insurance	-4 635	-4 602
VAT costs	-9 935	-10 860
	-251 012	-294 069

The Group or Parent company had no employees in the financial year (2007/08: 0).

No remuneration has been paid to the members of the Board in the financial year (2007/08: 0).

	2009	2007/08
	SEK 1,000	SEK 1,000
	12 months	15 months
5 Value adjustment of investment properties, debt and derivatives, net		
Group:		
Value adjustments of investment properties	-835 726	-435 867
Value adjustments of bonds	568 050	194 052
Value adjustments of derivatives	-23 348	-137 463
Value adjustment of seller note	-4 351	-
Total value adjustments of bonds and derivatives	540 351	56 589
	-295 375	-379 278

6 Administrative expenses

Group:

Fees to auditor appointed at the General Meeting:

Deloitte, statutory audit	1 251	630
Deloitte, other services	24	10
	1 275	640

Parent:

Fees to auditor appointed at the General Meeting:

Deloitte, statutory audit	691	630
Deloitte, other services	24	10
	715	640

Audit assignments are defined as reviews and other work tasks that fall upon the company's auditor to conduct, and the advisory services or other support that arises from observations made in this work. All other assignments are Other Services.

2009	2007/08
SEK 1,000	SEK 1,000
12 months	15 months

7 Financial income

Group:

Interest income, bank	986	6 508
Capital gains	-	10 783
Price and exchange adjustments, realised and unrealised	63 070	-
	64 056	17 291

Financial income concerns assets which are not recognised at fair value.

Parent:

Interest income, bank	651	6 177
Interest income, group enterprises	210 174	412 499
Capital gains	-	45 097
Price and exchange adjustments, realised and unrealised	55 345	-
	266 170	463 773

Financial income concerns assets which are not recognised at fair value.

8 Financial expenses

Group:

Interest expenses, mortgage credit*	-133 708	-316 942
Interest expenses, bonds*	-157 004	-92 019
Interest expenses, bank	-6 782	-15 184
Other financial expenses	-16 933	-20 700
Price and exchange adjustments, realised and unrealised	-	-47 101
	-314 427	-491 946

*Financial expenses concern financial liabilities measured at fair value and the value, adjustment is recognised in the income statement.

	2009	2008
	SEK 1,000	SEK 1,000
	12 months	15 months
Parent:		
Interest expenses, mortgage credit*	-133 699	-314 040
Interest expenses, bonds*	-157 004	-92 019
Interest expenses, bank	-6 782	-
Other financial expenses	-14 407	-2 913
Price and exchange adjustments, realised and unrealised	-	-158 569
	-311 892	-567 541

*Financial expenses concern financial liabilities measured at fair value and the value adjustment is recognised in the income statement.

9 Tax on loss for the year

Group:

Tax on loss for the year	-	-
Deferred tax on loss for the year	29 478	102 119
Adjustment to previous years	6	-6 437
	29 484	95 682

Tax on loss for the year is explicable as follows:

Calculated 26,3%/28% tax on loss for the year	113 834	146 624
Tax-based value of permanent differences	-75 634	-44 505
Other adjustments	-8 716	-6 437
	29 484	95 682

Effective tax rate	7%	18%
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Parent:

Tax on loss for the year	-61 617	-132 440
Deferred tax on loss for the year	70 082	159 659
	8 465	27 219

Tax on profit/loss for the year is explicable as follows:

Calculated 26,3% tax on loss for the year	17 883	54 824
Other adjustments	-9 418	-27 605
	8 465	27 219

Effective tax rate	12%	13%
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	2009	2008	2007
	SEK 1,000	SEK 1,000	SEK 1,000
10 Goodwill			
Group:			
Cost at 1 January/1 October	766 088	866 964	302 000
Transfer to/from another account	93 713	-92 872	-
Additions	-	-	564 964
Disposals	-	-8 004	-
Cost at 31 December/1 October	859 801	766 088	866 964
Write down at 1 January/1 October	-474 587	-331 686	-
Write down for the year	-215 104	-142 901	-331 686
Write-down at 31 December/1 October	-689 691	-474 587	-331 686
Carrying amount at 31 December/1 October	170 110	291 501	535 278

Goodwill initially arose due to recognized deferred tax liabilities on investment properties acquired through business combinations. Due to fair value adjustment on the investment properties the temporary differences have declined and hence the deferred tax liability has been reduced. The corresponding adjustment has been made to goodwill which has been recorded as impairment (write down of goodwill). The transfer to another account in 2008 relates to deferred tax and has been corrected in 2009.

11 Investment properties

All properties in the Group's portfolio are externally valued at least once a year by independent external valuers with recognised qualifications. The properties are valued at fair value, i.e. at their estimated market values. The property valuer in 2009 was DTZ Sweden AB. The Group provides information about existing and future rental agreements, operations and maintenance expenses and estimated investments based on maintenance plans and estimated future vacancies to the valuers.

The property valuation is based on cash flow statements, in which the present value of net operating incomes during a five-year calculation period and the residual value of the property at the end of the period are calculated.

	2009	2008	2007
	SEK 1,000	SEK 1,000	SEK 1,000
Group:			
Cost at 1 January/1 October	6 319 246	6 458 043	-
Additions	56 867	48 078	6 458 043
Disposals	-183 337	-186 875	-
Cost at 31 December/1 October	6 192 776	6 319 246	6 458 043
Revaluation at 1 January/1 October	-510 382	-74 515	-
Revaluation for the year	-835 726	-435 867	-74 515
Revaluation at 31 December/1 October	-1 346 108	-510 382	-74 515
Carrying amount at 31 December/1 October	4 846 668	5 808 864	6 383 528
	Operating	Acquisition	Carrying
	return	year	amount at
		sqm.	year end
Year 2009: 150 properties, Sweden	6,3%	2006	830 714
Year 2007/08: 159 properties, Sweden	6,3%	2006	860 476
Year 2006/07: 170 properties, Sweden	5,9%	2006	891 699
			6 383 528

The annual operating return has been calculated based on the gross profit/loss excl. value adjustments of investment properties and debt, net in relation to the acquisition price of investment properties.

There is no public assessment of properties in Sweden.

The property portfolio consists of a total of 150 properties located in Sweden, which are let as 36% offices, 12% industrial, 14% storage, 9% shops, 4% residential and 13% parking/garage and 12% other.

2009	2008
SEK 1,000	SEK 1,000

12 Investments in subsidiaries

Parent:

Cost at 1 January/1 October	406 380	367 825
Additions	35 665	38 555
Cost at 31 December	442 045	406 380
Write-down at 1 January/1 October	-104 957	-471
Write-down for the year	-35 665	-104 486
Write-down at 31 December	-140 622	-104 957
Carrying amount at 31 December	301 423	301 423

	Ownership share	Profit/loss for the year	Equity	Carrying amount at 1 Jan/31 Dec
Kefren Properties IX Norr AB	100%	-30 319	105	33 902
Kefren Properties IX Mälardalen AB	100%	-38 499	100	7 686
Kefren Properties IX Väst AB	100%	-130 316	102	210 936
Kefren Properties IX Öst AB	100%	239	101	5 532
Kefren Properties IX Borås AB	100%	268	101	868
Kefren Properties IX Gävle 1 AB	100%	271	103	192
Kefren Properties IX Gävle 2 AB	100%	824	100	1 876
Kefren Properties IX Göteborg AB	100%	843	110	910
Kefren Properties IX Karlskoga 1 AB	100%	101	165	419
Kefren Properties IX Karlskoga 2 AB	100%	1 140	92	2 516
Kefren Properties IX Linköping 1 AB	100%	-5 341	103	2 757
Kefren Properties IX Linköping 2 AB	100%	-1 261	119	906
Kefren Properties IX Lysekil AB	100%	-382	101	104
Kefren Properties IX Partille AB	100%	-1 700	104	850
Kefren Properties IX Skövde AB	100%	-512	104	103
Kefren Properties IX Trollhättan 1 AB	100%	28	112	1 849
Kefren Properties IX Trollhättan 2 AB	100%	-625	107	105
Kefren Properties IX Uddevalla AB	100%	2 026	104	3 034
Kefren Properties IX Värnamo AB	100%	-63	102	251
Kefren Properties IX Växjö AB	100%	11 623	101	20 450
Kefren Properties IX Södertälja 1 AB	100%	-11 349	107	790
Kefren Properties IX Södertälja 2 AB	100%	-9 946	104	5 387
				301 423

All subsidiaries are registered in Stockholm, Sweden.

	2009	2008	2007
	SEK 1,000	SEK 1,000	SEK 1,000

13 Receivables from group enterprises

Parent:

Cost at 1 January/1 October	6 113 548	6 187 481
Additions	-	-
Disposals	-125 906	-73 933
Cost at 31 December	5 987 642	6 113 548
Carrying amount at 31 December	5 987 642	6 113 548

	Fixed/ Floating	Effective interest	2009	2008
			SEK 1,000	SEK 1,000
<i>Receivables from subsidiaries</i>				
Matures between 1-5 years	Floating	N/A	5 075 689	5 197 140
Matures after 5 years	Fixed	9,1%	911 953	916 409
			5 987 642	6 113 549

14 Derivatives

Group:

Cost at 1 January/1 October	128 805	132 635	9 845
Additions	-	-	122 790
Disposal	-650	-3 830	-
Cost at 31 December/1 October	128 155	128 805	132 635
Revaluation at 1 January/1 October	-98 934	38 529	-
Revaluation for the year	-23 349	-137 463	38 529
Revaluation at 31 December/1 October	-122 283	-98 934	38 529
Carrying amount at 31 December/1 October	5 872	29 871	171 164

Derivatives are classified as financial assets valued at fair value in the income statement using fair value option.

2009	2008	2007
SEK 1,000	SEK 1,000	SEK 1,000

15 Cash

Cash funds of TSEK 245 373 (2007/08: TSEK 166,549 and 2006/07: TSEK 129,304) have been provided as security for the Group's debt secured by mortgage deeds, which at 31 December 2009 amounts to TSEK 4 810 422 (2007/08: TSEK 5,026,602 and 2006/07: TSEK 5,072,597).

16 Deferred tax

Group:

Deferred tax at 1 January/ 1 October	-335 340	-523 894	-
Transfer to/from another account	-93 713	92 872	-
Deferred tax for the year	29 478	102 119	-523 894
Adjustment relating to previous years	-3 313	-6 437	-
Deferred tax at 31 December/1 October	-402 888	-335 340	-523 894

Deferred tax at year-end is included in the financial statement items:

Financial fixed assets	-	-	-
Long-term liabilities	-402 888	-335 340	-523 894
	-402 888	-335 340	-523 894

Deferred tax relates to:

Investment properties	-461 733	-540 333	-747 305
Bonds debts	-209 530	-74 487	-
Tax loss carry forward	268 375	279 480	223 411
	-402 888	-335 340	-523 894

Total valued tax losses in the Group, which have been taken into account in calculating deferred tax are TSEK 1,020,437 (2007/08: TSEK 998,143). The transfer from another account in 2008 relates to goodwill and has been corrected in 2009.

	2009	2008
	SEK 1,000	SEK 1,000
Parent:		
Deferred tax at 1 January/ 1 October	163 528	-
Deferred tax for the year	70 082	163 528
Deferred tax at 31 December	233 610	163 528
<i>Deferred tax at year-end is included in the financial statement items:</i>		
Financial fixed assets	233 610	163 528
Long-term liabilities	-	-
	233 610	163 528
<i>Deferred tax relates to:</i>		
Tax loss carry forward	233 610	163 528
	233 610	163 528

17 Receivables from tenants

Group:

Receivables from tenants amounts to TSEK 15,866 (2007/08: TSEK 9,785 and 2006/07: 5,601 TSEK). A provision for bad debt has been estimated to TSEK 6,320 (2007/08: TSEK 2,576 and 2006/07: TSEK 1,755) based on individual valuation of each receivable and a general provision for receivables exceeding 90 days.

The carrying amount of receivables from tenants is TSEK 9,546 (2007/08: TSEK 7,209 and 2006/07: TSEK 3,846).

	2009	2008	2007
	SEK 1,000	SEK 1,000	SEK 1,000

18 Long-term liabilities

Group:

The Group's long-term liabilities mature as follows:

	Payment / maturity	Effective interest			
Debt secured by mortgage deeds	*	N/A	4 661 807	4 966 540	5 018 496
Seller note	1-5 years	N/A	91 381	87 030	81 881
Bonds, DKK	> 5 years	9,1%	168 925	706 937	900 989
			4 922 113	5 760 507	6 001 366

Parent:

The Parent company's long-term liabilities mature as follows:

	Payment / maturity	Effective interest		
Debt secured by mortgage deeds	*	N/A	4 661 807	4 966 540
Bonds, DKK	> 5 years	9,1%	1 104 807	1 087 593
			5 766 614	6 054 133

Debt secured by mortgage deeds has floating interest rate, while the bond debt has fixed interest rate.

The group has entered into an agreement of interest cap which fixes the interest rate for a total debt of TSEK 4,855,348 SEK (2007/08: TSEK 4,840,793) until repayment of the debt.

* As noted in the Management's review the Group is in non-compliance with the loan-to-value covenant under the Senior Loan Facility Agreement and a stand-still period to 28 April 2010 has been received. Due to the indication of uncertainty in this situation the Group classifies debt secured by mortgage deeds as a short-term liability.

19 Deferred income

Deferred income consists of prepaid rent.

	2009	2008	2007
	SEK 1,000	SEK 1,000	SEK 1,000
20 Pledged assets			
Group:			
Mortgage deeds	6 158 230	6 408 062	6 407 972
Cash funds	245 373	166 549	129 304
	6 403 603	6 574 611	6 537 276

Parent:

Shares in subsidiaries	301 423	301 423
Receivables from group enterprises	5 987 642	6 113 548
Cash funds	245 373	166 549
	6 534 438	6 581 520

21 Contingent liabilities

The Group has no security, guarantees or other commitments, apart from what is customary for a property company and otherwise appears from financial statements and notes.

22 Adjustments to cash flow

Group:

Value adjustment, investment properties	835 726	435 867
Value adjustment, bonds	-568 050	-194 052
Value adjustment, other debt	4 351	5 149
Value adjustment, derivatives	23 348	137 463
Profit/loss from sale of properties	14 320	-15 071
Write-down, goodwill	215 104	142 901
Financial income	-64 056	-17 291
Financial expenses	314 427	491 946
	775 170	986 912

Parent:

Write-down, shares in subsidiaries	35 665	104 486
Value adjustment other debt	-	5 149
Financial income	-266 170	-463 773
Financial expenses	311 892	567 541
	81 387	213 403

	<u>2009</u>	<u>2008</u>
	SEK 1,000	SEK 1,000
23 Changes in working capital		
Group:		
Change in receivables	-12 015	-4 319
Change in prepayments	-4 497	4 079
Change in debts	72 209	-42 782
Change in deferred income	14 515	26 007
	<u>70 212</u>	<u>-17 015</u>
Parent:		
Change in receivables	-9 209	166 658
Change in prepayments	-1 736	-45 770
Change in debts	188 350	-10 065
	<u>177 405</u>	<u>110 823</u>

24 Financial risk management

The Group's activities are subject to different financial and market risks, hereby price and interest risk. The Parent Company's financial risks are limited to bond debts and receivables to subsidiaries.

Risk management is performed by the Board of Directors who identifies and evaluates the financial risks in close co-operation with the Group's management.

(a) Market risk

(i) Foreign exchange risk

The risk that changes in the exchange rate will effect income and cash flow. As a result of its investments and financing activities, the Group has an exposure related to the changes in the interest rate in Denmark as well as foreign countries. It is the Group's policy to hedge the interest risk on the Group's debts, when it is assessed that the interest payments can be hedged at a satisfactory level. The hedges are prepared with conclusion of interest rate cap, when the floating rate debts are replaced by fixed rate debts.

The main part of foreign exchange risk relates to financing of bonds on NASDAQ OMX Copenhagen in DKK. Exposures in DKK are not hedged.

With regards to the bond debt the Group has been influenced considerably by the changes in DKK/SEK exchange rate, since the bond debt is in DKK, while the income and other expenses primarily are settled in SEK.

The Group has the following foreign exchange exposures:



	SEK	DKK	Total
	SEK 1,000	SEK 1,000	SEK 1,000
31 December 2009			
Goodwill	170 110	-	170 110
Property, plant and equipment	4 846 668	-	4 846 668
Financial assets	5 872	-	5 872
Receivables	38 548	-	38 548
Cash	245 373	-	245 373
Total assets	5 306 571	0	5 306 571
Debt secured by mortgage deeds	4 661 807	-	4 661 807
Bonds	-	168 925	168 925
Seller notes	91 381	-	91 381
Deferred tax	402 888	-	402 888
Short-term liabilities	411 729	-	411 729
Total liabilities	5 567 805	168 925	5 736 730
Net assets	-261 234	-168 925	-430 159
31 December 2008	SEK 1,000	SEK 1,000	SEK 1,000
Goodwill	291 501	-	291 501
Property, plant and equipment	5 808 864	-	5 808 864
Financial assets	29 871	-	29 871
Receivables	22 036	-	22 036
Cash	166 549	-	166 549
Total assets	6 318 821	0	6 318 821
Debt secured by mortgage deeds	4 966 540	-	4 966 540
Bonds	-	706 937	706 937
Seller note	87 030	-	87 030
Other long-term liabilities	336 110	-	336 110
Short-term liabilities	249 017	-	249 017
Total liabilities	5 638 697	706 937	6 345 634
Net assets	680 124	-706 937	-26 813



	SEK	DKK	Total
	SEK 1,000	SEK 1,000	SEK 1,000
1 October 2007			
Goodwil	535 278	-	535 278
Property, plant and equipment	6 383 528	-	6 383 528
Financial assets	171 164	-	171 164
Receivables	21 796	-	21 796
Cash	129 304	-	129 304
Total assets	7 241 070	0	7 241 070
Debt secured by mortgage deeds	5 018 496	-	5 018 496
Bonds	-	900 989	900 989
Seller note	81 881	-	81 881
Other long-term liabilities	523 894	-	523 894
Short-term liabilities	314 647	-	314 647
Total liabilities	5 938 918	900 989	6 839 907
Net assets	1 302 152	-900 989	401 163

The Group manages foreign currency risk on an overall basis. The sensitivity analysis prepared by Management for foreign currency risk illustrates how changes in the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The sensitivity analyses below are based on a change in an assumption while keeping all other assumptions constant.

The tables above present financial assets and liabilities denominated in foreign currencies held by the Group in the years 2007-2009 used to monitor foreign currency risk at the reporting dates. If the DKK weakened/strengthened by 10% against the SEK, with all other variables kept constant, pre-tax profit for the year would have been TSEK 15,700 higher/lower.

(ii) Price risk

The Group is exposed to changes in property prices and property rentals risk.

(iii) Interest risk

The Group's main exposure to changes in interest rates is related to debts taken for financing property investments. Provided there is a correlation between interests and return on investments (even if a certain delay exists), increased interest rates will result in a reduced market value for the liability and also reduce the market value of the property.

The Group's risks in connection with cash flows and effective interest rate are regularly monitored by management. The Group's policies for risks connected with cash flows and effective interest rates are evaluated each quarter by the Board of Directors.

**31 December 2009**

	SEK	DKK	Total
	SEK 1,000	SEK 1,000	SEK 1,000
Fixed rate			
Bond debt	-	168 925	168 925
Seller notes	91 381	-	91 381
Non-derivative financial instruments	91 381	168 925	260 306
Floating rate			
Debt secured by mortgage deeds	4 810 422	-	4 810 422
Non-derivative financial instruments	4 810 422	0	4 810 422
Fixed	91 381	168 925	260 306
Floating	4 810 422	-	4 810 422
Total non-derivative financial instruments	4 901 803	168 925	5 070 728

31 December 2008

	SEK	DKK	Total
	SEK 1,000	SEK 1,000	SEK 1,000
Fixed rate			
Bond debt	-	706 937	706 937
Seller notes	87 030	-	87 030
Non-derivative financial instruments	87 030	706 937	793 967
Floating rate			
Debt secured by mortgage deeds	5 026 602	-	5 026 602
Non-derivative financial instruments	5 026 602	0	5 026 602
Fixed	87 030	706 937	793 967
Floating	5 026 602	-	5 026 602
Total non-derivative financial instruments	5 113 632	706 937	5 820 569

30 September 2007

	SEK	DKK	Total
	SEK 1,000	SEK 1,000	SEK 1,000
Fixed rate			
Bond debt	-	900 989	900 989
Seller notes	81 881	-	81 881
Non-derivative financial instruments	81 881	900 989	982 870
Floating rate			
Debt secured by mortgage deeds	5 072 597	-	5 072 597
Non-derivative financial instruments	5 072 597	0	5 072 597
Fixed	81 881	900 989	982 870
Floating	5 072 597	-	5 072 597
Total non-derivative financial instruments	5 154 478	900 989	6 055 467

In order to manage the exposure to fluctuations in the market interest rate the Group has entered into interest rate derivative agreements.

b Credit risk

Credit risk is the risk of loss as a result of the failure of a counterparty to fulfill its obligations. The risk is limited by the requirement, contained in the company's financial policy, that only creditworthy counterparties be accepted in financial transactions. As regards trade receivables the policy states that customary credit assessments must be made before a new tenant is accepted. The company also assesses creditworthiness in respect of all other receivables. The maximum credit exposure in respect of trade receivables and other receivables is the carrying amount.

Group:

	2009	2008	2007
Receivables from tenants	9 546	7 209	3 846
Other receivables	17 992	8 314	7 358
Cash	245 373	166 549	129 304
Maximum credit exposure	272 911	182 072	140 508

c Financing and Liquidity risk

Debt to financial institutions with financial covenants, such as Loan-to-Value covenant. Incompliance with these covenants can result in a so called cash-sweep, whereas all payments, including interest to bond holders, are to be approved by the senior banks. This can also result in an accelerated loan.

Covenant risk

A number of financial contracts contain financial covenants, which are customary in nature. The financial loan covenants in the Group's loan agreements relate to e.g. equity ratio, interest coverage, debt service coverage ratio, loan-to-value, sale or other dispersion of assets, change of ownership and/or control of the Company, etc. Not fulfilling the covenants could mean accelerated repayment of bonds, loans, cross-defaults, and/or technical default requiring prohibition of dividend and re-negotiation with creditors under distress. Such an event would almost always be preceded by a significant adverse development in the Group's financial performance. In addition, events such as a drop in market prices could mean that loan-to-value covenants would trigger the need for more cash.

Liquidity risk is 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, to the extent 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 debts secured by mortgages deeds.

The Group 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 refinancing risk, the Group's funding is mainly based on bank loans with reputable banks. Secondly, the Group has issued bonds on NASDAQ OMX Copenhagen.

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments.

As at 31 December 2009	Within 1 year	1-5 years	After 5 years	Total
	SEK 1,000	SEK 1,000	SEK 1,000	SEK 1,000
Derivatives	-	5 872	-	5 872
Receivables from tenants	9 546	-	-	9 546
Other receivables	17 992	-	-	17 992
Prepayments	11 010	-	-	11 010
	<u>38 548</u>	<u>5 872</u>	<u>0</u>	<u>44 420</u>

As at 31 December 2009	Within 1 year	1-5 years	After 5 years	Total
	SEK 1,000	SEK 1,000	SEK 1,000	SEK 1,000
Debt secured by mortgage deeds *	148 615	4 661 807	-	4 810 422
Bond debt including amortisation cost	-	-	1 104 808	1 104 808
Seller notes	-	91 381	-	91 381
Short term liabilities	263 114	-	-	263 114
	<u>411 729</u>	<u>4 753 188</u>	<u>1 104 808</u>	<u>6 269 725</u>

* Please see note 18 for additional information about classification of debt secured by mortgage deeds.

As at 31 December 2008	Within 1 year	1-5 years	After 5 years	Total
	SEK 1,000	SEK 1,000	SEK 1,000	SEK 1,000
Debt secured by mortgage deeds	60 062	4 966 540	-	5 026 602
Bond debt including amortisation cost	-	-	1 146 484	1 146 484
Seller notes	-	87 030	-	87 030
Short term liabilities	188 955	-	-	188 955
	<u>249 017</u>	<u>5 053 570</u>	<u>1 146 484</u>	<u>6 449 071</u>

As at 30 September 2007	Within 1 year	1-5 years	After 5 years	Total
	SEK 1,000	SEK 1,000	SEK 1,000	SEK 1,000
Debt secured by mortgage deeds	54 101	-	5 018 496	5 072 597
Bond debt including amortisation cost	-	-	1 112 386	1 112 386
Bank debt	-	81 881	-	81 881
Short term liabilities	260 546	-	-	260 546
	314 647	81 881	6 130 882	6 527 410

Valuation of financial assets and liabilities

The following table shows fair value, carrying amount and information about the category to which the Kefren Group's financial instruments belong in accordance with IAS 39 Financial instruments: Recognition and measurement.

	Category according to IAS 39 1)	Group		Fair value 2009
		2009	2008	
Derivatives	FArIS	5 872	29 871	5 872
Receivables from tenants	L&R	9 546	7 209	9 546
Other receivables	L&R	17 992	8 314	17 992
Debt secured by mortgage deeds	FLAC	4 661 807	4 966 540	4 661 807
Bond debt	FLrIS	168 925	706 937	168 925
Seller notes	FLrIS	91 381	87 030	91 381
Other long-term liabilities	FLAC	-	770	-
Short-term portion of long-term liabilities	FLAC	148 615	60 062	148 615
Trade payables	L&R	33 282	29 805	33 282
Tax payables	L&R	5 181	-	5 181
Other payables	L&R	133 952	82 966	133 952

AFS	Available-for-sale financial assets
L&R	Loans and receivables
FArIS	Financial assets are recognised at fair value in the P&L
FLAC	Financial liabilities measured at amortised cost
FLrIS	Financial liabilities are recognised at fair value in the P&L
n/a	IAS 39 does not apply

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- 1) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- 2) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 3) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2009-12-31			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FARIS				
Derivate financial assets	-	5 872	-	5 872
		-		
Total	<u>-</u>	<u>5 872</u>	<u>-</u>	<u>5 872</u>
Financial liabilities at FLrIS				
Bond debt	-	-168 925	-	-168 925
Seller note	-	-91 381	-	-91 381
Total	<u>-</u>	<u>-260 306</u>	<u>-</u>	<u>-260 306</u>

There were no transfers between Level 1 and 2 in the period

25 Related parties

The Group's related parties consist of the Company's shareholder, Kefren Properties IX A/S and its subsidiaries, together with the Companies, fully or partially, owned by the Board of Directors.

During the year, the Group has had transactions with Breinholt Consulting A/S (Helle M. Breinholt), Fazility Group A/S (Claus Klostermann) and PARE AB (Per Johansson-Perrault). No transactions have been performed with Ole Vagner or with any company associated with him.

All fees and outstanding accounts in the financial year have been settled at market terms and have represented:



26 Adoption of the annual report

The annual report was adopted by the Board of Directors and approved for publication on 31 March 2010. The annual general meeting will be held on 27 April 2010.

27 First time adoption of IFRS

The Group has not previously submitted annual accounts prepared according to IFRS to the Swedish Companies House, to be filed and registered. The Swedish translation of these accounts therefore includes additional disclosures on the transition from Swedish GAAP to IFRS for the consolidated accounts. As consolidated accounts have been prepared in accordance with IFRS in prior years and announced to the Stock Exchange no adjustments are required.



Statement by the Board of Directors on the annual report

The Board of Directors has today presented the annual report for the Group and Kefren Properties IX AB for the period 1 January to 31 December 2009. The annual report has today been considered and adopted.

The annual report has been prepared in accordance with the Annual Accounts Act and Recommendation RFR 2 of the Swedish Financial Accounting Standards Board. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional reporting requirements for companies that have listed bonds.

We consider the accounting policies appropriate and the accounting estimates reasonable, and we believe that the annual report contains the information relevant for evaluation of the Parent's and the Group's financial affairs. We therefore believe that the annual report provides a true and fair view of the Group's and the Parent's financial position, their financial performance and cash flows for the financial year 2009.

We recommend the annual report for adoption at the Annual General Meeting.

Stockholm, 31 March 2010

Ole Vagner
Chairman

Helle M. Breinholt

Per Johansson-Perrault

We presented our audit report on 31 March 2010

Deloitte AB

Jan-Hugo Nihlén
Authorized Public Accountant

AUDIT REPORT

To the annual meeting of the shareholders of Kefren Properties IX AB

Corporate identity number 556691-4031

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors of Kefren Properties IX AB for the financial year 2009. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member. We also examined whether any board member has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors be discharged from liability for the financial year.

Without qualifying our opinion, we draw attention to management's review which indicates that the Company is in non-compliance with the loan-to value covenant on its senior loan. The company is in a discussion with the senior bank with respect to finding a long-term solution that will minimise the risk of the company breaching the senior bank's loan-to-value condition going forward. A final solution is not yet in place and the company has therefore requested and obtained a stand-still period until 28 April 2010. During this period the loan cannot be terminated due to non-compliance of the loan to value condition. This condition indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Stockholm, 31 March 2010

Deloitte AB

Jan-Hugo Nihlén
Authorized Public Accountant