



KLÖVERN  
INTERIM REPORT  
JANUARY – MARCH

2010



## Klövern Q1 2010

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- Income amounted to SEK 306 million (317)
  - Profit from property management amounted to SEK 91 million (118), corresponding to SEK 0.57 per share (0.73)
  - Net profit for the period amounted to SEK 26 million (–44), corresponding to SEK 0.16 per share (–0.27)
  - Equity amounted to SEK 4,138 million (4,112), corresponding to SEK 25.7 per share (25.6)
  - Property value totalled SEK 12,014 million (12,032), corresponding to SEK 74.7 per share (74.8).
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## Net profit for the period

SEKm	2010 Jan–Mar	2009 Jan–Mar
Rental income	305	310
Other income	1	6
Property and central costs	–162	–138
Net financial income	–53	–60
<b>Profit from property management</b>	<b>91</b>	<b>118</b>
Changes in value, properties	10	–139
Changes in value, derivatives	–67	–31
Deferred and current tax	–8	8
<b>Net profit for the period</b>	<b>26</b>	<b>–44</b>

**Cover:** Over SEK 70 million will be invested during 2010/2011 at the project property Kopparhammaren 7 in Norrköping Science Park including the municipal cinema Cnema.

# Statement by the CEO

## After the winter comes the spring...

Klövern is reporting stable rental income for the first quarter of 2010, which is a strong result, bearing in mind the still weak state of the economy. Customer losses have to date been lower than for the corresponding period last year. The payment capacity of tenants remains good. Delayed rent payments are not greater today than they were before the financial crisis.

Klövern has succeeded in entering into a number of large new lease contracts during the first quarter of 2010. Among the larger leases is a fifteen-year lease with the Municipality of Norrköping's cinema Cinema at the property Kopparhammaren 7 in Norrköping Science Park. It feels fantastic to participate in raising the former industrial landscape in Norrköping to a new dimension.

Rental levels in most of our cities are stable. Some business units have even managed to raise rental levels compared with the previous quarter and with a year ago. Offices are coping generally better than retail outlets at the moment. In Kista, increased competition has had some impact on rents. Ericsson's decision to concentrate its operations in the Stockholm area at Kista is, however, having a positive impact, both on demand for premises and on rental levels.

Property costs for the first quarter were unusually high since for once there was a real winter in Central Sweden. Committed work with snow and ice clearance on and around the properties, high electricity prices and the fact that we have a lot of square metres in relation to the property value contributed to property costs being SEK 20 million higher than in a normal year. At the same time, it was self-evident to use the necessary resources to the greatest possible extent to enable access to the properties and ensure safety.

The required yield remained unchanged during the quarter and the increase in value noted for comparable properties derived from investments. The negative development of property values seems to have ended.

During the quarter, Klöver won the case on a tax surcharge of almost a half billion kronor at the Administrative Court of Appeal as well. The Tax Agency has appealed to the Supreme Administrative Court. The probability of our losing, if an appeal is heard at the Supreme Administrative Court, is considered as being minimal. We are now focusing on the issue of whether we are entitled to an additional five billion kronor in loss carryforwards, which is being considered in a case at the Administrative Court of Appeal during the year. It would mean a lot for the future if the Administrative Court of Appeal were to decide in our favour.

Gustaf Hermelin



*Klövern is a real estate company committed to working closely with customers to meet their needs of premises and services in Swedish growth regions. Klöver has business units in ten cities: Borås, Karlstad, Kista, Linköping, Norrköping, Nyköping, Täby, Uppsala, Västerås and Örebro. As at 31 March, the value of the properties was SEK 12 billion and the rental value SEK 1.4 billion. The Klöver share is listed on Nasdaq OMX Nordic Exchange in Stockholm for medium-sized companies.*

*Income statement items are for the period January to March and compared with the corresponding period last year.*

*Balance-sheet items refer to the position at the end of the period and are compared with the most recent year-end.*

## Profit

Profit from property management, i.e. profit excluding changes in value and tax, amounted to SEK 91 million (118). Profit for the period amounted to SEK 26 million (−44). This result includes positive changes in value of properties at SEK 10 million (−139) and negative changes in value of derivatives at SEK −67 million (−31). Equity increased to SEK 4,138 million (4,112) and the equity ratio at the end of the period was 33 per cent (33).

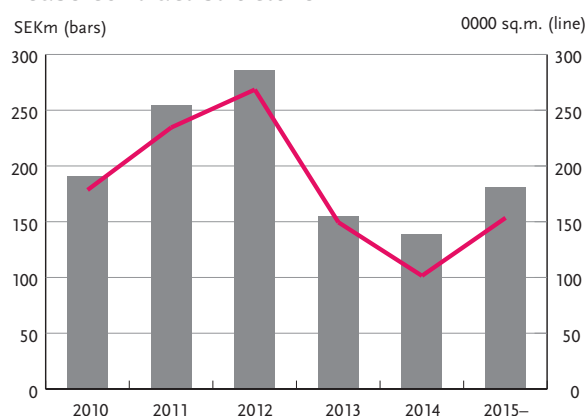
PROFIT FOR A COMPARABLE PORTFOLIO*		
	31.03.2010	31.03.2009
Area, 000 sq.m.	1,377	1,376
Fair value, SEKm	11,969	11,750
Required yield, %	7.2	7.2
Economic occupancy rate, %	88	90
	2010	2009
<b>Net profit for the period, SEKm</b>	Jan–Mar	Jan–Mar
Rental income	300	304
Other income	1	6
Property costs	−143	−117
<b>Operating surplus</b>	<b>158</b>	<b>193</b>

\* Refers to the properties owned from 01.01.2009 to 31.03.2010.

## Income and occupancy rate

Income during the period amounted to SEK 306 million (316), of which rental income accounted for SEK 305 million (310). The major part of this decrease is attributable to index reduction of rental income due to the reduced CPI in 2009. Net moving-in amounted to SEK −8 million (0). Other income, which consists of income from rental guarantees and lease redemption payments amounted to SEK 1 million (6). The average remaining contract term was 3.0 years (3.0) and the economic occupancy rate was 88 per cent (89) at the end of the period.

## Lease contract structure



## Costs and operating margin

Property costs amounted to SEK 146 million (120) during the period. The property costs include customer losses of SEK 1 million (2). Higher costs for snow and ice clearance and power consumption have been charged to income for the first quarter of 2010 than in a normal year. The additional cost, net, amounted to SEK 20 million. The operating surplus was SEK 160 million (197), which entails an operating margin of 52 per cent (62).

SEK 1 million (1) has been charged to central administration costs for the costs of pursuing Klöver's tax cases.

## Cash flow

The cash flow from current operations before change in working capital amounted to SEK 93 million (120). Income tax paid amounts to SEK 0 million (0). Investment operations have affected the cash flow by SEK 27 (−189) net, mainly due to the sale of three properties in Linköping, Nyköping and Västerås. The cash flow from financing operations has had an effect of SEK −35 million (171), mainly due to lower interest-bearing liabilities. Overall, cash flow for the period totals SEK 62 million (70).

## Financing

At the end of the period, interest-bearing liabilities amounted to SEK 7,610 million (7,646). The average financial interest rate for the whole of the financial portfolio amounted to 2.7 per cent (2.7). Excluding derivatives and the cost of credit agreements and the overdraft facility, the interest rate amounted to 1.2 per cent (1.2) on 31 March. The average fixed interest term was 3.1 years (3.2). Credit volumes with swap agreements are treated as having fixed interest. The average period of tied-up capital was 1.6 years (1.8). Not utilized credit volumes, including not utilized overdraft facilities of SEK 200 million (200), totalled SEK 1,364 million (813) as at 31 March.

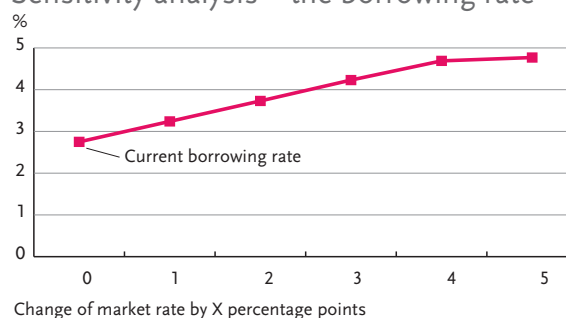
SEK 200 million of SEK 2.7 billion of credit agreements that mature during 2010 is an overdraft facility. Around SEK 700 million of the remaining SEK 2.5 billion has been renegotiated at the beginning of the second quarter. Negotiations are in process concerning the refinancing terms for the remaining amount of just under SEK 1.8 billion, which matures in November 2010.

At the end of the period, Klöver'n had interest rate caps of SEK 3,200 million (3,599), of which SEK 700 million mature during 2010, SEK 1,000 million in 2011, SEK 500 million in 2012, SEK 500 million in 2013 and SEK 500 million in 2014. The interest rate caps have a redemption rate of 4.0–4.5 per cent.

On 31 March, swap agreements totalled SEK 3,800 million, of which SEK 1.4 billion matures in 2015, SEK 1.4 billion in 2016 and SEK 1 billion in 2017.

Klöver'n's interest rate swap agreements and interest caps effectively limit Klöver'n's interest rate risk. An increase in the short market rates of one percentage point would only increase Klöver'n's average borrowing rate by less than a half percentage point. If the market rate increased by five percentage points, Klöver'n's borrowing rate would only increase by 2.1 percentage points from 2.7 per cent to 4.8 per cent.

### Sensitivity analysis – the borrowing rate



Derivatives shall be valued at market value in the income statement in accordance with IFRS. The falling market interest rates during 2010 have meant falling values of Klöver'n's derivatives. The changes in value of derivatives amounted to SEK –67 million (–31) during the period and the value was SEK –100 million (–95) on 31 March. The change in value does not affect the cash flow. On maturity, the value of the derivative is always zero.

## FIXED INTEREST AND TIED-UP CAPITAL

Maturity year	Fixed interest		Tied-up capital		
	Loan volume, SEKm	Interest rate, %	Contract volume, SEKm	Utilized, SEKm	Not utilized, SEKm
Variable	3,709	1.4	—	—	—
2010	32	3.8	2,718	2,345	372
2011	69	6.0	3,250	2,334	917
2012	—	—	1,323	1,248	75
2013	—	—	1,676	1,676	—
2014	—	—	7	7	—
2015	1,400	3.6	—	—	—
2016	1,400	4.5	—	—	—
2017	1,000	3.9	—	—	—
<b>Total</b>	<b>7,610</b>	<b>2.7</b>	<b>8,974</b>	<b>7,610</b>	<b>1,364</b>

## Property acquisitions

No properties (2) have been acquired in the period January to March 2010.

## Property sales

During the period January to March, Klöver has sold one property, where possession has been transferred during the period. In addition to this property, possession of a further two properties (0) has been transferred during the period where the sale was agreed during 2009. The sales for the period totalling SEK 91 million (0) have entailed realised positive changes in value of SEK 3 million (0). During the period, agreement has also been reached on sale of a property, where possession has been transferred at the beginning of April.



**Knut 26 in Västerås:** In February 2010, Knut 26 was sold to a local property owner in Västerås.

## Investments and projects

Klöver's aim is for the property portfolio to have a net growth of at least SEK 1 billion per year. This increase takes place both through refurbishment and extension of existing properties and through acquisitions. In recent years, Klöver has also increasingly focused on building rights in local plans or future building rights.

Klöver currently has building rights totalling 633,000 sq.m, of which 200,000 sq.m. are in Kista. The major part of the building rights consist of offices. 204,000 sq.m. of the total building rights are covered by local plans. The value of the building rights amounts to SEK 395 million.

Investment in existing properties often takes place in connection with new leases with the aim of customizing and modernizing the premises and thus increasing the rental value. During the first quarter of 2010, SEK 63 million (72) was invested. Investments totalling SEK 14 million (54) were made in the projects completed during the period, and in certain cases started in previous years.

In addition to the projects completed to date during 2010, a large number of major and smaller investments are still in progress. In all, 142 projects (112) are in process for an estimated expenditure totalling SEK 674 million (786). A total of SEK 229 million (170) remains to be invested in these projects.

The five largest projects in process would entail an increase in rental value of SEK 21 million after completion.



**Lidarände 1 in Kista:** A total of SEK 29 million is being invested in Kista in parking areas adjacent to the conference and exhibition facility, Kistamässan.

## Properties and changes in value

As at 31 March 2010, Klöver's property portfolio consisted of 215 properties (217). The rental value totalled SEK 1,366 million (1,385) and the fair value of the properties amounted to SEK 12,014 million (12,032). The total lettable area amounted to 1,389,000 sq.m. (1,392,000).

### KLÖVERN'S FIVE LARGEST PROJECTS IN PROCESS

City	Property	Project type	Lettable area property, sq.m.	Project-area, sq.m.	Occupancy rate property after project, %	Estimated investment, SEKm	Remaining investment, SEKm	Increase in rental value due to project, SEKm	Rental value after project*, SEKm	Expected completion, year
Kista	Isafjord 1	Office	57,122	36,200	100	233	38	0	91	2011
Norrköping	Kopparhammaren 7	Office/cinema	4,480	4,480	100	74	73	8	8	2011
Norrköping	Stjärnan 15 & 16	Office	11,415	4,405	83	58	9	7	14	2010
Kista	Lidarände 1	Parking area	—	—	—	29	1	4	29	2010
Uppsala	Fyrislund 6:6	Office/lab	58,319	2,050	66	28	27	2	99	2011
<b>Total</b>			<b>131,336</b>	<b>47,135</b>		<b>422</b>	<b>148</b>	<b>21</b>	<b>241</b>	

\* According to external valuation.

During the period, the change in value of properties totalled SEK10 million (–139). The changes in value include realized changes in value of SEK 3 million (0) and unrealized changes in value of SEK 7 million (–139). The unrealized changes in value do not affect the cash flow. On average, Klöver's property portfolio has been valued as at 31 March with a required yield of 7.2 per cent (7.2).

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

FAIR VALUE, SEKm	2010	2009
Fair value as at 1 January	12,032	11,895
Acquisitions	—	117
Investments	63	72
Sales	–91	—
Changes in value	10	–139
<b>Fair value as at 31 March</b>	<b>12,014</b>	<b>11,945</b>

### Profit and key ratios per business unit

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

PROFIT PER BUSINESS UNIT											
	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, %		Booked investments, SEKm		
	2010 Jan–Mar	2009 Jan–Mar	2010 Jan–Mar	2009 Jan–Mar	2010 Jan–Mar	2009 Jan–Mar	2010 Jan–Mar	2009 Jan–Mar	2010 Jan–Mar	2009 Jan–Mar	
Borås	11	11	–6	–5	5	6	45	55	0	1	
Karlstad	44	45	–20	–17	24	28	55	62	12	3	
Kista	84	87	–30	–26	54	61	64	70	16	43	
Linköping	35	37	–14	–13	21	24	60	65	4	4	
Norrköping	22	22	–14	–12	8	10	36	50	4	7	
Nyköping	26	25	–13	–8	13	17	50	64	8	–4	
Täby	15	16	–7	–6	8	10	53	63	0	0	
Uppsala	18	15	–14	–10	4	5	22	33	9	5	
Västerås	34	35	–21	–16	13	19	38	54	9	9	
Örebro	16	18	–8	–6	8	12	50	67	1	4	
Övrigt*	1	6	1	–1	2	5	—	—	—	—	
<b>Total</b>	<b>306</b>	<b>317</b>	<b>–146</b>	<b>–120</b>	<b>160</b>	<b>197</b>	<b>52</b>	<b>62</b>	<b>63</b>	<b>72</b>	

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

KEY RATIOS PER BUSINESS UNITS										
	Fair value, SEKm		Required yield, %		Area, 000 sq.m.		Rental value, SEKm		Econ. occupancy rate, %	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Borås	393	397	7.9	7.8	80	80	51	51	88	88
Karlstad	1,528	1,499	7.4	7.4	203	207	191	192	94	94
Kista	4,196	4,035	6.6	6.5	253	252	363	362	93	95
Linköping	1,345	1,468	7.3	7.2	165	175	157	171	89	90
Norrköping	844	863	7.4	7.3	143	145	105	109	83	82
Nyköping	866	875	7.9	7.9	131	124	108	104	91	95
Täby	535	523	7.6	7.5	68	67	69	69	93	94
Uppsala	589	514	8.5	8.7	67	66	101	98	67	63
Västerås	1,185	1,229	7.5	7.4	217	217	157	159	82	87
Örebro	533	542	7.0	7.0	62	62	64	67	91	95
<b>Total</b>	<b>12,014</b>	<b>11,945</b>	<b>7.2</b>	<b>7.2</b>	<b>1,389</b>	<b>1,395</b>	<b>1,366</b>	<b>1,382</b>	<b>88</b>	<b>90</b>

## The share and the shareholders

The Klöver share is listed on Nasdaq OMX Nordic Exchange in Stockholm list for medium-sized companies. On 31 March, the share price was SEK 26.00 per share (22.90), which corresponds to a total capitalization of SEK 4.2 billion (3.7). As at 31 March, the number of registered shares in Klöver was 166,544,326. The number of shareholders was 29,427 (29,943), of which 84 per cent (86) were Swedish.

The board of directors of Klöver has been authorized since 2007 to repurchase Klöver shares up to a maximum of 10 per cent of the total number of registered shares.

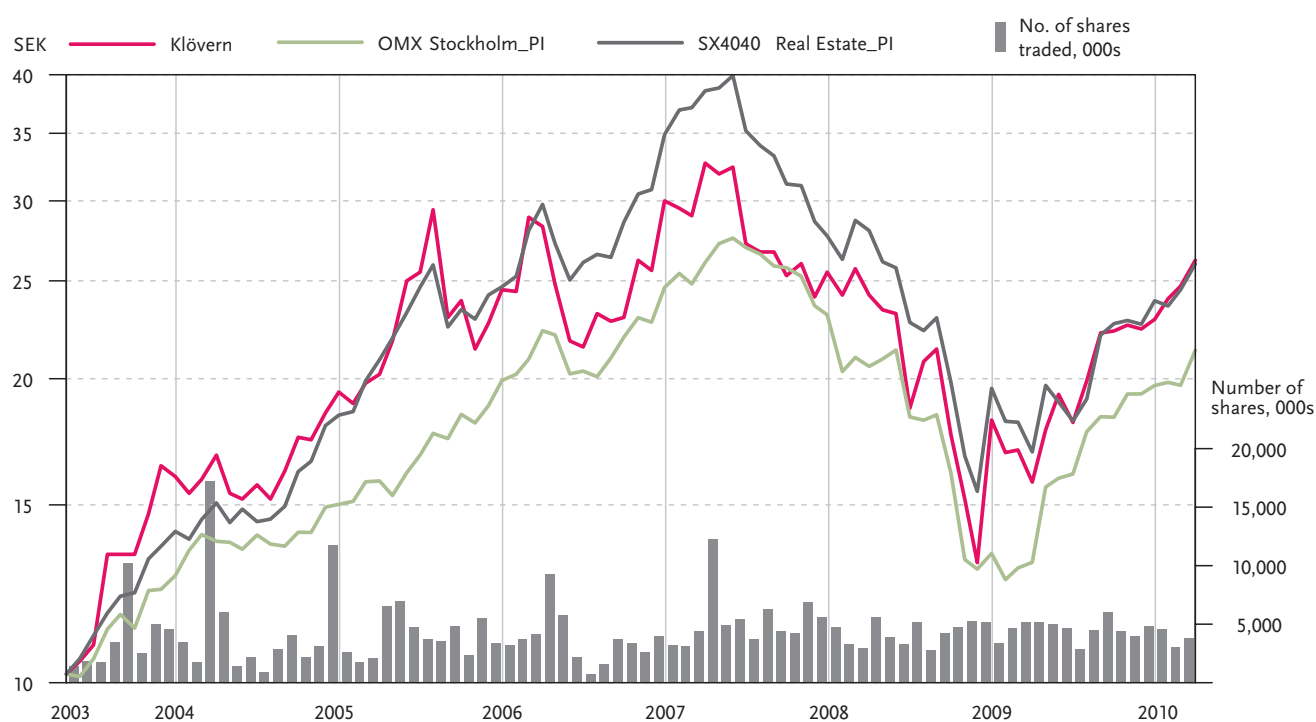
In accordance with the decisions previously made, Klöver has repurchased 5,741,463 shares, corresponding to 3.4 per cent of the total number of registered shares. These shares were acquired at an average price of SEK 22.15 per share. No new repurchases have been made during the period.

### SHAREHOLDERS

31 March 2010	No. of shares, thousands	Share of votes and equity, %	Change 2010, %-points
Corem Property Group	17,376	10.8	-1.7
Federation of Swedish Farmers*	17,117	10.6	0.0
Arvid Svensson Invest	17,017	10.6	0.0
Investment AB Öresund	15,404	9.6	0.0
Brinova Inter	6,856	4.3	0.0
Länsförsäkringar fonder*	6,265	3.9	0.6
Swedbank Robur fonder*	4,755	3.0	-0.1
Länsförsäkringar Södermanland	4,345	2.7	0.2
HQ fonder*	4,295	2.7	0.0
Government of Norway	2,158	1.3	0.0
<b>Total major shareholders</b>	<b>95,588</b>	<b>59.5</b>	<b>-1.0</b>
Other shareholders	65,215	40.5	
<b>Total outstanding shares</b>	<b>160,803</b>	<b>100.0</b>	
Repurchased own shares	5,741		
<b>Total registered shares</b>	<b>166,544</b>		

\*Owner group.

## The Klöver share



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## Tax situation

### *Outcome of tax cases*

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

### *Tax for the period*

Deferred tax of SEK –8 million (–19) has been charged to profit for the period, excluding changes in value, i.e. the profit of current real estate operations. Profit for the period also includes unrealized changes in value for properties and financial instruments at SEK –60 million (–170). Depreciation for tax purposes has been made at SEK 60 million. The basis for deferred tax is unchanged since 1 January and thus does not affect the result for the period. In all, a cost of SEK –8 million (8) for deferred tax and current tax of SEK 0 million (0) have been included in profit for the period.

### *Possible new tax loss carryforwards*

Besides Klöver's established deficits, the company made a loss of around SEK 5,000 million in 2002 in its previous business as an IT company. At the end of 2003, Klöver requested that tax assessment for the same year should be reconsidered with a view to having considered whether Klöver was also entitled to this tax loss carryforward. In the spring of 2006, Klöver withdrew its request for reconsideration. In 2006, Klöver submitted a new request for a loss carryforward. The renewed request was rejected by the County Administrative Court in February 2009 and Klöver has appealed to the Administrative Court of Appeal. A judgment is expected during 2010.

## Personnel

Klöver's business concept entails closeness to the customer by having our own staff at all business units. All employees work in accordance with the motto "making the customer's day easier every day". At the end of the period, the number of employees in Klöver was 126 (123). The average age was 44 (44) and the proportion of women is 41 per cent (39).

## Important risks and uncertainty factors

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



Emma in Nyköping.

## Accounting policies

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

## The Board's recommended dividend

The Board is recommending a dividend of SEK 1.25 per share (1.00) for the 2009 financial year, corresponding to a total of SEK 201 million (161). The proposed record date is 23 April 2010 and dividend is expected to be paid on 28 April 2010.

## Events after the end of the period

After the end of the period, the Tax Agency has appealed in the matter of a tax surcharge of SEK 493 million to the Supreme Administrative Court, which has not yet notified whether leave to appeal will be granted or not.

Possession of one property has been transferred after the end of the period without any realized change in value.

A five-year lease contract has been entered into with Sigma at the property Forskarbyn 2, Netcity. The annual rent amounts to over SEK 2.3 million.

Nyköping, 20 April 2010

Klöver AB  
The Board of Directors

This interim report has not been subject to scrutiny by Klöver's auditors.

## Consolidated Statement of Income

SEK million	2010 3 months Jan–Mar	2009 3 months Jan–Mar	2009 12 months Jan–Dec	Rolling 12 months Apr–Mar
Rental income	305	311	1,231	1,225
Other income <sup>1)</sup>	1	6	23	19
<b>Total income</b>	<b>306</b>	<b>317</b>	<b>1,254</b>	<b>1,244</b>
Property costs	–146	–120	–474	–500
<b>Operating surplus</b>	<b>160</b>	<b>197</b>	<b>780</b>	<b>744</b>
Central administration	–16	–18	–66	–65
Net financial income	–53	–61	–221	–213
<b>Profit from property management</b>	<b>91</b>	<b>118</b>	<b>493</b>	<b>466</b>
Changes in value, properties	10	–139	–231	–82
Changes in value, derivatives	–67	–31	34	–2
<b>Profit before tax</b>	<b>34</b>	<b>–52</b>	<b>296</b>	<b>382</b>
Current tax	0	0	–9	–9
Deferred tax	–8	8	–50	–66
<b>Net profit for the period</b>	<b>26</b>	<b>–44</b>	<b>237</b>	<b>307</b>
Other comprehensive income	—	—	—	—
<b>Comprehensive income for the period</b>	<b>26</b>	<b>–44</b>	<b>237</b>	<b>307</b>
Earnings per share, SEK	0.16	–0.27	1.48	1.91
No. of shares at end of period, million	161	161	161	161
Average no. of shares, million	161	161	161	161

There are no outstanding warrants or convertibles.

<sup>1)</sup> Income from rental guarantees and lease redemption payments.

## Consolidated balance sheet

SEK million	31.03.2010	31.03.2009	31.12.2009
<b>Assets</b>			
Investment properties	12,014	11,945	12,032
Machinery and equipment	9	11	10
Deferred tax asset	409	388	418
Accounts receivable	112	117	83
Liquid funds	86	137	24
<b>Total assets</b>	<b>12,630</b>	<b>12,598</b>	<b>12,567</b>
<b>Shareholders' equity and liabilities</b>			
Equity	4,138	3,991	4,112
Deferred tax liability	370	282	370
Interest-bearing liabilities	7,610	7,816	7,646
Derivatives	100	95	31
Accounts payable	63	54	104
Other liabilities	13	21	15
Accrued expenses and prepaid income	336	339	289
<b>Total shareholders' equity and liabilities</b>	<b>12,630</b>	<b>12,598</b>	<b>12,567</b>

## Change in Group Shareholder's Equity

SEK million	
<b>Equity, 1 January 2009</b>	<b>4,035</b>
Dividend	-161
Net profit for the period	237
<b>Equity, 31 December 2009</b>	<b>4,112</b>
Net profit for the period	26
<b>Equity, 31 March 2010</b>	<b>4,138</b>

## Consolidated Statement of Cash Flow

SEK million	2010 3 months Jan–Mar	2009 3 months Jan–Mar	2009 12 months Jan–Dec
<b>Current operations</b>			
Profit from property management	91	118	493
Adjustment for items not included in the cash flow	2	2	10
Income tax paid	0	0	–9
Cash flow from operations before changes in working capital	93	120	494
Change in operating receivables	–27	0	34
Change in operating liabilities	4	–32	–38
Total change in working capital	–23	–32	–4
<b>Cash flow from current operations</b>	<b>70</b>	<b>88</b>	<b>490</b>
<b>Investment operations</b>			
Divestment of properties	91	—	162
Acquisition of and investment in properties	–63	–189	–530
Acquisition of machinery and equipment	–1	0	–1
Investment in financial assets	—	—	–4
<b>Cash flow from investment operations</b>	<b>27</b>	<b>–189</b>	<b>–373</b>
<b>Financing operations</b>			
Change in interest-bearing liabilities	–35	171	1
Dividend	—	—	–161
<b>Cash flow from financing operations</b>	<b>–35</b>	<b>171</b>	<b>–160</b>
<b>Cash flow for the period</b>	<b>62</b>	<b>70</b>	<b>–43</b>
Liquid funds at beginning of period	24	67	67
<b>Liquid funds at end of period</b>	<b>86</b>	<b>137</b>	<b>24</b>

## Parent Company Statement of Income

SEK million	2010 3 months Jan–Mar	2009 3 months Jan–Mar	2009 12 months Jan–Dec
Net sales	25	23	98
Cost of services sold	–19	–17	–72
<b>Gross profit</b>	<b>6</b>	<b>6</b>	<b>26</b>
Central administration	–16	–18	–67
<b>Operating profit</b>	<b>–10</b>	<b>–12</b>	<b>–41</b>
Result from other securities	26	—	—
Interest income	0	0	0
Interest expense	0	0	–2
<b>Profit after financial items</b>	<b>16</b>	<b>–12</b>	<b>–43</b>
Current tax	—	—	–9
Tax attributable to group contribution	—	—	30
Deferred tax	–9	–19	11
<b>Net profit</b>	<b>7</b>	<b>–31</b>	<b>–11</b>

## Parent Company Balance Sheet

SEK million	31.03.2010	31.03.2009	31.12.2009
<b>Assets</b>			
Machinery and equipment	2	3	2
Participation rights in group companies	320	320	320
Receivables from group companies	3,274	3,230	3,297
Deferred tax asset	409	388	418
Accounts receivable	7	3	10
Liquid funds	58	105	8
<b>Total assets</b>	<b>4,070</b>	<b>4,049</b>	<b>4,055</b>
<b>Shareholders' equity and liabilities</b>			
Equity	3,003	3,055	2,996
Liabilities to group companies	1,015	948	1,031
Accounts payable	3	3	9
Other liabilities	14	10	7
Accrued expenses and prepaid income	35	33	12
<b>Total shareholders' equity and liabilities</b>	<b>4,070</b>	<b>4,049</b>	<b>4,055</b>

## Key ratios

	31.03.2010 3 months	31.03.2009 3 months	31.03.2010 12 months	2009	2008	2007	2006	2005
<b>Property-related</b>								
No. of properties	215	219	215	217	217	220	205	162
Lettable area, 000 sq.m.	1,389	1,395	1,389	1,392	1,382	1,394	1,436	1,042
Rental value, SEKm	1,366	1,382	1,366	1,385	1,360	1,309	1,276	798
Book value properties, SEKm	12,014	11,945	12,014	12,032	11,895	12,154	10,701	5,968
Direct yield requirement valuation, %	7.2	7.2	7.2	7.2	7.1	6.6	6.9	8.0
Operating margin, %	52	62	60	62	62	63	60	61
Economic occupancy rate, %	88	90	88	89	90	88	84	87
Average lease term, years	3.0	3.1	3.0	3.0	3.1	2.9	2.6	2.8
<b>Financial-related</b>								
Return on equity, %	0.6	-1.1	7.5	5.8	-10.7	28.1	20.6	19.1
Equity ratio, %	32.8	31.7	32.8	32.7	32.3	37.4	33.7	34.8
Leverage, %	63	65	63	64	64	58	64	67
Interest coverage ratio, multiples	2.7	2.9	3.2	3.2	2.0	2.2	2.6	2.0
Average interest, %	2.7	3.0	2.7	2.7	4.2	4.6	4.1	3.5
Average fixed interest period, years	3.1	3.5	3.1	3.2	1.1	1.4	1.8	1.0
Average period of tied-up capital, years	1.6	2.4	1.6	1.8	2.6	3.7	4.3	4.6
Interest-bearing liabilities, SEKm	7,610	7,815	7,610	7,646	7,645	7,007	6,878	3,987
<b>Share-related</b>								
Profit from property management per share, SEK	0.57	0.73	2.90	3.07	2.17	2.32	2.25	1.49
Equity per share, SEK	25.7	24.8	25.7	25.6	25.1	29.4	23.2	18.8
Share price at end of period, SEK	26.0	15.8	26.0	22.9	18.2	25.5	30.0	24.5
No. of shares registered at end of period, million	166.5	166.5	166.5	166.5	166.5	166.5	166.5	120.4
Outstanding shares at end of period, million	160.8	160.8	160.8	160.8	160.8	165.8	166.5	120.4
Dividend, SEK	—	—	—	1.25*	1.00	1.50	1.25	1.00

\* Proposed dividend.

# Definitions

## Property-related

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### Direct yield requirement valuation

The required yield of property valuations on the residual value.

### Economic occupancy rate

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

### Operating margin

Operating surplus as a percentage of total income.

### Operating surplus

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

### Other income

Income from rental guarantees and redemption of leases.

### Profit from property management

Profit before changes in value and tax.

### Realised change in value, properties

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

### Rental value

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

### Unrealised change in value, properties

Change in fair value of the property portfolio after deduction of investments made at the end of each period.

## Finance-related

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### Equity ratio

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

### Interest coverage ratio

Profit from property management plus financial costs in relation to financial costs.

### Leverage

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

### Return on equity

Net profit in relation to average equity.

## Share-related

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### Earnings per share

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

### Equity per share

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

### Profit from property management per share

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

## Contact persons

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## Calendar

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Interim report Jan–Jun 2010	8 July 2010
Interim report Jan–Sep 2010	21 October 2010
Year-end report 2010	17 February 2011
Annual report for 2010	March 2011
Annual General Meeting 2011	13 April 2011

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