



KLÖVERN  
INTERIM REPORT  
JANUARY–JUNE

| 2011



## Klövern January–June 2011

- Income increased by 11 per cent to SEK 672 million (604)
- Operating surplus increased by 16 per cent to SEK 408 million (351)
- Profit from property management amounted to SEK 209 million (209), corresponding to SEK 1.30 per share (1.30)
- Changes in value of properties amounted to SEK 283 million (116) and changes in value of derivatives to SEK 3 million (–116)
- Net profit for the period increased by 151 per cent to SEK 362 million (144), corresponding to SEK 2.25 per share (0.90).

### Net profit for the period

SEKm	2011 Jan–Jun	2010 Jan–Jun
Income	672	604
Costs	–294	–288
Net financial items	–169	–107
<b>Profit from property management</b>	<b>209</b>	<b>209</b>
Changes in value of properties	283	116
Changes in value of derivatives	3	–116
Deferred and current tax	–133	–65
<b>Net profit for the period</b>	<b>362</b>	<b>144</b>

Cover: **Västerås Klas 8** – The municipal housing company Bostads AB Mimer has signed a seven-year lease contract for the property Klas 8 in central Västerås. The premises, at Sigmatorget, consist of a two-storey modern customer centre.

## Statement by the CEO

### Record high operating surplus

In 2011, Klöver is reporting its best ever operating surplus for the first six months of the year. Income is higher, partly due to a larger portfolio but also because of positive net moving-in and rising rental levels. Investments in the sphere of energy and cost-awareness have started to have an impact and the operating margin was a full 64 per cent in the second quarter. Profit from property management is at the same level as last year, which is fantastic bearing in mind the increase in financial costs due to rising market rates.

It feels good to see that rental levels are rising. Regardless of whether one compares the whole rental stock or new leases, there is a clear trend. The greatest difference is, of course, when comparing the development of the average rent for new tenants. Here we see a rise of more than SEK 100 per sq.m. since 1 January. However, rent levels are also rising after renegotiation of existing leases.

The occupancy rate is still 89 per cent in economic terms and 79 per cent measured as area, but the trend is positive. Klöver's personnel are focused on filling vacancies. The over 300,000 square metres of vacant premises are an opportunity and a future source of income.

Net moving-in is again positive and totalled SEK 10 million during the second quarter. Major new lettings include Ericsson and Proact IT in Kista and the Municipality of Norrköping's cinema Cinema in the completely refurbished property Kopparhammaren 7 in Norrköping. However, it is not only large tenants who need additional or new premises. There is a high level of demand for office space at business centres and we can offer such facilities in all prioritized cities. In Norrköping, we have opened two new business centres during the past year, most recently in April this year.

Property values continue to rise. Good letting work, rising rental levels and falling required yields contribute to the positive development. Our unrealized changes in value amounted to SEK 171 million, or just over one per cent during the quarter. So far this year, the changes in value of the properties amount to 2 per cent.

Last, but not least, I wish you all a pleasant summer and an eventful and rewarding autumn.

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 30 June 2011, the value of properties totals SEK 14.2 billion and the rental value was SEK 1.5 billion. The Klöver share is listed on Nasdaq OMX Stockholm Mid Cap.*

*Income statement items refer to the period January–June and are compared with the corresponding period last year. Balance sheet items refer to the position at the end of the period and are compared to the most recent year-end.*

### Profit

Profit from property management, i.e. profit excluding changes in value and tax, amounted to SEK 209 million (209) during the period January–June. Net profit for the period increased to SEK 362 million (144).

Net profit for the period includes positive changes in value of properties at SEK 283 million (116) and positive changes in derivatives of SEK 3 million (–116). Equity increased to SEK 4 636 million (4,516) and the equity ratio at the end of the period was 31 per cent (32).

Income for a comparable portfolio rose by 2 per cent, property costs decreased by 4 per cent and the operating surplus increased by 6 per cent to SEK 365 million (344).

PROFIT FOR A COMPARABLE PORTFOLIO		
	30.06.2011	30.06.2010
Area, 000 sq.m.	1,361	1,362
Fair value, SEKm	12,938	11,878
Required yield, %	7.1	7.1
Economic occupancy rate, %	89	88
Area-based occupancy rate, %	80	79
<b>SEKm</b>		
	2011 Jan–Jun	2010 Jan–Jun
Rental income	600	588
Other income	3	3
Property costs	–238	–247
<b>Operating surplus</b>	<b>365</b>	<b>344</b>

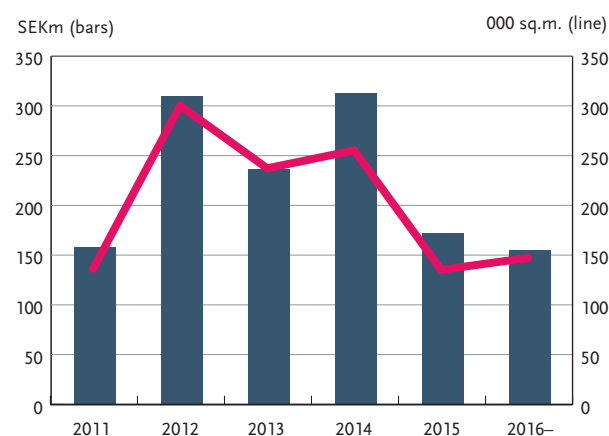
Refers to properties owned for the whole of 2010 and 2011.

### Income and occupancy rate

Income during the period increased to SEK 672 million (604), of which rental income was SEK 661 million (601). Rental income has been positively affected by the acquisition of a property portfolio of almost SEK 1.1 billion during the final quarter 2010 and also by positive net moving-in and rising rental levels. Other income, SEK 11 million (3) increased due to higher income from rental guarantees.

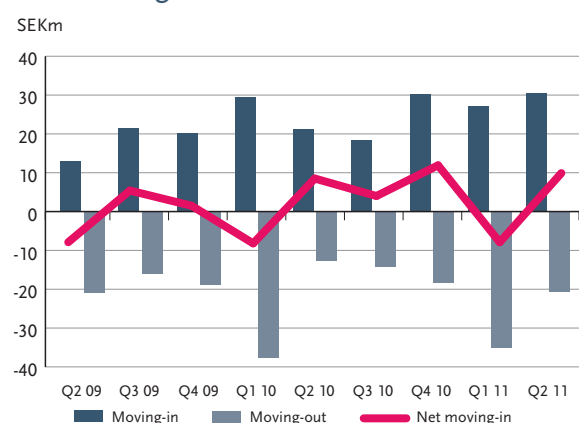
The average remaining lease term was 2.8 years (3.0) and the economic occupancy rate was 89 per cent (89) at the end of the period. The area-based occupancy rate amounted to 79 per cent (79).

### Lease structure



Net moving-in amounted to SEK 10 million (8) during the quarter. Major new tenants during the quarter include Eriksson and Proact IT in Kista, the municipality of Norrköping’s new cinema Cnema in Norrköping Science Park and the retail outlet Webhallen in central Linköping. As yet this year, net moving-in amounts to SEK 2 million.

### Net moving-in



### Cost and operating margin

Property expenses increased to SEK –264 million (–253) during the period, due to a larger property portfolio. Property expenses include rent losses of SEK –2 million (–3). The operating surplus was SEK 408 million (351), which entailed an operating margin of 61 per cent (58). Central administration expenses amounted to SEK –30 million (–35).



**Kista Helgafjäll 5.** During the quarter, IT specialist Proact moved into office premises consisting of almost 2,000 sq.m. opposite Kistamässan at Arne Beurlings Torg in Kista.

## Cash flow

The cash flow from current operations was SEK 138 million (140). Income tax paid amounted to SEK 0 million (–3). Investment operations have affected the cash flow by SEK –382 million (93) net, mainly due to investments in existing properties and acquisitions. The cash flow from financing activities has been affected by SEK 300 million (–235). Altogether, the cash flow for the period totals SEK 56 million (–2).

## Financing

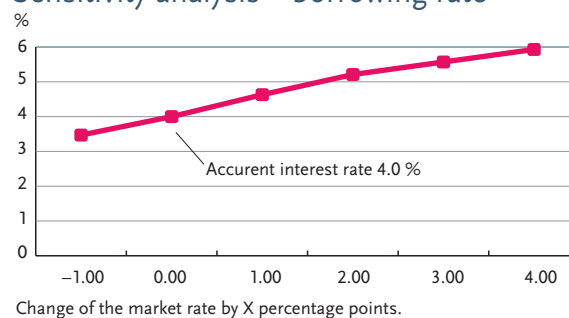
At the end of the period, interest-bearing liabilities amounted to SEK 9 057 million (8,517). The increase is mainly due to investments, property acquisitions and dividend paid to Klöver's shareholders. The average financial interest rate for the whole of the financial portfolio amounted to 4.0 per cent (3.6). Excluding derivatives and the cost of credit agreements and the overdraft facility, the interest rate amounted to 3.6 per cent (2.8) on 30 June. During the period, Klöver renegotiated

practically all of its loans maturing in 2011. At the end of the period, only SEK 256 million maturing in 2011 remain to be renegotiated, of which SEK 200 million is for an overdraft facility. The average fixed-interest term was 2.1 years (2.4). Credit volumes with swap agreements are treated as having fixed interest. The average period of tied-up capital was 2.4 years (2.0). Not utilized credit volumes, including not utilized overdraft facilities of SEK 200 million (170), totalled SEK 1,194 million (1,424).

At the end of the period, Klöver had interest rate caps of SEK 2,000 million (2,500), of which SEK 500 million per year matures until 2014. The interest rate caps have redemption rates of 4.25–4.50 per cent. Swap agreements totalled SEK 3,800 million (3,800), of which SEK 1.4 billion matures in 2015, SEK 1.4 billion in 2016 and SEK 1 billion in 2017.

Klöver's interest swaps and interest caps effectively limit the interest rate risk. An increase in the short market rates of one percentage point would increase Klöver's average borrowing rate by 0.6 percentage points and Klöver's borrowing cost by SEK 53 million. Rising long market rates during the first quarter became falling rates during the second quarter, which led to decreasing values of derivatives during the quarter. To date, however, the value of Klöver's derivatives has risen. The change in value of derivatives amounted to SEK 3 million (–116) during the period and the value was SEK –12 million (–13) on 30 June. The change in value does not affect the cash flow. On maturity, the value of the derivative is always zero.

## Sensitivity analysis – borrowing rate



## 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
Floating	5,201	3.7	—	—	—
2011	56	6.4	256	56	200
2012	—	—	4,252	3,599	654
2013	—	—	3,294	3,294	—
2014	—	—	2,275	1,934	340
2015	1,400	4.1	—	—	—
2016	1,400	4.9	—	—	—
2017	1,000	4.4	—	—	—
2018–	—	—	174	174	—
<b>Total</b>	<b>9,057</b>	<b>4.0</b>	<b>10,251</b>	<b>9,057</b>	<b>1,194</b>

## Property transactions

During the period, six properties (0) have been acquired for a price totalling SEK 97 million (0) and a lettable area of 13,000 sq.m. (0). Furthermore, acquisition contract of two properties, consisting of totally SEK 215 million and 24,000 sq.m., has been signed during the period. Klöver will take possession of the properties during the third quarter.

During the period, Klöver has not sold any properties (1), although three properties have been vacated which were sold during 2010.

## Investments and building rights

Investments in existing properties often take place in connection with new letting with the aim of customizing and modernising the premises and thus increasing the rental value.

During the period, SEK 323 million (139) was invested in existing properties. A total of 229 projects (140) were in process at the end of the period for an estimated expenditure totalling SEK 1,574 million (1,319), of which SEK 675 million (882) remains to be invested.

Building rights at the end of the period amounted to 580,000 sq.m. (633), of which 200,000 sq.m. (200) were in Kista. The major part of the building rights consist of offices. The value of the building rights totalled SEK 428 million (395), which corresponds to SEK 738 per sq.m. 198,000 sq.m. (204,000) of the building rights are included in local plans.



**Täby Ventilen 1.** In May, Klöver took possession of four properties in Täby. These properties are in good locations close to Klöver's existing portfolio.

## Properties and changes in value

As at 30 June 2011, Klöver's portfolio consisted of 253 properties (250). The rental value totalled SEK 1,519 million (1,486) and the fair value of the properties was SEK 14,157 million (13,493). The total lettable area amounted to 1,537,000 sq.m. (1,389,000).

During the period, the change in value of the properties totalled SEK 283 million (116). The changes in value include realized changes in value of SEK 1 million (3) and unrealized changes in value of SEK 282 million (113). The unrealized changes in value do not affect the cash flow.

On average, Klöver's property portfolio has been valued, as at 30 June, with a required yield of 7.1 per cent (7.2). The trend towards falling required yields is noticeable throughout the regional cities where Klöver operates and rental levels are rising. The unrealized changes in value have arisen due to positive net moving-in, higher market rent and lower required yield. Klöver values 100 per cent of its property each quarter. 20–30 per cent of the valuations have been carried out by DTZ Sweden and the remainder by Klöver. Accordingly, every property in the portfolio is externally valued 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 2010 for a more detailed description of valuation principles.



**Norrköping Kopparhammaren 2.** Klöver is investing SEK 18 million at the property Kopparhammaren 2 in Norrköping Science Park for the independent school Plusgymnasiet.

### KLÖVERN'S LARGEST PROJECTS IN PROCESS

City	Property	Project type	Lettable area property, sq.m.	Project area, sq.m.	Occupancy rate 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/Customer center	57,512	36,000 <sup>1)</sup>	100	662	443	42	133	2012
Kista	Lidarände 1	Office	19,979	3,700	100	43	3	6	27	2011
Kista	Helgafjäll 3	Office	14,467	3,890	100	27	13	2	26	2011
Norrköping	Reläet 9	Health care	32,154	2,900	75	23	22	2	17	2012
Norrköping	Kopparhammaren 2	Education	36,020	1,951	81	18	17	2	9	2011
<b>Total</b>			<b>160,132</b>	<b>48,441</b>		<b>773</b>	<b>498</b>	<b>54</b>	<b>212</b>	

<sup>1)</sup> Of which 27,000 sq.m. relates to new construction and 9,000 sq.m. refurbishment of an existing building.

## Profit and key ratios

The tables below shows profit and key ratios divided among Klöverns prioritised cities. Profit shows current operations, which include properties sold and investments made during the period. The key ratio table refers to the situation at the respective year-end, however, and the figures in the two tables are accordingly not wholly comparable.

FAIR VALUE, SEKm	2011	2010
Fair value as at 1 January	13,493	12,032
Acquisitions	97	—
Investments	323	139
Sales	–39	–233
Changes in value	283	116
<b>Fair value as at 30 June</b>	<b>14,157</b>	<b>12,054</b>

PROFIT PER BUSINESS UNIT AND MARKET AREA										
	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2011 Jan–Jun	2010 Jan–Jun	2011 Jan–Jun	2010 Jan–Jun	2011 Jan–Jun	2010 Jan–Jun	2011 Jan–Jun	2010 Jan–Jun	2011 Jan–Jun	2010 Jan–Jun
Borås	27	22	–11	–10	16	12	59	55	3	0
Linköping	110	68	–37	–24	73	44	66	65	4	8
Norrköping	58	45	–28	–25	30	20	52	44	44	15
Nyköping	50	51	–19	–21	31	30	62	59	23	12
<b>South</b>	<b>245</b>	<b>186</b>	<b>–95</b>	<b>–80</b>	<b>150</b>	<b>106</b>	<b>61</b>	<b>57</b>	<b>74</b>	<b>35</b>
Karlstad	91	90	–33	–35	58	55	64	61	13	18
Västerås	70	64	–35	–35	35	29	50	45	29	15
Örebro	24	27	–8	–12	16	15	67	56	2	8
<b>West</b>	<b>185</b>	<b>181</b>	<b>–76</b>	<b>–82</b>	<b>109</b>	<b>99</b>	<b>59</b>	<b>55</b>	<b>44</b>	<b>41</b>
Kista	158	167	–56	–56	102	111	65	66	193	41
Täby	34	31	–12	–12	22	19	65	61	4	3
Uppsala	39	36	–23	–23	16	13	41	36	8	19
<b>East</b>	<b>231</b>	<b>234</b>	<b>–91</b>	<b>–91</b>	<b>140</b>	<b>143</b>	<b>61</b>	<b>61</b>	<b>205</b>	<b>63</b>
Other*	11	3	–2	0	9	3	—	—	—	—
<b>Total</b>	<b>672</b>	<b>604</b>	<b>–264</b>	<b>–253</b>	<b>408</b>	<b>351</b>	<b>61</b>	<b>58</b>	<b>323</b>	<b>139</b>

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

KEY RATIOS PER BUSINESS UNIT AND MARKET AREA										
	Fair value, SEKm		Required yield*, %		Area, 000 sq.m.		Rental value, SEKm		Econ. occupancy rate, %	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Borås	435	394	7.6	7.8	84	80	56	51	96	89
Linköping	2,189	1,355	7.2	7.3	282	165	255	157	86	89
Norrköping	1,177	868	7.2	7.3	163	143	138	107	88	84
Nyköping	923	873	7.6	7.9	134	132	112	108	89	95
<b>South</b>	<b>4,724</b>	<b>3,490</b>	<b>7.3</b>	<b>7.5</b>	<b>663</b>	<b>520</b>	<b>561</b>	<b>423</b>	<b>88</b>	<b>88</b>
Karlstad	1,720	1,590	7.1	7.3	202	203	194	192	94	94
Västerås	1,273	1,178	7.4	7.4	217	217	164	157	85	81
Örebro	432	398	7.2	7.2	58	49	52	47	93	91
<b>West</b>	<b>3,425</b>	<b>3,166</b>	<b>7.2</b>	<b>7.3</b>	<b>477</b>	<b>469</b>	<b>410</b>	<b>396</b>	<b>90</b>	<b>89</b>
Kista	4,616	4,178	6.5	6.5	254	253	368	366	90	93
Täby	637	543	7.4	7.5	76	68	81	70	95	95
Uppsala	755	677	8.7	8.5	67	67	99	102	73	68
<b>East</b>	<b>6,008</b>	<b>5,398</b>	<b>6.9</b>	<b>6.9</b>	<b>397</b>	<b>388</b>	<b>548</b>	<b>538</b>	<b>88</b>	<b>89</b>
<b>Total</b>	<b>14,157</b>	<b>12,054</b>	<b>7.1</b>	<b>7.2</b>	<b>1,537</b>	<b>1,377</b>	<b>1,519</b>	<b>1,357</b>	<b>89</b>	<b>89</b>

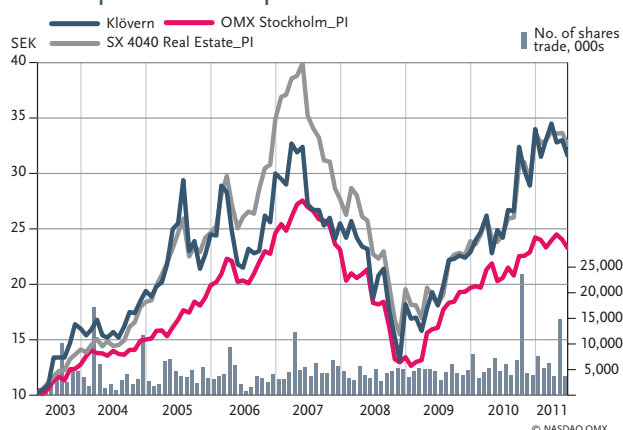
\* Required yield is calculated excl. building rights.

## The share and shareholders

The Klöver share is listed on Nasdaq OMX Stockholm Mid Cap. On 30 June, the share price was SEK 31.60 per share (34.00), corresponding to a total capitalization of SEK 5,081 million (5,467) based on the number of outstanding shares. During the period 41.1 million Klöver shares (33.1) were traded, corresponding to 334,000 shares (269,000) per day for a total of SEK 1,341 million (792). The number of shareholders as per 23 June was 27,087 (27,754) and 81 per cent (83) of the shares were in Swedish possession.

Klövern's holding of repurchased shares amounts to 5,741,463, corresponding to 3.4 per cent of the total number of registered shares. The shares are acquired at an average price of SEK 22.15 per share. No new repurchases have taken place during the period.

## Share price development



SHAREHOLDERS			
23.06.2011	No. of shares, thousands	Share of votes and equity, %	Change 2011, %-points
Corem Property Group	32,200	20.0	1.3
Arvid Svensson Invest	24,159	15.0	0.0
Rutger Arnhult via companies*	10,502	6.5	5.9
Brinova Inter	8,686	5.4	1.2
Swedbank Robur funds*	4,643	2.9	-0.3
Länsförsäkringar Södermanland	4,545	2.8	0.1
Länsförsäkringar fund management	3,372	2.1	-1.5
HQ funds*	3,295	2.0	-0.7
JP Morgan Chase NA	2,377	1.5	0.0
Mellon AAM Omnibus	2,300	1.5	0.0
<b>Total largest shareholders</b>	<b>96,079</b>	<b>59.7</b>	<b>6.0</b>
Other shareholders	64,724	40.3	-6.0
<b>Total outstanding shares</b>	<b>160,803</b>	<b>100.0</b>	<b>0.0</b>
Repurchased own shares	5,741		
<b>Total registered shares</b>	<b>166,544</b>		

\* Owner group.



**Uppsala Boländerna 33:2.** Klöver has signed a contract regarding acquisition of the office property Boländerna 33:2 which consist of 18,000 sq.m. in six buildings in the business park Kungsporten in Uppsala. The property will be taken possession of as per 1 september 2011.



## The tax situation

### *Outcome of tax cases*

In June, the Supreme Administrative Court (SAC) decided in favour of the Tax Agency on the issue of whether it is possible to impose a tax surcharge without considering the substance of the matter. The SAC has also referred the issue of whether Klövern provided incorrect information in its request for a deduction for an additional tax loss carry-forward, leading to a tax surcharge of SEK 493 million, back to the Administrative Court. The Administrative Court is expected to consider the case during 2012.

Klövern has requested leave to appeal to the Supreme Administrative Court regarding a request for additional tax loss carryforwards of SEK 4,933 million, after previous instances have found in the Tax Agency's favour. A decision on leave to appeal is expected during 2011.

### *Tax for the period*

Deferred tax of SEK –21 million (–26) has been charged to profit of current real estate operations. Furthermore, among other things, the change in the difference between fair value and residual value of properties and derivatives for tax purposes has entailed deferred tax of SEK –112 million (–36). In total, a cost for deferred tax at SEK –133 million (–62) and current tax of SEK 0 million (–3) is included.

## Organization and responsible entrepreneurship

Klövern's business model 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". The ten business units are organized in three geographic market areas, which share specialized resources. The market areas are South (Borås, Linköping, Norrköping and Nyköping), West (Karlstad, Västerås and Örebro) and East (Kista, Täby and Uppsala). At the end of the period, the number of employees in Klövern was 134

(126). The average age was 44 (44) and the proportion of women was 43 per cent (43).

Klövern works for sustainable development for shareholders, customers and personnel, as well as for society and the environment. Klövern's environmental work is based on its environmental policy and is well integrated in the everyday work of all personnel. An environmental management system was introduced in 2011 with the aim of improving the efficiency of environmental work and making it more systematic, as well as ensuring compliance with environmental legislation and the requirement of different stakeholders.

## Significant risks and uncertainty factors

A property company is exposed to various risks and possibilities in its business activities. Internal regulations and policies limit risks. Klövern's significant risks and exposure and their management are described on pages 60–63 of the 2010 Annual Report. No significant changes have taken place since then.

## 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 accounting policies applied in this interim report are those described in Klövern's annual report for 2010, note 1.

## Presentation of the Interim Report

The report for the first six months of 2011 will be presented during the capital market days at Båstad at 1.15pm on 7 July. For remote participation in this presentation, telephone +46 (0)8 5051 3794 or via the link on Klövern's website, klovern.se, under the heading Calendar.

This interim report has not been reviewed by Klövern's auditors.

The undersigned certifies that the half yearly report provides a true and fair overview of the operations, financial position and earnings of the parent company and the Group and describes significant risks and uncertainty factors facing the parent company and the companies included in the Group.

Nyköping, 7 July 2011

Board of Directors of Klövern AB (publ)

Fredrik Svensson  
Chairman of the Board

Gustaf Hermelin  
CEO

Rutger Arnhult  
Director

Ann-Cathrin Bengtson  
Director

Eva Landén  
Director

Anna-Greta Lundh  
Director

Erik Paulsson  
Director

## Consolidated Statement of Income

SEKm	2011 3 months Apr–Jun	2010 3 months Apr–Jun	2011 6 months Jan–Jun	2010 6 months Jan–Jun	2010 12 months Jan–Dec	Rolling 12 months Jul–Jun
Rental income	332	296	661	601	1,233	1,292
Other income <sup>1)</sup>	6	2	11	3	10	18
<b>Total income</b>	<b>338</b>	<b>298</b>	<b>672</b>	<b>604</b>	<b>1 243</b>	<b>1,310</b>
Property costs	–121	–107	–264	–253	–498	–508
<b>Operating surplus</b>	<b>217</b>	<b>191</b>	<b>408</b>	<b>351</b>	<b>745</b>	<b>802</b>
Central administration	–17	–19	–30	–35	–64	–59
Net financial items	–88	–54	–169	–107	–242	–304
<b>Profit from property management</b>	<b>112</b>	<b>118</b>	<b>209</b>	<b>209</b>	<b>439</b>	<b>439</b>
Changes in value, properties	171	106	283	116	298	466
Changes in value, derivatives	–62	–49	3	–116	23	142
<b>Profit before tax</b>	<b>221</b>	<b>175</b>	<b>495</b>	<b>209</b>	<b>760</b>	<b>1 047</b>
Current tax	0	–3	0	–3	–4	–2
Deferred tax	–58	–54	–133	–62	–151	–222
<b>Net profit for the period</b>	<b>163</b>	<b>118</b>	<b>362</b>	<b>144</b>	<b>605</b>	<b>823</b>
Other comprehensive income	—	—	—	—	—	—
<b>Comprehensive income for the period</b>	<b>163</b>	<b>118</b>	<b>362</b>	<b>144</b>	<b>605</b>	<b>823</b>
Earnings per share, SEK	1.01	0.73	2.25	0.90	3.76	5.12
No. of shares outstanding at the end of the period, million	161	161	161	161	161	161
Average no. of outstanding shares, million	161	161	161	161	161	161

<sup>1)</sup> Income from rental guarantees and payments from redemption tenants. There are no outstanding warrants or convertibles.

## Consolidated Balance Sheet

SEKm	30.06.2011	30.06.2010	31.12.2010
<b>Assets</b>			
Investment properties	14,157	12,054	13,493
Machinery and equipment	8	9	9
Deferred tax assets	384	392	405
Accounts receivables	108	99	129
Liquid funds	92	22	36
<b>Total assets</b>	<b>14,749</b>	<b>12,576</b>	<b>14,072</b>
<b>Shareholder's equity and liabilities</b>			
Shareholder's equity	4,636	4,055	4,516
Deferred tax liability	620	406	508
Interest-bearing liabilities	9,057	7,611	8,517
Derivatives	12	150	13
Accounts payable	40	31	157
Other liabilities	33	14	53
Accrued expenses and prepaid income	351	309	308
<b>Total shareholder's equity and liabilities</b>	<b>14,749</b>	<b>12,576</b>	<b>14,072</b>

## Change in Consolidated Shareholders' Equity

SEKm	
<b>Shareholders' equity 01.01.2010</b>	<b>4,112</b>
Dividend	-201
Net profit for the year	605
<b>Shareholders' equity 31.12.2010</b>	<b>4,516</b>
Dividend	-241
Net profit for the period	362
<b>Shareholders' equity 30.06.2011</b>	<b>4,636</b>

Note that rounding to SEK million means that the amounts don't summarize.

## Consolidated Statement of Cash Flow

SEKm	2011 3 months Apr–Jun	2010 3 months Apr–Jun	2011 6 months Jan–Jun	2010 6 months Jan–Jun	2010 12 months Jan–Dec
<b>Current operations</b>					
Profit from property management	112	118	209	209	439
Adjustment for items not included in the cash flow	1	2	3	4	8
Income tax paid	0	-3	0	-3	-3
Cash flow from current operations before change in working capital	113	117	212	210	444
Change in operating receivables	38	11	21	-16	-46
Change in operating liabilities	-87	-58	-95	-54	109
Total change in working capital	-49	-47	-74	-70	63
<b>Cash flow from current operations</b>	<b>64</b>	<b>70</b>	<b>138</b>	<b>140</b>	<b>507</b>
<b>Investment operations</b>					
Divestment of properties	0	142	39	233	368
Acquisition of and investment in properties	-222	-76	-420	-139	-1,531
Acquisition of machinery and equipment	-1	0	-1	-1	-2
<b>Cash flow from investment operations</b>	<b>-223</b>	<b>66</b>	<b>-382</b>	<b>93</b>	<b>-1,165</b>
<b>Financing operations</b>					
Change in interest-bearing liabilities	396	1	541	-34	871
Dividend	-241	-201	-241	-201	-201
<b>Cash flow from financing operations</b>	<b>155</b>	<b>-200</b>	<b>300</b>	<b>-235</b>	<b>670</b>
<b>Cash flow for the period</b>	<b>-4</b>	<b>-64</b>	<b>56</b>	<b>-2</b>	<b>12</b>
Liquid funds at the beginning of the period	96	86	36	24	24
<b>Liquid funds at the end of the period</b>	<b>92</b>	<b>22</b>	<b>92</b>	<b>22</b>	<b>36</b>

## Parent Company Statement of Income

SEKm	2011 3 months Apr–Jun	2010 3 months Apr–Jun	2011 6 months Jan–Jun	2010 6 months Jan–Jun	2010 12 months Jan–Dec
Net sales	28	25	55	50	103
Cost of services sold	-21	-19	-42	-38	-79
<b>Gross profit</b>	<b>7</b>	<b>6</b>	<b>13</b>	<b>12</b>	<b>24</b>
Central administration	-17	-19	-30	-35	-64
<b>Operating profit</b>	<b>-10</b>	<b>-13</b>	<b>-17</b>	<b>-23</b>	<b>-40</b>
Profit from other securities	—	—	—	26	17
Interest income	0	0	0	0	0
Interest costs	0	-1	-1	-1	-2
<b>Profit after financial items</b>	<b>-10</b>	<b>-14</b>	<b>-18</b>	<b>2</b>	<b>-25</b>
Current tax	—	—	—	—	—
Tax attributable to group contributions	—	—	—	—	41
Deferred tax	-13	-17	-21	-26	-13
<b>Net profit for the period</b>	<b>-23</b>	<b>-31</b>	<b>-39</b>	<b>-24</b>	<b>3</b>
Other comprehensive income	—	—	—	—	—
<b>Comprehensive income of the period</b>	<b>-23</b>	<b>-31</b>	<b>-39</b>	<b>-24</b>	<b>3</b>

## Parent Company Balance Sheet

SEKm	30.06.2011	30.06.2010	31.12.2010
<b>Assets</b>			
Machinery and equipment	2	3	2
Participation in group companies	320	320	320
Receivables from group companies	3,591	3,083	3,417
Deferred tax assets	384	392	405
Accounts receivables	4	5	6
Liquid funds	131	51	54
<b>Total assets</b>	<b>4,432</b>	<b>3,854</b>	<b>4,204</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	2,633	2,771	2,914
Liabilities to group companies	1,762	1,047	1,259
Accounts payable	6	2	6
Other liabilities	5	8	8
Accrued expenses and prepaid income	26	26	17
<b>Total shareholders' equity and liabilities</b>	<b>4,432</b>	<b>3,854</b>	<b>4,204</b>

## Key ratios

	30.06.2011 6 months Jan–Jun	30.06.2010 6 months Jan–Jun	30.06.2011 12 months Jul–Jun	2010	2009	2008	2007	2006
<b>Property</b>								
Number of properties	253	214	253	250	217	217	220	205
Lettable area, 000 sq.m.	1,537	1,377	1,537	1,528	1,392	1,382	1,394	1,436
Rental value, SEKm	1,519	1,357	1,519	1,486	1,385	1,360	1,309	1,276
Fair value properties, SEKm	14,157	12,054	14,157	13,493	12,032	11,895	12,154	10,701
Direct yield requirement valuation, %	7.1	7.2	7.1	7.2	7.2	7.1	6.6	6.9
Operating margin, %	61	58	61	60	62	62	63	60
Economic occupancy rate, %	89	89	89	89	89	90	88	84
Area-based occupancy rate, %	79	79	79	79	80	82	80	78
Average lease term, years	2.8	3.0	2.8	2.8	3.0	3.1	2.9	2.6
<b>Financial</b>								
Return on equity, %	7.9	3.5	18.9	14.0	5.8	–10.7	28.1	20.6
Equity ratio, %	31.4	32.2	31.4	32.1	32.7	32.3	37.4	33.7
Leverage, %	64	63	64	63	64	64	58	64
Interest coverage ratio, multiples	2.2	2.9	2.4	2.8	3.2	2.0	2.2	2.6
Average interest, %	4.0	2.9	4.0	3.6	2.7	4.2	4.6	4.1
Average fixed-interest period, years	2.1	2.9	2.1	2.4	3.2	1.1	1.4	1.8
Average period of tied-up capital, years	2.4	1.6	2.4	2.0	1.8	2.6	3.7	4.3
Interest-bearing liabilities, SEKm	9,057	7,611	9,057	8,517	7,646	7,645	7,007	6,878
<b>Share</b>								
Profit from property management per share, SEK	1.30	1.30	2.73	2.73	3.07	2.17	2.32	2.25
Equity per share, SEK	28.8	25.2	28.8	28.1	25.6	25.1	29.4	23.2
Cash flow operating activities per share, SEK	0.86	0.87	—	3.15	3.05	1.47	3.91	2.71
Share price at end of period, SEK	31.6	24.2	31.6	34.0	22.9	18.2	25.5	30.0
Market capitalization, outstanding shares, SEKm	5,081	3,891	5,081	5,467	3,682	2,929	4,227	4,996
Total no. of registered shares at end of period, million	166.5	166.5	166.5	166.5	166.5	166.5	166.5	166.5
No. of outstanding shares at end of period, million	160.8	160.8	160.8	160.8	160.8	160.8	165.8	166.5
Dividend per share, SEK	—	—	—	1.50	1.25	1.00	1.50	1.25
Dividend in relation to profit from property management, %	—	—	—	55	41	46	64	56

# Definitions

## Property

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### Area-based occupancy rate

Let area in relation to total lettable area.

### Direct yield requirement, valuation

The required yield of property valuations on the residual value.

### Economic occupancy rate

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

### 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, 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.

### 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.

### Unrealized change in value

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

## Finance

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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

Profit for the period in relation to average equity.

## Share

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### Cash flow, operating activities per share

Cash flow operating activities in relation to the average number of outstanding shares.

### Earnings per share

Profit for the period in relation to 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.

This 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 7 July 2011.

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

The company is organized with a service office and headquarters in Nyköping and business units in all ten prioritized cities. The ten business units are organized in three market areas, where each area shares certain specialist functions.

The service office is responsible for management, economy, financing, transactions, rental administration and investor relations as well as business support to the business units. The business units have the customers in focus. Having own staff, who are physically present where the tenant is located, guarantees swift service and good knowledge of the market.



#### Vision

*Klövern is creating the communities of tomorrow.*

We aim to be an active player in the creation of city districts, areas and business clusters.

Klövern's primary task is to provide premises but, if we are also able to contribute to strengthening the cities where we operate, this will also benefit Klöver and Klöver's shareholders.

#### Business concept

*Klövern shall with availability and commitment meet the customer's need of premises and services in Swedish growth regions.*

Klövern's base product is, of course, our premises. Klöver focuses on commercial premises in the framework of Business and Science Parks, small enterprise parks and city properties.

Our way of providing premises, i.e. with availability and commitment, together with the fact that we want to meet the customer's needs and not just sell a finished product says a lot about Klöver's method of work.

#### Motto

*Making the customer's day easier every day.*

If our tenants feel that we make their life easier, this will be a weighty argument when the lease contract expires and it is time for renegotiation.

Klövern shall make their life easier today and tomorrow. This means quite simply being a step ahead and anticipating tomorrow's needs. Satisfied tenants are a prerequisite for achieving the goal of positive net moving-in and a low tenant turnover rate.

## Contact persons

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## Calendar

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Capital market days in Båstad	7–8 July 2011
Interim report Jan–Sep 2011	20 October 2011
Year-end report 2011	15 February 2012

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