

HUFVUDSTADEN

Interim Report January–September 2011

- Profit after tax for the period was SEK 1,010 million (818), equivalent to SEK 4.89 per share (3.97). The increase can be attributed to the rise in the value of the property holdings.
- Gross profit from property management was SEK 692 million (686).
- The fair value of the property holdings was set at SEK 21.4 billion (20.1 at the turn of the year).
- The net asset value was SEK 73 per share (70 at the turn of the year).
- The equity ratio was 56 per cent, the net loan-to-value ratio was 17 per cent and the interest coverage ratio multiple was 6.8.
- Consolidated net revenue amounted to SEK 1,058 million (1,027), an increase of 3 per cent.
- Agreement signed with Burberry and Ralph Lauren regarding opening of stores in Bibliotekstan.
- The rental vacancy level at the period-end was 4.5 per cent (5.1 at the turn of the year).

GROUP

RESULTS

Property management¹

Net rents from property management during the period amounted to SEK 1,008.7 million (975.9), an increase of 3 per cent, and the gross profit was SEK 692.1 million (686.0). The increase in profit can be attributed mainly to higher gross rents as a result of increased rents, which were counteracted by increased maintenance costs in conjunction with the evacuation of store tenants.

The turnover-based rent supplement at the NK properties is reported during the fourth quarter. The previous year the turnover-based rent supplement was SEK 10.7 million. Apart from this there are no material seasonal variations in rents.

The property management results for each business area are reported on page 5.

¹ The properties Inom Vallgraven 12:1 and 12:9 are included with effect from March 30, 2010. Otherwise the property holdings remain unchanged compared with the same period the previous year.

Parking operations

Operations comprise parking operations at Parkaden AB in Stockholm. Net revenue amounted to SEK 49.1 million (51.2), expenses amounted to SEK 36.0 million (35.5) and gross profit amounted to SEK 13.1 million (15.7).

Other profit and loss items

Central administration totalled SEK -23.5 million (-22.8). Changes in the value of investment properties totalled SEK 873.8 million (552.0) and changes in interest derivatives totalled SEK -85.4 million (-28.0).

Financial income and expense

Net financial income and expense amounted to SEK -98.5 million (-88.2). The increase in net cost can be attributed to higher average market interest rates during the period and increased borrowing.

Tax

The Group's tax (actual and deferred tax) for the period was SEK -362.0 million (-296.7), of which SEK -90.0 million was actual tax (-101.9) and SEK -272.0 million was deferred tax (-194.8).

Profit for the period

The consolidated profit after tax amounted to SEK 1,009.6 million (818.0). The improvement in the profit is due primarily to unrealized increases in the value of the property holdings.

ACQUISITIONS AND INVESTMENTS

Investment in properties and equipment during the period totalled SEK 383.6 million (399.1). Investment during the year refers to, among other things, the extension of the Femman property in Nordstan, Gothenburg, which is expected to be completed in spring 2012.

PROPERTY PORTFOLIO

The fair value of the Hufvudstaden property holdings as of September 30, 2011 is estimated at SEK 21,404 million (20,148 at the turn of the year). The increase can be attributed to unrealized changes in value and investments in the property holdings. Rentable floor space, excluding the expansion of Femman, was 357,000 square metres.

The rental vacancy level as of September 30, 2011 was 4.5 per cent (5.1 at the turn of the year) and the floor space vacancy level was 6.3 per cent (6.8 at the turn of the year).

Property value and net asset value

At the end of each quarter Hufvudstaden makes an internal valuation of each individual property. The purpose of the valuation is to assess the fair value of the property holdings. To assure the valuations, external valuations for part of the property holdings are obtained at least once a year.

There is a continuous update made during the year of the internal valuation of the properties in order to take into account purchases, sales and investments. Hufvudstaden also examines on a continuous basis whether there are other indications of changes in the fair value of the properties. This could, for example, take the form of major lettings, terminations and material changes in the yield requirements.

In the light of the above, a change in the value of the property holdings was estimated to have taken place amounting to SEK 873.8 million. The total value of the property holdings as of September 30, 2011 was SEK 21.4 billion, including investments made during the year. In conjunction with the valuation, the assessment is that there has not been any material change in the yield requirements compared with the second quarter of 2011 and that the rental market in general has remained unchanged.

The average yield requirement for the property holdings in conjunction at the above valuation point was 4.8 per cent (5.0 at the turn of the year).

Net asset value

Based on the valuation of the property holdings, the net asset value was SEK 15.1 billion or SEK 73 per share after tax. When calculating the net asset value, calculated deferred tax has been used. This has been set at 10 per cent of the difference between the

assessed fair value of the properties and the residual value for tax purposes. The assessment is made in the light of current tax legislation, which means that properties can be sold via a limited company without tax implications. The purchaser, however, loses the basis for depreciation, which could justify some compensation, which has been set at 10 per cent. If the tax rate according to the Balance Sheet (26.3 per cent) had been used in the calculation, the net asset value would have been SEK 12.1 billion or SEK 58 per share. If the tax rate is assumed to be 0 per cent, the net asset value would be SEK 17.0 billion or SEK 82 per share.

CUSTOMER SATISFACTION SURVEY

Along with a number of other leading property companies, Hufvudstaden takes part in the Fastighetsbarometern Customer Satisfaction Survey. Hufvudstaden is once again among the top companies, coming second.

RENTAL MARKET

Interest in modern, flexible office space in prime locations in central Stockholm continued to be good during the period. Vacant space in this category has continued to remain low and rents stable. In conjunction with renegotiations and new leases for office space in Stockholm's most attractive locations in Bibliotekstan, at Norrmalmstorg/Hamngatan and in the Hötorget area, rents were noted of between SEK 4,000 and SEK 5,000 per square metre per year, excluding the property tax supplement. Interest in prime-location retail premises in the same sub-markets has also been high with rents ranging from SEK 12,000 to SEK 18,000 per square metre per year, excluding the property tax supplement. During the winter/spring the leading brand names Burberry and Ralph Lauren will open new flagship stores on Biblioteksgatan.

Demand for modern office premises in the central sub-markets of Gothenburg has been good. Market rents for modern, well-planned office premises in prime locations were between SEK 1,800 and SEK 2,400 per square metre per year, excluding the property tax supplement. For retail premises the market rents were between SEK 6,000 and SEK 12,000 per square metre per year, excluding the property tax supplement.

The Group's renegotiations of retail and office leases have proceeded according to plan. In total, 30,000 square metres were renegotiated at a rental value of SEK 154.3 million. On average, these renegotiations have resulted in a rent increase of 6 per cent.

FINANCING STRUCTURE

Hufvudstaden's borrowing as of September 30, 2011, amounted to SEK 3,900.0 million (3,600.0 at the turn of the year). The average fixed interest period was 29 months (31 at the turn of the year), the average capital tie-up period was 57 months (43 at the turn of the year) and the average annual interest rate was 3.7 per cent (3.6 at the turn of the year). The net interest-bearing debt was SEK 3,660.9 million (3,320.0).

The fair value of interest swaps as of September 30, 2011 was SEK -169.8 million (-84.4 at the turn of the year). The negative value trend can be explained

by lower market interest rates as of September 30, 2011 compared with the hedged level.

Capital tie-up structure, September 30, 2011

| Maturity Date | Volume, SEK m | Share, % |
|---------------|---------------|----------|
| 2012 | 250.0 | 7 |
| 2013 | 950.0 | 24 |
| 2017 | 2,700.0 | 69 |
| Total | 3,900.0 | 100 |

Fixed interest structure, September 30, 2011

| Maturity Date | Volume, SEK m | Share, % | Average AER, % |
|---------------|---------------|----------|----------------|
| 2011 | 1,200.0 | 31 | 2.8 |
| 2012 | 450.0 | 12 | 3.9 |
| 2013 | 600.0 | 15 | 3.9 |
| 2014 | 200.0 | 5 | 3.6 |
| 2015 | 300.0 | 8 | 3.6 |
| 2016 | 400.0 | 10 | 3.5 |
| 2017 | 750.0 | 19 | 4.8 |
| Total | 3,900.0 | 100 | 3.7 |

SHARES AND SHAREHOLDERS

Hufvudstaden, whose shares are listed on NASDAQ OMX Stockholm, had 18,286 shareholders at the end of the period. The proportion of foreign ownership as of September 30, 2011 was 26 per cent of the total number of outstanding shares (25 at the turn of the year). The series A share price as of September 30, 2011 was SEK 66.70 and market capitalization was SEK 14.6 billion.

Shares bought back

The total number of shares held by Hufvudstaden as of September 30, 2011 was 5,006,000 series A shares, equivalent to 2.4 per cent of the total number of issued shares. No buy-backs were made during the period or after the end of the reporting period. At the 2011 Annual General Meeting the Board was granted renewed authorization to acquire up to 10 per cent of all the issued shares and to assign company shares.

Buy-back of shares as of September 30, 2011, million shares

| | Total number of shares | Company holdings | Held by other shareholders |
|--------------------------|------------------------|------------------|----------------------------|
| As of January 1, 2011 | 211.3 | 5.0 | 206.3 |
| Buy-back | - | - | - |
| As of September 30, 2011 | 211.3 | 5.0 | 206.3 |

THIRD QUARTER

The gross profit from property management amounted to SEK 227.0 million (235.5). Net rents amounted to SEK 334.9 million (330.2). Property management

costs amounted to SEK 107.9 million (94.7). The increase can be attributed to higher maintenance costs during evacuation of tenants in conjunction with the redevelopment of retail premises in Bibliotekstan.

The gross profit from parking operations amounted to SEK 3.6 million (4.7). Net revenue amounted to SEK 15.3 million (16.1) and costs amounted to SEK 11.7 million (11.4).

Changes in the value of investment properties amounted to SEK 33.3 million (367.5) and for interest derivatives SEK -96.3 million (10.6). Net financial income and expense amounted to SEK -32.4 million (-30.2). The increase in net cost can be explained by higher average market interest rates during the year and increased borrowing.

MATERIAL RISKS AND UNCERTAINTY FACTORS

The Group is mainly exposed to financing, interest and credit risks and changes in the value of the property holdings. The Company has not identified any material risks and uncertainties other than those described in the 2010 Annual Report.

MATERIAL TRANSACTIONS WITH ASSOCIATED PARTIES

There were no material transactions with associated parties during the period.

ACCOUNTING PRINCIPLES

Hufvudstaden applies the EU-endorsed IFRS standards and interpretations thereof (IFRIC). This Interim Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting. With effect from 2011, Hufvudstaden reports costs for internal project management as part of maintenance project expense. In other respects the accounting principles and computation methods are the same as those applied in the most recent Annual Report.

FORTHCOMING INFORMATION

| | |
|--|------------------|
| Year-End Report 2011 | February 9, 2012 |
| Annual Report 2011 | March 2012 |
| Annual General Meeting in Stockholm 2012 | March 22, 2012 |

The information in this Interim Report is information that Hufvudstaden AB (publ) is obliged to publish according to the Securities Market Act and/or the Financial Instruments Trading Act. The information was published on November 3, 2011.

This information is also published on Hufvudstaden's website, www.hufvudstaden.se

Questions can be answered by Ivo Stopner, President, or Magnus Jacobson, Head of Finance, telephone +46 8-762 90 00.

INCOME STATEMENTS – SUMMARY

| GROUP, SEK m | July- September 2011 | July- September 2010 | January- September 2011 | January- September 2010 | January- December 2010 |
|--|-------------------------------------|-------------------------------------|--|--|---------------------------------------|
| Net revenue | | | | | |
| Property management | 334.9 | 330.2 | 1,008.7 | 975.9 | 1,321.0 |
| Parking operations | 15.3 | 16.1 | 49.1 | 51.2 | 71.1 |
| | 350.2 | 346.3 | 1,057.8 | 1,027.1 | 1,392.1 |
| Property management expenses | | | | | |
| Maintenance | -22.1 | -5.2 | -37.7 | -17.6 | -28.4 |
| Operation and administration | -50.4 | -50.8 | -172.7 | -168.6 | -234.9 |
| Ground rents | -3.9 | -3.8 | -11.7 | -9.4 | -13.3 |
| Property tax | -31.5 | -34.9 | -94.5 | -94.3 | -124.1 |
| Property management expenses | -107.9 | -94.7 | -316.6 | -289.9 | -400.7 |
| Parking operations, costs | -11.7 | -11.4 | -36.0 | -35.5 | -47.5 |
| Operating expenses | -119.6 | -106.1 | -352.6 | -325.4 | -448.2 |
| Gross profit | 230.6 | 240.2 | 705.2 | 701.7 | 943.9 |
| - of which Property management | 227.0 | 235.5 | 692.1 | 686.0 | 920.3 |
| - of which Parking operations | 3.6 | 4.7 | 13.1 | 15.7 | 23.6 |
| Central administration | -8.0 | -7.5 | -23.5 | -22.8 | -31.0 |
| Operating profit before changes in value | 222.6 | 232.7 | 681.7 | 678.9 | 912.9 |
| Changes in value | | | | | |
| Investment properties | 33.3 | 367.5 | 873.8 | 552.0 | 1,490.3 |
| Interest derivatives | -96.3 | 10.6 | -85.4 | -28.0 | 51.4 |
| Operating profit | 159.6 | 610.8 | 1,470.1 | 1,202.9 | 2,454.6 |
| Financial income and expense | -32.4 | -30.2 | -98.5 | -88.2 | -102.7 |
| Profit before tax | 127.2 | 580.6 | 1,371.6 | 1,114.7 | 2,351.9 |
| Tax | -33.9 | -153.6 | -362.0 | -296.7 | -618.6 |
| Result after tax | 93.3 | 427.0 | 1,009.6 | 818.0 | 1,733.3 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | 93.3 | 427.0 | 1,009.6 | 818.0 | 1,733.3 |
| Average number of outstanding shares following buy-backs during the period | 206,265,933 | 206,265,933 | 206,265,933 | 206,265,933 | 206,265,933 |
| Profit for the period after tax per share before and after dilution, SEK | 0.45 | 2.07 | 4.89 | 3.97 | 8.40 |

BALANCE SHEETS – SUMMARY

| GROUP, SEK m | September 30, 2011 | September 30, 2010 | December 31, 2010 |
|--|-------------------------------|-------------------------------|------------------------------|
| Investment properties | 21,403.8 | 19,075.3 | 20,148.3 |
| Other fixed assets | 11.5 | 12.3 | 12.3 |
| Total fixed assets | 21,415.3 | 19,087.6 | 20,160.6 |
| Current assets | 288.1 | 319.1 | 378.5 |
| Total assets | 21,703.4 | 19,406.7 | 20,539.1 |
| Equity | 12,061.3 | 10,610.7 | 11,526.0 |
| Non-current liabilities to credit institutions | 3,900.0 | 2,650.0 | 2,650.0 |
| Deferred tax liabilities | 5,060.8 | 4,530.7 | 4,788.8 |
| Other non-current liabilities | 170.9 | 161.4 | 87.2 |
| Pension provisions | 7.2 | 7.0 | 7.4 |
| Total non-current liabilities | 9,138.9 | 7,349.1 | 7,533.4 |
| Current, interest-bearing liabilities | - | 950.0 | 950.0 |
| Other liabilities | 503.2 | 496.9 | 529.7 |
| Total current liabilities | 503.2 | 1,446.9 | 1,479.7 |
| Total equity and liabilities | 21,703.4 | 19,406.7 | 20,539.1 |

CHANGES IN EQUITY – SUMMARY

| GROUP, SEK m | January- September 2011 | January- September 2010 | January- December 2010 |
|---|-------------------------------|-------------------------------|------------------------------|
| Equity, opening balance | 11,526.0 | 10,225.9 | 10,225.9 |
| Total comprehensive income for the period | 1,009.6 | 818.0 | 1,733.3 |
| Dividends | -474.4 | -433.2 | -433.2 |
| Equity, closing balance | 12,061.3 | 10,610.7 | 11,526.0 |

STATEMENTS OF CASH FLOWS – SUMMARY

| GROUP, SEK m | January- September 2011 | January- September 2010 | January- December 2010 |
|--|-------------------------------|-------------------------------|------------------------------|
| Result before tax | 1,371.6 | 1,114.7 | 2,351.9 |
| Depreciation/impairments | 9.1 | 3.5 | 4.1 |
| Change in value, investment properties | -873.8 | -552.0 | -1,490.3 |
| Change in value, interest derivatives | 85.4 | 28.0 | -51.4 |
| Other changes | -0.1 | 0.6 | 1.1 |
| Tax paid | -149.1 | -158.3 | -195.3 |
| Cash flow from current operations before changes in working capital | 443.1 | 436.5 | 620.1 |
| Increase/decrease in operating receivables | -6.9 | 10.2 | 5.4 |
| Increase/decrease in operating liabilities | 12.8 | 54.9 | 65.9 |
| Cash flow from current operations | 449.0 | 501.6 | 691.4 |
| Investments in investment properties | -381.7 | -397.9 | -532.7 |
| Investments in equipment | -1.9 | -1.2 | -1.7 |
| Change in non-current receivable | 0.2 | -0.5 | -0.8 |
| Cash flow from investments | -383.4 | -399.6 | -535.2 |
| Dividend paid | -474.4 | -433.2 | -433.2 |
| Loans raised | 300.0 | 200.0 | 200.0 |
| Cash flow from financing | -174.4 | -233.2 | -233.2 |
| Cash flow for the period | -108.8 | -131.2 | -77.0 |
| Liquid funds at the beginning of the period | 347.9 | 424.9 | 424.9 |
| Liquid funds at the period-end | 239.1 | 293.7 | 347.9 |
| Cash flow for the period per share, SEK | -0.53 | -0.64 | -0.37 |

PLEGDED ASSETS AND CONTINGENT LIABILITIES

| GROUP, SEK m | September 30, 2011 | September 30, 2010 | December 31, 2010 |
|-----------------------------|-----------------------|-----------------------|----------------------|
| Pledged assets | | | |
| Mortgages | 1,981.2 | 1,806.2 | 1,806.2 |
| Endowment insurance | 5.6 | 5.4 | 5.7 |
| Total pledged assets | 1,986.8 | 1,811.6 | 1,811.9 |
| Contingent liabilities | None | None | None |

SEGMENT REPORT – SUMMARY¹

| GROUP, SEK m | Stockholm City East Business Area | | Stockholm City West Business Area | | Gothenburg Business Area | | Total | |
|--|--------------------------------------|------------------|--------------------------------------|------------------|-----------------------------|------------------|------------------|------------------|
| | Jan-Sept 2011 | Jan-Sept 2010 | Jan-Sept 2011 | Jan-Sept 2010 | Jan-Sept 2011 | Jan-Sept 2010 | Jan-Sept 2011 | Jan-Sept 2010 |
| Net revenue | 449.6 | 423.2 | 422.4 | 418.7 | 136.7 | 134.0 | 1,008.7 | 975.9 |
| Property costs | -130.3 | -112.9 | -144.5 | -136.3 | -41.8 | -40.7 | -316.6 | -289.9 |
| Gross profit, property management | 319.3 | 310.3 | 277.9 | 282.4 | 94.9 | 93.3 | 692.1 | 686.0 |
| Parking operations | | | 13.1 | 15.7 | | | 13.1 | 15.7 |
| Central administration | | | | | | | -23.5 | -22.8 |
| Changes in value | | | | | | | | |
| Investment properties | | | | | | | 873.8 | 552.0 |
| Interest derivatives | | | | | | | -85.4 | -28.0 |
| Operating profit | | | | | | | 1,470.1 | 1,202.9 |
| Financial income and expense | | | | | | | -98.5 | -88.2 |
| Profit before tax | | | | | | | 1,371.6 | 1,114.7 |

¹ For comparable holdings, net revenue for the Gothenburg Business Area and for the Group should be increased by SEK 2.3 million and gross profit by SEK 1.4 million for 2010.

KEY RATIOS

| GROUP | September 30, 2011 | September 30, 2010 | Full Year 2010 | Full Year 2009 | Full Year 2008 | Full Year 2007 |
|--|-----------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|
| Property-related | | | | | | |
| Rentable floor space, 1,000 m ² | 357 | 357 | 358 | 354 | 354 | 354 |
| Rental vacancy level, % | 4.5 | 6.1 | 5.1 | 6.2 | 5.3 | 3.3 |
| Floor space vacancy level, % | 6.3 | 7.4 | 6.8 | 7.4 | 5.9 | 4.6 |
| Fair value, SEK bn | 21.4 | 19.1 | 20.1 | 18.1 | 19.1 | 20.5 |
| Financial | | | | | | |
| Surplus ratio, % | 66.7 | 68.3 | 67.8 | 68.8 | 67.3 | 67.8 |
| Return on equity, % | 9.7 | 9.2 | 15.9 | -3.4 | -3.9 | 20.4 |
| Return on capital employed, % | 10.6 | 9.9 | 16.7 | -2.4 | -5.7 | 22.3 |
| Equity ratio, % | 55.6 | 54.7 | 56.1 | 55.0 | 55.9 | 56.4 |
| Interest coverage ratio, multiple | 6.8 | 7.7 | 7.7 | 7.0 | 5.5 | 6.2 |
| Debt/equity ratio, multiple | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Net loan-to-value ratio, properties, % | 17.1 | 17.3 | 16.1 | 16.4 | 15.6 | 15.8 |
| Loan-to-value ratio, properties, % | 18.2 | 18.9 | 17.9 | 18.8 | 17.8 | 16.6 |
| Data per share | | | | | | |
| Profit for the period, SEK | 4.89 | 3.97 | 8.40 | -1.73 | -2.18 | 11.64 |
| Equity, SEK | 58.47 | 51.44 | 55.88 | 49.58 | 53.09 | 57.25 |
| Properties, fair value, SEK | 103.77 | 92.48 | 97.68 | 87.87 | 92.52 | 99.53 |
| Net asset value, SEK | 73.00 | 65.00 | 70.00 | 62.00 | 66.00 | 73.00 |
| Number of outstanding shares, 1,000 | 206,266 | 206,266 | 206,266 | 206,266 | 206,266 | 206,266 |
| Number of issued shares, 1,000 | 211,272 | 211,272 | 211,272 | 211,272 | 211,272 | 211,272 |

KEY RATIOS PER QUARTER

| GROUP | July-Sept 2011 | Apr-June 2011 | Jan-Mar 2011 | Oct-Dec 2010 | July-Sept 2010 | Apr-June 2010 | Jan-Mar 2010 | Oct-Dec 2009 |
|---|-------------------|------------------|-----------------|-----------------|-------------------|------------------|-----------------|-----------------|
| Net revenue, SEK m | 350 | 356 | 352 | 365 | 346 | 342 | 339 | 352 |
| Return on equity, % | 9.6 | 10.3 | 5.8 | 16.2 | 9.4 | 6.7 | 5.4 | -3.6 |
| Return on equity, adjusted, % | 4.7 | 5.0 | 4.9 | 6.0 | 5.7 | 5.6 | 5.7 | 5.5 |
| Equity ratio, % | 55.6 | 55.7 | 54.3 | 56.1 | 54.7 | 54.0 | 52.4 | 55.0 |
| Profit/share for the period, SEK | 0.45 | 3.19 | 1.25 | 4.44 | 2.07 | 1.29 | 0.61 | -0.01 |
| Equity per share, SEK | 58.47 | 58.02 | 54.83 | 55.88 | 51.44 | 49.37 | 48.09 | 49.58 |
| Net asset value per share, SEK | 73.00 | 73.00 | 69.00 | 70.00 | 65.00 | 62.00 | 61.00 | 62.00 |
| Cash flow from current operations per share, SEK | 0.69 | 0.64 | 0.84 | 0.92 | 0.94 | 0.88 | 0.62 | 0.82 |

PARENT COMPANY

RESULT AND POSITION

Net revenue amounted to SEK 614.5 million (587.7). The gross profit was SEK 224.2 million (257.7). The decrease can be attributed primarily to increased costs related to adaptation of premises and evacuation of tenants. Net financial income and expense was SEK -98.4 million (-88.1).

Liquid funds at the period-end amounted to SEK 238.9 million (293.5). Investments in properties and equipment during the period totalled SEK 212.7 million (259.5).

MATERIAL RISKS AND UNCERTAINTY FACTORS

The Company is mainly exposed to financing, interest and credit risks. The Company has not identified any material risks and uncertainties other than those described in the 2010 Annual Report.

MATERIAL TRANSACTIONS WITH ASSOCIATED PARTIES

There were no material transactions with associated parties during the period.

ACCOUNTING PRINCIPLES

The Parent Company applies the same accounting principles as in the most recent annual report.

INCOME STATEMENTS – SUMMARY

| PARENT COMPANY, SEK m | July- September 2011 | July- September 2010 | January- September 2011 | January- September 2010 | January- December 2010 |
|---|----------------------------|----------------------------|-------------------------------|-------------------------------|------------------------------|
| Net revenue | 203.4 | 199.2 | 614.5 | 587.7 | 790.7 |
| Operating expenses | -128.8 | -106.3 | -390.3 | -330.0 | -454.7 |
| Gross profit | 74.6 | 92.9 | 224.2 | 257.7 | 336.0 |
| Central administration | -8.0 | -7.5 | -23.5 | -22.8 | -31.0 |
| Changes in value, interest derivatives | -96.3 | 10.6 | -85.4 | -28.0 | 51.4 |
| Operating profit | -29.7 | 96.0 | 115.3 | 206.9 | 356.4 |
| Other financial income and expense | -32.3 | -30.5 | -98.4 | -88.1 | -103.1 |
| Profit after net interest income and expense | -62.0 | 65.5 | 16.9 | 118.8 | 253.3 |
| Appropriations | - | - | - | - | 98.2 |
| Profit before tax | -62.0 | 65.5 | 16.9 | 118.8 | 351.5 |
| Tax | 15.1 | -18.3 | -7.8 | -35.1 | -92.2 |
| Profit for the period | -46.9 | 47.2 | 9.1 | 83.7 | 259.3 |
| Statement of comprehensive income, SEK m | | | | | |
| Profit for the period | -46.9 | 47.2 | 9.1 | 83.7 | 259.3 |
| <i>Other comprehensive income</i> | - | - | - | - | - |
| Comprehensive income for the period | -46.9 | 47.2 | 9.1 | 83.7 | 259.3 |

BALANCE SHEETS – SUMMARY

| PARENT COMPANY, SEK m | September 30, 2011 | September 30, 2010 | December 31, 2010 |
|-------------------------------------|-----------------------|-----------------------|----------------------|
| Investment properties | 6,403.6 | 6,171.4 | 6,240.6 |
| Other fixed assets | 2,830.5 | 2,834.9 | 2,835.1 |
| Total fixed assets | 9,234.1 | 9,006.3 | 9,075.7 |
| Current assets | 607.2 | 645.5 | 837.2 |
| Total assets | 9,841.3 | 9,651.8 | 9,912.9 |
| Restricted equity | 1,978.7 | 1,978.7 | 1,978.7 |
| Non-restricted equity | 1,741.2 | 1,784.2 | 2,206.5 |
| Total equity | 3,719.9 | 3,762.9 | 4,185.2 |
| Untaxed reserves | 556.0 | 654.1 | 556.0 |
| Appropriations | 1,104.0 | 1,103.9 | 1,125.5 |
| Non-current liabilities | 4,071.5 | 2,811.9 | 2,737.7 |
| Current liabilities | 389.9 | 1,319.0 | 1,308.5 |
| Total liabilities | 6,121.4 | 5,888.9 | 5,727.7 |
| Total equity and liabilities | 9,841.3 | 9,651.8 | 9,912.9 |

Stockholm, November 3, 2011

Ivo Stopner
President

This Interim Report has not been the subject of an examination by the Company's auditors.

DEFINITIONS AND GLOSSARY

Annual rent. Gross rent at the period-end, calculated on an annual basis, excluding the turnover-based rent supplement. Vacant premises are reported at the market rent.

Bibliotekstan. The area between Normalmstorg, Birger Jarlsgatan, Stureplan and Norrlandsgatan and which contains stores with high-class brands.

Capital employed. Total assets reduced by non-interest-bearing liabilities and deferred tax liabilities.

Central administration. Costs for Group management and Group staff functions, costs for maintaining the Company's stock exchange listing and other costs common to the Company.

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

Equity ratio. Equity at the period-end in relation to total assets.

Fair value. The estimated market value of the properties.

Floor space vacancy level. Vacant floor space in square metres in relation to the total lettable floor space.

Interest coverage ratio. Profit after financial items, excluding unrealized changes in value plus interest expense minus interest contributions in relation to the interest expense minus interest contributions.

Investments. Expenses related to value-enhancing improvements which entail future financial benefits are capitalized. Rebuilding costs of an ongoing maintenance nature are charged to profit.

Loan-to-value ratio, properties. Interest-bearing liabilities in relation to the properties' carrying values.

Market value, properties. The amount at which the properties could be transferred on condition that the transaction takes place between parties that are independent of each other and which have an interest in the transaction being completed. In accounting terms this is known as fair value.

Net liabilities. Interest-bearing liabilities, including decided dividend less current investments and cash and bank holdings.

Net loan-to-value ratio, properties. Net liabilities in relation to the carrying value of properties.

Profit per share. Profit for the period after tax in relation to the average number of outstanding shares during the period.

Property tax supplement. Property tax payments received from tenants.

Rental losses. Loss of revenue as a result of unlet space.

Rental vacancy level. Vacant floor space at an estimated market rent in relation to the total annual rent.

Return on capital employed. Profit before tax plus interest expense minus interest contributions in relation to the average capital employed. In the interim accounts the return has been recalculated on a full-year basis without consideration being given to seasonal variations which normally arise in operations and with the exception of changes in value.

Return on equity. Profit after tax in relation to the average equity. In the interim accounts the return has been recalculated on a full-year basis without consideration being given to seasonal variations that normally arise in operations and with the exception of changes in value.

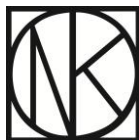
Return on equity, adjusted. Profit after tax, excluding changes in value, in relation to the average equity. In the interim accounts the return has been recalculated on a full-year basis without consideration being given to seasonal variations that normally arise in operations.

Surplus ratio. Gross profit in relation to net revenue.

Tax. Total tax for the Group comprises both actual tax and deferred tax.

In some cases there has been rounding off, which means the tables and calculations do not always tally.

This document is in all respects a translation of the original Interim Report in Swedish. In the event of any differences between this translation and the Swedish original, the latter shall prevail.



BIBLIOTEKSTAN
EVOLVED SINCE 1885



VARUHuset
Femman

HUFVUDSTADEN

Hufvudstaden

Hufvudstaden, which was founded in 1915, rapidly became one of the leading property companies in Sweden and is today one of the country's strongest brands in the property sector. The brand is well-known and represents high quality, good service and long-term thinking in the management and development of the Company's commercial properties in the most attractive business locations in Stockholm and Gothenburg.

Vision

Hufvudstaden shall be consistently perceived as, and prove to be, the most attractive property company in Sweden.

Business concept

Through its properties in central Stockholm and central Gothenburg, Hufvudstaden shall offer successful companies high-quality office and retailing premises in attractive marketplaces.

Financial objectives

- Hufvudstaden shares shall have good dividend growth over time and the dividend shall account for more than half the net profit from current operations.
- The equity ratio shall be at least 40 per cent over time.

Operating objectives

Hufvudstaden will:

- Gradually increase profit from current operations.
- Have the most satisfied customers in the industry.
- Have the most developed property holdings in the industry.
- Have the most professional personnel in the industry, with firm commitment to the customer, good business acumen and professional know-how.

Strategies to achieve the objectives

Customer focus. Hufvudstaden shall work in close co-operation with its customers and contribute continuously to improving their business potential and competitiveness.

Quality. Quality and environmental systems shall ensure the highest possible level of quality in all the Company's products and services.

Skills development. Systematic development of the knowledge and skills of the personnel shall be ensured with a focus on professional know-how and values.

Business development. Active business development shall create added value in the property holdings.

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