

- » Income increased by 10 per cent to SEK 1,346 million (1,222).
- » The operating surplus increased by 10 per cent to SEK 873 million (794).
- » Profit from property management increased by 35 per cent to SEK 498 million (369).
- » Changes in value of properties amounted to SEK 775 million (728), of derivatives to SEK 87 million (–319) and share in profit of associated companies amounted to SEK 24 million (–56).
- » Net profit amounted to SEK 1,102 million (671), corresponding to SEK 1.02 (0.63) per ordinary share.
- » Taking possession of 12 properties for SEK 818 million and sale of 11 properties for SEK 487 million.
- » Investments in own projects amounted to SEK 558 million (417).

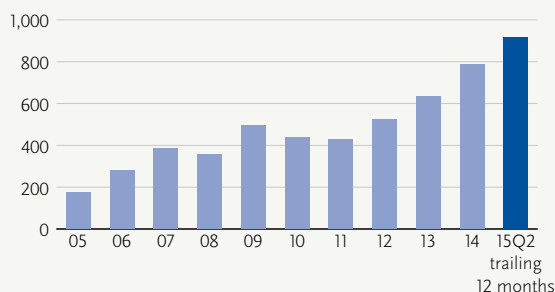
THIS IS KLÖVERN

KLÖVERN IS A REAL ESTATE COMPANY committed, with closeness and commitment, to offering customers efficient premises in selected growth regions.

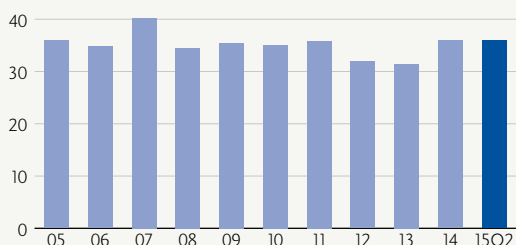
Our vision is to create environments for future enterprise. This requires active construction of city neighbourhoods, districts and other business clusters.

Klövern is one of the larger listed real estate companies in Sweden specializing in commercial premises.

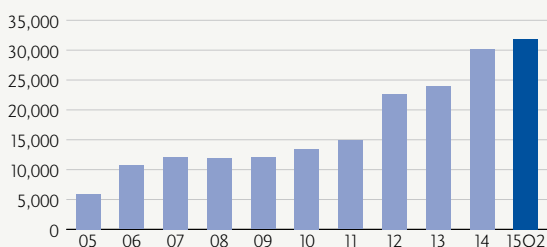
PROFIT FROM PROPERTY MANAGEMENT, SEKm



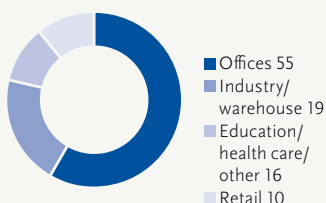
EQUITY RATIO, adjusted, %



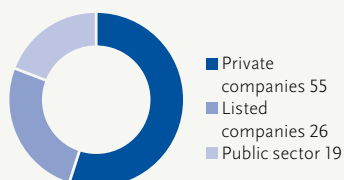
PROPERTY VALUE, SEKm



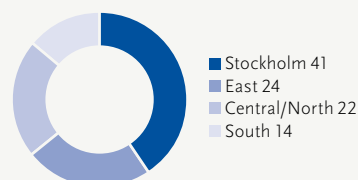
RENTAL VALUE BY TYPE OF PREMISES, %



CONTRACT VALUE BY CUSTOMER CATEGORY, %



RENTAL VALUE BY REGION, %



Continued good profit development

Klövern is reporting a good result for the second quarter of the year. Net moving-in amounted to SEK 24 million and the operating surplus for a comparable portfolio rose by four per cent. The transaction market continues to be strong with large inflows of capital to the real estate market, which is reducing yield requirements. The most recent acquisitions have continued to strengthen Klöverns position in Stockholm and Gothenburg.

Property Management is performing well. Income increased by 7 per cent in the second quarter, driven both by acquisitions and a positive net moving-in. The operating margin amounted to 67 per cent, which means that the operating margin after the first two quarters is in line with the goal of 65 per cent. The rental market in the metropolitan areas continues to be strong and focused letting work means that we are well on our way to achieving the goal for net moving-in of at least 1 per cent of the rental value per year. I am pleased to note that net moving-in for the first half of the year is SEK 29 million, which is just below the goal for the full year.

Klövern is working actively with growth through both projects and acquisitions. We will continue to place great focus on our work of refining and developing existing properties, not least due to the generally lower yield requirements, which make investments in our own properties more attractive. At present, we have some twenty projects in early stages, which aim at producing new or expanded local plans for properties in strategic locations with great development potential. There are also a number of properties in the portfolio where we can in the course of time create high-class tenant-owned properties and rented property in attractive locations.

A major development project was initiated during the second quarter in connection with new letting to the apartment hotel operator StayAt in Kista. The 20-year lease contract encompasses 7,300 sq.m. in the property Helgafjäll 2 which will be completely renovated. The preliminary date for moving in is August 2016.

The market continues to be strong on the transaction side and Klöverns has acquired a number of properties during the year. The largest acquisition is Aprikosen 2, also known as Solna Gate, where the purchase price was SEK 1.2 billion. Possession will be taken of Solna Gate on 1 October. With

a lettable area of 35,000 square metres, the property is a fine addition to Klöverns continuously expanding Stockholm portfolio. There is also an increased focus on the Gothenburg market. After the end of the second quarter, the city property Inom Vallgraven 15:2 – also called the Old Riksbank Bulinding – in Gothenburg was acquired. Transfer of possession will take place in November. In accordance with Klöverns growth strategy, properties for a total of SEK 675 million have been acquired in Gothenburg so far this year. Next after Stockholm and Linköping, which account for 43 per cent and 8 per cent of the property portfolio respectively (including coming transfers of possession), Gothenburg accounts for 7 per cent, closely followed by Västerås and Uppsala at 6 per cent each. During the quarter, we have also carried out a number of small divestments, in Eslöv and Katrineholm among other places, with the intention of continuing to concentrate our property portfolio.

To further strengthen Klöverns long-term financial position, two financial targets have been adjusted by the board during the quarter. The target for the interest coverage ratio has been increased to at least 2.0 from the previous target of at least 1.5. A new goal has been introduced that the adjusted equity ratio should be 40 per cent. This replaces the previous goal that the equity ratio should be at least 30 per cent. Apace with declining yield requirements, I regard it as a natural development for Klöverns to work on strengthening its financial position.

To sum up, I have a positive view of Klöverns future development and I am convinced that the second half of the year will be at least as successful as the first half.

Rutger Arnhult
CEO Klöverns



The property Aprikosen 2 in Solna, more known as Solna Gate.



Interior from the property Aprikosen 2 in Solna.

The income statement items are compared with the corresponding time period last year. The balance sheet items refer to the position at the end of the period and are compared with the preceding year-end. The quarter refers to April–June, the period to January–June and the year to January–December.

PROFIT

Profit from property management, i.e. profit excluding changes in value and tax, increased to SEK 271 million (206) during the second quarter. Besides the effect of net acquisitions of properties, profit from property management was affected positively by net moving-in. Profit before tax which amounted to SEK 846 million (595) was affected by SEK 399 million (571) for changes in value of properties, SEK 160 million (–163) for derivatives and SEK 24 million (–11) for Klöver's share in profits in the associated company Tribona. The operating margin was 67 per cent (67).

INCOME AND EXPENSES

Income increased to SEK 677 million (635) during the quarter. The increase in income is mainly attributable to net acquisitions and net moving-in. Property costs increased to SEK 223 million (209). Property costs include rent losses of SEK 4 million (1). Central administration costs amounted to SEK 23 million (20).

COMPARABLE PORTFOLIO

Operating surplus for a comparable portfolio rose by 4 per cent during the quarter to SEK 383 million (369). Income rose by 2 per cent to SEK 560 million (548). Property costs decreased by 1 per cent to SEK 177 million (179). The fair value of a comparable portfolio increased by SEK 1,052 million, or 4 per cent, compared with 30 June 2014, mainly due to investments made in connection with new letting, rising market rents and reduced yield requirements.

NET MOVING-IN, LEASE TERM, OCCUPANCY RATE

The quarter shows net moving-in of SEK 24 million (0), the corresponding figure for the period January–June being SEK 29 million (5). The largest tenants moving in during the quarter include the County Administrative Board at the property Kungsängen 10:1 in Uppsala consisting of

3,800 sq.m. and Folksam at the property Beridaren 12 in Linköping with 2,400 sq.m. The largest vacating tenants were Siemens AB at the property Flygfyrén 3 in Malmö consisting of 3,100 sq.m. and Svea Exchange AB at the property Arenan 2 in the Globen area with 950 sq.m.

The average remaining lease term on 30 June was 3.4 years (3.3). The economic occupancy rate for all properties amounted to 90 per cent (90) and the area-based occupancy rate 82 per cent (81). The economic occupancy rate was 92 per cent (92) for investment properties and 63 per cent (57) for development properties.

Among the larger contracts signed during the quarter where the tenant has not yet moved in are a 20-year lease with StayAtHotelApart AB for 7,300 sq.m. at Helgafjäll 2 in Kista and a five-year contract with ISS Facility Service AB, for 1,400 sq.m. in the property Flygfyrén 3 in Malmö. Moving-in is expected to take place in August 2016 and January 2016 respectively.

SHAREHOLDING

Klöver has sold 140,570 shares in Tribona during the second quarter. Klöver's holding in Tribona subsequently amounts to 14,377,428 shares corresponding to 29.5 per cent of the total number of outstanding shares. Tribona has been reported as an associated company since 7 June 2013. Klöver's share of income for the quarter amounted to SEK 24 million (–11).

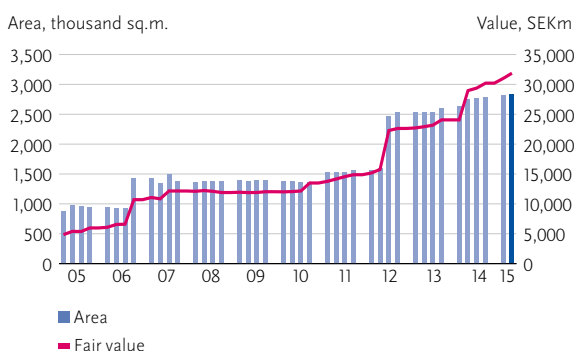
Tribona specializes in modern and strategically located logistics properties. As of 30 June, the property portfolio consisted of 34 properties in Sweden and one in Denmark. The lettable space amounted at the same time to 700,000 sq.m. and the property value to SEK 5,114 million.

During the second quarter, Klöver received 2,325,000 shares in A Group of Retail Assets Sweden AB (Agora) as a partial payment in the sale of the property Vampyrén 9 in Eskilstuna, representing 10.9 per cent of the total number of outstanding shares. The shareholding in Agora is reported in the income statement as financial assets.

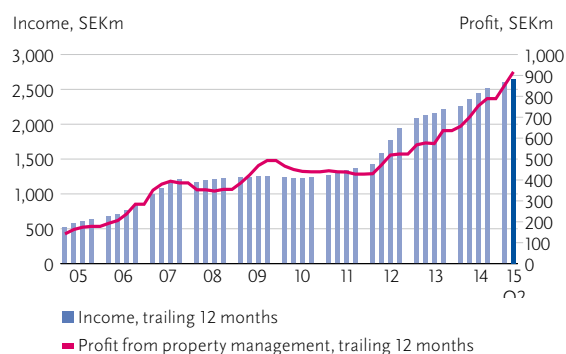
CASH FLOW

The cash flow from current operations during the quarter amounted to SEK 297 million (137). Investment operations have affected the cash flow by SEK –511 million (–3,842)

PROPERTIES: VALUE AND AREA



INCOME & PROFIT



net, through a combination of acquisition of properties and investments in existing properties. The cash flow from financing activities has affected cash flow by SEK 150 million (2,918). Altogether, the total cash flow was SEK –64 million (787). Liquid funds at the end of the quarter amounted to SEK 144 million compared with SEK 11 million on 30 June 2014.

FINANCING

At the end of the period, interest-bearing liabilities amounted to SEK 19,752 million (18,870) and the average financial interest rate for the whole of the financial portfolio was 3.2 per cent (3.5). Net financial income during the quarter amounted to SEK –160 million (–200), of which financial income was SEK 0 million (0). The average fixed interest term was 1.9 years (2.1) as at 30 June. Credit volumes with swap agreements are treated as having fixed interest. At the end of the period, Klöver had interest swaps totalling SEK 8,043 million (8,166). The average remaining term of derivatives was 4.3 years.

The average period of tied-up capital amounted to 2.2 years (2.1) on 30 June. Unutilized credit volumes, including unused credit facilities of SEK 400 million (400), amounted to SEK 2,680 million (2,043).

During the second quarter Klöver has established a commercial paper program with a framework amount of SEK 1,500 million. Outstanding certificates amounted to SEK 590 million (–) at the end of the quarter.

Klöver's interest rate swaps effectively limit the interest rate risk. An increase in short market rates of one percentage point would increase Klöver's average borrowing rate by 0.6 percentage points and Klöver's financial costs by SEK 112 million. Changes in value of derivatives, all unrealized, amounted to SEK 160 million (–163). On 30 June, the value was SEK –622 million (–709).

Unrealized change in value does not affect the cash flow. On maturity, the value of the derivative is always zero. All derivatives are classified at Level 2 according to IFRS 13. No derivatives have changed classification during the

period. Klöver's assessment is that there is no significant difference between the book value and the fair value of interest-bearing liabilities.

At the end of the period the adjusted equity ratio amounted to 35.9 per cent (35.9), to some extent negatively affected by that upcoming dividends on the preference shares are added as debt after the annual general meeting.

PROPERTY TRANSACTIONS

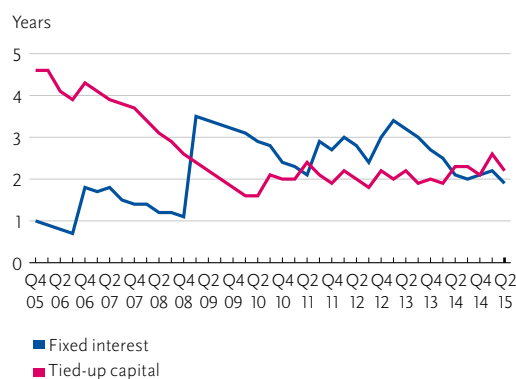
During the period January–June, 12 properties (9) have been taken possession of for a total purchase price of SEK 818 million (4,080). Klöver has sold and handed over 11 properties (7) during the period for a total of SEK 487 million (330).

INVESTMENTS AND BUILDING RIGHTS

Investments in existing properties often take place in connection with new lettings with the aim of customizing and modernizing the premises and thus increasing the rental value. A total of SEK 558 million (417) was invested during the period. In all, 327 projects (301) are in process and SEK 1,665 million (1,265) remains to be invested in these projects. Total estimated expenditure for the projects amounts to SEK 3,219 million (2,439).

At the end of the quarter, assessed building rights and building rights with local plans totalled 1,409,000 sq.m.

FIXED INTEREST AND TIED-UP CAPITAL



FIXED INTEREST AND TIED-UP CAPITAL

Year due	Fixed interest		Tied-up capital			
	Loan volume, SEKm	Interest, %	Contract volume, SEKm	Utilized, SEKm	Of which bonds outstanding, SEKm	Unutilized, SEKm
Floating	11,229	2.3	—	—	—	—
2015	50	2.4	3,728	2,174	—	1,553
2016	1,730	3.2	3,135	2,409	—	726
2017	1,275	4.2	7,905	7,504	1,150	401
2018	1,188	5.0	6,408	6,408	1,800	—
2019	900	4.9	1,090	1,090	1,000	—
2020	500	4.4	—	—	—	—
2021	500	4.6	—	—	—	—
2022	1,280	5.4	—	—	—	—
2023	1,100	4.5	—	—	—	—
Later	—	—	167	167	—	—
Total	19,752	3.2	22,433	19,752	3,950	2,680

(1,417,000). 562,000 sq.m. (551,000) of the building rights are included in local plans. One-third of the building rights included in local plans consists of offices and one-third of housing. The building rights are valued at SEK 901 million (864), corresponding to SEK 639 per sq.m. (610).

PROPERTIES AND CHANGES IN VALUE

As at 30 June 2015, Klöver's portfolio consisted of 412 properties (408). The number of properties has increased during the period due to net acquisitions and subdivisions in the portfolio. The rental value amounted to SEK 3,047 million (2,983) and the fair value of the properties was SEK 31,872 million (30,208).

The total lettable area amounted to 2,811,000 sq.m. (2,792,000). The changes in value of the properties totalled SEK 775 million (728) during the period January–June. The

changes in value include realized changes in value of SEK 2 million (7) and unrealized changes in value of SEK 773 million (721). The unrealized changes in value do not affect the cash flow. On average, Klöver's property portfolio, as

PROPERTIES: FAIR VALUE

SEKm	2015	2014
	Jan–June	Jan–Dec
Fair value, as per January 1	30,208	24,059
Acquisitions	818	4,452
Investments	558	1,021
Sales	-487	-531
Change in value	775	1,207
Fair value at the end of the period	31,872	30,208

PROPERTY TRANSACTIONS 2015: ACQUISITIONS

City	Property	Category	Lettable area, sq.m.	Quarter
Örebro	Karossen 5	Office	5,127	Q1
Örebro	Karossen 19	Education, Health care/other	12,754	Q1
Västerås	Livia 16	Office	5,962	Q1
Västerås	Kranlinan 1	Retail	5,005	Q1
Västerås	Traversfören 1	Retail	2,500	Q1
Mölnadal	Spinnaren 5	Industry/warehouse	1,763	Q2
Gothenburg	Majorna 220:4	Office	5,709	Q2
Gothenburg	Majorna 219:7 (leasehold)	Office	15,760	Q2
Gothenburg	Sävenäs 170:12	Industry/warehouse	4,106	Q2
Gothenburg	Sävenäs 170:17	Education, Health care/other	0	Q2
Lund	Rivan 1	Office	1,484	Q2
Mölnadal	Gastuben 3	Office	5,990	Q2
Total			66,160	

PROPERTY TRANSACTIONS 2015: DIVESTMENTS

City	Property	Category	Lettable area, sq.m.	Quarter
Karlstad	Bromsen 13	Retail	370	Q1
Västerås	Skonerten 2 (leasehold)	Industry/warehouse	4,720	Q1
Stockholm	Luna 1	Office	6,651	Q1
Stockholm	Opalen 40	Office	770	Q1
Stockholm	Båglampan 35	Industry/warehouse	7,855	Q1
Stockholm	Sjöhjälten 2	Office	3,409	Q1
Eslöv	Rådjuret 1	Office	3,206	Q2
Eslöv	Kidet 1	Education, Health care/other	0	Q2
Katrineholm	Nejlikan 13	Education, Health care/other	2,566	Q2
Eskilstuna	Vampyren 9	Retail	16,422	Q2
Karlskrona	Garvaren 26	Industry/warehouse	3,625	Q2
Total			49,594	

KLÖVERN'S LARGEST PROJECTS IN PROGRESS

City	Property	Project type	Lettable area property, sq.m.	Project area, sq.m.	Economic occupancy rate after project, %	Estimated investment, SEKm	Remaining investment, SEKm	Increase in rental value due to project, SEKm	Rental value after project, SEKm	Estimated completion, year
Kista	Isafjord 8	Office	26,112	26,112	100	675	447	60	60	2017
Uppsala	Kungsängen 10:1,2	Office	11,376	11,376	100	250	38	15	21	2016
Uppsala	Kungsängen 10:1,2	Hotel	9,612	9,612	100	224	201	18	40	2016
Kista	Borgarfjord 4	Office	13,356	13,356	100	170	160	19	32	2017
Kista	Helgafjäll 1&2 hus 4	Hotel/office	13,293	13,293	100	167	165	21	27	2017
Örebro	Vindhjulet 3	Office	19,343	20,436	100	164	63	11	28	2016
Gothenburg	Gamlestaden 39:13	Office	11,478	11,478	100	127	127	11	22	2017
Storstockholm	Johannelund 7	Retail	22,107	3,565	57	66	56	3	22	2016
Storstockholm	Rektangeln 3	Animal clinic	3,131	2,654	90	44	25	4	7	2016
Gothenburg	Gastuben 3	Office	6,080	5,000	87	43	43	2	8	2016
Total			135,888	115,789		1,930	1,325	164	267	

at 30 June, has been valued with a yield requirement of 6.7 per cent (6.9). The value of the properties has increased, mainly due to investments made in connection with new letting, rising market rents and lower yield requirements.

Klövern values 100 per cent of the property portfolio each quarter, 20 to 30 per cent of each are normally valued externally. External valuations have been performed by DTZ Sweden and Savills. Every property in the portfolio has thus been externally valued at least once during a rolling 12-month period. All properties are classified at Level 3 in accordance with IFRS 13. No properties have changed classification during the period. See Klöverns annual report for 2014 for a detailed description of valuation principles.

THE SHARE

As at 30 June, the total number of registered shares in the company was 932,437,980, of which 81,871,406 were ordinary shares of Class A, 834,122,574 ordinary shares of Class B and 16,444,000 preference shares. An ordinary share of Class A confers entitlement to one vote while an ordinary share of Class B, like a preference share, confers entitlement to one-tenth of a vote. Klöverns shares are listed on Nasdaq Stockholm. On 30 June, the share price was SEK 7.70 per ordinary share of Class A, SEK 7.65 per ordinary share of Class B and SEK 296.00 per preference share, corresponding to a total market capitalization of SEK 11,879 million (12,232). The number of shareholders at the end of the period was approximately 44,600 (42,700). 79 per cent (79) of the total number of shares are Swedish-owned.

SHAREHOLDERS 30.06.2015					
	No. ordinary shares A thousands	No. ordinary shares B thousands	No. preference shares thousands	Share of capital, %	Share of votes, %
Corem Property Group	16,100	160,000	—	18.8	19.2
Arvid Svensson Invest	13,300	132,997	685	15.7	15.9
Rutger Arnhult via companies	9,377	85,174	597	10.2	10.7
Gårdarike	7,526	2,250	46	1.0	4.6
Länsförsäkringar funds	—	57,595	—	6.1	3.4
Handelsbanken funds	1,380	36,556	—	4.0	3.0
CBNY-Norges Bank	2,436	23,166	38	2.7	2.8
Swedbank Robur funds	2,246	20,789	8	2.4	2.5
Nordea Investment funds	728	8,226	197	0.9	0.9
SEB Investment Management	655	7,641	0	0.8	0.8
Robur Försäkring	625	6,656	636	0.8	0.8
Avanza Pension	551	5,344	794	0.7	0.7
Mellon US Tax Exempt Account	890	2,268	0	0.3	0.6
Ralf Ekblad	1,000	—	—	0.1	0.6
Klöverns Vinstandelsstiftelse	481	4,960	15	0.5	0.5
764090, Friends Provident Intl	978	—	—	0.1	0.5
Invus Investment	436	4,356	11	0.5	0.5
JPMC:Escrow Swiss Resident Account	800	472	—	0.1	0.5
Fjärde AP-fonden	25	8,041	151	0.8	0.5
Nordnet Pensionsförsäkring	531	2,736	215	0.3	0.4
Total largest shareholders	60,065	569,227	3,393	67.9	70.3
Other shareholders	21,806	264,896	13,051	32.1	29.7
Total outstanding shares	81,871	834,123	16,444	100.0	100.0
Repurchased own shares	—	—	—		
Total registered shares	81,871	834,123	16,444		

Shares of capital/votes have been rounded off downwards to the nearest one-tenth of a percentage point.

DEVELOPMENT OF SHARE CAPITAL

Date	Event	Number of ordinary shares A	Number of ordinary shares B	Number of ordinary shares A+B	Number of preference shares	Accumulated share capital, SEK
01.01.2010		166,544,326		166,544,326		832,721,630
13.01.2012	New issue	166,544,360		166,544,360		832,721,800
13.01.2012	Bonus issue	166,544,360		166,544,360	4,163,609	853,539,845
06.03.2012	New issue	166,544,360		166,544,360	11,708,140	891,262,500
10.04.2012	New issue	166,544,360		166,544,360	11,774,778	891,595,690
19.04.2012	New issue	166,544,360		166,544,360	11,775,363	891,598,615
29.06.2012	New issue	166,544,360		166,544,360	12,238,363	893,913,615
09.07.2012	New issue	166,544,360		166,544,360	12,686,363	896,153,615
14.09.2012	New issue	166,544,360		166,544,360	13,598,863	900,716,115
17.09.2012	New issue	166,544,360		166,544,360	13,731,338	901,378,490
08.10.2012	New issue	166,544,360		166,544,360	17,314,688	919,295,240
08.10.2012	New issue	166,544,360		166,544,360	18,419,688	924,820,240
17.10.2012	New issue	166,544,360		166,544,360	18,536,338	925,403,490
24.03.2014	New issue	166,544,360		166,544,360	18,836,338	926,903,490
11.04.2014	New issue	166,544,360		166,544,360	19,823,806	931,840,830
28.05.2014	New issue	166,544,360		166,544,360	20,388,000	934,661,800
11.11.2014	Reduction of share capital	166,544,360		166,544,360	20,388,000	186,932,360
25/27.11.2014	New issue	166,544,360		166,544,360	32,888,000	199,432,360
05.12.2014	Bonus issue of B-shares	166,544,360	1,665,443,600	1,831,987,960	32,888,000	1,864,875,960
22.12.2014	Reverse split	83,272,180	832,721,800	915,993,980	16,444,000	1,864,875,960
20.01.2015	Conversion A to B	82,187,432	833,806,548	915,993,980	16,444,000	1,864,875,960
03.02.2015	Conversion A to B	81,871,406	834,122,574	915,993,980	16,444,000	1,864,875,960

Klövern does not hold any of its own ordinary or preference shares.

PROFIT AND KEY RATIOS

The tables below show income statement items and key ratios broken down according to Klöverns regions. For the group as a whole, the corresponding figures are also broken down according to investment and development properties. Investment properties mean properties being actively managed. Development properties refer to properties where conversion or extension projects are in process or planned, leading to a higher standard or changed use of the premises. The operating surplus is affected by projects or restrictions on letting before development of the properties. The income statement table shows current operations, including properties sold during the period and investments made. The table with key ratios shows the situation at the end of the respec-

tive quarter, and the figures in the two tables are accordingly not wholly comparable.

ORGANIZATION AND ENVIRONMENT

Klövern's business model entails closeness to the customer by having our own local staff at all 18 business units, allocated to four geographic regions. The regions are Stockholm (Kista, Globen, Greater Stockholm and Uppsala), East (Linköping, Norrköping, Nyköping, Karlskrona and Kalmar), Central/North (Västerås, Karlstad, Örebro, Falun/Säter and Härnösand/Sollefteå) and South (Gothenburg, Öresund, Borås and Halmstad).

At the end of the quarter, Klöverns had 205 employees (190). The average age was 45 (45) and the proportion of women was 40 per cent (42). The company has been certified in accordance with the Swedish Environmental Standard (Svensk Miljöbas) since 2011.

PROFIT PER PROPERTY SEGMENT AND REGION

	Income, SEKm		Property costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2015 Jan–June	2014 Jan–June	2015 Jan–June	2014 Jan–June	2015 Jan–June	2014 Jan–June	2015 Jan–June	2014 Jan–June	2015 Jan–June	2014 Jan–June
Stockholm	544	452	-188	-145	356	307	65	68	356	114
East	327	316	-111	-107	216	209	66	66	81	110
Central/North	303	288	-113	-110	190	178	63	62	90	93
South	172	166	-61	-66	111	100	64	60	31	100
Investment	1,290	1,166	-436	-384	854	782	66	67	275	282
Development	56	56	-37	-44	19	12	33	21	283	135
Total	1,346	1,222	-473	-428	873	794	65	65	558	417

KEY RATIOS PER PROPERTY SEGMENT AND REGION

	Fair value, SEKm		Required yield ¹⁾ , %		Area, 000 sq.m.		Rental value, SEKm		Ec. occupancy rate, %	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Stockholm	15,019	13,730	6.2	6.5	758	766	1,245	1,224	90	90
East	6,549	6,110	7.0	7.3	754	745	717	691	91	90
Central/North	5,913	5,357	7.3	7.5	744	724	668	647	90	90
South	4,391	3,757	7.1	7.4	555	519	417	361	90	90
Investment	28,603	26,557	6.7	6.9	2,469	2,432	2,831	2,736	92	92
Development	3,269	2,397	6.8	7.4	342	322	216	187	63	57
Total	31,872	28,954	6.7	7.0	2,811	2,754	3,047	2,923	90	90

¹⁾ Required yield are estimated excluding building rights.

Stockholm: Kista, Globen, Greater Stockholm and Uppsala. **East:** Linköping, Norrköping, Nyköping, Karlskrona and Kalmar. **Central/North:** Västerås, Karlstad, Örebro, Falun/Säter and Härnösand/Sollefteå. **South:** Gothenburg, Malmö, Borås and Halmstad.



The property Gastuben 3 in Mölndal.
Transfer of possession was on 3 June 2015.

TAXES

Deferred tax of SEK –24 million (–16) has been charged to profit on current real estate operations. Furthermore, among other things, the change in the difference between fair value and residual value for tax purposes of properties, derivatives and financial assets entailed an effect on deferred tax of SEK –120 million (–39). In all, an effect on deferred tax of SEK –144 million (compared to SEK –11 million in Q2 2014 including an increase in deferred tax assets of SEK 44 million) and on current tax of SEK 0 million (0) are included.

During the quarter the Supreme Administrative Court resolved to return the case regarding the upward adjustment of tax of SEK 77 million, made by the Tax Agency, to the Administrative Court of Appeal.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

A real estate company is exposed to various risks and opportunities in its business activities. Internal regulations and policies limit exposure to different risks. Klöver's significant risks and exposure are their management are described on pages 64–67 of the 2014 annual report.

DISPUTES

Klöver has an ongoing larger rent dispute. The tenant has deposited SEK 15 million for 2012, SEK 60 million for January–December 2013 and SEK 15 million for January–March 2014 at the County Administrative Board. Klöver has, by reduction of rental income, reserved SEK 15 million for 2012 and SEK 15 million for 2013.

ACCOUNTING POLICIES

This interim report for the Group 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 new interpretation of IFRIC 21 Levies has been applied since 1 January 2015. For the Group, IFRIC 21 entails that property tax is recorded as a liability in its entirety from the time that the obligation to pay arises. This means that the whole liability for property tax is reported as at 1 January and also recorded as a prepaid expense, which is accrued on a linear basis over the financial year. Other accounting policies applied in this interim report are in essential parts those described in note 1 of Klöverns Annual Report for 2014.

Klövern's holding in Tribona AB (publ) amounted on 30 June to 29.5 per cent. Holdings which exceed 20 per cent, but are less than 50 per cent of the votes are reported as participation rights in associated companies and Klöverns therefore reports the holding in Tribona as participation rights in associated companies. The holding is reported in accordance with the equity method. This means that the book value for the Group of the holding is adjusted by Klöverns share of the net profit for the period and other comprehensive income with the exception of any dividend received. The associated company is reported at acquisition value in the parent company. The participation rights in Tribona have previously been reported as financial assets valued in the statement of income. This means that the participation rights have been valued at fair value as at 7 June 2013 when the company became an associated company. The holding in Tribona has affected Klöverns statement of income as follows:

- Klöverns share of Tribona's net profit for the period is reported as Share in earnings of associated companies.
- Klöverns share of Tribona's other comprehensive income is reported as Other comprehensive income.

The undersigned certify that this six-month report provides a fair picture of the parent company's and the Group's business activities, position and profit as well as describing significant risks and uncertainty factors facing the parent company and the companies included in the Group.

Stockholm, 10 July 2015
The Board of Directors of Klöverns AB

Fredrik Svensson
Chairman of the Board

Rutger Arnhult
CEO

Ann-Cathrin Bengtson
Board member

Pia Gideon
Board member

Eva Landén
Board member

DIVIDEND

During the second quarter, a dividend of SEK 0.30 per ordinary share has been paid, totalling SEK 275 million (250). During the first and second quarter respectively, a dividend of SEK 5.00 per preference share has been paid, totalling SEK 164 million (93).

EVENTS AFTER THE END OF THE PERIOD

After the end of the period Klöverns has acquired the property Malten 1 in Sollentuna for SEK 300 million with transfer of possession on 1 September. Furthermore, a centrally located property in Gothenburg (Inom Vallgraven 15:2) was acquired for SEK 233 million with transfer of possession on 2 November.

Stockholm, 10 July 2015

The Board of Directors of Klöverns AB (publ)

This interim report has not been reviewed by Klöverns auditors.

Consolidated Statement of Income

SEKm	2015 3 months Apr–June	2014 3 months Apr–June	2015 6 months Jan–June	2014 6 months Jan–June	2014 12 months Jan–Dec	Rolling 12 months July–June
Income	677	635	1,346	1,222	2,521	2,645
Property costs	–223	–209	–473	–428	–878	–923
Operating surplus	454	426	873	794	1,643	1,722
Central administration	–23	–20	–46	–39	–84	–91
Net financial items	–160	–200	–329	–386	–770	–713
Profit from property management	271	206	498	369	789	918
Share in earnings of associated companies	24	–11	24	–56	–126	–47
Changes in value, properties	399	571	775	728	1,207	1,254
Changes in value, derivatives	160	–163	87	–319	–565	–159
Changes in value, financial assets	–8	—	0	—	—	0
Write-down of goodwill	—	–8	–10	–9	–10	–10
Profit before tax	846	595	1,374	713	1,295	1,956
Current tax	0	0	0	0	–2	–2
Deferred tax	–144	–11	–272	–42	–129	–359
Net profit for the period	702	584	1,102	671	1,164	1,595
Other comprehensive income, items which may later be reversed in the income statement	0	1	–1	0	4	3
Comprehensive income for the period	702	585	1,101	671	1,168	1,598
Earnings per ordinary share ¹ , SEK	0.68	0.58	1.02	0.63	1.02	1.42
No. of ordinary shares outstanding at the end of the period ¹ , million	916.0	916.0	916.0	916.0	916.0	916.0
No. of preference shares outstanding at the end of the period ¹ , million	16.4	10.2	16.4	10.2	16.4	16.4
Average no. of outstanding ordinary shares ¹ , million	916.0	916.0	916.0	916.0	916.0	916.0
Average no. of outstanding preference shares ¹ , million	16.4	9.9	16.4	9.6	10.5	13.9

The profit is fully attributable to the parent company's shareholders.
There are no outstanding warrants or convertibles.

¹ Historical figures are adjusted for the bonus issue and reverse share split completed during Q4,2014.

Consolidated Balance Sheet

SEKm	30.06.2015	30.06.2014	31.12.2014
ASSETS			
Goodwill	235	246	245
Investment properties	31,872	28,954	30,208
Machinery and equipment	13	12	12
Participation rights in associated companies	458	514	448
Financial assets at fair value through statement of income	117	38	35
Other receivables	449	519	424
Liquid funds	144	11	286
TOTAL ASSETS	33,288	30,294	31,658
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	10,485	7,702	9,988
Minority interest	0	0	0
Deferred tax liability	1,249	903	978
Interest-bearing liabilities	19,752	20,156	18,870
Derivatives	622	463	709
Accounts payable	54	85	197
Other liabilities	366	275	206
Accrued expenses and prepaid income	760	710	710
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	33,288	30,294	31,658

Change in Consolidated Shareholders' Equity

SEKm	
Shareholders' equity 31.12.2013	7,198
Repurchase/sale of own shares	2,138
Dividend	-516
Other comprehensive income	4
Net profit for the period	1,164
Shareholders' equity 31.12.2014	9,988
Dividend	-604
Other comprehensive income	-1
Net profit for the period	1,102
Shareholders' equity 30.06.2015	10,485

Consolidated Cash Flow Statement

SEKm	2015 3 months Apr–June	2014 3 months Apr–June	2015 6 months Jan–June	2014 6 months Jan–June	2014 12 months Jan–Dec
Current operations					
Profit from property management	271	206	498	369	789
Adjustment for items not included in the cash flow	1	1	2	2	4
Income tax paid	—	—	—	—	-2
Cash flow from current operations before change in working capital	272	207	500	371	791
Changes in working capital					
Change in operating receivables	82	-159	-33	-212	-127
Change in operating liabilities	-57	89	-99	95	179
Total change in working capital	25	-70	-132	-117	52
Cash flow from current operations	297	137	368	254	843
Investment operations					
Divestment of properties	209	297	352	330	531
Acquisition of and investment in properties	-785	-4,043	-1,377	-4,497	-5,473
Acquisition of machinery and equipment	-1	-1	-2	-2	-4
Change in financial assets	66	-95	73	-95	-95
Cash flow from investment operations	-511	-3,842	-954	-4,264	-5,041
Financing operations					
Change in interest-bearing liabilities	507	2,975	883	3,993	2,707
New issue of preference shares	—	240	—	287	2,138
Dividend	-357	-297	-439	-343	-445
Cash flow from financing operations	150	2,918	444	3,937	4,400
Total cash flow	-64	-787	-142	-73	202
Liquid funds at the beginning of the period	208	798	286	84	84
Liquid funds at the end of the period	144	11	144	11	286

Parent Company Income Statement

SEKm	2015 3 months Apr–June	2014 3 months Apr–June	2015 6 months Jan–June	2014 6 months Jan–June	2014 12 months Jan–Dec
Net sales	54	46	102	86	187
Cost of services sold	–41	–33	–78	–71	–143
Gross profit	13	13	24	15	44
Central administration	–23	–20	–46	–39	–84
Operating profit	–10	–7	–22	–24	–40
Net financial items	–85	–85	–182	–173	279
Profit before tax	–95	–92	–204	–197	239
Current tax	—	—	—	—	—
Deferred tax	—	—	—	—	25
Net profit for the period	–95	–92	–204	–197	264
Other comprehensive income	—	—	—	—	—
Comprehensive income for the period	–95	–92	–204	–197	264

Parent Company Balance Sheet

SEKm	30.06.2015	30.06.2014	31.12.2014
ASSETS			
Machinery and equipment	5	3	4
Participation rights in group companies	1,875	1,850	1,875
Participation rights in other companies	517	522	522
Receivables from group companies	19,977	13,245	13,662
Deferred tax assets	364	339	364
Accounts receivables	56	43	41
Liquid funds	54	29	277
TOTAL ASSETS	22,848	16,031	16,745
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	6,450	5,009	7,259
Interest-bearing liabilities	8,851	8,677	8,361
Liabilities to group companies	7,101	2,035	856
Accounts payable	3	3	9
Other liabilities	345	220	179
Accrued expenses and prepaid income	98	87	81
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	22,848	16,031	16,745

Key ratios

	30.06.2015 3 months Apr–June	30.06.2014 3 months Apr–June	30.06.2015 6 months Jan–June	30.06.2014 6 months Jan–June	30.06.2015 rolling 12 months July–June	2014	2013	2012	2011
Property									
Number of properties	412	404	412	404	412	408	402	387	255
Lettable area, 000 sq.m.	2,811	2,754	2,811	2,754	2,811	2,792	2,624	2,529	1,561
Rental value, SEKm	3,047	2,923	3,047	2,923	3,047	2,983	2,570	2,468	1,554
Fair value properties, SEKm	31,872	28,954	31,872	28,954	31,872	30,208	24,059	22,624	14,880
Yield requirement valuation, %	6.7	7.0	6.7	7.0	6.7	6.9	7.2	7.2	7.1
Operating margin, %	67	67	65	65	65	65	63	62	63
Occupancy rate, economic, %	90	90	90	90	90	90	90	88	89
Occupancy rate, area, %	82	82	82	82	82	81	82	81	80
Average lease term, years	3.4	3.6	3.4	3.6	3.4	3.3	3.5	3.4	2.8
Financial									
Return on equity, %	6.7	7.8	10.7	9.1	17.2	14.5	11.6	5.8	10.1
Equity ratio, %	31.5	25.4	31.5	25.4	31.5	31.5	28.5	28.1	31.6
Equity ratio, adjusted, %	35.9	28.8	35.9	28.8	35.9	35.9	31.4	31.9	35.8
Leverage, %	60	68	60	68	60	60	65	64	63
Leverage properties, %	50	57	50	57	50	51	57	59	63
Interest coverage ratio	2.7	2.0	2.5	2.0	2.3	2.0	1.9	1.9	2.2
Average interest, %	3.2	3.9	3.2	3.9	3.2	3.5	4.3	4.3	4.2
Average fixed-interest period, years	1.9	2.1	1.9	2.1	1.9	2.1	2.7	3.0	2.7
Average period of tied-up capital, years	2.2	2.3	2.2	2.3	2.2	2.1	2.0	2.2	1.9
Interest-bearing liabilities, SEKm	19,752	20,156	19,752	20,156	19,752	18,870	16,163	15,229	9,345
Share¹									
Profit from property management per ordinary share, SEK	0.21	0.17	0.36	0.30	0.68	0.61	0.49	0.43	0.48
Earnings per ordinary share, SEK	0.68	0.58	1.02	0.63	1.42	1.02	0.68	0.23	0.53
Share price ordinary share A at end of period, SEK	7.70	6.18	7.70	6.18	7.70	8.20	5.18	4.65	4.71
Share price ordinary share B at end of period, SEK	7.65	—	7.65	—	7.65	7.60	—	—	—
Share price preference share at end of period, SEK	296.00	325.00	296.00	325.00	296.00	317.50	300.00	273.50	—
Market capitalization, SEKm	11,879	8,976	11,879	8,976	11,879	12,232	7,527	6,670	4,165
Total no. of registered ordinary shares at end of period, million	916.0	916.0	916.0	916.0	916.0	916.0	916.0	916.0	916.0
Total no. of outstanding ordinary shares at end of period, million	916.0	916.0	916.0	916.0	916.0	916.0	916.0	888.5	884.4
Total no. of registered preference shares at end of period, million	16.4	10.2	16.4	10.2	16.4	16.4	9.3	9.3	—
Total no. of outstanding preference shares at end of period, million	16.4	10.2	16.4	10.2	16.4	16.4	9.3	9.3	—
Dividend per ordinary share, SEK	—	—	—	—	—	0.30	0.27	0.27	0.23
Dividend per preference share, SEK	—	—	—	—	—	20.00	20.00	20.00	20.00
Dividend in relation to profit from property management, %	—	—	—	—	—	77	68	83	79

¹⁾ Historical figures are adjusted for the bonus issue and reverse share split completed during Q4 2014.

NUMBER OF PROPERTIES

412

PROPERTY VALUE,
SEK BILLION

31.9

RENTAL VALUE,
SEK BILLION

3.0

Definitions

PROPERTY

AREA-BASED OCCUPANCY RATE

Let area in relation to total lettable area.

DEVELOPMENT PROPERTIES

Properties where conversion or extension projects are in process or planned, which lead to a higher standard or changed use of the premises.

ECONOMIC OCCUPANCY RATE

Lease value in relation to rental value at the end of the period.

INVESTMENT PROPERTIES

Properties currently being actively managed.

LEASE VALUE

Rent for premises, index and rent supplement according to lease.

NET MOVING-IN

Lease value of tenants moving in less lease value of vacating tenants.

OPERATING MARGIN

Operating surplus in per cent of total income.

OPERATING SURPLUS

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

PROFIT FROM PROPERTY MANAGEMENT

Profit before changes in value and tax.

REALIZED CHANGE IN VALUE

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

RENTAL VALUE

Lease value plus assessed market value for space not rented at end of period.

REQUIRED YIELD, VALUATION

The required yield of property valuations on the residual value.

UNREALIZED CHANGE IN VALUE

Change in fair value of the property portfolio after deduction of investments made.

FINANCE

EQUITY RATIO

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

EQUITY RATIO, ADJUSTED

Reported equity adjusted for the value of derivatives, goodwill and deferred tax liabilities exceeding 5 per cent of the difference between taxable value and fair value of the properties in relation to reported total assets adjusted for goodwill 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 after deduction of the market value of the listed share portfolio and liquid funds in relation to the fair value of the properties at the end of the period.

LEVERAGE PROPERTIES

Interest-bearing liabilities with secured financing in properties in relation to the fair value of the properties at the end of the period.

RETURN ON EQUITY

Profit for the period in relation to average equity.

SHARE

EARNINGS PER ORDINARY SHARE

Profit for the period, after deduction of earnings to preference shares, in relation to average number of outstanding ordinary shares.

PROFIT FROM PROPERTY MANAGEMENT PER ORDINARY SHARE

Profit from property management after deduction of earnings to preference shares, in relation to the average number of outstanding ordinary shares.

LETTABLE AREA,
THOUSAND SQ.M.

2,811

EQUITY RATIO,
ADJUSTED, %

35.9

NUMBER OF
SHAREHOLDERS

44,600

Calendar

Final day for trading conferring right to dividend to preference shareholders	28 Sep 2015
Record date for dividend to preference shareholders	30 Sep 2015
Expected date for dividend to preference shareholders	5 Oct 2015
Interim report Jan–Sep 2015	22 Oct 2015
Year-end report 2015	11 Feb 2016

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The information in the interim report is such that Klöver AB (publ) is obliged to publish under the Securities Market Act and/or the Financial Instruments Trading Act. The information was made available for publication on 10 July 2015.

KLÖVERN

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