



KLÖVERN

ANNUAL REPORT 2005



Contents

The year in brief.....	1
Annual General Meeting 2006.....	1
President's Statement	2
Business model, goals and strategies.....	4
The share and owners.....	6
Customers	9
Organization and personnel.....	10
Environment	12
Market descriptions.....	14
Borås	15
Eskilstuna	16
Kalmar	17
Karlstad.....	18
Linköping.....	20
Norrköping.....	22
Nyköping	24
Västerås	26
Örebro	28
Science Park.....	29
Property development	30
Purchases and sales	31
Property portfolio.....	32
Financing	34
Risk and sensitivity analysis	36
Administration Report*.....	38
Financial reports.....	42
Consolidated Statement of Income	42
Consolidated Balance Sheet	43
Consolidated Shareholders' Equity.....	44
Consolidated Statement of Cash Flow.....	45
Parent Company Statement of Income	46
Parent Company Balance Sheet.....	47
Parent Company Shareholders' Equity	48
Parent Company Statement of Cash Flow	49
Notes	50
Audit Report.....	67
Board of Directors	68
Management and Auditor	69
Specification of properties.....	70
Properties sold.....	76
Definitions	77
Three-year review	78
Addresses and contact persons	80

* P. 38-66 have been audited by Klövern's auditors

The year in brief

Net profit for the year

Net profit for the year increased by SEK 166 million to SEK 379 million (213). This year's profit includes realised changes in value for properties totalling SEK 25 million (30) and unrealised changes in value from properties of SEK 133 million (30).

Sales and acquisitions

Thirty-six properties (20) have been sold for SEK 557 million (347) and 55 properties (64) have been acquired for SEK 2,108 million (1,476). During the year, one unit, Nord (North), has been wound up including all properties from Gävle and Falun in the south to Luleå in the north. At the end of the year, Klöver AB had nine well-functioning geographical units. The properties consist of approximately 1,042,000 square metre (808,000) with a value of SEK 6 billion (4.2).

Events after the end of the year

Klöver AB has sold three properties for SEK 92 million. The sales price exceeds the most recently reported value by SEK 7 million. At the beginning of 2006, Klöver AB has acquired two properties for a total purchase price of SEK 66 million.

Dividend

The Board of Directors is recommending a dividend of SEK 1.00 per share (0.75).

	2005	2004
Net profit for the year, SEKm	379	213
Profit excluding changes in value of properties and tax, SEKm	173	125
Rental income, SEKm	639	485
Realised changes in value properties, SEKm	25	30
Unrealised changes in value properties SEKm	133	30
Operating surplus, SEKm	391	286
Earnings per share, SEK	3.27	2.30
Economic occupancy ratio, %	87	87
Dividend per share, SEK	1.00*	0.75

* Proposal

Annual General Meeting 2006

Klöver AB's Annual General Meeting will be held at 4 pm on Wednesday, April 5, 2006 at Restaurangskolan, Nyköping Strand in Nyköping.

Shareholders who wish to participate in the proceedings of the general meeting of shareholders must:

- be registered in the share register maintained by VPC AB by Friday, March 30, 2006
- notify the Company of their desire to attend not later than 4 pm on Thursday, March 30, 2006 at the address: Klöver AB, Box 1024, SE-611 29 Nyköping, Sweden or by telephone +46-155 44 33 00 or via Klöver AB's website www.klovern.se.

Such notice must contain the shareholder's name, date of birth (Swedish personal ID number)/corporate registration number, address, telephone, shareholding and assistants (if any) at the meeting. Shareholders who have chosen to register their shares in the name of a nominee must temporarily re-register their shares in their own name in good time before March 30 in order to have the right to participate in the proceedings of the general meeting of shareholders. A request for such registration may be made to the bank or securities institution that manages the shares. In cases where representatives participate in the meeting, authorisation documents should be sent to the company at the time of notification of attendance. A registration certificate must be attached to such request.

The Board of Directors proposes a dividend to the shareholders of SEK 1.00 per share. It is proposed that the record day for the dividend, which gives the holder the right to receive the dividend, be April 10, 2006. If the Annual General Meeting passes the resolution as proposed, the dividend will be remitted by VPC on Thursday, April 13, 2006.



President's Statement

What a fantastic year! Klöver is reporting a record profit of SEK 379 million. An important reason for our success has been the good level of new letting achieved by our creative and committed staff. We have succeeded in a substantial expansion and have become a leading player at several of our prioritized locations. A number of challenges remain. There is still great potential in vacancies and refinement projects. I have no doubt whatsoever that all of our personnel will do their very best to produce a good result for 2006 as well.

Expansion

Few Swedish listed companies can report such a substantial expansion as Klöver. At the start in spring 2002, Klöver owned properties valued at SEK 1.3 billion. Today, nearly four years later, the volume has almost increased fivefold to SEK 6 billion. In 2005, the property portfolio increased by almost SEK 2 billion, which is the greatest in one year to date.

Market

The focus on the nine cities, Borås, Eskilstuna, Kalmar, Karlstad, Linköping, Norrköping, Nyköping, Västerås and Örebro, is the same at the end of the year as it was at the beginning. The portfolio has continued to be concentrated to these cities and at the end of 2005 they account for as much as 92 per cent of Klöver's total rental income. All markets have a positive population trend, which shows the cities' ability to attract inhabitants.

The majority of our prioritized cities report increasing rental levels and property prices. The number of enquiries about premises has increased, in particular in the second half of the year.

In 2005, we have become established in earnest as one of the largest players in the property markets in Linköping and Norrköping. After two large acquisitions in Linköping in the spring and one in Norrköping at the end of the year, I can confidently say that most potential commercial tenants know what Klöver is, which has been our aim. Through Klöver becoming sufficiently large in a market we become a natural partner and are able to offer tenants attractive solutions, regardless of the type of commercial premises they are looking for.

One unit – Nord – has been wound up in connection with the sale of all of Klöver's eleven properties in northern Sweden. With this sale, Klöver acquired a large shareholding in the acquired company Diös.

Organization

Expansion of the operations makes demands on an organisation. In particular if, like Klöver, one gives priority to using one's own personnel rather than leasing staff. We are firmly convinced that our own staff are considerably more dedicated to Klöver's goals than most consultants would be. The greatest increase in the number of personnel has, for natural reasons, been in Linköping, where we have gone from one employee to ten during the year and in Norrköping where there has been an increase from six to thirteen. The total number of employees has increased from 51 to 75 in 2005. All personnel work in accordance with the motto "making the customer's day easier every day".

Development

Part of Klöver's business idea is to acquire properties with development potential. During 2005, there are a number of examples of properties that have been developed, by changing the type of the premises, by expansion for a completely new activity or by being refined for a new tenant.

The property Ana 11 in Nyköping has been extended with a new floor of 550 sq.m. The Stadsfjärden health centre has moved into new premises, consisting of a total of 1,100 sq.m. in February 2006.

Two office floors in Bagaren 20 in central Nyköping, which have been unlet for a longer period, have been refurbished as modern housing and are now fully let.

Klöver can also show a number of examples of successful acquisitions where we have purchased more or less vacant properties and have a short time after been able to announce a new large tenant at the property. This category includes Barkassen 9 in Karlstad, which was acquired in autumn 2005. Shortly afterwards, it became clear that the Swedish Consumer Agency, which is being moved from Stockholm, had decided to move into this property in the spring of 2006. The same applies to the property Forskarbyn 1, "Net City" in Örebro, which was taken possession of in early 2006. The regional council will lease all vacant spaces and move in, in April 2006.

Customers

In 2005, we obtained a number of new large tenants. These include a further letting to the upper secondary school, John Bauer gymnasiet, at the property Idéskissen located in the Mjärdevi area in Linköping.

Besides these examples of a new major tenant, we have obtained sixty new smaller tenants, net, at our office hotel has now been established in all of our cities.

In 2005, the first steps were also taken towards establishing a completely new concept for Klöver – Science

Park. A feature of Science Parks is a concentration of companies active in education and training, high technology and research. They are usually close to a university both literally and otherwise. Through a number of large acquisitions, together with previously owned properties, Klöver is now able to offer this target group flexible and appropriate premises in the right environment in a number of our cities: Kanikenäset in Karlstad, Mjärdevi in Linköping, Pronova in Norrköping, the Vallby Institute in Västerås and Net City in Örebro.

The total number of new lettings, measured as rental income, is SEK 46 million, while vacated premises accounted for SEK 36 million, and the perhaps most interesting measure is that net lettings are positive at SEK 10 million.

Profit

Klöver is reporting a profit of SEK 379 million (213) for 2005. One shouldn't boast, of course, but it would be difficult to say anything else than that we are satisfied with this year's result. There are many factors that have contributed to the positive development of profit, for instance, a higher occupancy ratio, a larger property portfolio and lower average interest rate for borrowing. There are other factors that have held down the level. As a result of a refinancing carried out at the end of 2005, Klöver was charged with one-off costs of SEK 20 million. Refinancing will, however, mean lower interest expense in future. The return on equity amounts to over SEK 19 per cent, which will mean that we exceeded the goal of 15 per cent for the second consecutive year.

Future and forecast

The concentration of the portfolio to prioritised cities has almost been completed and the focus is now shifting to expansion. Our aim is a total property portfolio of SEK 10 billion. However, increase in volume must not become an end in itself. We shall only acquire properties if we see a development potential. We shall create added value by applying the commercial approach that we regards as a hallmark of Klöver. A good result can only be achieved if we see that customers are satisfied and there is no short cut to achieving this. Footwork is the order of the day. We will then achieve a good level of profit in 2006 as well.

Klöver's profit, excluding changes in value of properties and tax, is expected to exceed SEK 250 million for 2006, which is equivalent to SEK 2.08 per share.

Nyköping 21 February 2006

Gustaf Hermelin
President & CEO

Business model, goals and strategies

- Klöver's business model is to be a company with local ties, which actively develops commercial properties in large Swedish cities.
- Klöver has a vision of strengthening local business and commerce for the benefit of development of companies and individuals.
- Klöver's personnel work according to the motto of "making the customer's day easier every day".

Financial goals

Klöver's financial targets and dividend policy are set to achieve a combination of high yield, good growth opportunity, high dividend and satisfactory financial stability in the company.

- *Return on equity is to be at least 15 per cent in the long-term.*
Return on equity is not only affected by the ability of personnel to generate profit but is also a result of global environmental factors such as the level of economic activity, inflation rate and interest rate movements. The goal for return on equity applies over a business cycle, which is to eliminate the effects of factors that Klöver's staff cannot affect.
- *The equity ratio is to be between 25 and 35 per cent.*
Klöver operates in the capital-intensive real estate industry. To make possible attractive investments in the short-term and ensure survival in the long-term, it is important for the company to be financially strong by having a sufficient proportion of equity. The goal for the equity ratio was increased in 2005.
- *The interest coverage ratio is to be at least 1.5 times.*
Interest expense is the largest single cost item in Klöver. It is therefore important that the company has an earning capacity that covers the present interest expense level by a broad margin. The goal for the interest coverage ratio was increased in 2005.

Dividend policy

Klöver will transfer on a long-term basis at least 50 per cent of net profit, including income from property sales, to the shareholders in the form of dividends or buy-back of own shares.

Financing strategy

When acquiring properties, consideration shall be given to the possibility of share issue. Klöver shall actively seek financing solutions, both nationally and internationally, with a number of players. The main financiers serve as

Klöver's strategic partners, who are to be prepared to take responsibility for their share of the undertakings in a joint business development. A continuous and open dialogue with our financiers provides a high level of credibility.

Market strategy

Klöver is to become a leading player for commercial premises in large Swedish cities with the exception of Stockholm, Gothenburg and Malmö. The strategy is to create geographical and functional units in prioritised cities with at least 100,000 lettable space and/or rental revenue of at least SEK 50 million. The goal is to create a positive identity and a strong brand name, both locally and nationally.

Customer strategy

Klöver will create long-term mutually profitable customer relationships. Respect is shown to the customer through open dialogue, a high level of accessibility, and promises being kept. Besides premises, Klöver will deliver activities and services that are relevant, easily accessible and which provide added value to the customer. Existing customer shall be taken well care of so that they become ambassadors for the company.

Acquisition strategy

Klöver shall primarily acquire commercial premises. Properties which are to be acquired are either to have a high development potential or a high direct yield level based on market prerequisites. Acquisitions are to contribute creating strong or strengthening existing units and to contribute to improving Klöver's key ratios.

Develop strategy

The properties are to be developed for flexible use and to be able to offer stimulating environments. We strive continuously to optimise the running and care of the property portfolio. All investments in existing properties are to improve direct yield and the return on equity for every individual property.

Sales strategy

The composition of the property portfolio is to be continuously evaluated and optimised. Housing properties, geographically unprioritized properties, properties that are not regarded as generating sufficient yield in the long-term or completely developed properties are to be disposed of.

Values

Everyone who represents Klöver shall stand for the following:

- Consideration, sense of responsibility and trust.
- Respect for different opinions and differences.
- High quality and renewal of the mode of thought and implementation.
- Consideration for the environment.
- Have a positive attitude and set a good example.
- Willingness and capacity for collaboration.

Organization

The organization is to be distinguished by:

- Service-mindedness, an entrepreneurial spirit, and a good business understanding.
- Defined areas of responsibility and personal development programmes.
- Proud and committed staff who represent the company.
- Every staff member shall continuously test their work in relation to the vision and values.

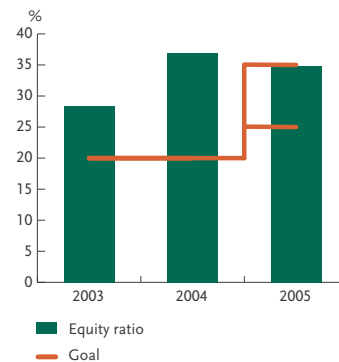
Goal fulfilment

The long-term return on equity is to be at least 15 per cent



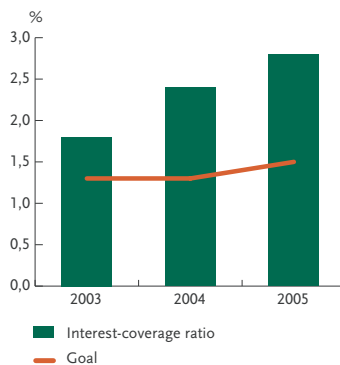
The return on equity was over 19 per cent in 2005, which means that Klöver exceeded the long-term target for the second consecutive year.

The equity ratio is to be between 25 and 35 per cent



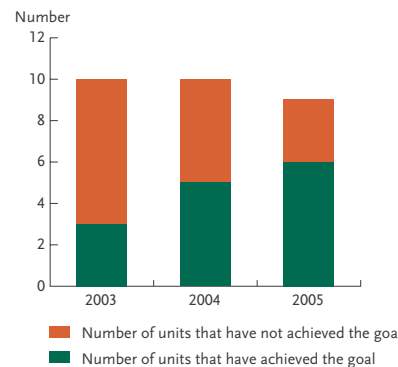
The equity ratio has complied with the goal of a lowest level of 20 per cent in 2003 and 2004 and changed to being between 25 and 35 per cent in 2005.

The interest coverage ratio is to be at least 1.5 times



In 2005, the goal for the interest coverage ratio was raised from at least 1.3 times to at least 1.5 times. The interest coverage ratio has exceeded the goal in 2003, 2004 and 2005.

Geographical units should have at least 100,000 square metre of lettable area and/or rental revenue of at least SEK 50 million



During 2005, the market goal was achieved for six of our nine units: Karlstad, Linköping, Norrköping, Nyköping, Västerås and Örebro.

The share and owners

Share capital and ownership

As of December 31, 2005, Klöver's share capital amounted to SEK 601,821,295. The total number of shares was 120,364,259 with a nominal value of SEK 5 per share and one vote per share. A trading lot consists of 500 shares. The identity of the share on the Stockholm Stock Exchange, Stockholmsbörsen, is SSE19459 and

the ISIN code is SE0000331225. The number of shareholders as of December 31, 2005, was 27,945. The ten largest shareholder groups represented 56.4 per cent of the total share capital. Of the total number of shares, 85 per cent were owned by Swedish owners and 15 per cent by foreign owners.

LARGEST SHAREHOLDERS

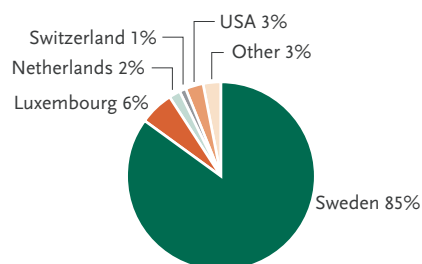
Owner	Number of owners, 31.12.2005	Number of shares, 31.12.2005	Holding and votes %, 31.12.2005	Change, %-points, 2005
Arvid Svensson Invest AB (ASI AB)		17,016,609	14.1	-2.0
Lantbrukarnas Riksförbund		14,550,000	12.1	-0.4
Skandia Liv		7,933,969	6.6	6.0
Investment AB Öresund		7,543,807	6.3	-0.7
Fortis Bank Luxembourg		4,083,000	3.4	0.7
Länsförsäkringar Södermanland		3,665,174	3.1	-0.4
Robur Fonder		3,635,499	3.0	1.4
HQ Fonder		3,431,628	2.9	-0.4
SEB Fonder		3,141,425	2.6	-4.1
Länsförsäkringar Fastighetsfonden		2,728,593	2.3	-0.1
Total largest owners		67,729,704	56.4	0.0
Other owners		52,634,555	43.6	0.0
Total all owners	27,945	120,364,259	100.0	0.0

On 1 January, the number of outstanding shares was 105,785,881. During the year 14,578,378 shares have been newly issued, leading to a reduction in the percentage holding of many shareholders.

DISTRIBUTION OF THE SHARES

Number of shares	Number of owners	Number of shares	Total number of shares, %
5,000,001–	4	47,044,385	39
1,000,001–5,000,000	19	35,985,919	30
100,001–1,000,000	68	19,119,082	16
50,001–100,000	48	3,539,689	3
10,001–50,000	252	5,924,334	5
2,001–10,000	1,088	5,342,259	4
1,001–2,000	785	1,293,915	1
501–1,000	1,121	998,363	1
1–500	24,560	1,116,313	1
Total	27,945	120,364,259	100

Distribution of the shares between countries



CHANGE OF SHARE CAPITAL

Day	Month	Year	Transaction	Share capital, SEK		Number of shares		Nominal, SEK/share
				Change	Total	Change	Total number	
1	January	2002	At beginning of year	–	57,567,223	–	575,672,226	0.10
18	June	2002	Directed new issue ¹⁾	2	57,567,225	24	575,672,250	0.10
27	June	2002	Reversed split 1:250 ²⁾	–	57,567,225	–573,369,561	2,302,689	25.00
27	June	2002	Write-down of share capital ³⁾	–46,053,780	11,513,445	–	–	5.00
7	August	2002	Priority issue ⁴⁾	115,134,450	126,648,895	23,026,890	25,329,579	5.00
17	December	2002	Non-cash issue ⁵⁾	79,972,005	206,619,900	15,994,401	41,323,980	5.00
15	August	2003	Non-cash issue ⁶⁾	70,038,450	278,658,350	14,007,690	55,331,670	5.00
15	August	2003	Non-cash issue ⁷⁾	27,692,300	304,350,650	5,538,460	60,870,130	5.00
25	September	2003	Redemption convertible loan ⁸⁾	452,500	304,803,150	90,500	60,960,630	5.00
17	October	2003	Non-cash issue ⁹⁾	32,238,460	337,041,610	6,447,692	67,408,322	5.00
12	January	2004	Conversion of A shares to B shares ¹⁰⁾	0	337,041,610	0	67,408,322	5.00
19	January	2004	Redemption convertible loan ¹¹⁾	910,000	337,951,610	182,000	67,590,322	5.00
13	February	2004	Non-cash issue ¹²⁾	20,900,000	358,851,610	4,180,000	71,770,322	5.00
18	February	2004	Conversion of B shares to A shares ¹³⁾	0	358,851,610	0	71,770,322	5.00
18	February	2004	Non-cash issue ¹⁴⁾	63,629,975	422,481,585	12,725,995	84,496,317	5.00
6	April	2004	Redemption convertible loan ¹⁵⁾	20,226,135	442,707,720	4,045,227	88,541,544	5.00
7	May	2004	Redemption convertible loan ¹⁶⁾	682,500	443,390,220	136,500	88,678,044	5.00
2	July	2004	Redemption convertible loan ¹⁷⁾	456,140	443,846,360	91,228	88,769,272	5.00
16	August	2004	Non-cash issue ¹⁸⁾	85,083,045	528,929,405	17,016,609	105,785,881	5.00
3	March	2005	Non-cash issue ¹⁹⁾	33,000,000	561,929,405	6,600,000	112,385,881	5.00
6	June	2005	Non-cash issue ²⁰⁾	39,891,890	601,821,295	7,978,378	120,364,259	5.00

1) Directed new issue at an issue price of SEK 0.50 with a view to making the number of shares evenly divisible by 250 before the imminent reversed split.

2) Reversed split 1:250 whereupon 250 shares have been combined to one share by changing the nominal amount of the shares.

3) Write-down of share capital in connection with distribution of the shares in Connecta AB (Adcore Consulting AB)

4) Preferential issue to shareholders where one A share entitled to subscription to ten B shares at a subscription price of SEK 11 per share.

5) Non-cash issue directed at sellers of StrandFastigheter i Nyköping AB and StrömFastigheter i Norrköping AB at a subscription price of SEK 10.50 per share.

6) Non-cash issue at an issue price of SEK 13 per share directed at Akelius Kontor AB on sale of properties to Klöver.

7) Non-cash issue at an issue price of SEK 13 per share directed at Mandamus Fastigheter AB on sale of properties to Klöver.

8) Redemption of part of convertible subordinated debentures at an issue price of SEK 11 per share.

9) Non-cash issue at an issue price of SEK 13 per share directed at Akelius Kontor AB on sale of properties to Klöver.

10) Conversion of 3,723,239 shares of class A to the same number of shares of class B.

11) Redemption of part of convertible subordinated debentures at a subscription price of SEK 11 per share.

12) Non-cash issue at an issue price of SEK 15 per share directed at Diligentia AB on sale of properties to Klöver.

13) Conversion of 71,770,322 shares (all shares) of class B to the same number of common shares.

14) Non-cash issue at an issue price of SEK 15 per share directed at Wihlborgs Fastigheter AB on redemption of loan to Klöver.

15) Redemption of part of convertible subordinated debenture at a subscription price of SEK 11 per share.

16) Redemption of part of convertible subordinated debenture at a subscription price of SEK 11 per share.

17) Redemption of part of convertible subordinated debenture at a subscription price of SEK 11 per share.

18) Non-cash issue at a subscription price of SEK 16 per share directed at Arvid Svensson AB on sale of properties to Klöver.

19) Non-cash issue at a subscription price of SEK 18.40 per share directed at ByggVesta AB on sale of properties to Klöver.

20) Non-cash issue at a subscription price of SEK 18.50 per share directed at Diligentia AB on sale of properties to Klöver.

COMPARISON OF MARKET VALUE FOR PROPERTY COMPANIES LISTED ON STOCKHOLMBÖRSEN

	Market value, SEKm 31.12.2005	Market price, SEK 31.12.2005	Price development 2005, %	Share turnover 12 mon. 2005, SEK	P/E ratio	Profit after tax, SEK/share	Proposed dividend, SEK/share	Dividend yield, %	Total yield, %
Capona	3,075	123.50	30	396	3	50.8	3.00	2	32
Castellum	12,298	286.00	20	6,323	9	31.6	10.50	4	24
Fabege	14,567	151.50	8	10,076	6	27.5	7.50	5	13
Hufvudstaden	11,152	52.00	9	2,916	8	6.5	1.45	3	12
Klöver	2,949	24.50	26	1,131	7	3.3	1.00	4	30
Kungsleden	10,465	230.00	83	6,328	5	48.1	11.00	5	88
Wallenstam	5,587	93.50	62	1,761	4	24.4	2.00	2	64
Wihlborgs*	3,689	192.00	9	1,718	8	24.7	7.00	4	11
Average	7,973	144.12	31	3,831	6	27.1	5.43	3	34

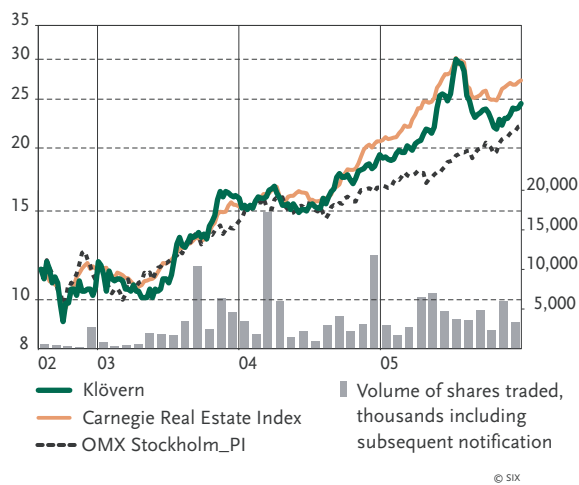
* Listed 24.05.2005. Refers to companies who have published their year-end report at the latest by 22 February 2006.

i.u.=information unavailable.

Price movements

The price of the Klöver share has increased during the year from SEK 19.40 to SEK 24.50, which is equivalent to an increase of 26 per cent. The Stockholm stock exchange Stockholmsbörsen's All-share index (OMXSPI) increased during the same period by 32 per cent and Carnegie's property index (CREX) by 31 per cent. In 2005, 49 million Klöver shares were traded for a total of SEK 1,131 million, which indicates a very high liquidity. Klöver's share value at the end of 2005 was SEK 2,949 million compared with SEK 2,052 million at the end of 2004.

Klöver's share price



Tax assessment value and acquisition value

Klöver's shares are listed on the O-list of Stockholm stock exchange, which means that these shares are not subject to wealth tax.

In 2002, Klöver AB distributed the shares in Adcore Consulting AB, now Connecta AB. According to publication RSV 2002:32 of the Swedish National Tax Board, 30 per cent of the acquisition cost for shares in Klöver AB is attributable to these shares and 70 per cent to Adcore Consulting AB.

During 2003, Wihlborgs distributed Klöver shares to its shareholders. The acquisition value for tax purposes of the Klöver shares is calculated on the basis of the dividend value adopted for the shares (6 x SEK 1.75), i.e. SEK 10.50.

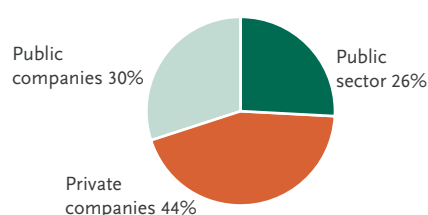


Customers

Closeness to customers

A good relationship with the customer is a crucial success factor for virtually all companies. Klöver considers that it is considerably easier to build up a good relationship to the customer by developing local ties, being familiar with the customer's everyday situation and being able to meet in person than to operate from a distance. The local presence is mostly maintained with Klöver's own staff.

Contract value per type of tenant



Customer structure

Klöver's business orientation in the direction of commercial real estate means that most of the customers are legal entities. An even distribution between locally owned companies, public and/or nationwide companies and public sector entities is sought. At year-end 2005, the public sector accounted for 26 per cent (32) of the contract value, private companies for 44 per cent (41) and public companies for 30 per cent (27).

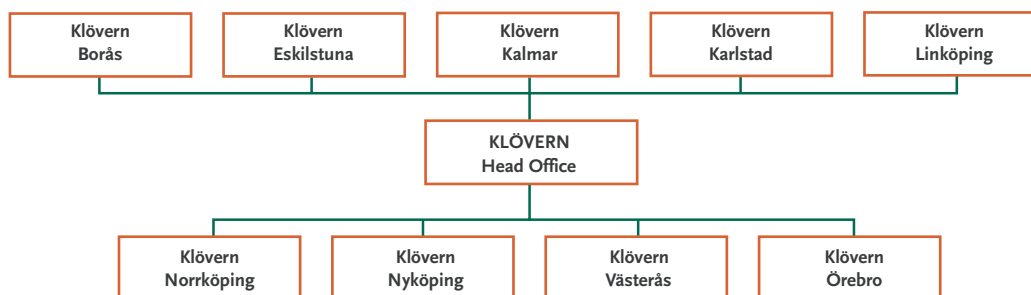
The ten largest customers account for 24 per cent (32) of Klöver's contract value. Only three tenants have contract values in excess of 3 per cent of Klöver's total contract value. The largest tenant is Ericsson with 3 contracts and 6 per cent of the total contract value. The average contract time for the ten largest customers as well as for all customers is 2.8 years. As shown in the table below, the contract times of the individual tenants vary to quite a great extent.

KLÖVERN'S LARGEST TENANTS

Tenant	Number of contracts	Contract value, SEKm	Proportion of total contract value, %	Average contract time, year
Ericsson	3	39	6	2.7
Posten	32	28	4	2.3
Tieto Enator	3	18	3	1.1
Arvid Svensson	8	16	2	8.4
National Road*	19	16	2	0.9
Försäkringskassan	8	15	2	1.6
Linköping Municipality	11	10	2	3.7
Karlstad Municipality	8	10	1	4.6
Nyköping Municipality	12	8	1	2.0
National Labour Market	18	8	1	1.5
Total largest tenants	122	168	24	2.8

* Renegotiated after the turn of the year. New contract value SEK 14 million, average contract time 5.2 years.

Organization and personnel



Decentralised organization

Local ties are of crucial importance to the relationship with the customer and hence also Klöver's profit. The staff must know their circle of customers, they must be accessible and be able to respond quickly to customer needs. The goal is to have a decentralised organization with committed staff who take good care of their customers and strive for mutually profitable relations.

The Klöver Group is organised in a head office, situated in Nyköping, and nine units located in different parts of Sweden based on the geographic location of the properties. The head office is responsible for management functions, economy and financing, acquisitions and sales, information and investor relations, rent administration as well as providing support to the units.

Local units

The local units handle operation of the properties and the day-to-day contacts with the tenants. One of the nine units, Eskilstuna, is taken care of by leased staff. At the other eight units, customer contacts and most of the property operations are taken care of by Klöver's own staff. During the year, one unit Nord (North) has been wound up since all properties from Falun and Gävle in the south to Luleå in the north have been disposed of.

Each unit has a responsible manager who, working closely together with Klöver's management, sets guidelines for the operations of the unit. Unit meetings are held twice a year where the responsible management, together with the staff of the respective unit, take up the unit's goals, organization and work. Responsibility for planning and follow-up for the respective property rests with the responsible managers at the units.

Good business practice

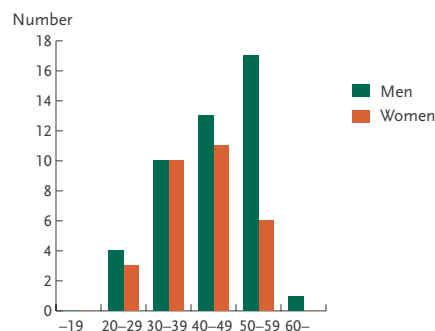
The organization works in accordance with the motto of "making the customer's day easier every day." In accordance with this motto, they work in accordance with the keywords service-mindedness, an entrepreneurial spirit and a good business understanding. Each member of staff has a defined area of responsibility and is able to influence daily operations. The added value per employee is SEK 6.1 million (6.3).

Personnel

Klöver's activities are characterised by its basic values: consideration, taking responsibility and trust. Staff are to strive for high quality and renewal in their mode of thought and implementation and show respect for everyone's opinions and differences. Staff are to have a positive attitude, be good examples, and show a willingness and an ability to collaborate.

The total number of employees was 75 (51) at year-end after an increase of 47 per cent during the year. This increase is explained by the fact that the company's present orientation started as recently as late in the summer of 2002 and that operations have expanded rapidly every year since the start. Of the total number of employees, 30 were women (18) and 45 were men (33). Just over a quarter of the employees work at the head office. The average age is 44 (44). The average age for men was slightly higher than for women, 45 (45) compared with 41 (42).

Age distribution



Staff turnover and absence

Staff turnover was 12 per cent (11) during the year and sick leave in the whole group was 2.1 per cent (2.3). Sick leave was slightly higher for men 2.1 per cent (3.1) than for women 2.0 per cent (1.1). Since the number of employees by sex and age is less than ten in almost every case, sick leave is only reported at group level. Of the total sick leave, 0.7 percentage points (0.6) consisted of long-term sick leave of 60 days or more.

During 2004 and 2005, Klöver'n commissioned a private company to carry out health profile surveys among its staff. These surveys aim for everyone to be aware of their own health situation and thus be able to carry out the necessary changes. The company obtains an overall picture of the state of health of its employees. The 2005 survey showed a clear improvement in the state of health compared with the same survey the previous year. All employees are covered by health insurance to facilitate access to health care.

Training

At the end of 2005, 40 per cent (51) of the employees had undertaken some form of university education. Of these, almost 13 per cent (20) had obtained 100 credits or more at university college or university.



Klöver'n aims to continuously maintain, develop and increase the overall competence of its staff, to be able to meet the customer's needs with the greatest possible knowledge and so that staff shall feel satisfaction in their work. As a complement to the personal development programme, the company has initiated an internal training programme – the Klöver'n academy – where all staff have the opportunity of competence development. During 2005, the Klöver'n academy has arranged courses in value-added tax and successful letting, among other training. The cost of competence renewal was SEK 16,000 (19,000) per employee.

Klöver'n wins third place in the Sustainable Companies of the Year competition for 2005

Klöver'n gained third place in Folksam's list of Sustainable Companies of the Year competition for 2005. This list shows a summary of the results for Swedish listed companies' sick rate, gender distribution and climate work. Klöver'n's Sustainability Index was 3.94 compared with an average of 2.55 for the listed companies compared. The health index reports all sick leaves and those on long-term sick leave. The gender equality index measures the extent to which women are represented in the board of directors and executive management. The health index was 4.43 and the gender equality index 2.40. The result of the Climate Index is shown in the Environment section of Klöver'n's annual report on page 12.



Environment

Environment work

Concern for the environment is a natural part of day-to-day work at Klöver. Good work and residential environments, indoors as well as outdoors, make satisfied tenants. The goal is that everybody in the organization should feel responsibility for, and through their actions actively contribute to, observance of the environmental policy that has been adopted. By cooperating in a wider perspective, Klöver involves employees as well as customers, suppliers, entrepreneurs and local authorities in the work for a long-term favourable environment.

Environmental policy

During 2005, Klöver produced a new, more extensive environmental policy. The environmental policy has also been complemented with an environmental action plan which describes in concrete terms how the policy is to be achieved and the measurable goals that the organisation is to work towards. The action plan covers the following areas: to reduce electricity, heating and water consumption and emissions of carbon dioxide, sorting of waste at source in all properties, to identify environmental risks and environmentally friendly refurbishment and new construction.

Top grade in Climat index

Klöver obtained the top grade – 5 – in Folksam's Klimatindex (Climate Index), which puts the company in the best position among real estate companies. The index measures Swedish listed companies' emissions of carbon dioxide each year and reports on what the companies are doing to reduce emissions. The climate index is one of three parts in Folksam's comparison of The Year's Sustainable Companies, where the other two criteria are the Health Index and the Gender Equality Index (see section on Organization and Personnel on page 11 of Klöver's Annual Report). Klöver was ranked third in the comparison of the Year's Sustainable Companies.

Environmental measures during 2005

The list on the right shows some examples of concrete environmental measures undertaken by Klöver during 2005:

Energy

- An energy audit has been carried out at Guldfisken 2 in Kalmar. Subsequent measures have led to reduced consumption. Energy audits have been initiated at Lärlingen 5, Mästaren 28, Korpen 20, Matrosen 1 and Tenngjutaren 1 in Kalmar.
- Changeover from oil heating to district heating at Åby 20:2 in Norrköping and from oil to ground source heating at Brandholmen 1:9 in Nyköping.
- Review of heating/ventilation/water systems at Bagaren 20 in Nyköping in conjunction with refurbishment.
- Installed a new automatic control function at Brevduvan 17 in Linköping at a cost of SEK 650,000, which is expected to have been recouped within four years.
- Replacement of the automatic control systems at five properties in Västerås. An investment of SEK 5 million, which will produce a saving of SEK 1 million per year.
- The maximum flows for district heating have been reduced at six properties in Borås, which is expected to produce an annual cost reduction of SEK 2–3 per square metre at these properties.
- A ventilation plant with recovery has been installed at Milen 7 and Katrinedal 2 in Borås. The annual reduction of heating costs at the respective property is estimated at approximately SEK 15 per square metre.
- Operation optimisation measures of the heating systems at Grävlingen 5 and Nestor 1 in Borås has produced an annual saving of approximately SEK 15 per square metre.
- The energy monitoring system ESS 200 has been implemented in Karlstad, which facilitates monitoring of consumption, thus making possible optimal measures.
- General reduction of district heating consumption in Karlstad after industrious work on adjustment of temperatures, operation times and flows.
- Energy inventory at the three properties in Örebro that use most energy.
- Installation of lighting control at Vindhjulet 3 in Örebro with a view to reducing electricity consumption in garages and public areas.
- Installation of a new automatic control system for heating and replacement of circulation pumps at Olaus Petri 3:234 in Örebro.
- Ongoing replacement of lighting fittings to low-energy fittings in Örebro.
- Optimisation of ground source heating facility at Oxbacken 7 in Örebro.

Waste

- Improved waste sorting at Diket 10 and Skeppet 13 in Norrköping.
- A number of waste sorting at source projects in properties in Karlstad are expected to come into operation during spring 2006.
- Investment in a baling press at Kitteln 11 in Örebro which reduces the frequency of collection of plastic and cardboard by 85 per cent.

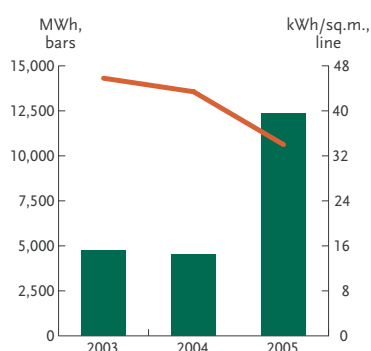
Water and drainage

- The drainage and water pipe mains have been partly replaced at the properties Uranus 16 and Laxöringen 1 in Borås.

Environmentally hazardous substances

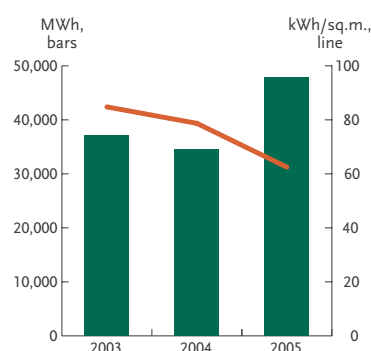
- PCB inventory at Eskilshem 1:8 in Eskilstuna prior to sale. No action required.

Electricity consumption, property electricity



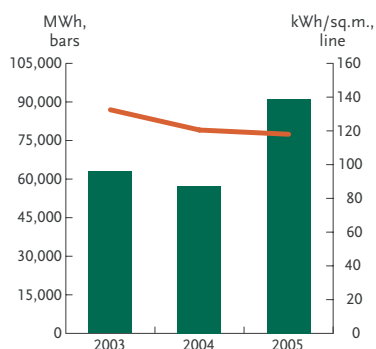
Property electricity can only be separated in a small part of Klöverns properties. Consumption at these properties has decreased by approximately 22 per cent in 2005. The reduction in consumption is explained by improved operation optimisation combined with replacement of high-energy-use properties by properties with more economical use of energy.

Electricity consumption, incl. tenant electricity



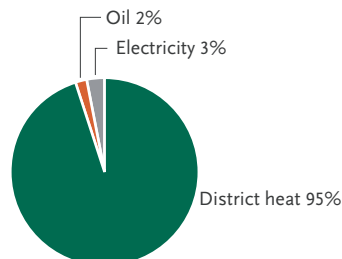
Consumption per sq.m. has decreased by 21 per cent in 2005 at properties where the tenants' electricity consumption is included in the property electricity supply contract. The reduction in consumption is explained by improved operation optimisation combined with replacement of properties with a high-energy use by properties with a more economical use of energy.

District heating consumption



Total district heating consumption (degree day corrected) per square metre has decreased by 2 per cent during 2005.

Types of heating



* Changes in the property portfolio measured as number of properties affects total consumption for natural reasons. It sometimes also affects consumption per square metre since this is not calculated on identical properties. The figures for the respective year refer to properties that Klöverns has owned for the greater part of the year and still owned at the end of the year.

Market descriptions

During 2005 Klöver was active in the property business in nine main markets. None of these involved Sweden's three largest cities, Stockholm, Gothenburg and Malmö.

Klövern sees an advantage in being a big player on a smaller market as opposed to a smaller player on a big market. The former is well known in the area and a natural partner for those wishing to rent premises, and this gives a competitive advantage. In seven out of nine prioritised cities Klöver is among the five biggest owners of commercial premises. In Örebro and Eskilstuna Klöver is in sixth and tenth place respectively.

Klövern's nine prioritised cities, Borås, Eskilstuna, Kalmar, Karlstad, Linköping, Norrköping, Nyköping, Västerås and Örebro have many similarities. All can be

classified as medium/large with 50,000 to around 140,000 inhabitants. All nine markets saw positive population development during both 2004 and 2005, which shows the cities' power of attraction. Unemployment is above the national average except in Borås, Linköping and Nyköping, where it is the same. The level of unemployment indicates that labour is plentiful but that there is a need for expansion within both the business and the public sectors.

In all nine cities the private service sector accounts for most of the job vacancies. This is followed by public services and the manufacturing industry. Below is an overview of Klöver's geographical markets in tabular form together with more detailed descriptions of each market.

POPULATION *

Municipality	2005	2004	Change 12 months, %
Borås	99,236	98,831	0.4
Eskilstuna	91,558	91,137	0.5
Kalmar	60,972	60,734	0.4
Karlstad	82,084	81,760	0.4
Linköping	137,657	137,004	0.5
Norrköping	124,604	124,378	0.2
Nyköping	49,778	49,520	0.5
Västerås	131,886	130,960	0.7
Örebro	127,644	126,940	0.6
Sweden	9,042,663	9,008,883	0.4

* Refers to 1 November each year

Source: Statistics Sweden

UNEMPLOYMENT

	Open unemployment, %	Labour market programmes, %	Total unemployment, %
Borås	4.3	2.3	6.6
Eskilstuna	5.7	3.2	8.9
Kalmar	4.6	2.7	7.3
Karlstad	3.9	3.6	7.5
Linköping	4.6	1.9	6.5
Norrköping	6.5	2.9	9.4
Nyköping	4.0	2.7	6.7
Västerås	5.3	2.8	8.1
Örebro	5.6	2.7	8.3
Sweden	4.3	2.2	6.5

Source: Ams

RENTAL LEVELS, NORMAL LOCATION

Municipality	Offices, SEK/sq.m.	Retail, SEK/sq.m.	Industry/ warehouse, SEK/sq.m.
Borås	700–1,000	800–1,200	350–550
Eskilstuna	1,000–1,200	1,000–1,500	300–600
Kalmar	800–1,100	1,000–1,500	300–600
Karlstad	800–1,000	1,300–1,800	400–600
Linköping	1,000–1,200	1,500–2,000	350–500
Norrköping	1,000–1,300	1,400–1,600	300–500
Nyköping	800–1,000	1,200–1,800	350–700
Västerås	1,000–1,200	1,500–2,000	300–500
Örebro	900–1,200	1,400–2,000	400–700

Source: DTZ/Klövern

PROPERTY PRICES, AVERAGE VALUE SEPARATE PROPERTIES*

Municipality	Premises, SEK/sq.m.	Industrial/ warehouse, SEK/sq.m.
Borås	6,695	2,400
Eskilstuna	7,500	3,100
Kalmar	8,640	3,100
Karlstad	4,790	3,000
Linköping	8,000	3,600
Norrköping	4,500	3,400
Nyköping	3,700	3,850
Västerås	9,100	2,300
Örebro	4,800	2,600

Source: DTZ

* In some of the cities, only a small number of separate properties have changed hands, and the average price can therefore contain an element of uncertainty.

Borås

Location and communications

Borås is situated in the southern section of the county of Västra Götaland. The city lies along main road 40, which joins the E4 highway at Jönköping and the E6 in Gothenburg. Borås therefore has good road connections with both Gothenburg (approximately 50 km away) and Stockholm (approximately 400 km away). About 30 km west of Borås is Landvetter Airport. There is a rail link with the main line network to Alvesta and Gothenburg. There are regional train links with Varberg and Herrljunga/Vänernborg.

The population of Borås municipality in November 2005 totalled 99,236 people, following an increase of 0.4 per cent during the year.

POPULATION TREND

Municipality	Nov. 2005	Nov. 2004	Change, 12 mon.	Dec. 2000	Change, 5 year	Change per year
Borås	99,236	98,831	0.4 %	96,883	2.4 %	0.5 %

The proportion of vacant public housing apartments fell gradually to 0.8 per cent in autumn 2005. The total proportion of unemployed in December 2005 was 6.6 per cent, which is equivalent to the national level as a whole (6.5) and the county of Västergötland as a whole (6.2).

The number of job vacancies in the municipality of Borås in 2004 came to 47,776. The largest proportions were within the private service sector (46 per cent), public services (35 per cent) and the manufacturing industry (18 per cent).

LARGEST EMPLOYERS IN THE MUNICIPALITY OF BORÅS

Employer	Proportion of total number of employees in the municipality, %	Number of employees
Borås Municipality	20.0	9,566
County of Västra Götaland	9.1	4,324
Ericsson Microwave	3.2	1,513
Redcats Nordic/Ellos	2.8	1,349
Samhall	1.8	883
Borås University College	1.5	718
SP Sv. Provnings- och Forskningsinst.	1.3	610
Volvo Bussar	0.9	450
H&M Rowells	0.9	441
City Sparköp Knalleland	0.8	403
All ten largest	42.4	20,257

Investor market

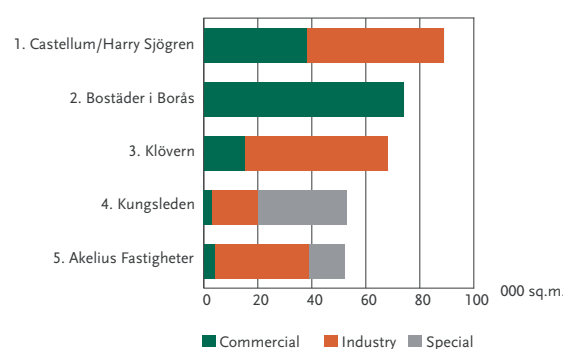
The total premises area in Borås is approximately 4,060,000 square metres, of which 815,000 square metres

is commercial premises, 1,493,000 square metres industrial premises and 1,752,000 square metres residential property.

During 2005 only two rental properties changed owner as separate properties in Borås at an average price of SEK 6,695 per square metre. The maximum and minimum values differ only marginally from the average value. Thirteen industrial premises have changed owner and the statistics show an average value of around SEK 2,400 per square metre within the range of SEK 470–4,750 per square metre.

In the middle of the year Kungsleden acquired eight properties from Cerner consisting of 28,000 square metres of mostly office space for SEK 135 million. Klöver has acquired three industrial properties of around 7,000 square metres with a direct yield of around 8.5 per cent. Brostaden has acquired two industrial properties of around 15,000 square metres for SEK 62 million.

Largest property owners of commercial premises in Borås



Rental market

The rental level for modern offices is at SEK 700–1,000 per square metre in the centre. In more peripheral areas such as Källbäckeryd and Bergsäter the rental level is judged to be around SEK 500 per square metre. The total vacancy level in central Borås is estimated at 7.5–9.0 per cent. The vacancy level can be expected to increase marginally with the expansion of what used to be the I15 military area.

The normal shop rental level in ordinary locations in the inner city is SEK 800–1,200 per square metre, but levels over SEK 2,000 per square metre within the department stores in the absolute city core exist. A large out-of-town retail area has already been established at Knalleland. The rental levels in industrial properties vary between SEK 350 and 550 per square metre. Special, well-located vertical storage areas reach slightly higher levels. For older premises the level is SEK 300 per square metre and for newly-built premises up to SEK 800 per square metre when renting small areas. The vacancy level is around 10–15 per cent.

Eskilstuna

Location and communications

Eskilstuna is the biggest city in Södermanland. The E20 highway and the Svealand rail line both pass through the city. Stockholm is about 110 km away, Gothenburg about 370 km and Västerås about 40 km. There is a small transport airport about 4 km from the centre of Eskilstuna.

The population of Eskilstuna municipality in November 2005 was around 91,600 people after a relatively strong increase of around 0.5 per cent compared with the same time in the previous year.

POPULATION TREND

Municipality	Nov. 2005	Nov. 2004	Change, 12 mon.	Dec. 2000	Change, 5 year	Change per year
Eskilstuna	91,558	91,137	0.5 %	88,408	3.6 %	0.7 %

The proportion of vacant public housing apartments fell from 6.4 per cent in 2000 to 2.5 per cent in 2005. An important reason for this development is the extension of the Mälärbanan rail line, which has substantially reduced travel times to Stockholm. Another important factor behind the positive developments of recent years is Mälardalen University, which has an increased number of students.

The proportion of unemployed (including labour market programme measures) in August 2005 came to 8.9 per cent, which is still considerably higher than in the county of Södermanland as a whole (7.7) and throughout the country (6.5). The number of employment vacancies in Eskilstuna municipality in 2004 was 38,692. The greatest proportions were within the private service sector (39 per cent), public services (35 per cent) and the manufacturing industry (22 per cent).

LARGEST EMPLOYERS IN THE MUNICIPALITY OF ESKILSTUNA

Employer	Proportion of total number of employees in the municipality, %	Number of employees
Eskilstuna Municipality	21.7	8,625
County of Södermanland	7.9	3,125
Volvo	2.3	925
Outokumpu Stainless	0.9	375
Eskilstuna Kommunfastigheter	0.9	375
Mälardalen University	0.8	325
Samhall	0.8	325
National Police Board	0.7	275
Coop Sverige	0.7	275
ASSA	0.7	275
Tidningstjänst	0.7	275
All ten largest	38.2	15,175

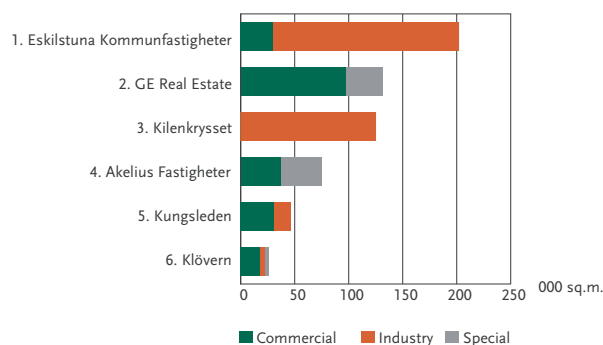
Investor market

The total premises area in Eskilstuna is around 3,490,000 square metres, of which 628,000 square metres is commercial premises, 1,085,000 industrial premises and 1,778,000 residential.

During the last year 18 commercial properties have changed hands as separate properties in Eskilstuna. The price picture is very fragmented. The average price is SEK 7,500 per square metre with a maximum value of over SEK 30,000 per square metre. The lowest square-metre price is around SEK 2,200 per square metre. The price picture is less variable when it comes to industrial properties. The average price for the eleven properties transferred during the year is around SEK 3,100 per square metre within the range of SEK 1,200–5,200 per square metre.

The single largest transaction in Eskilstuna during 2005 was GE's acquisition of Graflund's 14 office properties in June. The purchase price was SEK 470 million and the direct yield just under 7 per cent. Danska Ejendoms-vækst bought Folkesta shopping centre from Kungsleden for SEK 153 million with a direct yield of 6.6 per cent.

Largest property owners of commercial premises in Eskilstuna



Rental market

The rental levels for modern offices are between SEK 1,000 and 1,200 per square metre in the centre. For less modern offices the level is around SEK 700–900 per square metre. The total vacancy level in central Eskilstuna is estimated at around 8 per cent.

Normal shop rental levels for ordinary locations in the inner city are SEK 1,000–1,500 per square metre, but SEK 2,500–3,000 per square metre in the absolute city core can also be found.

The rental levels in industrial properties vary between SEK 300 and 600 per square metre depending on location and standard. For older premises the level is SEK 300 per square metre and for newly-built small premises up to SEK 500–600 per square metre. The vacancy level is 5–10 per cent.

Kalmar

Location and communications

Kalmar is situated on the Baltic Sea coast in the middle of the county of Kalmar. The E22 highway and the "Coast to Coast" train pass through the city. Stockholm is about 410 km away, Gothenburg about 350 km and Malmö about 280 km. Kalmar Airport with its direct flights to Stockholm and international charter flights is about 5 km from the centre of Kalmar.

The population of Kalmar municipality increased by 0.4 per cent during last year to nearly 61,000 people in November 2005.

POPULATION TREND

Municipality	Nov. 2005	Nov. 2004	Change, 12 mon.	Dec. 2000	Change, 5 year	Change per year
Kalmar	60,972	60,734	0.4 %	59,308	2.8 %	0.6 %

In autumn 2005 there were no vacant public housing apartments in Kalmar. The proportion of unemployed in December 2005 was 7.3 per cent, which is slightly higher than in both the county of Kalmar (7.1) and the country as a whole (6.5). The number of job vacancies in Kalmar city in 2004 came to 29,112. The biggest proportions were within private services (43 per cent), public services (40 per cent) and manufacturing industry (13 per cent).

LARGEST EMPLOYERS IN THE MUNICIPALITY OF KALMAR

Employer	Proportion of total number of employees in the municipality, %	Number of employees
Kalmar Municipality	15.2	4,500
County Council	11.0	3,250
Kalmar University	2.7	790
Bombardier	2.5	750
Kalmarsunds Gymnasieförbund	1.2	350
National Police Board	1.2	350
KLS Livsmedel	0.8	250
Skanska	0.8	250
Evox Rifa	0.8	250
Motoman Robotics Europé	0.8	240
All ten largest	37.0	10,980

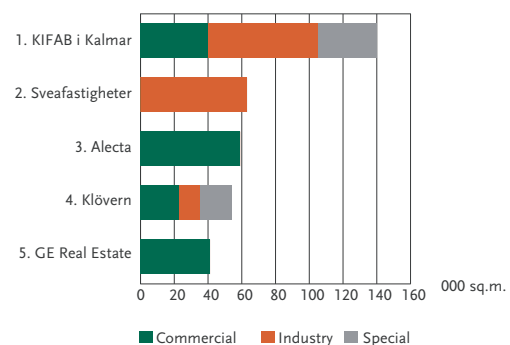
Investor market

The total premises area in Kalmar is around 2,314,000 square metres, of which 569,000 square metres is for commercial premises, 644,000 square metres for industrial premises and 1,101,000 square metres for residential property.

During 2005 only five commercial properties changed hands as separate properties in Kalmar. The price per square metre varied between around SEK 7,700 and 9,700. The average value was SEK 8,640 per square metre. Eleven industrial properties were transferred during 2005 at an average value of around SEK 3,100 per square metre within the span of SEK 1,550-5,640 per square metre.

In February 2005 Sveafastigheter acquired Bilen 6, the former Volvo factory, consisting of just over 60,000 square metres from Volvo. In May 2005 the municipality of Kalmar acquired Bombardier's properties consisting of around 30,000 square metres of premises in the Elefanten quarter for SEK 14 million. IKEA is building a new department store of 24,000 square metres, due for opening in summer 2006. Alecta is rebuilding the Giraffen shopping centre and is also adding over 10,000 square metres of new shop space. PEAB will be building a new police station in the Flodhåsten quarter. The building, which will be around 14,700 square metres, has already been sold to Sveafastigheter for SEK 250 million. According to PEAB's plans, the industrial premises after Rifa will be rebuilt and supplemented to include 21,000 square metres retail premises and 3,000 square metres of office premises.

Largest property owners of commercial premises in Kalmar



Rental market

Rent levels for modern offices are between SEK 800 and 1,100 per sq.m. in the centre. For premises with the standard of new buildings, there are cases where the rent is over SEK 1,400 per sq.m. Vacancies for offices are estimated at 5-10 per cent. In the most attractive city galleries, retail rents can amount to between SEK 2,000 to 3,000 per sq.m. More normal rents are from SEK 1,000 to 1,500 per square metre. Rental levels in industry and warehouse premises vary from SEK 300 to 600 per sq.m. Rents between SEK 150 and 300 per sq.m. are common for older and simpler premises. The vacancy ratio is estimated to exceed 10 per cent.

Karlstad

Location and communications

Karlstad is the seat of county government in the county of Värmland and is situated in the southern part of the county. The E18 highway and the main railway line between Oslo and Stockholm pass through the city. Stockholm is approximately 310 km away, Gothenburg approximately 250 km and Oslo approximately 220 km. Karlstad Airport with a number of daily departures to Stockholm is approximately 18 km from the centre of Karlstad.

The municipality of Karlstad had a population of around 82,100 people in November 2005 following an increase of around 0.4 per cent compared with the same time the previous year. The annual rate of growth has been around this level during the last five-year period.

POPULATION TREND

Municipality	Nov. 2005	Nov. 2004	Change, 12 mon.	Dec. 2000	Change, 5 year	Change per year
Karlstad	82,084	81,760	0.4 %	80,323	2.0 %	0.4 %

The proportion of vacant public sector apartments fell from 1.4 per cent in 2000 to 0.1 per cent in December 2005. The proportion of unemployed (including persons in labour market programmes) in December 2005 was 7.5 per cent, which is higher than in both the county of Värmland (7.3) and the country as a whole (6.5).

The number of job vacancies in Karlstad municipality in 2004 came to 43,989. The largest proportions were within private services (50 per cent), public services (36 per cent) and manufacturing industry (11 per cent).

LARGEST EMPLOYERS IN THE MUNICIPALITY OF KARLSTAD

Employer	Proportion of total number of employees in the municipality, %	Number of employees
Karlstad Municipality	14.8	6,500
County of Värmland	10.5	4,600
Karlstad University	2.5	1,100
Konsum Värmland EF	1.2	520
Tieto Enator	1.1	500
Metso Paper Karlstad	1.1	500
Posten Sverige	0.9	400
Telia Sonera	0.8	340
Swedish Rescue Services Agency	0.8	330
Kvaerner Kamfab	0.5	240
All ten largest	34.2	15,030

Investor market

The total premises and housing area in Karlstad is around 3,440,000 square metres, of which 935,000 square metres is commercial premises, 834,000 square metres industrial premises and 1,670,000 square metres residential property.

The local price material shows that only three rental properties changed hands as separate properties in Karlstad in 2005 according to the registration statistics. Bearing in mind the small number of registered purchases, it is hard to draw relevant conclusions. For the three purchases the prices vary between SEK 3,500 and 6,100 per square metre.

During the last few years there have been extensive property transactions and transfers in the form of companies. The activity has been very high. The market has seen increasingly tough competition and rising prices. The low interest level combined with new players, including various property foundations and foreign investors from, for example, Norway, Denmark and Germany, has helped to force the market's yield requirements down.

In 2005 six players were involved in major transactions with regard to properties in Karlstad. The purchasers are Kungsleden, Eurocommercial Properties, Sveafastigheter, Klöver, Sten & Ström and Ejendomsinvest.

Kungsleden acquired Tornet's holding of 108,000 square metres, mostly offices and shops, in central locations. The acquisition started at the beginning of 2005 and the price was SEK 1,050 million, which is equivalent to around SEK 9,700 per square metre. The direct yield is judged to be 7.25-7.5 per cent. At the end of the year Kungsleden sold four of these objects to Ejendomsinvest for SEK 450 million. The objects consisted of two shopping galleries with additional offices and a parking facility. The price is judged to be equivalent to a direct yield of around 6 per cent.

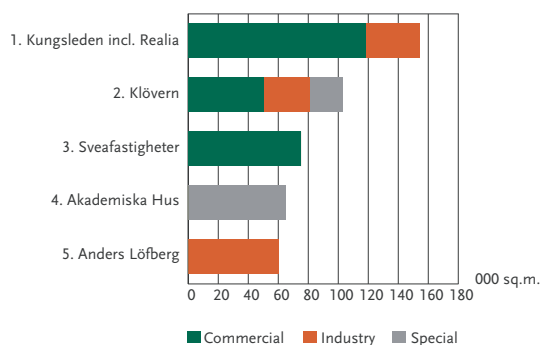
The Holland-based company Eurocommercial Properties has acquired the newly-built shopping centre section within Bergvik's shopping centre for around SEK 330 million. The purchase price is equivalent to a price of SEK 24,000 per square metre and the direct yield has been stated as 6.3 per cent initially. The complex holds 31 shops.

The property foundation Sveafastigheter has acquired Norrporten's holding of 75,000 square metres, mainly office premises. The purchase involves the whole company in Karlstad with its existing organisation. According to information from the purchaser, the price is based on a level of SEK 775 million for the properties, which is equivalent to just over SEK 10,300 per square metre. The direct yield is judged to be below 7 per cent.

During summer 2005 Sten & Ström acquired the shopping gallery Mitt-i-City. The acquisition was in corporate form at a price of just under SEK 30,000 per square metre. The direct yield is thought to be around 6 per cent.

Three acquisitions of large office properties have been made since the half-year point in the Kanikenäset area. Klövern has acquired two properties, Barkassen 9 and Kanoten 7. A Norwegian capital company has bought Kanoten 5 through company acquisition. Information on the purchases shows that the direct yield has been around 6.5–7.25 per cent.

Largest property owners of commercial premises in Karlstad



The direct yield for commercial properties in the centre of Karlstad and in other good office and retail locations is considered to be 6.0–8.0 per cent. Shops are most in demand and that segment sees the lowest yield requirements. The development with falling yield requirements has been very clear since late autumn 2004 through to today. This development involves larger commercial offices and shops in good locations. It is thought that this tendency is levelling out. No similar development has been noted for smaller properties in poorer locations.

Ten industrial properties changed hands in 2005 at an average price of around SEK 3,000 within the range of SEK 1,300–4,300 per square metre. The purchasers of industrial properties are mostly own-users or local property companies.

Rental market

The rental levels for modern offices are between SEK 900 and 1,000 per square metre in the centre and in the Kanikenäset area, which are the most attractive locations. In the Klara area, which includes a large proportion of administrative buildings, the rents are around SEK 800–950 per square metre. In more peripheral office locations

within the industrial areas such as Våxnäs and Örsholmen the rental levels for offices vary between SEK 500 and 700 per square metre.

The total vacancy level for offices is estimated at 7–10 per cent. Higher vacancies are noted in the outlying areas. A substantial proportion of the vacant offices consists of older premises which require major investment for renting as offices. Conversion of offices to housing is therefore currently under way in central locations. The vacancies are not expected to change within the foreseeable future.

A major building project is currently in progress in the centre of Karlstad, the so-called "Mitt-i-City" project. The development mostly consists of a shopping gallery with 16,000 square metres of shops, housing and car parks. The new Mitt-i-City gallery is expected to be a positive development for the centre even though in the short term there will be greater competition for the shop tenants. The rental levels in the gallery for normal shop sizes are SEK 3,000–3,500 per square metre, excluding operating costs.

Normal shop rental levels in the inner city outside the commercial firms are SEK 1,300–1,800 per square metre. In the retail buildings the rents vary between SEK 1,500–3,500 per square metre. The rental levels have increased apace with the positive development of trade during the beginning of the 21 century. The improvement of the Duvan Gallery has also helped the establishment of new shops in the centre. External trade, however, has accounted for the most extensive expansion in Karlstad with a major development of the Bergvik Shopping Centre and the adjacent Zakrisdal area. For Karlstad as a retail city the future establishment of IKEA within the Bergviks area in 2007 is a highly positive development.

The vacancy level for shops is low in the city core, 1–3 per cent. The vacancies in the best locations are expected to continue to be low. Shops in B and C-locations in the centre, however, may see increasing vacancies as the centre location around the big commercial firms is strengthened further when the new gallery opens in autumn 2006.

The rental levels in normal industrial properties vary between SEK 400–600 per square metre. For older premises the level is SEK 300–400 per square metre and for newly-built premises up to SEK 750 per square metre for small premises. The demand for small premises is highest at present. The vacancy level is estimated at 7–12 per cent. Vacancies are expected to remain unchanged during the immediate future. There are currently no major development projects that might affect the available supply of premises.

Linköping

Location and communications

Linköping, the seat of county government, is situated in the central part of Östergötland. The E4 highway and the southern main railway line both pass through the city. Stockholm is approximately 210 km away, Gothenburg approximately 280 km and Norrköping approximately 40 km. The airport with international services is approximately 3 km from the centre of Linköping. Linköping University, with its 26,500 students and 3,500 employees, is one of Sweden's largest universities.

The population of the municipality of Linköping in November 2005 was around 136,660 people. This is an increase of around 0.5 per cent compared with the same time the previous year. Population growth, which during the last five-year period has averaged around 0.7 per cent per year, is therefore slightly on the decline. From a longer perspective Linköping has shown strong population growth with an increase of over 24,000 inhabitants since 1980.

POPULATION TREND

Municipality	Nov. 2005	Nov. 2004	Change, 12 mon.	Dec. 2000	Change, 5 year	Change per year
Linköping	137,657	137,004	0.5 %	133,168	3.4 %	0.7 %

The proportion of unemployed (including labour market programme measures) in December 2005 came to 6.5 per cent, which is on a level with the national average as a whole (6.5) but lower than in the county of Östergötland generally (7.5).

The number of job vacancies in Linköping municipality in 2004 was 67,609. The highest proportions were within private services (42 per cent), public services (38 per cent) and manufacturing industry (18 per cent).

LARGEST EMPLOYERS IN THE MUNICIPALITY OF LINKÖPING

Employer	Proportion of total number of employees in the municipality, %	Number of employees
Linköping Municipality	11.6	7,859
County of Östergötland	9.0	6,104
Saab AB-gruppen	7.7	5,198
Linköping University	5.6	3,800
Ericsson AB	1.5	1,033
Swedish Meats Ek. För.	1.3	850
ISS Sverige	1.2	845
Attendo Care	1.0	674
National Police Board	1.0	648
Aerotechtelub	0.9	622
All ten largest	40.9	27,633

Investor market

The total premises and residential property area in Linköping is around 4,577,000 square metres, of which 1,229,000 square metres is commercial premises, 1,074,000 square metres industrial premises and 2,273,000 square metres residential property.

During the last year eight rental properties have changed hands as separate properties in Linköping. The price picture is partly splintered with an average value of around SEK 8,000 per square metre within the range of SEK 4,800-13,700 per square metre.

Eight industrial properties have been transferred during the last year. The average price per square metre is SEK 3,600, the maximum value SEK 5,400 per square metre and the minimum price SEK 1,200 per square metre.

Property holding transactions and transfers in corporate form have increased in recent years. Activity has been very high and the market has seen tougher competition and rising prices. The low interest level combined with new players, including various property foundations and foreign investors from, for example, Norway, Denmark and Germany, has helped force yield requirements in Linköping down.

In spring 2005 Klöver took over the majority of Byggvesta's former properties, mostly in Linköping. The purchase price was SEK 750 million. Thirteen properties were situated in Linköping and the other three in Motala, Tranås and Vadstena. The properties comprised 68,000 square metres of commercial space and 10,000 square metres of housing space.

In 2005 Klöver also purchased 16 properties from Diligentia for SEK 597 million. Out of a total of 16 properties, 12 were situated in Linköping, mostly in the centre. The direct yield for the Linköping properties came to around 7 per cent. The other commercial properties were in Norrköping, Kalmar, Eskilstuna and Trosa.

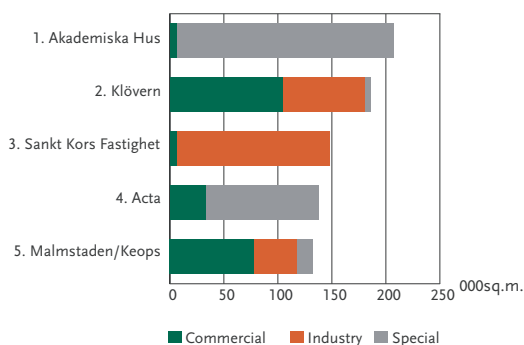
Vasallen sold the last of its landholding, consisting of 40 hectares of land and 28,000 square metres of premises in the Garrison area, at the end of the year. NCC acquired through a company transaction with an underlying property value of SEK 172 million.

At the end of 2005 the municipal housing company Stångåstaden sold 21 properties to Isidorum AB, owned by local players. The properties consisted of 15,500 square metres of housing and 14,400 square metres of premises. The properties are mostly situated in suburbs or suburban locations in relation to Linköping. A third of the housing consists of accommodation for the elderly. The direct yield is specified at around 10 per cent.

The direct yield has fallen dramatically during the last year, especially with housing, offices and shops.



Largest property owners of commercial premises in Linköping



Rental market

Rental levels for modern offices are between SEK 1,000 and 1,200 per square metre in the centre, having fallen substantially during recent years. A few years ago rents of SEK 1,600 per square metre were recorded. For older offices the level is below SEK 1,000 per square metre.

The downturn in IT and telecommunications and the move of state-owned companies to Rättscentrum have created large vacancies in the central areas. The total vacancy level in central Linköping is estimated at between 15 and 20 per cent. Vacancies are not expected to increase in the central areas; new office building is non-existent. However, unleased offices are being converted to living accommodation.

There is still a considerable imbalance in Mjärdevi. Out of a total of 180,000 square metres of office premises, 55-60,000 square metres are vacant (including hidden

vacancies). Vacancies have started to fall and are expected to continue to fall when the data and telecom companies start to take on new staff. The rental level for offices is at SEK 1,000 per square metre after rental rebates.

Normal shop rental levels for good locations in the inner city are SEK 1,500-2,000 per square metre. Tannerförsigatan between Stora Torget and Trädgårdstorget and Galleria Gränden south of Lilla Torget are regarded as the best locations with rental levels for shop premises between SEK 2,000-2,500 per square metre. Smaller shop premises have rental levels of over SEK 3,000-4,500 per square metre. For externally situated shop premises the rent varies between SEK 350-900 per square metre. A large external retail area has been established in Tornby. When it comes to external retail, levels of SEK 1,200-1,300 per square metre are regarded as good. In Tornby the expansion towards trade objectives continues with new production.

The rental levels in industrial properties vary between SEK 350 and 500 per square metre. For older premises the level is SEK 300 per square metre and for newly-built small premises in good locations up to SEK 500 per square metre. The vacancy level is currently at 7-10 per cent. The surplus of industrial premises has been relatively constant and is expected to remain so in the immediate future. No major projects are currently in progress. A new ice rink – the Cloetta Center – has recently been built.

In conclusion, the supply of office premises in Linköping appears to be good for the foreseeable future. When it comes to industrial premises and shops, supply and demand are more balanced.



Norrköping

Location and communications

Norrköping is situated on Bråviken in north-eastern Östergötland. The E4 and E66 highways both pass through the city. The approximate distance to Stockholm is 160 km, to Gothenburg 320 km and to Linköping 40 km. The airport with scheduled, charter and taxi services is approximately 4 km from Norrköping. The city is on the southern main line and has frequent train services. The port of Norrköping is one of the most important all-year round ports on the east coast. Shipments go mostly to former Eastern Europe and other European ports. Norrköping is considered to have a good location from the point of view of communications for long-distance and local transport in Sweden and also for international long-distance transport. There has been a market increase in exports to the former Eastern bloc.

In November 2005, the population of the municipality of Norrköping was 124,604 inhabitants, an increase of around 0.2 per cent compared with the same time last year. In the past five-year period, population growth has been around 0.4 per cent on average. Since 1980, the population of the municipality of Norrköping has increased by more than 5,000.

POPULATION TREND

Municipality	Nov. 2005	Nov. 2004	Change, 12 mon.	Dec. 2000	Change, 5 year	Change per year
Norrköping	124,604	124,378	0.2 %	122,199	2.0 %	0.4 %

The proportion of unemployed (including people in labour market programmes) was 9.4 per cent in December 2005, which is manifestly higher than both in the county of Östergötland (7.5) and Sweden as a whole (6.5).

The number of employment opportunities in the municipality of Norrköping was 54,738 in 2004. The largest shares were in private services 49 per cent, public services 34 per cent and manufacturing industry 14 per cent.

LARGEST EMPLOYERS IN THE MUNICIPALITY OF NORRKÖPING

Employer	Proportion of total number of employees in the municipality, %	Number of employees
Norrköping Municipality	17.2	9,400
County of Östergötland	4.8	2,650
Holmen Paper	1.5	800
Billerud Skärblacka	1.3	730
Swedish Migration Board	0.9	500
National Prison and Probation Board	0.9	475
Linköpings University	0.8	450
SMHI	0.8	425
Civil Aviation Administration	0.8	425
Swedish Maritime Administration	0.7	375
All ten largest	29.7	16,230

Investor market

The total premises and residential space in Norrköping amounts to approximately 5,023,000 square metre, of which commercial premises is 1,093,000 square metre industrial premises 1,480,000 square metre and residential property 2,450,000 square metre

During the past year, four relevant commercial properties have changed hands as separate properties in Norrköping. The price picture is fragmented to some extent with an average price of around SEK 4,500 kr per square metre, a maximum value of SEK 6,000 and a minimum value of SEK 2,300 per square metre.

Fifteen industrial properties have changed hands and statistics show a price interval of SEK 1,500–8,400 per square metre, with an average value of SEK 3,400 per square metre. Portfolio transactions and transfers of property in corporate form have increased in recent years. There has been a high level of activity, stiffer competition in the market and rising prices. Low interest rates and new players, including various property funds and foreign investors, have contributed to pushing down the market yield requirement.

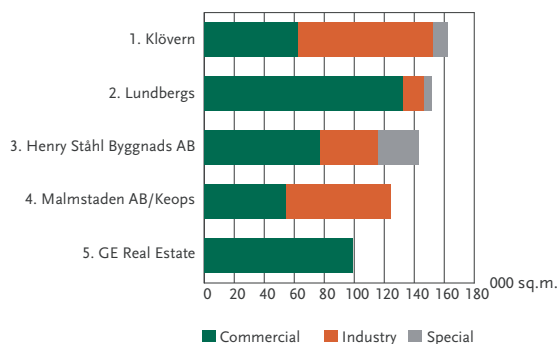
Holmenbyggarna (NCC and Lundbergs) sold the properties Gropen 6 and Bomullspinneriet 1 in Industrilandskapet to ACTA. The properties included



long leases with Linköping University and Kunska skolan. The purchase price was SEK 227 million, which is equivalent to SEK 20,000 per square metre. The direct yield was around 6.75 per cent.

At the end of 2005, Klöver purchased a property holding of six properties from Ateneum. The portfolio includes the Pronova house and another four properties in the Pronova area, which works together with the university. The sixth property, Fackens Hus, mainly consists of offices and is located beside the Travel Centre. The purchase price was SEK 355 million, which is equivalent to 7.5 per cent direct yield. The former school Pihlska skolan has been converted into offices for Alstom.

Largest property owners of commercial premises in Norrköping



An establishment boom is in process in the out-of-town trading area Ingelsta. Some 20 companies are involved at present, although with different time horizons. The largest is Axfast's shopping centre with 40,000 square metre of sales space for around 15 stores.

The international Prologis has built a new logistics property consisting of 20,400 square metre for Kuhne & Nagel. Green Cargo has built approximately 15,000 square metre at one of its facilities. Stadium is in the process of erecting a logistics centre of 32,000 square metre, corresponding to an investment of SEK 200 million. The listed company Sagax purchased Bröderna Edstrand's industrial property in Norrköping for approximately SEK 80 million. The adjacent land was subsequently acquired for a new building of 7,000 square metre. Sagax also acquired Aspfjärilen 2 in a package deal.

The direct yield has fallen sharply in the past year, in particular on residential property, and office and retail properties. No slackening off is in sight.

Rental market

Rental levels for modern new offices are between SEK 1,000–1,300 per square metre in the centre. The level is around SEK 700–900 per square metre for less modern offices. The vacancy ratio in central Norrköping is estimated at round 7–8 per cent. Vacancies are expected to be unchanged. No office projects are in process at present. Normal shop rent levels for ordinary B-locations in the inner city are SEK 700–800 per square metre, although levels of between SEK 3,000 and 4,000 per square metre for department stores in the very core of the city do occur. A large out-of-town area has been established in the Ingelsta area. The municipality has produced a retail trade policy which will lead to further investments being made in this area. A number of stores are in the process of becoming established, including SuperWillys and furniture outlets. On the other side of the city, Hageby Centre, which is owned by Steen & Ström, is being expanded with 18,000 square metre of retail space. The investment is approximately SEK 350 million. After expansion, the centre will consist of around 80 shops with an area of 45,000 square metre.

Rental levels in industrial premises vary between SEK 300 and 500 per square metre. For older premises, the level is SEK 300 per square metre and for newly-built and small premises SEK 500–550 per square metre. The vacancy ratio is estimated at around 5–10 per cent. The surplus of industrial premises has been constant in the past few years. The market is relatively in balance. New production occurs for own use. A number of large logistics buildings have been built in the past year at Händelö, where expansion is expected to increase in the future. This will free space in the older industrial stock.

To sum up, there appears to be a large supply of office space in Norrköping. Supply and demand are in better balance for industrial and retail premises.



Nyköping

Location and communications

Nyköping is situated in the southern part of Södermanland on the E4 highway and on a railway line. The approximate distance to Stockholm is 100 km, to Gothenburg 390 km and to Norrköping 60 km. Skavsta Airport with an increasing number of international services is approximately 10 km from central Nyköping. As a result of co-operation between the municipalities of Nyköping and Oxelösund, there is access to a deep harbour in Oxelösund with extensive freight traffic to and from the countries around the Baltic Sea.

In November 2005, the municipality of Nyköping had a population of 50,000, after an increase of 0.5 per cent compared with the same time last year. The rate of increase in 2005 has been higher than the average for the past five-year period. Since 1980, the population has grown by approximately 2,700 persons.

POPULATION TREND

Municipality	Nov. 2005	Nov. 2004	Change, 12 mon.	Dec. 2000	Change, 5 year	Change per year
Nyköping	49,778	49,520	0.5 %	49,063	1.5 %	0.3 %

The vacancy problems that existed for residential properties have successively decreased. The proportion of vacant apartments in public housing has decreased from 5.2 per cent in 2000 to 1.1 per cent in 2005. In recent years, new production has also become more common in the central parts of Nyköping. The unemployment rate (including those employed in labour market programmes) was 6.7 per cent in December 2005, which is lower than for the county of Södermanland (7.7) as a whole and on a level with Sweden as a whole (6.5). An important cause of this development is the expansion of Skavsta Airport, which is expected to create around 1,000 employment opportunities. The number of persons outside the labour market has increased slightly during 2005. At the same time, some inward movement of labour has taken place.

The number of employment opportunities in the municipality of Nyköping totalled 21,000 in 2004. The largest employers were in private services (44 per cent), public services (41 per cent) and manufacturing industry (11 per cent).

LARGEST EMPLOYERS IN THE MUNICIPALITY OF NYKÖPING

Employer	Proportion of total number of employees in the municipality, %	Number of employees
Nyköping Municipality	19.3	4,500
County of Södermanland	9.7	2,250
SAAB Automobile	1.3	310
Thorsman & Co	1.3	305
Stockholm Skavsta Flygplats	1.1	260
Studsvik Nuclear	0.9	200
ABB Automation Technology		
Products AB Cewe	0.8	190
Servum	0.8	180
Länsstyrelsen i Sörmlands Län	0.7	170
Swenox	0.7	160
All ten largest	36.6	8,525

Investor market

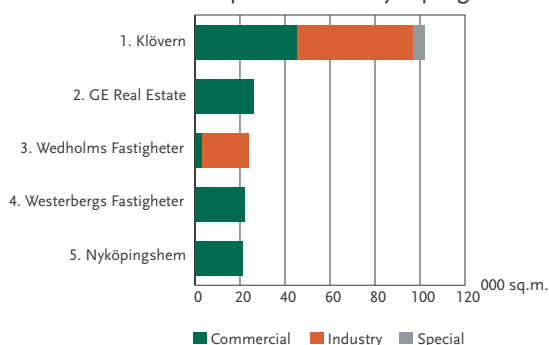
The total premises and residential space in Nyköping amounted to approximately 1,715,000 square metre, of which commercial premises accounted for 382,000 square metre, industrial premises 445,000 square metre and residential properties 887,000 square metre.

In 2005, only four commercial properties have changed owner in Nyköping as separate properties. The price picture is fragmented to some extent due to some sales being internal sales where properties are transferred to separate companies before the transfer.

The average square metres price is SEK 3,700 square metre and the interval from SEK 1,200 to SEK 8,800 per square metre.

Six industrial properties have been transferred in 2005. The average price per square metre amounts to SEK 3,850, the maximum value to SEK 5,950 and the minimum value to SEK 1,570.

Largest property owners of commercial premises in Nyköping



The largest transaction in 2005 was Atrium Fastigheter's acquisition of four properties in Gumsbacken's trading estate from the privately-owned company Amelec AB from Jönköping. The price amounted to SEK 133 million for approximately 13,000 square metres of retail space. According to the purchaser, the price is equivalent to a direct yield of approximately 6.5 per cent.

Rental market

The rental levels for modern offices has been largely unchanged during the year and totals around SEK 800 to 1,000 per square metre in the centre. Rents for fully modern offices can reach levels between SEK 1,100 and SEK 1,200 per square metres. Rents for offices with somewhat older standard normally amount to between SEK 600 and SEK 800 per square metre.

Vacancies for offices are expected to exceed 10 per cent in the central parts of Nyköping. The vacancy rate is lower for fully modern offices, however, down towards 5 per cent. Vacancies are considered to have decreased slightly in 2005. At present, no large office projects are underway.

Retail rents vary greatly. In the most attractive galleries, rents can exceed SEK 3,000 per square metre for small premises. More normal rents are between SEK 1,200 and 1,800 per square metre. Rents in B-locations are often between SEK 600 and 900 per square metre. There are two out-of-town retail areas in Nyköping, adjacent to Brandkärr, which is dominated by Stormarknaderna Coop Forum and ICA Kvantum, and at Gumsbacken, which has been expanded in recent years. In 2004, a Lidl store opened at Spelhagen where there are also a number of other stores, including a food store.

Rental levels for industry and warehouse premises vary between SEK 350 and 700 per square metre. Rents between SEK 200 and 300 per square metre are common for older simpler premises and they can be at about the same level as for offices for newer special-adapted premises. The vacancy rate exceeds 10 per cent. The new production which occurs is mainly for own use. No major new construction projects have taken place during the year.

To sum up, demand has increased somewhat for commercial premises recently, although from a low level. Demand has continued to be good for premises for trade and premises relating to airport activities at Skavsta. This situation can be expected to continue in the near future. The rental levels for office and industrial premises are expected to be nearly unchanged or slightly increased. Continued increase in population will provide some scope for new production of housing.

Västerås

Location and communications

Västerås is situated in south-eastern Västmanland on Lake Mälaren. The E18 highway and the Mälärbanan railway line both pass through the city. The approximate distance to Stockholm is 110 km and to Gothenburg 380 km. Västerås airport with international services is approximately 6 km from central Västerås. The port of Västerås is Sweden's largest inland port.

In November 2005, the municipality of Västerås had a population of approximately 131,900, a relatively sharp increase of over 0.7 per cent, compared with the same time the year before.

POPULATION TREND

Municipality	Nov. 2005	Nov. 2004	Change, 12 mon.	Dec. 2000	Change, 5 year	Change per year
Västerås	131,886	130,960	0.7 %	126,328	4.4 %	0.9 %

Västerås is one of the places in the county of Västmanland where there is a shortage of housing. The proportion of unemployed (including persons employed in labour market programmes) amounted to 8.1 per cent in autumn 2005, which is rather higher than in the county of Västmanland as a whole (7.5) and manifestly higher than Sweden as a whole (6.5).

The number of employment opportunities in the city of Västerås was 60,646 in 2004. The largest shares were in private services 45 per cent, public services 32 per cent and manufacturing industry 21 per cent.

LARGEST EMPLOYERS IN THE MUNICIPALITY OF VÄSTERÅS

Employer	Proportion of total number of employees in the municipality, %	Number of employees
Västerås Municipality	15.8	9,500
County of Västmanland	9.2	5,500
ABB Automation	5.8	3,500
ICA Sverige AB	2.5	1,500
ABB Power Technologies	1.3	750
Westinghouse Electric	1.1	650
ISS Facility Services	1.1	650
COOP Norden Sverige	1.1	650
ABB	1.1	650
Posten	0.9	550
Mälardalen University	0.9	550
All ten largest	40.8	24,450

Investor market

The total premises space in Västerås amounts to around 5,190,000 square metre of which commercial premises accounted for 1,439,000 square metre, industrial premises 1,061,000 square metre and residential property 2,690,000 square metre.

In the past year, eleven commercial properties have changed hands as separate properties in Västerås. The square metre price has varied quite sharply with a maximum price of SEK 17,200 and a minimum price of SEK 2,855. The average price was approximately SEK 9,100 per square metre.

Fifteen industrial premises have changed hands and statistics shows an average price of SEK 2,300 kr per square metre within the interval SEK 800–10,800 per square metre.

After the purchase of Arvid Svensson and ICA in 2004, Klöver has sold the main part of the housing included in the acquisition. Klöver has continued purchasing premises, however. Adjacent to Hälla trading estate, 21,000 square metre of industrial premises have been acquired from the Ljungberg group for SEK 51 million. In addition, the property Sigurd 3 directly adjacent to the central station, has been acquired by NCC. The purchase price for 10,185 square metre older industrial premises was SEK 36 million.

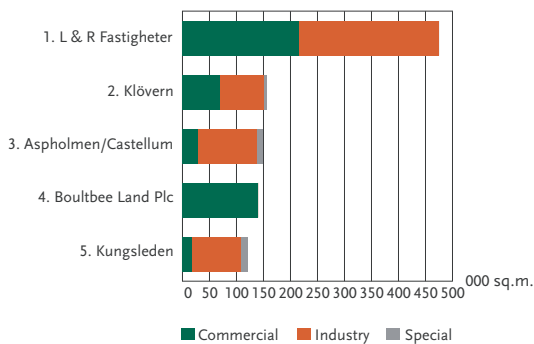
During the summer of 2005, Systembolaget sold its two commercial properties totalling around 15,000 square metre at Svartån to GE Commercial Finance Real Estate for SEK 107 million. Systembolaget is planning to move its stores from the properties. The most important office tenant is the district court. At the beginning of 2005, Tornet sold three large residential properties with 715 apartments and almost 8,000 square metre of commercial space in Västerås to Akelius. The purchase price was SEK 480 million. The Castellum company Aspholmen Fastigheter has strongly increased its presence in the Tunbytorp industrial estate in the north of Västerås during the year through acquisition of 13 commercial properties totalling 45,500 square metre lettable area for a total of SEK 212 million. The property holdings consist of both office and retail premises and warehouse and industrial premises. Keops purchased a holding including 16 properties in Västerås and 20 properties spread over Norrland for SEK 1,768 million. The holding included some centrally located properties in Västerås.

A new player in the Swedish market, Boulton Land Plc, acquired four properties that together make up Multi-Center together with the property in Uppsala that contains the arcade S:t Per for SEK 1,637 million. The price is considered to be equivalent to a direct yield of 6.75 per cent. Boulton has also acquired the property

Kettil 7 of Kungspporten for SEK 195 million. Kettil 7 contains the arcade Sigma. The price is considered to be equivalent to a direct yield of 7 per cent.

The owner of Kungspporten, Ulf Paulson, has, together with his family, acquired the very centrally located property Klas 11 from Kungsleden in November. The price for this approximately 9,000 square metre large office property was SEK 100 million. The initial direct yield is stated as being equivalent to around 6 per cent. Kungsleden acquired a large industrial and retail property of approximately 23,000 square metre for SEK 77 million during the year. The price is stated as corresponding to a direct yield of around 9.5 per cent.

Largest property owners of commercial premises in Västerås



At the turn of the year 2005/06, the Danish Centerplan AS purchased 32 properties with a total of 185,000 square metres from Henry Ståhl Fastigheter. The properties are located in Västerås, Finspång, Arboga, Norrköping and Åtvidaberg. The transaction was carried out at an underlying market value of just over SEK 900 million and an initial direct yield for the whole portfolio of 6.25–6.5 per cent and around 5.25 per cent for the Västerås properties.

There has thus been a high level of activity in the market during the year. As at many other places, transactions have taken place at successively lower yield requirements.

The direct yield for commercial properties is estimated at between 6.5 and 7.5 per cent. The yield requirement can be considerably higher for properties of less good quality or with a high level of vacancies. Properties in the industrial areas in the outskirts of Västerås normally have yield levels from 8–9 per cent and upwards.



Rental market

The problems that ABB has had with its operations in recent years have not affected operations in Västerås to any great extent. Through ongoing rationalisations, demand for premises has decreased, however. The same applies for most sub-contractors primarily to ABB. There are substantial vacancies of offices, of between 5 and 10 per cent, even in central locations.

The market rent for good standard office premises in central Västerås has been stable for a long time and is estimated at between SEK 1,000 and 1,200 per square metre. Rents in the range of SEK 1,200–1,400 per square metre can occur for the very best locations. For small units in Skrapan, the rent can be even higher. Rents in the range of SEK 800–1,000 per square metre are common for somewhat older premises.

As regards trade, the expansion of the out-of-town facilities Hälla and Erikslund has continued. Ica is in the process of building a new Maxi store at Erikslund. The modernisation of the Multi-Center (i.e. Punkt, Gallerian and Skrapan) in the centre has continued.

For small premises, the rent can be between SEK 3,000 and 4,000 per square metre. Rents between SEK 1,000 and 1,500 per square metre are common for the largest premises. Rents have been increased apace with the facility being improved and expanded. Ordinary rents in the street environment outside Multi-Center are SEK 1,500–2,000 per square metre. Rents can vary sharply according to the size of the premises and the micro situation. The total vacancy ratio in central Västerås is estimated at 7–8 per cent.

Rental levels in industrial properties vary between SEK 300–500 per square metre. For older premises, the level is SEK 300 per square metre and for newly-built small local space between SEK 500–550 per square metre. The vacancy ratio is estimated at 5–10 per cent. To sum up, the supply of premises seems to be in balance in Västerås in the near future.

Örebro

Location and communications

Örebro is situated in the centre of the county of Örebro. The E18 and E20 highways and trains all pass through the city. The approximate distance to Stockholm is 200 km, to Gothenburg 280 km and to Malmö 500 km. Örebro-Bofors airport with international flights is approximately 10 km from central Örebro.

In November 2005, the municipality of Örebro had a population of 127,644 persons, after a relatively sharp increase of 0.6 per cent during the past year.

POPULATION TREND						
Municipality	Nov. 2005	Nov. 2004	Change, 12 mon.	Dec. 2000	Change, 5 year	Change per year
Örebro	127,644	126,940	0.6 %	124,407	2.6 %	0.5 %

The proportion of vacant public housing apartments has fallen from 1.5 per cent in 2000 to 0.6 per cent in 2005. The proportion of unemployed (including persons in labour market programmes) was as much as 8.3 per cent in August 2005, which is rather higher than in the municipality of Örebro as a whole (8.1 per cent) and manifestly higher than in Sweden as a whole (6.5 per cent). The number of employment opportunities in the municipality of Örebro was 62,057 in 2004. The largest shares were within private services 47 per cent, public services 35 per cent and manufacturing industry 11 per cent.

LARGEST EMPLOYERS IN THE MUNICIPALITY OF ÖREBRO

Employer	Proportion of total number of employees in the municipality, %	Number of employees
Örebro Municipality	17.7	11,000
County of Örebro	14.0	8,700
Örebro University	2.1	1,300
Atlas Copco Rock Drills	1.8	1,100
Statistiska Centralbyrån	1.0	630
Polismyndigheten i Örebro län	0.9	550
Distributionstjänst	0.7	430
Busslink i Sverige	0.7	420
Haldex Garphyttan	0.6	380
DHL i Örebro	0.6	380
All ten largest	40.1	24,890

Investor market

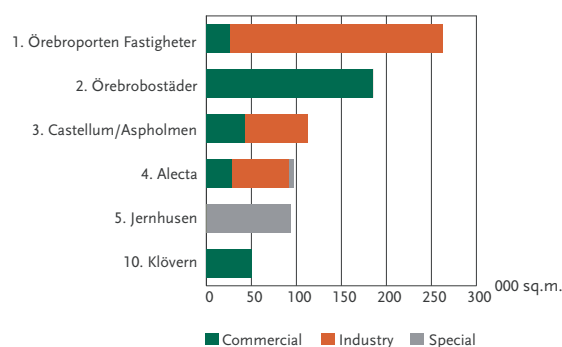
The total premises space in Örebro amounts to approximately 4,545,000 square metres of which commercial premises account for 1,140,000 square metre, industrial premises 742,000 square metre and residential property 2,663,000 square metre.

In 2005, only three rented commercial properties have changed owner as separate properties in Örebro with an average value of approximately SEK 4,800 per square metre, within the range of SEK 5,600–7,400 per square metre.

In 2005 six sales of industrial properties were noted in Örebro. The average price per square metre in the sales is approximately SEK 2,600 within the range SEK 1,170–3,770 per square metre. A feature of Örebro's property market is the low turnover in relation to the size of the city. In terms of location and size, Örebro is an interesting market and there is no shortage of potential buyers. The predominant players are, however, seldom interested in selling.

On 1 January 2006, Klöveräven acquired the office property called NetCity, located adjacent to Örebro University, from Skanska. This transaction entailed an initial direct yield of approximately 7 per cent. The largest transaction in 2005 was Brinova's purchase of all of the municipality of Örebro's shares in Transportstaden Örebro AB, which corresponded to a property value of SEK 314 million. Örebrobostäder has split the centre property Krämarens into two 3D properties, of which the shopping centre part consisting of 10,600 square metre of lettable area, was sold to Alecta for SEK 80 million.

Largest property owners of commercial premises in Örebro



Rental market

Rental levels for modern offices are in the range of SEK 900–1,200 per square metre in the centre. The levels outside the centre are between SEK 700–900 per square metres. The vacancy ratio for offices in central Örebro are 5–10 per cent.

Normal shop rental levels for good centre locations in the inner city are SEK 1,400–2,000 per square metres, although levels over SEK 3,500 per square metres for department stores in the city core exist. The vacancy ratio for stores in central Örebro are 3–5 per cent. The rental levels for industrial premises vary between SEK 400–700 per square metres. The vacancy ratio is estimated at 5–10 per cent.

Science Park

Most areas called Science Parks have a university or other institution of higher education and a concentration of companies engaged in education, advanced technology, research, IT, or other highly qualified business activity. A strategic location is important close to communications such as major roads, municipal bus services, and sometimes also an airport. Concentrating a lot of expansive companies with creative staff in a fairly small area gives rise to synergy effects such as the creation of development projects, new companies, technology transfers, and network creation.

Klövern has become established in the Science Park concept in earnest with the acquisition of Pronova in Norrköping, Kanoten 7 and Barkassen 9 at Kanikenäset in Karlstad, Idéskissen 1 at Mjärdevi in Linköping and NetCity in Örebro together with the Vallby Institute in Västerås and Barkassen 7 and Kanoten 6 and 9 in Karlstad as well as Idétävlingen 4 at Mjärdevi in Linköping, which the company already owned.

Klövern's properties within the Science Park areas are often classified as offices including some educational and training facilities. What the premises have in common is that they are flexible and modern and can be relatively simply and easily adapted to the needs and wishes of new tenants. The majority of the buildings have been built after 1980.

Pronova in Norrköping

At the end of 2005, Klöver acquired a number of properties in Norrköping known by the common name of Pronova. These properties contain a large number of companies – about 100 – with almost 700 creative personnel, active such as IT consultants, media and systems developers, and market researchers. There is access to a hotel and conference facility at Pronova.

The Vallby Institute in Västerås

The Vallby Institute was part of a large portfolio in Västerås that was acquired in 2004. The property, consisting of approximately 15,300 square metre, is located in the Vallby area just outside central Västerås. Among other tenants, the property contains Sveriges Radio Västmanland, office hotels and Choice Hotels. Moreover, some fifteen tenants are associated with the technological village in Västerås.



NetCity in Örebro

In Net City, which was acquired in January 2006, active companies are able to rent premises and at the same time have access to a good infrastructure in the form of reception, service, telephone and internet connections. There is a restaurant by the entrance of the building – Net City Corner. A special conference and representation area is available to those who wish to use it. The companies are active in sectors such as IT, education and training, data communications and staffing. Klöver's ambition is to further develop the area for entrepreneurship and activity associated with Örebro University.

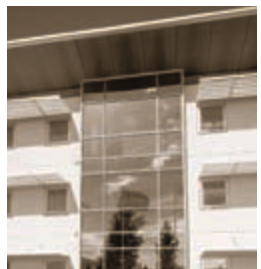
Mjärdevi in Linköping

Mjärdevi Science Park is an attractive environment for knowledge and development-intensive companies and activities. The major part of the 220 companies and the 4,500 employees are active in a number of world-class areas of competence – telecommunications, software and system development, electronics, home communications and vehicle safety. Klöver has two properties: Idétävlingen 4 and Idéskissen 1, with three buildings totalling approximately 27,300 square metre – in the area.

Kanikenäset in Karlstad

The Catholic Church's priest in Karlstad was responsible for supervising the church's fishing waters in northern Vänern. He was given the title "Kanik", which is the origin of the name of the area now known as Kanikenäset. Today, IT and data communications companies predominate and it is an area of large modern buildings. Klöver owns five buildings in four properties there, two of which were acquired in 2005.

Property development



To develop properties in order to reduce vacancies, thereby raising the value and the return, is a natural element of Klöverns business model. An investment in the form of property development entails a radical change of the property, such as remodelling or expansion, and can in many cases be likened to purchasing a property.

Four properties were the subject of major renovations during 2005: Vampyren 9 in Eskilstuna, Skepparen 15 in Karlstad, Bagaren 20 and Ana 11 in Nyköping. In addition to these, 29 other properties were developed, albeit to a lesser degree. A total of SEK 67 million (69) was invested in property development during the year.

Vampyren 9, Eskilstuna

The property Vampyren 9 in Eskilstuna, with a total of 16,800 sq.m., which was acquired in 2005, consists in equal parts of office and retail space as well as a smaller component of apartments. The greater part of the office space was vacant on acquisition. In 2005, a major investment project was decided upon on behalf of Eskilstuna Kommunfastigheter. The project consists of two stages totalling SEK 10 million, of which SEK 2 million was invested in 2005.

Skepparen 15, Karlstad

At the Karlstad property Skepparen 15, approximately 5,500 sq.m was vacant when Klöver took possession in mid-2002. The property contains a lot of educational space and the plan was to try to complement this use with other activities. During 2002, approximately 1,000 square metres of old-fashioned school premises were rebuilt to house the upper secondary school, John Bauer gymnasiet. The following year, 2003, the ground floor of the central part of the building, which had contained a large-scale school kitchen and which was largely inaccessible because of the location of a shelter was transformed into a modern

landscape office for Flextronics. During 2004, a total of SEK 4.5 million has been invested for further adaptation of premises for the John Bauer gymnasiet and for a florist training activity. SEK 8 million has been invested on behalf of Johan Bauer gymnasiet in 2005. Total investment up to the end of December 2005 amounted to SEK 27 million.

Bagaren 20, Nyköping

Klöver owns the property Bagaren 20 in a central location on Östra Storgatan in Nyköping. It consists of approximately 1,900 sq.m., originally office and retail space. The building, which was formerly a Skandia building, had a high level of vacancy partly due to water damage in 2002. The heating and ventilation facilities were old-fashioned and expensive, and required attention. The decision was therefore taken to convert 700 sq.m. of offices into apartments in 2005. Moreover, the energy systems were refurbished. Investment grants and interest subsidies have been received for the refurbishment, which has now been completed. The total investment was SEK 8 million. The building is now fully let.

Ana 11, Nyköping

The County Council has signed a contract to lease approximately 1,100 sq.m. at Nyköping Strand for a fourth health centre, Stadsfjärden, in Nyköping.

To achieve this, space of approximately 550 sq.m. has been refurbished in an existing building together with an extension of 550 sq.m. In all, Klöver has invested SEK 12 million for this letting. The contract has been signed for a 15-year lease and the tenant moved in in February 2006.

Purchases and sales

Purchases and sales are an important part of Klöverns operations. Since the company is relatively new started, and has an expressed desire to grow, acquisitions have naturally outnumbered sales until the end of 2005.

During 2005, Klöverns sold 36 properties (20) with a book value of SEK 557 million (347) and a realised change in value of SEK 25 million (20). Properties sold are listed on page 76. Sales consisted of 24 per cent of the number of properties at the beginning of 2005, including eight properties acquired during the year. A number of sales referred to locations where Klöverns portfolio of properties was very limited in scope, often with a single property. Sales at places with one or very few properties improves the operational efficiency of Klöverns units. Apart from these sales, a number of completely developed commercial properties and residential properties on prioritised markets have been sold.

The number of acquired properties was 55 (64) during the year with a book value of SEK 2,108 million (1,476). At the beginning of the year, a large holding was acquired from Byggvesta, mainly located in Linköping. Just under two months later, an additional holding was acquired, mainly concentrated in Linköping and Norrköping, from Diligentia. At the end of the year, the third large acquisition took place consisting of properties in Norrköping, from Ateneum. In addition, Klöverns has acquired additional properties in Borås, Eskilstuna, Kalmar, Karlstad, Motala, Tranås, Trosa and Västerås.

PROPERTY ACQUISITIONS

Unit	Number	Area, square metres	Purchase price, SEKm	Rental value, whole-year basis, SEKm
Borås	4	14,948	46	7
Eskilstuna	1	16,831	101	17
Kalmar	1	1,858	17	2
Karlstad	3	20,452	202	22
Linköping	30	164,173	1,180	143
Norrköping	10	67,519	441	50
Nyköping	1	11,893	27	6
Västerås	3	31,208	87	17
Örebro	0	0	0	0
Other	1	3,141	7	2
Total	55	332,023	2,108	266

PROPERTY SALES

Unit	Number	Area, square metres	Sales price, SEKm	Rental value, whole-year basis, SEKm
Borås	1	6,894	39	5
Eskilstuna	2	10,751	58	8
Kalmar	3	2,705	17	2
Karlstad	0	0	0	0
Linköping	7	10,870	93	8
Norrköping	1	5,142	18	3
Nyköping	0	0	0	0
Västerås	10	11,738	132	10
Örebro	0	0	0	0
Other	12	47,288	200	38
Total	36	95,388	557	74

Property portfolio

By year-end 2005, Klöverna had a total of 162 properties (148) located in 21 municipalities (31) from Uppsala in the north to Kalmar in the south. The total lettable area was approximately 1,042,000 sq.m. (808,000). The net increase during the year was 14 properties with around 234,000 sq.m. The economic occupancy rate, 87 per cent (87), was the same as at the end of 2004.

The portfolio of properties is divided into nine geographical units: Borås, Eskilstuna, Kalmar, Karlstad, Linköping, Norrköping, Nyköping, Västerås and Örebro.

Commercial orientation

Klöverna is focused on commercial properties. Approximately 46 per cent (43) of the total rental value is accounted for by office space. Industrial and warehouse space comes next followed by retail space, education/health care/recreation and residential space. The proportion of residential is only around 2 per cent (4) of the total rental value.

The average contract period is 2.8 years (2.7) with 20 per cent of the rental contracts, measured as a share of the contract value, falling due for renegotiation in 2006.

PROPERTIES

	Number of properties	Actual value, SEKm	Profit ratio, %**
Offices	72	3,030	62
Industrial/warehouse	51	1,459	63
Retail	21	1,018	58
Education/health care/recreation	6	224	68
Restaurant/hotel	4	163	29
Residential	3	72	40
Other*	5	2	95
Total	162	5,968	61

* Garage, parking spaces, masts and sites.

** Refers to property portfolio in the 2005 financial year.

PROPERTIES, DISTRIBUTION BY UNIT

Unit	Number of properties	Actual value, SEKm	Profit ratio, %**
Borås	13	282	60
Eskilstuna	8	311	60
Kalmar	10	266	65
Karlstad	19	691	66
Linköping	30	1,468	64
Norrköping	22	829	53
Nyköping	22	513	58
Västerås	28	1,045	58
Örebro	10	563	64
Total	162	5,968	61

** Refers to property portfolio in the 2005 financial year.

PREMISES

	Area, 000 sq.m.	Rental value, SEKm	Proportion of rental value, %	Economic occupancy rate, %
Offices	388	364	46	85
Industrial/warehouse	418	202	25	83
Retail	89	103	13	96
Education/health care/recreation	81	63	8	92
Restaurant/hotel	43	35	4	85
Residential	23	19	2	96
Other*	0	12	2	85
Total	1,042	798	100	87

* Garage, parking spaces, masts and sites.

PREMISES, DISTRIBUTION BY UNIT

Unit	Area, 000 sq.m.	Rental value, SEKm	Proportion of rental value, %	Economic occupancy rate, %
Borås	69	40	5	92
Eskilstuna	42	44	6	93
Kalmar	55	38	5	93
Karlstad	106	94	12	86
Linköping	206	181	22	82
Norrköping	170	107	13	78
Nyköping	114	70	9	90
Västerås	172	136	17	88
Örebro	108	88	11	96
Total	1,042	798	100	87

CONTRACT STRUCTURE

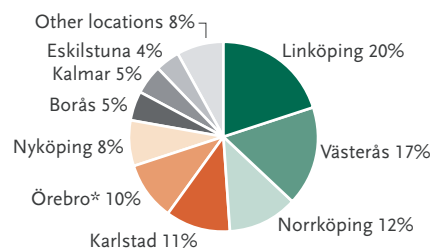
Term of rental contracts, maturity year	Number of contracts	Area, square metres	Contract value, SEKm	Proportion of contract value, %
2006	715	209	135	20
2007	527	194	156	22
2008	348	202	160	23
2009	198	108	102	15
2010–	102	120	113	16
Sum	1,890	833	666	96
Residential	316	23	19	3
Sum	2,206	856	685	99
Garage/parking space	1,110	0	8	1
Total	3,316	856	693	100

COMPARISON OF PROPERTY PORTFOLIO IN PROPERTY COMPANIES LISTED ON STOCKHOLMSBÖRSEN*

	Value, SEKm	Lettable area, 000 sq.m.	Proportion commercial premises**, %	Rental value, SEKm	Economic occupancy rate, %
Capona	2,243	i.u.	100	i.u.	i.u.
Castellum	21,270	2,651	99	2,220	88
Fabege	21,296	1,713	96	2,182	86
Hufvudstaden	16,276	408	100	i.u.	93
Klövern	5,968	1,042	98	798	87
Kungsleden	25,750	3,790	87	3,070	90
Wallenstam	16,986	1,260	45	i.u.	96***
Wihlborgs	7,890	995	100	839	90
Average	14,710	1,694	91	1,822	90

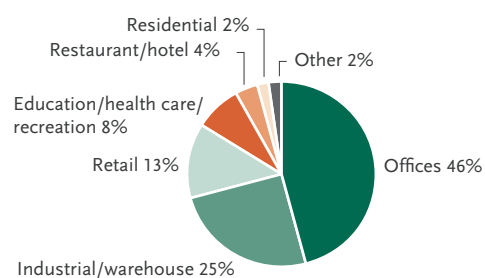
i.u.=information unavailable, *Refers to companies that have published their year-end report at the latest by February 22. ** Measured as rental value. *** Refers to space.

Distribution of rental value by location



* including Kumla

Distribution of rental value by type of premises



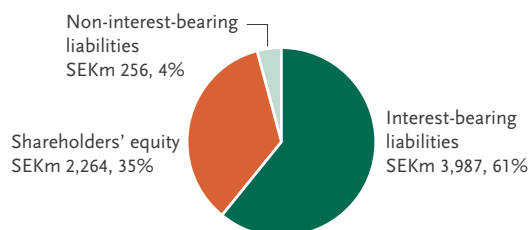
Financing

Financial operations in the Klöver Group are centralized to the Parent Company. The finance function is responsible for management of borrowing, efficient cash management and limiting the financial risks. Klöver's Board of Directors has adopted a financial policy that sets goals for the financial operations and how financial risks are to be handled. Financial policy is reviewed annually. The overall goal of financial management is to provide cost-effective financing and to minimise negative effects on the group's profit from market fluctuations. In support of the company's finance function, there is a finance committee, consisting of the Chairman of the Board, an additional two board members, the President/CEO, finance manager and chief financial officer.

Loan structure

As at December 31, 2005, just under two-thirds of Klöver's financing consisted of interest-bearing liabilities. Shareholders' equity amounted to just under a third and the remaining part consisted of non-interest-bearing liabilities and provisions. The major part of the non-interest-bearing liabilities consisted of prepaid rents from tenants.

Financial structure, December 31, 2005



The interest-bearing loans totalled SEK 3,987 million (2,703) of which 59 per cent had floating interest and 41 per cent fixed interest. The increase in volume of the loan stock can be assigned to a number of acquisitions during the year.

The loan portfolio is split between eight lenders, Swedish and foreign. The largest lenders are Swedbank, Aareal Bank, Den Danske Bank and Handelsbanken. At year-end, the average period of tied-up capital was 4.6 years (4.0). All financing is in Swedish kronor (SEK).

LOAN MATURITY DATE

Loan maturity year	SEKm	Percentage portion
2006	383	10
2007	260	6
2008	157	4
2009	612	15
2010	740	19
2011	899	23
2012	936	23
Total	3,987	100

Interest rate structure

Klöver's single largest cost item is interest expense and management of financing is accordingly very important. According to the financial policy, the interest rate risk is to be limited by up to 50 per cent of loans with initial periods of fixed interest of 90 days or less and which exceed 20 per cent of the total borrowing volume, being covered by an interest rate cap. When raised, these are to have a duration of at least three years and the maximum interest rate level, including margins, for these floating loans is to be the five-year bond rate plus 2.5 percentage points.

The average period of fixed interest was 1.0 year at year-end (2.4). The loans, including floating loans, which mature during 2006 had an average period of fixed interest of 49 days at year-end.

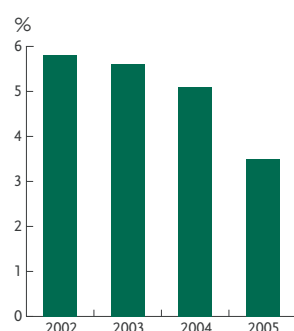
The average interest rate was 3.5 per cent (5.1) at year-end. The reduction of the interest-rate level is partly due to Klöver deciding to shorten the average period of fixed interest and to a general reduction in interest rates.

LOAN STRUCTURE, DECEMBER 31, 2005

Year interest due.	SEKm	Average interest rate, %	Percentage portion, %
Floating	2,380	2.4	59
2006	491	4.8	12
2007	260	4.7	7
2008	492	5.2	12
2009	32	5.7	1
2010	23	5.8	1
2011	309	6.5	8
Total	3,987	3.5	100

To limit the interest rate risk for loans with floating interest, SEK 929 million of loans have been provided with an interest cap. The interest cap is set at 4 per cent and related to STIBOR 30 and 90 days. SEK 330 million of the interest cap matures in 2009 and SEK 599 million in 2010. As at December 31, 2005, the unrealised change in value for these interest caps totalled SEK – 2.7 million (0.0).

Average level of interest rates
as at 31 December



Liquidity

Liquid funds consisting of cash and bank balances totalled SEK 141 million (211) as at 31 December 2005, and granted unused cheque credits amounted to SEK 153 million. In addition, there are blocked accounts of SEK 16 million and unused loan commitments of SEK 83 million, which can be used for new acquisitions or investments after providing collateral for mortgages within 75 per cent of the property's market value.

Interest coverage ratio

At year-end, Klöver had an interest-coverage ratio of 2.8 times (2.4). The interest coverage ratio shows that Klöver with its annual profit could pay its annual interest expense almost three times.

Equity ratio

As at 31 December 2005, the visible equity ratio was 34.8 per cent (36.9).

COMPARISON OF LOAN AND INTEREST STRUCTURE IN PROPERTY COMPANIES LISTED ON STOCKHOLMSBÖRSEN*

	Equity ratio, %	Fixed interest period, months	Interest coverage period, times	Average interest, %
Capona	78	–	–	–
Castellum	42	32	3.2	3.5
Fabege	41	19	3.7	3.7
Hufvudstaden	52	30	5.7	3.9
Klövern	35	12	2.8	3.5
Kungsleden	24	26	2.7	3.9
Wallenstam	34	31	2.0	4.0
Wihlborgs	35	15	4.9	3.3
Average	43	24	3.6	3.7

i.u.=information unavailable, *Refers to companies that have published their year-end report at the latest by February 22.

Risk and sensitivity analysis

Properties

Klövern has concentrated its property portfolio to nine large cities outside the metropolitan areas, Stockholm, Gothenburg and Malmö. Ninety-two per cent of the rental income derives from these prioritised markets. At year-end, Klöverns had an occupancy ratio of 87 per cent (87).

A significant feature of Klöverns business model is to purchase and sell properties, in part for the company to realize upgrading gains, but also to adjust the composition of the property portfolio to the market. The overall level of economic activity, inflation expectations and the level of interest rates are important factors affecting property prices, and therefore also realised and unrealised changes in value of properties.

In addition to being affected by general global environmental factors, the real estate market is influenced by the development of regional and local business. With a local presence in each respective market, Klöverns has good possibilities of capitalizing on its future business opportunities.

Tenants

In order to minimize the risk of tenants vacating property for cyclical reasons and to reduce rental losses, Klöverns strives to maintain an even distribution between locally owned companies, public and/or nationwide companies and public sector operations. Approximately 26 per cent (32) of Klöverns rental income derives from public sector activities, 30 per cent (27) from public/nationwide companies and 44 per cent (41) from private companies. Klöverns has noted a growing demand for educational/training premises in 2005.

Ericsson is Klöverns largest tenant with 6 per cent (7) of Klöverns total rental income. Ericsson currently leases two large facilities, among others, in Kumla and Katrineholm respectively on five-year contracts, of which approximately two years are left to run. The activities at these premises are part of Ericsson's core business in the GSM and 3G areas.

Second largest customer is Posten Sverige AB with a 4 per cent share of Klöverns total rental income. Posten has been part of a transformation process which for Klöverns has meant larger vacancies in certain locations, but at the same time a greater rental volume in others. Current lettings to Posten are mainly in logistics. The share of lettings to the cash service are marginal.

Other major tenants are Tieto Enator, Arvid Svensson, the National Road Administration, the Swedish Social Insurance Agency, the Municipalities of Linköping, Karlstad and Nyköping and the National Labour Market Board. Together, the ten largest tenants account for approximately 24 per cent (32) of Klöverns total rental income. Exposure to the ten largest tenants has decreased. At the year-end 2003, they accounted for 41 per cent of Klöverns total contract value.

Operation and maintenance

Klövern's properties are well-maintained and in good condition, which has meant that the day-to-day expenses are at a competitive level. The local units have good knowledge of the respective property. Great importance is placed on preventive maintenance, which in the long run is more cost-effective than extensive repairs.

The largest expense for operation of the properties is electricity and heating. Practical efforts and capital expenditure are ongoing to improve cost-effectiveness, see the section on the environment on page 12.

Tenant turnover gives rise to costs for adaptations and vacancy periods. Klöverns has a low turnover rate at its premises and these costs can accordingly be kept at a low level. Of the existing leases on January 1, 2005, approximately 40,000 sq.m. equivalent to 5 per cent have changed tenant during the year.

Rents

As Klöverns has decided to acquire properties outside the three metropolitan regions in Sweden, the rental income of the company is not as affected by cyclical fluctuations as property companies with their portfolio concentrated in these areas. The fact that the property portfolio is spread over several areas instead of one or a couple also means that the company as a whole is less sensitive for cyclical downturns that can affect an individual place, due, for instance, to government decisions.

Net financial income

The interest expense for borrowed capital is the largest single item in a real estate company. The companies have the objective of minimizing the cost of the loan portfolio, which historically has best been achieved by short-term financing. At the same time, a long fixed-interest period has limited the risks for a negative impact on the result of changes due to increased interest rates.

In 2004, Klöverner set up a finance committee consisting, on December 31, 2005, of Stefan Dahlbo, Chairman of the Board, Lars Holmgren and Frederik Svensson, directors, Gustaf Hermelin, President & CEO, Anders Lundquist, CFO and Caesar Åfors, financial manager. This committee has the task of preparing financial issues such as finance policy and interest and tied-up capital strategies for board meetings.

During 2005, Klöverner has opted to shorten the fixed-interest period and place a large part of the loans, SEK 2,380 million, with a floating interest rate. To limit the risk of a sharp rise in the short-term interest rate, a part of the portfolio, SEK 929 million, has been protected by an interest cap. If the variable interest rate as at December 31, 2005, had been one percentage point higher, Klöverner's interest expense for 2006 would have increased by approximately SEK 22 million.

A rise in interest rates leads to higher inflation and thus also to higher rental income for the contracts that are index-regulated. 87 per cent of Klöverner's total rental income is interest-regulated.

Disputes

At year-end 2005, a few disputes and economic claims on Klöverner remain from the time before the company changed its business orientation. In the judgment of the Board of Directors and Management, provisions set aside in the amount of SEK 7 million in this year's closing of the books, are sufficient to meet remaining demands.

Capital structure

Klöverner has concentrated its portfolio essentially to commercial properties, which entails a greater operating risk than if it had included a larger proportion of residential properties.

The equity ratio in Klöverner is to be between 25 and 35 per cent in 2005, compared with the earlier target of at least 20 per cent. The equity ratio on December 31, 2005, was 34.8 per cent (36.9).

Sensitivity analysis

The sensitivity analysis is based on the Group's earning capacity and balance sheet as at December 31, 2005. The sensitivity analysis shows the effects on the Group's earnings for the year after full impact of each of the parameters below. Interest-bearing liabilities and rental contracts run over several years, which means that changes do not get full impact during a single year but only in a more extended perspective. Klöverner's long-term average interest rate as of December 31, 2005, is higher than the market rate for the corresponding period of fixed interest. This means that the effect of a higher market rate in a longer perspective will be significantly smaller than the effect of a lowering of the same.

SENSITIVITY ANALYSIS

	Changes	Annual earnings-effect, SEKm
Economic occupancy rate	+/- 1 %	+/- 8.0
Rental revenue	+/- 1 %	+/- 6.9
Property expenses	+/- 1 %	-/+ 2.6
Klöverner's average borrowing cost*	+/- 1 %-point	-/+40.0

* Klöverner's average long-term interest is as at 31 December 2005 more than one percentage point higher than the market interest rate for the corresponding fixed-interest period. This entails that an increase of the long-term market interest rate by one percentage point in a long-term perspective will entail a reduction of Klöverner's financing cost, everything else being equal.

Administration Report

Overview of operations

Klövern is a real estate company with local ties that actively develops commercial properties in large Swedish cities. The property portfolio is continuously adapted by sales. As at December 31, 2005, the value of the properties is approximately SEK 6 billion and the rental income on an annual basis around SEK 690 million. The Klöver share is listed on Stockholmsbörsen's O list. As at December 31, 2005, the number of shares in Klöver totalled 120,364,259 distributed among approximately 27,900 owners. The division of ownership is shown on page 6.

Earnings

The year's net profit amounted to SEK 379 million (213). Net profit for the year includes realised changes in value from property sales at SEK 25 million (30), not-realised changes from properties at SEK 133 million (30) and revaluation of a deferred tax claim at SEK 48 million (31). Net financial income was SEK -181 million (-129). See page 78 for the three-year review.

Cash flow and financial position

The cash flow was SEK 31 million (-25). The equity ratio was 34.8 per cent at the year-end, compared with 36.9 per cent at the beginning of the year. Shareholders' equity was SEK 2,264 million, compared with SEK 1,701 million at the beginning of the year. Liquid funds amounted to SEK 141 million (110) and interest-bearing liabilities were SEK 3,987 million (2,703). See note 23 concerning financial risks.

Portfolio of properties

At the beginning of 2005, Klöver owned 148 properties distributed over 31 municipalities, at a total value of SEK 4,193 million. At the end of the year, Klöver had 162 properties in 21 municipalities with a total value of SEK 5,968 million. During the year 55 properties (64) were acquired for a total price of SEK 2,108 million (1,476) with a total area of 332,000 sq.m. (276,000). The major part of the properties are located in Linköping and were acquired in connection with Klöver's purchase of large property portfolios from ByggVesta and Diligentia. In 2005, 36 properties (20) were sold for a total purchase price of SEK 557 million (347). The economic occupancy ratio in the property portfolio was 87 per cent (87) at the end of 2005.

The Parent Company

The operations consist of common functions for the Group and ownership of the Group's subsidiaries. Net profit in the Parent Company was SEK 33 million (10). The Parent Company has received group contributions of SEK 85 million (181) from subsidiaries in the Group. The Parent Company's liquid funds amounted to SEK 15 million on December 31 compared with SEK 13 million at the beginning of the year. Net investments in shares, participation rights and equipment totalled SEK 1 million (1).

Directed emissions

In conjunction with property acquisition, in particular in Linköping from ByggVesta in March 2005, part of the purchase price was paid by a directed issue of 6,600,000 Klöver shares at a price of SEK 18.40 per share. In connection with property acquisition, in particular in Linköping from Diligentia in May 2005, part of the purchase price was paid by a directed issue of 7,978,378 Klöver shares at a price of SEK 18.50 per share. In connection with sale of properties in northern Sweden in autumn 2005 to Diös, Klöver received shares to a value of SEK 46 million in Diös Fastigheter AB as part payment. The Diös share is expected to be listed on Stockholmsbörsen in the first half of 2006.

Transition to IFRS in 2005

As from 1 January 2005, all listed companies in the EU will be required to report in compliance with the International Financial Reporting Standards (IFRS), which also include the current International Accounting Standards (IAS). The Klöver Group's financial reporting for 2005 has been made in accordance with IFRS and comparison figures for 2004 have been recalculated. The most important effect of the transition to IFRS for Klöver concerns reporting of properties. Effects in connection with the transition to IFRS are described in note 31.

Transactions with related parties

In conjunction with the acquisition of properties in Västerås in 2004 from Arvid Svensson AB, a lease contract was included where Arvid Svensson AB is tenant. The total annual contract value as at December 31, 2005, is SEK 16 million. The Board considers that the contract was made on commercial terms, see note 26. Remuneration to the President & CEO and the Board is shown in note 3.

Corporate governance

Corporate governance basically concerns the decision-making system with the aid of which the owners directly and indirectly govern the company. For the system to work optimally, the transparency in the provision of information in relation to the owner and the capital market must be good. The design of the corporate governance depends on legislation and self-regulation.

The new code for corporate governance, which applies to all companies listed on Stockholmsbörsen's A list and companies on the O list with a capitalization of at least SEK 3 billion as at May 31, 2005, means, among other things, that the annual accounts are to include a special report on matters relating to corporate governance and that the Board is to produce a report on internal control.

Klövern is not subject to the code since the capitalization was below the above amount on the date in question. The corporate governance of Klöver is described below.

Articles of association

The name of the company is Klöver AB and the company is a public limited company (publ). The registered office of the company is to be in Nyköping. Annual general meeting of shareholders can be held in Nyköping or Stockholm. The company's business activity is to own and sell real estate companies and to engage in compatible activities. The share capital shall consist of a minimum of three hundred million Swedish kronor (SEK 300,000,000) and a maximum of one billion, two hundred million Swedish kronor (SEK 1,200,000,000). A share shall have a par value of five (5) Swedish kronor. The company's financial year is the calendar year. See [www.klovern.se/Om Klöver/Bolagsstyrning](http://www.klovern.se/Om_Klovern/Bolagsstyrning) for the complete articles of association (in Swedish).

Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders is the supreme decision-making body in a limited company according to the Swedish Companies Act. Klöver's annual general meeting takes place during the spring, normally in April. The notice of the meeting is published in the Swedish Official Gazette (Post- och Inrikes Tidning) and Svenska Dagbladet or another national newspaper at the latest four and at the earliest six weeks prior to the meeting. The notice shall include a detailed agenda and information on how to notify participation in the meeting.

At the annual general meeting, the Board of Directors, auditors and deputy auditors, if any, are appointed. Furthermore, decisions are made on fees for the Board and auditors, discharge of liability for the Board of Directors and the President/CEO. During the meeting, the annual report and the audit report are presented, decisions are made on adoption of the income statement and balance sheet and on dividend.

At the meeting, all shareholders, who have notified their intention to attend, and who are registered in the share register, have the right to participate. Each and everyone vote for owned and represented shares. Shareholders have, according to the Companies Act, the right to have a matter considered at the annual general meeting provided that it has been notified to the Board within the correct time. Shareholders also have the right to ask questions during the meeting.

For important decisions made during the 2005 Annual General Meeting, see www.klovern.se.

Nominations Committee

The 2005 Annual General Meeting has appointed a nominations committee, which has the task of producing proposals for a Board of directors to the next annual general meeting. The nominations committee is appointed annually and consists of the Chairman of the Board, a representative for every shareholder whose shareholding in the company exceeded five per cent of the shares and votes in the company as at August 31 each year and one representative of the other shareholders. The nominations committee, until the 2006 Annual General Meeting, consists of the following representatives stating the owner that they represent:

Henrik Strömbom, Chairman of the Nominations

Committee, Arvid Svensson Invest

Göran Almberg, LRF

Caroline af Ugglas, Skandia Liv

Erik Törnberg, Investment AB Öresund

Klas Andersson, representative of other shareholders

Stefan Dahlbo, Klöver's Chairman of the Board

The representatives can be contacted by e-mail styrelsenominering@klovern.se or by telephone to Klöver +46-155-44 33 12.

The Board of Directors

From the Annual General Meeting of Shareholders in 2005 until the 2006 Annual General Meeting, Klöver's Board consists of eight members, of which the President & CEO is one.

From the 2005 Annual General Meeting, the Board consists of Stefan Dahlbo (Chairman), Gustav Hermelin (President & CEO of Klöver), Lars Holmgren, Anna-Greta Lundh, Johan Piehl, Lars Rosvall, Fredrik Svensson and Per Uhlén. All of the representatives can be considered as being independent since they represent shareholders with a holding of less than 10 per cent, with the exception of Lars Holmgren and Fredrik Svensson. Anders Lundquist, CFO of Klöver, is the secretary at Klöver's board meetings. The chairman of the Board is appointed at the statutory board meeting following the annual general meeting.

The formal work plan of the Board of Directors

A special formal work plan is compiled with at board meetings, adopted at the first ordinary board meeting following the annual general meeting. The tasks of the Board are shown in the formal work plan. The division of work between the Board and the President & CEO is shown in the instruction for division of work. Klöver's Board has four ordinary meetings per calendar year. Some questions such as acquisitions and sales, market matters, organisation, financial position, are dealt with at all ordinary meetings. Other issues such as strategy, annual reports, audit reports, budgets etc are dealt with at a specific meeting. During 2005, besides the four ordinary meetings, six extraordinary meetings have been held. The tasks of the Board include appointing and dismissing the President & CEO when required. An annual evaluation of the work of the board takes place from 2006.

Chairman of the Board

The most important task of the Chairman of the Board is to lead the work of the Board and to serve as the President & CEO's discussion partner in strategic matters. The Chairman is to supervise that the Board complies with its obligations according to the Swedish Companies Act and in accordance with the Board's formal work plan. Furthermore, he shall ensure that the Board obtains access to the necessary information required to be able to analyse the company's financial position, planning and development.

The Chairman of the Board is Stefan Dahlbo.

President & CEO

The President & CEO is appointed by the Board. The most important task of the President & CEO is to make decisions in all matters and issues concerning the day-to-day management of Klöver. According to the President's instructions, it is clear which matters are concerned to be included in the day-to-day administration and which matters should be submitted to the Board for decisions. The President & CEO is responsible among other things for Klöver complying with the rules according to the listing agreement with Stockholmsbörsen. The President & CEO is Gustaf Hermelin.

Audit issues

There is no special audit committee at Klöver. The Board considers that audit is of such importance that these issues are to be prepared and decided upon by the whole Board, excluding the President & CEO. The auditor and the Board meet on at least two occasions per year to discuss audit matters. The company's auditor participates in two board meetings to give an account of his observations during the audit. The Board and auditors meet on at least one occasion without the President & CEO or another representative of the company being present.

Matters relating to remuneration

The whole Board is responsible for the company having a formalized and transparent process to establish the principles for remuneration and other conditions of employment for the executive management. The Board also decides on remuneration and other terms of employment for the President & CEO. Salary, other remuneration and pensions for the President & CEO, the executive management and the Board during 2005 are shown in the notes to the accounts.

Auditor

Ernst & Young were appointed as auditor for Klöver AB at the 2003 Annual General Meeting until Annual General Meeting 2007. Björn Fernström, authorised public accountant and auditor for the company since 2000, is auditor in charge.

Events after the end of the period covered by the report

Two properties have been acquired for a total purchase price of SEK 66 million. One of the properties is located in Borås and the other in Örebro. Transfer of possession has taken place in the first quarter of 2006. Klöverm has sold three properties for SEK 92 million. Two of the properties are located in Västerås and one in Uppsala. The sales exceed the most recent reported actual value by SEK 7 million, which will affect profit for the first quarter of 2006.

Outlook for 2006

In Klöverm's view, the market will be weakly positive in 2006, primarily for offices and retail premises. At the start of the year, interest rates have increased, which means successively increasing interest expense for loans with a short duration.

The operational measures will be focused on reducing the Group's vacant premises and activities to further strengthen the link between landlord and tenants. Property acquisitions will primarily be made with a view to reinforcing Klöverm's position on existing markets. The volume of property sales is expected to be in the range of SEK 500 million, which would be on a level with 2005. For the full year of 2006, the result, excluding tax and changes in value, is considered to exceed SEK 250 million.

Dividend

Klöverm's aim on a long-term basis is to transfer at least 50 per cent of net profit to its shareholders through dividends or alternatively, repurchase of shares. When assessing the magnitude of the transfer, the company's investment alternatives, its financial position and its capital structure are to be taken into account. For the 2005 financial year, the Board of Directors proposes an increase in dividend to SEK 1.00 per share (0.75) corresponding to SEK 120.4 million (84.3).

Proposed allocation of earnings

The Board of Directors propose that the earnings available for disposition be allocated as follows:

Amount brought forward	SEK 369,134,189
Net profit for the year	SEK 33,128,920
Amount available for allocation	SEK 402,263,109
Dividends to the shareholders	SEK 120,364,259
To be carried forward	SEK 281,898,850

Statement by the Board on the proposed dividend

The proposed dividend to the shareholders reduces the parent company's equity ratio from 93 to 92 per cent and the Group's equity ratio from 35 to 34 per cent. The equity ratio is satisfactory in the light of the profitable operation of the company and the Group's business activity.

It is considered that liquidity can be maintained in the company and the Group at a similarly satisfactory level.

The view of the Board is that the proposed dividend does not prevent the company and other companies included in the Group from complying with their obligations in the short and long term, neither from fulfilling the requisite investments. The proposed dividend can thus be defended taking into consideration the provisions of Chapter 17, section 3, (2)–(3) of the Companies Act (the prudential rule). The proposed allocation of profits and income statements and balance sheets are to be adopted at the Annual General Meeting of Shareholders on April 5, 2006.

As regards the earnings and financial position of the Group and Parent Company otherwise, reference is made to the following income statements and balance sheets.

Klöverm AB (publ)
Registration no. 556482-5833

Financial Reports

Statement of Income

Group

Amounts in SEK thousand	Note	2005	2004
Rental income	2,24	638,686	484,627
Property costs	3,5	-247,468	-199,065
Operating surplus		391,218	285,562
Changes in value of properties, realised	9	25,245	29,980
Changes in value of properties, not-realised	9	132,543	30,020
Depreciation, equipment	8	-1,782	-1,539
Central administration	3,4	-35,075	-29,723
Operating profit		512,149	314,300
Financial income	6	3,749	3,018
Financial expenses	6	-182,210	-132,142
Changes in value financial instruments, not-realised	23	-2,745	-
Profit before tax		330,943	185,176
Current tax	7	-246	-2,880
Deferred tax	7	48,000	31,000
NET PROFIT FOR THE YEAR		378,697	213,296
Assignable to:			
Parent company shareholders		378,697	213,296
Minority interest		-	-
Earnings per share:	17		
before dilution, SEK		3.27	2.33
after dilution, SEK		3.27	2.30

Balance sheet

Group

Amounts in SEK thousand	Note	31.12.2005	31.12.2004
Assets			
Tangible fixed assets	8	4,901	5,690
Investment properties	9	5,967,855	4,193,076
Deferred tax assets	12	279,000	231,000
Total fixed assets		6,251,756	4,429,766
Accounts receivable	13	6,880	9,880
Prepaid expenses and accrued income	14	17,420	9,853
Other receivables	11	73,051	43,429
Blocked account		16,313	1,000
Liquid funds	15	141,251	110,002
Total current assets		254,915	174,164
TOTAL ASSETS		6,506,671	4,603,930
Shareholders' equity			
Share capital	16	601,821	528,929
Other capital contributed		852,575	656,427
Retained profits including net profit for the year		809,978	515,570
Shareholders' equity assignable to the parent company's shareholders		2,264,374	1,700,926
Liabilities			
Long-term interest-bearing liabilities	18,19	3,934,138	2,671,387
Other provisions	20	7,072	11,483
Derivatives	23	65	200
Total long-term liabilities		3,941,275	2,683,070
Current interest-bearing liabilities	18,19	53,195	32,026
Accounts payable		35,048	45,892
Income tax liabilities		4,508	3,747
Other liabilities	21	3,010	1,691
Accrued expenses and prepaid income	22	205,261	136,578
Total current liabilities		301,022	219,934
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		6,506,671	4,603,930

See note 25 for information about the Group's pledged assets and contingent liabilities.

Shareholders' equity

Group

Shareholders' equity attributable to the parent company's owners

Amounts in SEK thousand	Share capital	Other capital contributed	Retained earnings including net profit for the year	Total shareholders' equity
Opening shareholders' equity 01.01.2004	337,042	274,220	346,545	957,807
Net profit for the year	–	–	213,296	213,296
Total changes in wealth, excluding transactions with the company's owners	–	–	213,296	213,296
Dividend	–	–	–44,271	–44,271
New issue	169,612	355,477	–	525,089
Redemption of convertible loan	22,275	26,730	–	49,005
Closing shareholders' equity 31.12.2004	528,929	656,427	515,570	1,700,926

Shareholders' equity attributable to the parent company's owners

Amounts in SEK thousand	Share capital	Other capital contributed	Retained earnings including net profit for the year	Total shareholders' equity
Opening shareholders' equity 01.01.2005	528,929	656,427	515,570	1,700,926
Net profit for the year	–	–	378,697	378,697
Total changes in wealth, excluding transactions with the company's owners	–	–	378,697	378,697
Dividend	–	–	–84,289	–84,289
New issue	72,892	196,148	–	269,040
Closing shareholders' equity 31.12.2005	601,821	852,575	809,978	2,264,374

Statement of Cash flow

Group

Amounts in SEK thousand	Note	2005	2004
Current operations			
Profit after financial items excluding depreciation and changes in value		177,682	126,650
Realised changes in value, properties	9	25,245	29,980
Income tax paid		-246	-2,880
Cash flow from operations before changes in working capital		202,681	153,750
Change in operating receivables		-34,189	-4,864
Change in operating liabilities		59,919	58,521
Total change in working capital		25,730	53,657
Cash flow from current operations		228,411	207,407
Investment operations			
Disposal of properties	9	532,055	317,250
Acquisition of properties	9,28	-1,905,357	-1,206,665
Acquisition of tangible fixed assets		-3,632	-1,085
Change in funds in blocked accounts		-15,313	75,115
Cash flow from investment operations		-1,392,247	-815,385
Financing operations			
Change in long-term liabilities	28	1,279,374	627,451
Dividend		-84,289	-44,271
Cash flow from financing operations		1,195,085	583,180
Cash flow for the year		31,249	-24,798
Liquid funds at the beginning of the year		110,002	134,800
Liquid funds at the end of the year	15	141,251	110,002

Statement of Income

Parent Company

Amounts in SEK thousand	Note	2005	2004
Net sales	2	55,554	37,864
Cost of services sold	3	-35,184	-25,784
Gross profit		20,370	12,080
Depreciation equipment	8	-756	-523
Central administration	3,4	-35,075	-29,723
Operating profit		-15,461	-18,166
Interest income	6	938	89
Interest expense	6	-348	33
Profit before tax		-14,871	-18,044
Current tax	7	-	-2,964
Deferred tax	7	48,000	31,000
NET PROFIT FOR THE YEAR		33,129	9,992

Balance sheet

Parent Company

Amounts in SEK thousand	Note	2005	2004
ASSETS			
Tangible fixed assets	8	2,214	1,723
Participation rights in group companies	27	183,292	183,092
Receivables from group companies	10	1,322,483	633,598
Deferred tax asset	12	279,000	231,000
Total financial fixed assets		1,784,775	1,047,690
Total fixed assets		1,786,989	1,049,413
Accounts receivable	13	2	2
Receivables from group companies	10	179,247	761,897
Prepaid expenses and accrued income	14	5,082	4,332
Other receivables	11	47,074	347
Cash and bank	15	14,557	12,790
Total current assets		245,962	779,368
TOTAL ASSETS		2,032,951	1,828,781
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	16	601,821	528,929
Statutory reserve		877,606	681,458
Retained earnings		369,134	358,007
Net profit for the year		33,129	9,992
Total shareholders' equity		1,881,690	1,578,386
Other provisions	20	7,072	11,483
Total provisions		7,072	11,483
Accounts payable		4,988	7,039
Liabilities to group companies		122,615	218,467
Income tax liabilities		3,549	3,426
Other liabilities	21	2,713	1,192
Accrued expenses and prepaid income	22	10,324	8,788
Total current liabilities		144,189	238,912
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,032,951	1,828,781

Shareholders' equity

Parent Company

Amounts in SEK thousand	Restricted equity		Non-restricted equity		Total share- holders' equity
	Share capital	Statutory reserve	Retained earnings	Net profit for the year	
Opening shareholders' equity 01.01.2004	337,042	299,251	221,629	–	857,922
Group contribution received	–	–	180,649	–	180,649
Total changes in wealth, reported directly in relation to shareholders' equity excluding transactions with the company's owners	337,042	299,251	402,278	–	1,038,571
Net profit for the year	–	–	–	9,992	9,992
Total changes in wealth, excluding transactions with the company's owners	337,042	299,251	402,278	9,992	1,048,563
Dividend	–	–	–44,271	–	–44,271
New issue	169,612	355,477	–	–	525,089
Redemption of convertible loan	22,275	26,730	–	–	49,005
Closing shareholders' equity 31.12.2004	528,929	681,458	358,007	9,992	1,578,386

Amounts in SEK thousand	Restricted equity		Non-restricted equity		Total share- holders' equity
	Share capital	Statutory reserve	Retained earnings	Net profit for the year	
Opening shareholders' equity 01.01.2005	528,929	681,458	367,999	–	1,578,386
Group contribution received	–	–	85,424	–	85,424
Total changes in wealth, reported directly in relation to shareholders' equity excluding transactions with the company's owners	528,929	681,458	453,423	–	1,663,810
Net profit for the year	–	–	–	33,129	33,129
Total changes in wealth, excluding transactions with the company's owners	528,929	681,458	453,423	33,129	1,696,939
Dividend	–	–	–84,289	–	–84,289
New issue	72,892	196,148	–	–	269,040
Closing shareholders' equity 31.12.2005	601,821	877,606	369,134	33,129	1,881,690

Statement of Cash flow

Parent Company

Amounts in SEK thousand	Note	2005	2004
Current operations			
Profit after financial items		-14,871	-18,044
Adjustment for items not included in the cash flow	28	81,769	180,420
Income tax paid		-	-2,964
Cash flow from operations before changes in working capital		66,898	159,412
Change in operating receivables		535,173	-657,676
Change in operating liabilities		-94,723	195,608
Total change in working capital		440,450	-462,068
Cash flow from current operations		507,348	-302,656
Investment operations			
Acquisition of tangible fixed assets		-1,247	-982
Investment in financial fixed assets		-420,045	405,764
Cash flow from investment operations		-421,292	404,782
Financing operations			
Dividend		-84,289	-44,271
Change in interest-bearing liabilities		-	-50,865
Cash flow from financing operations		-84,289	-95,136
Cash flow for the year		1,767	6,990
Liquid funds at the beginning of the year		12,790	5,800
Liquid funds at the end of the year	15	14,557	12,790

Notes

Amounts in SEK thousands unless otherwise stated

Note 1 Accounting principles

Compliance with standards and legislation

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretation statements made by the International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the EC Commission for application within the EU. These annual and consolidated accounts contain the first complete financial reports prepared in accordance with IFRS. In conjunction with the transition from previously applied accounting principles to reporting in accordance with IFRS, the Group has applied IFRS 1, which is the standard that describes the first time application of IFRS. Furthermore, recommendation RR30, Supplementary accounting rules for groups, issued by the Swedish Financial Accounting Standards Council has been applied.

The Parent Company applies the same accounting principles as the Group except in the cases stated below in the section "Parent Company's Accounting Principles". The deviations that exist between the Parent Company's and the Group's principles are due to limitations in the possibility of applying IFRS in the parent company due to the Annual Accounts Act and, in certain cases, current tax legislation.

Note 31 contains a summary of explanations on how the transition to IFRS has affected the Group's financial result and position.

Prerequisites for preparing the financial reports of the Parent Company and Group including critical estimates and assessments

The Parent Company's functional currency is Swedish kronor, which is also the reporting currency for the Parent Company and for the Group. All amounts, unless otherwise stated, are rounded to the nearest thousand. Assets and liabilities are reported at their historical acquisition values, except for certain financial assets and liabilities and investment properties, which are valued at their fair value. Financial assets and liabilities valued at their fair value consist of derivatives, where the changes in actual value are reported in the income statement.

Preparing the financial reports in accordance with IFRS requires that the board and executive management make assessments and estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and costs. The estimates and assumptions are based on historical experience and a number of other factors and are deemed to be reasonable in current conditions. The result of these estimates and assumptions is then used to assess the reported values of assets and liabilities, which are not otherwise clearly apparent from other sources. The actual outcome can deviate from these estimates and assessments.

The estimates and assumptions are reviewed on a regular basis. Changes of estimates are reported in the period the change is made if the changes have only affected that period, or in the period the change is made and future periods if the change affects both the current and future periods. Assessments made by the Board and executive management in the application of IFRS which have a significant effect on the financial reports and estimates made, which can entail important adjustments in the financial reports in following years, relate to the valuation of investment properties which is described in more detail in Note 9.

The accounting principles already stated for the Group have been applied consistently to all periods presented in the Group's financial reports, unless otherwise stated below, and in the preparation of the Group's opening balance sheet in accordance with IFRS as at January 1, 2004, which explains the transition from the previously applied accounting principles to the accounting principles in accordance with IFRS. The Group's accounting principles have been applied consistently to reporting and consolidation of the Parent Company and subsidiaries. The annual accounts and the consolidated accounts have been approved for publication by the board on February 23, 2006. The Group's income statement and balance sheet and the Parent Company's income statement and balance sheet will be presented to the Annual General Meeting for approval on April 5, 2006.

Changed accounting principles

The transition to accounting in accordance with IFRS has been reported for the Group in accordance with IFRS 1 and described in Note 31.

The most important effect of the transition to IFRS for Klöver refers to the reporting of properties. The properties classified as investment properties are valued at actual value in the balance sheet with not-realised changes in value in the income statement. Previously, Klöver's properties have been reported as properties for sale (inventories) at the lowest of acquisition and actual value. Property sales are reported in the income statement under the heading realised changes in value, which is calculated as the difference between the sales price and the most recently reported actual value. Previously, the result of property sales has consisted of the difference between the sales price and the book value.

The application of IAS 39 and IAS 40 has meant that shareholders equity has been affected by SEK 70 million on January 1, 2005.

Classification and related matters

Fixed assets and long-term liabilities in the Parent Company and the Group consist substantially of amounts expected to be recovered or paid after more than 12 months from the balance sheet date while current assets and current liabilities in the Parent Company and Group consist substantially of amounts that are expected to be recovered or paid within twelve months from the balance sheet date.

Consolidation principles

Subsidiaries

Subsidiaries are companies where the Parent company Klöver AB has a controlling influence. A controlling influence entails directly or indirectly a right to determine a company's financial and operational strategies with a view to obtaining financial benefits. In the assessment of whether a controlling influence exists, potential vote-entitling shares that can be used without delay or converted shall be taken to consideration. Subsidiaries are reported in accordance with the acquisition method. The method means that acquisition of a subsidiary is regarded as a transaction through which the Group indirectly acquires the subsidiary's assets and takes over its liabilities and contingent obligations. The acquisition value for the Group is set by an acquisition analysis at the time of the acquisition. In the analysis, the acquisition value of the participation rights is established, and the fair value of the acquired identifiable assets and debts and contingent obligations assumed. The subsidiary's financial reports are included in the consolidated accounts from the date of acquisition until the date when the controlling influence ceases.

Transactions are to be eliminated on consolidation

The Group's receivables and liabilities, income or expenses and unrealised gains or losses that arise from intra-Group transactions are eliminated in their entirety when preparing consolidated accounts. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that the internal loss does not in fact represent a genuine impairment loss.

Income*Rental income*

Rental income from investment properties is reported in the income statement based on the conditions of the lease contract. The aggregate cost of the benefits provided is reported as reduction of the rental income during the lease period.

Income from property sales

Income from property sales is normally reported on the date of transfer of possession unless the risks and benefits have passed to the purchaser at an earlier date. Control over the asset can have been transferred on an earlier occasion than the date of taking possession and, if this has been the case, the property sale is reported as income at that time. The assessment of appropriate revenue recognition considers, the agreements made by the parties with regards to risks and benefits and commitment in the continuing administration of the property. In addition, circumstances are taken into account that can affect the result of the transaction, which are outside the control of the seller and/or purchaser.

Reporting of segments

Klövern applies IAS 14, segment reporting, although as the group consists of one sole sector of business and one geographical area, no additional information is provided but reference is made to the income statement and balance sheet and the cash flow statement for the Group.

Operating expenses and financial income and expense*Central administration*

Consists of costs for group finances and ownership of the Group's subsidiaries.

Property expenses

Consists of expenses for operations, letting, administration and maintenance of the property portfolio.

Payments for operational leasing agreements

Payments for operational leasing agreements are reported in the income statement in linear form over the leasing period. Benefits received in connection with entering into an agreement are to be reported as part of the total leasing cost in the accounts.

Financial income and expense

Financial income and expense consists of interest income on bank funds and receivables, interest expense on loans, dividend income, and derivatives used within the financial activity.

Interest expense includes accrued amounts of issue costs and similar direct transaction costs to raise loans.

Dividend income is reported when the right to receive payment is established. The Group and the parent company do not capitalize interest in the asset's acquisition values.

Financial instruments

Financial instruments reported in the balance sheet include on the asset side's liquid funds, accounts receivable, shares and derivatives. Liabilities include accounts payable, loan debts and derivatives. The company does not apply hedge accounting.

Financial instruments are reported initially at acquisition value corresponding to the instrument's fair value with the addition of transaction expenses for all financial instruments except those which belong to the category financial asset which are reported at their fair value through the income statement excluding transaction expenses. Reporting hereafter takes place depending how they have been classified below.

A financial asset or financial liability is recorded in the balance sheet when the company becomes a party in accordance in the instruments contractual terms (transaction date). Accounts receivable are taken up in the balance when the invoice has been sent. Liabilities are recorded when the opposite party has issued and there is a statutory obligation to pay even if an invoice has not been received. Accounts payable are recorded when the invoice has been received.

A financial asset is removed from the balance sheet when the rights in the agreement are realised, mature or the company loses control of it. The same applies for part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is performed or otherwise extinguished. The same applies for a part of a financial liability.

On each reporting occasion, the company evaluates whether there are objective indications that a financial asset or a group of financial assets in need of writing-down.

Financial assets and derivatives valued at actual value via the income statement

Assets and derivatives are valued at their actual value with changes in value reported in the income statement. Actual value of listed financial assets is determined by purchaser prices. The company thereafter applies different valuation techniques to determine a actual value for financial assets, which are traded on an inactive market. These valuation techniques are based on valuation of equivalent instruments, discounted flows or accepted valuation models.

Liquid funds and blocked accounts

Liquid funds consisting of cash and immediately available deposits at banks and corresponding institutions. Amounts in blocked accounts are funds that serve as collateral for payment of loans for financing of investment in properties.

Long-term receivables and other receivables

Long-term receivables and other current receivables are receivables that have arisen when the company has provided money without the intention of trading with the right to the receivable. If the expected period of possession is longer than a year, they are long-term receivables, if shorter they are other receivables.

Accounts receivable

Accounts receivable are reported at the amount expected to be received after deduction for doubtful debts, which are assessed on a case-by-case basis. The expected duration of the account receivable is short, so that the value is reported at the nominal amount without discounting. Write-downs of accounts receivable is reported in the operating expenses. Deferred income consists mainly of rent for the following quarter.

Financial Reports

Liabilities

Liabilities are reported initially at the amount received after deduction for transaction costs. After the date of acquisition, the loans are valued at the accrued acquisition value according to the effective interest method. Long-term liabilities have an expected duration of longer than a year while current liabilities have a shorter duration than a year.

Accounts payable

Accounts payable have a short expected duration and are valued without being discounted at the nominal amount.

Derivatives

Derivative instruments consists of interest caps and interest rate swaps that can be used to cover exposure to interest rate risks. Increases and decreases in value respectively are reported as income and costs within net financial income.

Tangible fixed assets

Assets owned

Tangible fixed assets are reported in the Group at acquisition value after deduction for accumulated depreciation and any write-downs. The acquisition value includes the purchase price and costs directly attributable to the asset to bring it to the location and to put it in a condition to be used in accordance with the intention of the acquisition.

Leased assets

IAS 17 is applied to leased assets. Klöver's leased assets consist of operational leasing contracts, which means that the leasing charge is expensed over the duration starting from the asset being taken into use.

Depreciation principles, machinery and equipment

Linear depreciation takes place over the estimated period of use. Estimated period of use

– machinery, equipment and tools 3–5 years

Assessment of the residual value of an asset and period of use is made annually.

Investment properties

Investment properties are properties held with a view to obtaining rental income or an increase in value or a combination of these purposes.

Initially, the investment property is entered in the balance sheet at its fair value. Every quarter, Klöver values 100 per cent of the property portfolio, 25 per cent externally and the remaining portion internally. This means that every property in the portfolio is valued during a rolling 12-month period. The valuation model used by both the external valuers and Klöver is yield valuation according to the cash flow model. From the outcome of the cash flow model, the fair value of the property is assessed before deduction for selling expenses. Both realised and unrealised changes in value are reported in the income statement. Rental income and income from property sales are reported in accordance with the principles described in the section on reporting of income.

Additional expenses – investment properties reported in accordance with the actual value method

Additional expenses are added to the reported value only if it is probable that the future financial benefits associated with the assets will benefit the company. All other additional expenses are reported as a cost in the period in which they occur. Crucial for the assessment of when an additional expense is added to the reported value is whether the expense refers to the replacement of identified components or parts of them, in which case such expenses are capitalised. The expenses are also added to the reported value when new components are created. Repairs are expensed in connection with the expense arising.

Share capital

Dividends

Dividends are reported as a liability after the annual general meeting of shareholders has approved the dividend.

Remuneration to employees

Fee-based schemes

Undertakings concerning fees to fee-based schemes are reported as a cost in the income statement when they arise.

Provisions

A provision is reported in the balance sheet when the Group has an existing legal or informal undertaking which is a consequence of an event that has taken place, and it is probable that an outflow of financial resources will be required to settle the undertaking and a reliable estimate of the amount can be made. When the effect of the time at which the payment is made is important, provisions are calculated by discounting the expected future cash flow at an interest rate before tax which reflects current market assessments of the time value of money and, if applicable, the risks associated with the debt.

Taxes

Income taxes consists of current taxes and deferred taxes. Taxes are reported in the income statement except when the underlying transaction is reported directly against equity, in which case the accompanying tax effect is recorded directly to equity.

Current taxes are taxes payable or to be refunded relating to the current year, applying the tax rates that have been decided or are in practice decided on balance-sheet date. Adjustments of current taxes attributable to earlier periods are also included here. The following temporary differences are not taken into account: temporary differences that arise in connection with the initial reporting of assets and liabilities, which are not business acquisitions and which do not affect the reported or taxable result. Neither are temporary differences taken into account that relate to participation rights in subsidiaries and associated companies which are not expected to reverse in the foreseeable future. The valuation of deferred tax is based on how the reported values of assets and liabilities is expected to be realised or settled. Deferred tax is calculated applying the tax rates and tax rules that have been decided or in practice are decided on balance-sheet date.

Deferred tax assets for deductible temporary differences are reported only to the extent that it is probable that they will be utilised. The value of the deferred tax claims is reduced when it is not longer regarded as probable that they can be used.

Contingent liabilities

A contingent liability is reported when there is a possible undertaking that derives from events that have occurred and whose existence is confirmed only by one or more uncertain future events or when there is an undertaking that is not reported as a liability or a provision due to it not being probable that an outflow of resources will be required.

The Parent Company's accounting principles

The Parent Company has drawn up its annual accounts according to the Annual Accounts Act (1995:1554) and the recommendation of the Swedish Financial Accounting Standards Council RR 32 Accounting for legal entities. According to RR32, the Parent Company shall apply all of the IFRS approved by the EU to the greatest possible extent in the annual accounts for the legal entity within the framework of the Annual Accounts Act and taking into consideration the link between accounting and taxation. The recommendation states the exceptions and additions that are to be made from IFRS.

Changed accounting principles

The Parent Company's changed accounting principles has been reported in accordance with the rules in IAS 8 but taking into consideration the special transitional provisions in RR 32.

Differences between the Group's and the Parent Company's accounting principles

The differences between the Group' and the Parent Company's accounting principles are shown below. The accounting principles stated for the parent company below have been applied consistently in all periods presented in the Parent Company's financial reports.

Invoiced sales to subsidiaries

In the capacity of Parent Company, Klöver continuously provides the subsidiaries with services relating to operation, management, marketing, accounting, legal and financial advice, IT support, invoicing services, and group purchases. The amounts are invoiced to the subsidiaries quarterly in arrears and are based on the respective subsidiary's property portfolio.

Subsidiaries

The participation rights in subsidiaries are reported in the Parent Company in accordance with the cost method. Dividends received are only reported as income provided that these originate from profits earned after the acquisition. Dividends exceeding these profits earned are regarded as a repayment of the investment and reduce the reported value of the participation right.

Tangible assets**Assets owned**

Tangible fixed assets in the Parent Company are reported at acquisition value after deduction for accumulated depreciation and any write-downs in the same way as for the Group but with an addition for write-ups.

Leased assets

All leasing contracts are reported in the Parent Company in accordance with the rules for operational leasing. The extent is very limited.

Group contributions and shareholder contribution for legal entities

The Company reports group contributions and shareholder contributions in accordance with the statement by the Emerging Issues Task Force of the Swedish Financial Accounting Standards Board. Group contributions are reported according to their financial implication. This means that group contributions provided with a view to minimising the Group's total tax are reported directly in relation to shareholders equity.

Note 2 Distribution of income

	2005	2004
<i>Group</i>		
Rental income	638,686	484,627
<i>Parent Company</i>		
Invoiced sales to subsidiaries	55,554	37,864

Note 3 Employees, personnel costs and remuneration**Principles for remuneration to leading executives**

Remuneration and benefits to the President & CEO are decided upon by the Company's Board of Directors. Remuneration and benefits to other leading executives are decided upon by the President after consultation with the Chairman of the Board. A fee is paid to the Chairman of the Board and the directors in accordance with the decision of the Annual General Meeting. No director's fee is paid to a director, who is in the company's employment.

The President & CEO's result-based salary amounts to one per cent of the company's profit before tax, to the extent that this amount exceeds set operational goals for the property management operations. The maximum bonus is SEK 500,000 per year. It is possible to set the bonus amount aside as pension instead of salary. There is no incentive programme for other leading managers. There are no option programmes.

The President & CEO has the right to a company car. While in the employment of the company, the pension premium amounts to 25 per cent of the basic salary. The annual premium amounts to at most 10 price base amounts (10 x 39,700). The retirement age of the President & CEO is 65 years. The following periods of notice apply to the President & CEO: in the event of termination at the company's initiative, the period of notice is 12 months. In the event of termination at the President's initiative, the period of notice is 6 months. In the event of termination at the company's initiative, full salary and benefits as described above are payable during the period of notice. The compensation is reduced by any income earned from any other employer. In the event of termination at the President's initiative, full salary and benefits are payable during the period of notice while the employment continues.

Another two leading executives have the right to a company car and one leading executive to home service. During the period of employment with the company, the pension premium for other leading executives will amount to 25 per cent of the basic salary. The retirement age of other members of leading management is 65. The period of notice for termination at the company's initiative is 6–12 months and at the employee's initiative 6 months.

Profit-sharing foundation

Klöver has a profit-sharing foundation that covers all employees. Transfers to the trust can at most amount to one price base amount per employed (SEK 39,700) based on a combination of Klöver's profit, yield requirement and dividend to shareholders. The transfer for the year including wage taxes is SEK 3,300,000 (2,077,000).

Remuneration to the Board of Directors

The Board received a total of SEK 1,000,000 (700,000) to be distributed among the directors. The Chairman's fee is SEK 250,000 (200,000) and the fee paid to other directors amounts to SEK 125,000 (100,000) per director.

Remuneration and benefits to the President & CEO

The President & CEO has received a salary of SEK 1,687,000 (1,374,000) and a company car benefit of SEK 49,000 (48,000). The President & CEO has also received performance-based salary of SEK 500,000 (500,000).

Financial Reports

Remuneration and benefits to other leading executives

Salaries and benefits totalling SEK 3,972,000 (3,608,000) have been paid during the year to other leading executives (four persons including the Vice-President in 2005).

Costs of remuneration to employees

	2005	2004
<i>Group</i>		
Salaries and remuneration, etc.	25,755	20,637
Pension costs, fee-based plans	3,889	2,768
Social security contributions	8,659	6,843
Group total	38,303	30,248

Average number of employees

	2005		2004	
	2005	Proportion women, %	2004	Proportion women, %
Parent Company	63	37	32	39
Subsidiaries	1	100	13	36
Group total	64	37	45	38

Gender distribution in executive management

	2005	2004
	Proportion women, %	Proportion women, %
<i>Parent Company</i>		
Board	13	15
Leading executives	20	20
<i>Group total</i>		
Board	13	15
Leading executives	20	20

At the end of 2005, the Board of the Parent Company consisted of 8 members (7), of which 1 woman (1). The number of leading executives in the Parent Company was 5 persons (5), of which 1 woman (1).

Salaries, other remuneration and social security contributions

	2005		2004	
	Salaries and remuneration	Social security contributions	Salaries and remuneration	Social security contributions
<i>Parent Company</i>	25,424	12,490	16,256	7,264
(of which pension expense) ¹⁾		3,941		1,851

1) SEK 496 (371) of the Parent Company's pension expense is for the President.

Salaries and remuneration excluding pension expenses apportioned between board members etc. and other employees

	2005		2004	
	Board and President	Other employees	Board and President	Other employees
<i>Parent Company</i>	3,187	22,237	2,574	13,682
(of which bonus etc.)	500	–	500	–
Group	3,187	22,568	2,574	18,063
(of which bonus etc.)	500	–	500	–

Fee-based schemes

The Group's employees are covered by contribution-based pension schemes, which are wholly paid for by the companies. Payment takes place continuously according to the rules.

	Group		Parent Company	
	2005	2004	2005	2004
Costs for fee-based scheme	2,817	2,098	2,877	1,488

Share-related remuneration

There are no share-related remuneration plans at Klöver.

Leading executives, remuneration and benefits

	Basic salary, Chairman of the Board	Variable salary	Other benefits	Pension- cost ¹⁾	Financial instruments	Other remuneration, etc.	Sum
Chairman of the Board	250	–	–	–	–	–	250
President & CEO	1,687	500	49	496	–	–	2,732
Other leading executives (4 persons)	3,807	–	165	1,121	–	–	5,093
Total	5,744	500	214	1,617	–	–	8,075

1) including wage taxes.

Financial instruments, etc.

None.

Sick leave in the Parent Company

	2005	2004
Total sick leave as a proportion of ordinary working hours of which continuous sick leave of 60 days or more	2.1 % 0.7 %-points	2.3 % 0.6 %-points
Sick leave as part of every group's ordinary working hours		
Sick leave by gender:		
Men	2.1 %	3.1 %
Women	2.0 %	1.1 %
Sick leave by age category:		
29 years old or younger	2.3 %	8.9 %
30 to 49 years	1.7 %	1.2 %
50 years old or older	2.6 %	2.5 %

Financial Reports

Note 4 Fees and reimbursement to auditors

	Group		Parent Company	
	2005	2004	2005	2004
<i>Ernst & Young AB</i>				
Audit assignments	680	662	680	195
Other assignments	2,857	820	2,857	710

Note 5 Operating expenses broken down by type of cost

	2005	2004
<i>Group</i>		
Electricity, district cooling and heating	-86,699	-67,847
Purchased services maintenance and administration	-40,536	-32,512
Repairs	-29,904	-23,615
Planned maintenance and tenant adaptations	-24,074	-20,288
Property tax and site leasehold charges	-25,739	-16,762
Personnel costs	-28,104	-16,353
Other property expenses	-12,412	-21,688
Total	-247,468	-199,065

Note 6 Net financial items

	2005	2004
<i>Group</i>		
Interest income, other	3,749	3,018
	3,749	3,018
<i>Parent Company</i>		
Interest income, group companies	-	-
Interest income, other	938	89
	938	89
	2005	2004
<i>Group</i>		
Interest expense, other	-182,210	-132,142
	-182,210	-132,142
<i>Parent Company</i>		
Interest expense, group companies	-	-
Interest expense, other	-348	33
	-348	33

Note 7 Taxes

Difference between actual tax expense and tax expense according to current percentage rate	Group	
	2005	2004
<i>Reported profit before tax</i>	330,943	185,212
Tax on above according to current tax rate 28%	-92,664	-51,859
Tax effect on non-deductible costs	-1,430	-1,433
Tax effect of use of loss carry forwards to cover the year's profit	93,848	50,412
Revaluation, tax asset	48,000	31,000
Tax expense/income for the year	47,754	28,120
<i>Tax expense on profit for the year</i>		
Tax on year's profit	-94,094	-53,292
Deferred tax income attributable to utilisation of tax loss carry forwards for profit for the year	93,848	50,412
Deferred tax income attributable to revaluation of the tax asset	48,000	31,000
According to income statement	47,754	28,120

Note 8 Tangible fixed assets

	2005		2004	
	Group	Parent Company	Group	Parent Company
<i>Accumulated acquisition cost</i>				
Opening balance	15,298	2,552	14,557	1,570
Purchases	3,271	1,247	1,172	982
Reclassifications	-8,430	-	-	-
Acquisition of subsidiaries	2,082	-	-	-
Sales and disposals	-253	-	-431	-
Closing balance	11,968	3,799	15,298	2,552
<i>Accumulated depreciation according to plan</i>				
Opening balance	-9,608	-829	-8,376	-306
Reclassifications	5,791	-	-	-
Acquisition of subsidiaries	-1,600	-	-	-
Sales and disposals	132	-	307	-
Scheduled depreciation on acquisition values	-1,782	-756	-1,539	-523
Closing balance	-7,067	-1,585	-9,608	-829
Reported value at the end of the year	4,901	2,214	5,690	1,723

Note 9 Management properties**Valuation of property portfolio**

The management properties are reported in accordance with the actual value method. Every quarter, Klöver values 100 per cent of the property portfolio. Approximately 25 per cent of the property portfolio is valued externally each quarter. This means that every property in the portfolio is externally valued during a rolling 12-month period.

As at December 31, 2005, Klöver has externally valued 41 properties. The valuations are yield valuations carried out in accordance with the cash flow method, i.e. based on forecasts of future cash flows. The external valuations have been carried out by DTZ Sweden.

Summary

<i>Value date</i>	December 31, 2005
<i>Actual value</i>	SEK 5,968 million
<i>Calculation period</i>	Mainly five years (the calculation period has been adapted to the length of the lease contract for longer, important contracts)
<i>Direct yield for assessment of residual value</i>	Between 6.25 and 13.0 per cent
<i>Cost of capital/discount rate</i>	Between 8.0 and 15.0 per cent
<i>Long-term vacancy</i>	Normally between 5 and 10 per cent
<i>Operating and maintenance cost</i>	Outcome for respective property and experiences of comparable properties
<i>Inflation</i>	Two per cent (The Riksbank's annual target)

Property holding and valuation at actual value per location, December 31, 2005

Location (unit)	No. of properties	Rental value, SEKm	Occupancy ratio, %	Lettable area, 000 sq.m.	Cost of capital for discounting of future cash flows, %	Direct yield requirement, interval, %	Actual value, SEKm
Linköping	30	181	82	206	8.00 – 12.00	6.50 – 10.00	1,469
Västerås	28	136	88	172	8.25 – 11.00	6.25 – 12.00	1,045
Norrköping	22	107	78	170	8.00 – 15.00	6.50 – 13.00	829
Karlstad	19	94	86	105	9.25 – 12.00	7.25 – 10.00	691
Örebro	10	88	96	108	8.75 – 11.50	6.75 – 13.00	563
Nyköping	22	70	90	115	8.25 – 12.00	6.50 – 10.00	513
Eskilstuna	8	44	93	42	9.00 – 11.00	7.25 – 9.00	311
Borås	13	40	92	69	9.75 – 11.25	7.75 – 9.25	283
Kalmar	10	38	93	55	9.50 – 11.50	7.75 – 9.50	266
Total	162	798	87	1,042	8.00 – 15.00	6.25 – 13.00	5,968

Valuation method

Klövern uses yield valuation according to the cash flow method. From the outcome in the cash flow model, the actual value of the property is calculated before deduction for selling expenses.

<p>Valuation model</p> <p>+ Estimated rent payments</p> <p>– Operating expense payments, including property tax, repair and maintenance and site leasehold charges</p> <p>= Operating surplus</p> <p>– Deduction for investments</p> <p>= Property's cash flow</p> <p>The present-day value of the cash flow each year: The cash flow is discounted to present-day value with cost of capital/discount rate.</p> <p>The property's residual value at the end of the calculation period: The residual value is assessed by a perpetual capitalisation whereupon the direct yield requirement is used. The residual value is then discounted to present-day value with the cost of capital.</p> <p>Normal calculation period, five years.</p> <p>Actual value of property</p>

An individual assessment has been made of every property's yield capacity and cash value.

The calculation periods are mainly five years with the exception of properties where there are important lease contracts with a longer remaining contract period than five years. In those cases, a calculation period corresponding to the remaining contract period plus minus one year has been chosen.

The forecast future operating surpluses are based on an analysis of each market and every property's future rental income, operating expenses and investments. Every lease contract at the properties has undergone an individual assessment of its market rent after the end of the lease. The assessment of market rents, future operating expenses, investments and building rights has been mainly made by the external valuers based on the information and knowledge they have about the markets.

The calculation of residual value has been made by perpetual capitalisation of the estimated market net operating income during the last year of the calculation period of each property. The residual value is calculated on the basis of the assessed market direct yield requirement set for each property. The direct yield requirements for the properties are based on the market databases of the external valuers, experiences and transactions carried out in the respective market. The residual value of the properties is then discounted to present-day value with the aid of the cost of capital/discount rate.

In the internal valuation, the yield requirements of the external valuers have been mainly complied. In the event of adjustments of these, a discussion has taken place with the external valuers. The internal valuations have been made in the same evaluation program (FIA) as that used by the external valuers (DTZ Sweden).

Basis for valuation

The assessment of the earning capacity of the property has been based on the current lease contracts and known lettings and vacations. A market rent has been calculated for the vacant areas on the basis of the market knowledge of the external valuers and our administrators.

Operation expenses have been calculated on the basis of the properties budgets and outcome and the experience of the external valuers of similar properties.

The maintenance level and investment requirement of the properties has been assessed on the basis of their current state, ongoing and budget investments and the assessment of the external valuers or future investment requirements.

All properties are inspected within a three-year period. New inspections are made during the external valuations of the properties where large refurbishment, moving in or other events affecting the value have taken place.

Changes in value of the properties

The actual value of Klöverns properties amounted to SEK 5,968 million (4,193) on December 31, 2005. For the full year of 2005, not-realised change in value totalled SEK 132 million (30) and realised changes in value SEK 25 million (30).

<i>Group 31.12.2005, SEKm</i>	<i>Properties</i>
Opening actual value	4,193
Acquisition value of properties acquired during the year	2,108
Investment in properties	67
Sales income, sold properties	-557
Realised change in value	25
Not-realised change in value	132
Closing actual value	5,968
<hr/>	
<i>Group 31.12.2004, SEKm</i>	<i>Properties</i>
Opening actual value	2,940
Acquisition value of properties acquired during the year	1,471
Investment in properties	69
Sales income, sold properties	-347
Realised change in value	30
Not-realised change in value	30
Closing actual value	4,193

Investment properties – effect on profit for the period

<i>Group</i> SEKm	2005	2004
Rental income	639	485
Direct costs for investment properties that generated rental income during the period	-247	-199
Direct costs for investment properties that did not generate rental income during the period	–	–

In 2004 and 2005 all investment properties generated rental income.

Tax assessment values

<i>Group</i> SEKm	2005	2004
Tax assessment values, buildings	2,620	1,779
Tax assessment values, land	600	379
Total tax assessment value	3,220	2,158

Note 10 Receivables from group companies

<i>Parent Company</i>	2005	2004
Long-term receivables		
Accumulated acquisition values		
Opening balance	633,598	465,368
Change in receivables*	688,885	168,230
Closing balance	1,322,483	633,598

Current receivables

Accumulated acquisition values		
Opening balance	761,897	79,299
Change in receivables*	-582,650	682,598
Closing balance	179,247	761,897

* The major part of receivables in 2005 refer to reclassification of current receivables to long-term receivables.

Note 11 Other receivables

<i>Group</i>	2005	2004
Shares and participation rights in other companies	46,825	1
Receivables sold but not vacated properties	500	13,000
Deduction taxes and charges	24,838	24,949
Other current receivables	888	5,479
Total	73,051	43,429
<i>Parent Company</i>		
Shares and participation rights in other companies	46,818	–
Deduction taxes and charges	143	345
Other current receivables	113	2
Total	47,074	347

Note 12 Deferred tax asset and deferred tax liability

<i>Group</i>	2005	2004
Deferred tax assets		
Opening balance	231,000	200,000
Deferred tax income relating to use of deficits for net profit for the year	93,848	50,412
Deferred tax liability relating to revaluation of remaining tax loss carry forwards	48,000	31,000
Set-off of deferred tax income against deferred tax liability	-93,848	-50,412
Closing balance	279,000	231,000
Deferred tax liability		
Opening balance	0	0
Deferred tax liability relating to net profit for the year	93,848	50,412
Set-off against deferred tax asset	-93,848	-50,412
Closing balance	0	0
Not reported deferred tax claim, amount in SEKm		
Opening balance	317	398
Of which used to cover tax expense for the year	-94	-50
Of which used for revaluation of remaining tax loss carry forwards	-48	-31
Closing balance	175	317

Tax loss carry forwards and depreciation for tax purposes

Klövern has established tax loss carry forwards and depreciation for tax purposes, in addition to book depreciation, on equipment and goodwill for the 2004 tax assessment year at altogether SEK 2,153 million. The tax loss is mainly attributable to divestments of Swedish and foreign subsidiaries within the previous IT consultancy business. Depreciation is mostly based on fixed assets and goodwill in the previous foreign operation. The established tax losses are not limited in time.

Deferred tax asset

The accounts for 2005 reported a deferred tax asset of SEK 279 million, which is based on Klöverns assessment of the current earning capacity of the group. The deferred tax asset has thereby increased by SEK 48 million as at December 31, 2005. The calculation of the deferred tax asset consists of the current tax rate, 28 per cent, on the company's current annual profit before tax excluding not-realised changes in value for properties over a five-year period. The deferred tax asset is attributable to established tax loss carry forwards and depreciation for tax purposes, in addition to book depreciation, on equipment and goodwill. The deferred tax asset is reviewed on the occasion of each closing of the accounts.

Deferred tax liability relating to temporary differences

Klövern's reported temporary differences between residual values of properties for tax purposes and the actual value of properties amounts to SEK 425 million on December 31, 2005. At a 28 per cent tax rate, the deferred tax claim for temporary differences amounts to SEK 119 million, which has been set off in Klöverns accounts against the deferred tax asset for the same amount.

Additional claims for deductions

After the end of the 2003 tax assessment period, Klöverns filed a claim for a capital loss on the sale of a subsidiary in an additional amount of approximately SEK 5,000 million. The claim is therefore formally treated as a request for reconsideration of the tax assessment for 2003. In response to an enquiry from Klöverns, the Tax Agency has indicated that the investigation into the right to deduction will be completed in 2006 and the Tax Agency will then present its position on the claim for a deduction.

Note 13 Accounts receivable

Accounts receivable is reported after taking into consideration customer losses arising during the year. In 2005, customer losses totalled SEK 4,842,000. The parent company has no customer losses.

Note 14 Prepaid expenses and accrued income

	2005	2004
<i>Group</i>		
Accrued supplier liabilities	3,446	2,299
Prepaid insurance	2,251	1,774
Prepaid interest expense	9,551	–
Acquisitions in process	–	2,040
Other prepaid expenses and accrued income	2,172	3,740
Total	17,420	9,853
<i>Parent Company</i>		
Accrued supplier liabilities	1,510	709
Prepaid insurance	2,251	1,774
Acquisition in process	–	1,710
Other prepaid expenses and accrued income	1,321	139
Total	5,082	4,332

Note 15 Liquid funds

	2005	2004
<i>Group</i>		
Cash and bank	141,251	110,002
Total	141,251	110,002
<i>Parent Company</i>		
Cash and bank	14,557	12,790
Total	14,557	12,790

Note 16 Shareholders' equity**Change in share capital**

	Date	Number of ordinary shares	Nom SEK/share	Share capital, SEK
Opening balance	01.01.2005	105,785,881	5	528,929,405
New issue of ordinary shares	03.03.2005	6,600,000	5	33,000,000
New issue of ordinary shares	06.06.2005	7,978,378	5	39,891,890
Closing balance	31.12.2005	120,364,259	5	601,821,295

Dividend

The Board of Directors of Klöver AB proposes to the Annual General Meeting that a dividend of SEK 1.00 per share (0.75) shall be paid, a total of SEK 120.4 million (84.3).

Note 17 Earnings per share

The calculation of earnings per share for 2005 has been based on the net profit for the year attributable to the parent company's ordinary shareholders amounting to SEK 378,697,000 (SEK 213,296,000) and to a weighted average of the number of outstanding shares in 2005 totalling 115,800,115 (91,724,548). There are no dilution effects relating to earnings per share for the full year 2005 or 2004. The components have been calculated in the following way:

Net profit attributable to the parent company's shareholders

	2005	2004
Net profit attributable to the parent company's shareholders	378,697	213,296

Weighted average number of outstanding ordinary shares

Number	2005	2004
Total number of ordinary shares in January 1	105,785,881	67,408,322
Effect of conversion to shares, January 19, 2004		182,000
Effect of new issue, February 13, 2004		4,180,000
Effect of new issue, February 18, 2004		12,725,995
Effect of conversion to shares, April 6, 2004		4,045,227
Effect of conversion to shares, May 7, 2004		136,500
Effect of conversion to shares, July 2, 2004		91,228
Effect of new issue, August 16, 2004		17,016,609
Effect of new issue, March 4, 2005	6,600,000	
Effect of new issue, June 3, 2005	7,978,378	
Total number of shares, December 31	120,364,259	105,785,881
Weighted average number of ordinary shares during the year	115,800,115	91,724,548

Note 18 Interest-bearing liabilities

<i>Group</i>	2005	2004
Long-term liabilities		
Bank loan	3,886,215	2,666,657
Promissory note liability	47,923	4,730
Total	3,934,138	2,671,387
Current liabilities		
Overdraft liabilities	0	0
Current portion of bank loans	53,195	32,026
Total	53,195	32,026
Unused overdraft facility	78,000	35,000

Note 19 Liabilities to credit institutions

<i>Parent Company</i>	2005	2004
Long-term liabilities		
Bank loan	0	0
Total	0	0
Current liabilities		
Overdraft facility	0	0
Current portion of bank loans	0	0
Total	0	0
Unused overdraft facility	50,000	0

Note 20 Provisions

<i>Group</i>	2005	2004
Other provisions which are long-term liabilities		
Opening balance	11,483	12,235
Amount taken into use during the year	-4,411	-752
Closing balance	7,072	11,483
<i>Parent Company</i>		
Other provisions		
Opening balance	11,483	12,235
Amount taken into use during the year	-4,411	-752
Closing balance	7,072	11,483

Before Klövern changed its area of business activities to real estate companies in 2002, some disputes had arisen in the IT consultancy activity previously engaged in. The disputes have been successively settled and as at December 31, 2005, the provision for disputes totalled SEK 7,072,000 (11,483,000). The major part, SEK 4,572,000 (4,623,000) of the total provision relates to the compulsory redemption process of shares in the previous subsidiary Adcore Stockholm AB. The difference in the provision amount between 2005 and 2004 consists of attorney fees. Due to the nature and complexity of the compulsory redemption process, the company makes the assessment that the proceeding will not be settled during the coming 12-month period.

Note 21 Other liabilities

<i>Group</i>	2005	2004
Other current liabilities		
Employee withholding tax and social security expenses	1,802	1,223
Other items	1,208	468
Total	3,010	1,691
<i>Parent Company</i>		
Employee withholding tax and social security expenses	1,717	1,192
Value-added tax	996	0
Total	2,713	1,192

Note 22 Accrued expenses and prepaid income

<i>Group</i>	2005	2004
Invoiced rents for the first quarter 2006/2005	131,017	72,654
Accrued interest expense	17,634	25,868
Property tax	617	6,601
Accrued stamp duty on properties	12,256	14,995
Other items	43,737	16,460
Total	205,261	136,578
<i>Parent Company</i>		
Accrued personnel costs	3,931	3,783
Other items	6,393	5,005
Total	10,324	8,788

Note 23 Financial risks and financial policies

Through its activity, the Group is exposed to different kinds of financial risks.

Financial risks means fluctuations in the company's profit and cash flow due to changes in interest rate levels, liquidity risks and credit risks. The Group's financial policy for managing financial risks has been formulated and decided upon by the Board. The financial policy creates a framework of guidelines and rules in the form of risk mandates and limits for financial activities. Responsibility for the Group's financial transactions is dealt with centrally by the parent company's finance department. The overall aim of the finance function is to provide cost-effective financing and to minimize negative effects on the Group's profit due to market fluctuations. There is a finance committee as a support for the company's finance department, consisting of the Chairman of the Board and a further two directors as well as the President & CEO, the financial manager and the CFO.

Liquidity risks

Liquidity risks (also called refinancing risk) means the risk that financing cannot be obtained at all, or only at greatly increased costs. According to the finance policy, the average remaining maturity, the period of capital being tied up, on the loan stock is to be three years, and at most 25 per cent of the loan stock is to fall due within one and the same year.

Moreover, investments and confirmed credit facilities shall be kept within an average size that corresponds to the due date of the tied-up capital during a quarter.

The company's financial due date structure as at December 31, 2005, is shown by the following table:

Capital due date year	SEKm	Percentage proportion
2006	383	10
2007	260	6
2008	157	4
2009	612	15
2010	740	19
2011	899	23
2012	936	23
Total	3,987	100

As at December 31, 2005, the average remaining duration of the loan stock was 4.6 years. On the same date, there were liquid funds totalling SEK 141 million and confirmed, but not used credit facilities, of SEK 153 million. There were moreover blocked accounts of SEK 16 million and unused loan undertakings of SEK 83 million which can be used for new acquisitions or investments after providing collateral for mortgages within 75 per cent of the market value of the properties.

Interest rate risks

The interest rate risk is the risk of the value of a financial instrument varying due to changes in market rates. The interest rate risk can partly consist of a change in actual value, the price risk, and changes in cash flow, the cash flow risk. A significant factor that affects the interest rate risk is the period of fixed interest. Long periods of fixed interest mainly affect the cash flow risk while shorter periods of fixed interest affect the price risk.

The management of the Group's risk exposure is centralised, which means that the central finance function is responsible for identifying and managing this exposure.

Klövern's interest rate risk is defined as an initial interest rate risk or change in the value of interest-bearing assets and liabilities that is beyond the influence of the company.

The interest rate risk is to be limited as follows:

- loans with initial fixed-interest periods of 90 days or shorter and which exceed 20 per cent of the total loan volume are to be covered to 50 per cent by an interest cap. When raised, these are to have a duration of at least three years, including margin, and the maximum

interest-rate level, including margin, for these variable loans is, when raised, to be the five-year bond rate + 2.5 percentage points.

Loan structure as at December 31, 2005

Year interest due	SEKm	Average interest rate, %	Percentage proportion
Floating	2,380	2.4	59
2006	491	4.8	12
2007	260	4.7	7
2008	492	5.2	12
2009	32	5.7	1
2010	23	5.8	1
2011	309	6.5	8
Total	3,987	3.5	100

Interest cap/interest swaps

To limit the interest rate risk for the variable loans, an interest cap for a loan volume of SEK 929 million has been purchased. The interest cap is set at 4 per cent and related to STIBOR 30 and 90 days. SEK 330 million of the interest cap runs until 2009 and SEK 599 million until 2010. At the year-end, the interest cap had a value of SEK 6.8 million and the change in value in 2005 was SEK – 2.7 million.

For loans of SEK 14.8 million, there was an interest rate swap at the year-end, which ran until 16 January 2006. The market value of this swap was SEK –0.1 million.

Credit risks

The financial risk management entails an exposure to credit risks, primarily counterparty risks in conjunction with claims on banks, other counterparties, and accounts receivable that arise in connection with purchase of derivatives. In the view of the company, there is no special concentration of credit risks. Financial policy includes a special counterparty rule in which maximum credit exposure for different counterparties is stated as follows:

Counterparty	Maximum amount
Swedish state and government agencies with 100 % state guarantee	Unlimited
Swedish banks with wholly-owned subsidiaries	SEKm 300 per group
Other Swedish mortgage institutions	SEKm 100 per company
Foreign banks with rating at least Standard & Poor A– or Moody's A3	SEKm 100 per group

Sensitivity analysis

The calculations of the sensitivity analysis are based on the Group's earning capacity and balance sheet as per December 31, 2005.

The sensitivity analysis shows the effect on the Group's annual profit after full implementation of each of the following parameters. Interest-bearing liabilities and rental contracts run over a number of years which means that changes in level do not have their full impact in a particular year but only in a longer perspective. As at December 31, 2005, Klövern's average long-term interest rate is higher than the market rate for the corresponding period of fixed interest. This entails that the effect of an increase of the market rate in a longer perspective will be considerably less than the effect of a reduction of the same.

	Change	Annual effect on profit, SEKm
Economic occupancy ratio	+/- 1 %	+/- 8.0
Rental income	+/- 1 %	+/- 6.9
Property costs	+/- 1 %	+/- 2.6
Average interest rate on loans*	+/- 1 % -point	+/- 40

* As at December 31, 2005, Klövern's average long-term interest rate is more than one percentage point higher than the market rate for the corresponding period of fixed interest. This entails that an increase of the long-term market rate by one percentage point in a longer perspective means a reduction of Klövern's financial cost, all other things being equal.

Financial Reports

Actual value

Actual value and reported value for financial assets and liabilities are presented in the balance sheet below:

Group/Parent Company	Reported value 2005	Actual value 2005	Reported value 2004	Actual value 2004
Liquid funds	141,251	141,251	110,002	110,002
Interest-rate swaps ¹⁾	-65	-65	-200	-200
Bank loans	3,939,277	3,939,277	2,698,693	2,698,693
Promissory note loans	47,923	47,923	4,730	4,730
Interest cap ²⁾	6,806	6,806	-	-

1) The interest-rate swap is based on a nominal amount of SEK 14.8 million.

2) The interest-rate cap is based on a nominal amount of SEK 929 million.

Note 24 Operational leasing

The Group let out its investment properties according to operational leasing agreements (see note 9). Current rents are included at a smaller amount, SEK 1.4 million (0.9). The future rental payments for which notice to vacate cannot be given, are as follows:

	2005	2004
<i>Operational leasing – the Group as lessor, SEKm</i>		
Agreed rental income, year 1	158	166
Agreed rental income, year 2–5	455	301
Agreed rental income, later than year 5	80	54
Total	693	521

Note 25 Assets pledged and contingent liabilities

<i>Assets pledged</i>	Group		Parent Company	
	2005	2004	2005	2004
Property mortgages	4,662,771	3,215,009	-	-
Floating charges	5,000	5,000	-	-
Escrow funds	20,063	1,201	3,750	-
Total	4,687,834	3,221,210	3,750	-
Guarantees in favour of subsidiaries	-	-	3,746,218	2,230,573
Guarantees, other	47,923	-	-	-
Other contingent liabilities	4,049	4,049	4,049	4,049
Total	51,972	4,049	3,750,267	2,234,622

Note 26 Close associates

The parent company has a close associate relationship with its subsidiaries, see notes 25 and 27.

	Year	Services	Services	Receivable	Liability
		sold	purchased		
<i>Group</i>					
Other close associates	2005	9,470	-	-	489
Other close associates	2004	2,310	-	-	-
<i>Parent Company</i>					
Subsidiary	2005	55,451	-	1,501,730	122,615
Subsidiary	2004	37,863	-	1,395,595	218,467

Transactions with close associates are priced on market conditions. In conjunction with acquisition of the property in Västerås in 2004 from Arvid Svensson AB, leasing contracts were included where Arvid Svensson AB is the tenant. As at December 31, 2005, the total annual contract value is SEK 16 million (14). Payments to the President & CEO, leading executives and the Board of Directors are shown by note 3.

Note 27 Participating interests in group companies

	2005	2004
Accumulated acquisition values		
Opening balance	183,092	182,992
Purchase	200	100
Closing balance	183,292	183,092

Specification of the parent company's directly-owned subsidiaries is shown below. Other group companies are included in the respective subsidiary's annual reports.

<i>Subsidiary/Reg. No./Registered Office</i>	No. of share	Share in % ¹⁾	Book value
Klövern Strand AB, 556542-0098, Nyköping	80,000	100	126,395
Klövern Ström AB, 556603-1067, Nyköping	104,000	100	53,631
Klövern Komp Ström AB, 556688-5256 Nyköping	1,000	100	100
Klövern Adam AB, 556494-9699, Nyköping	1,000	100	100
Klövern Komp Adam AB, 556643-6647 Nyköping	1,000	100	100
Klövern Barkenlund AB, 556554-8772, Nyköping	1,000	100	1,766
Klövern Bobby AB, 556594-9780, Nyköping	1,000	100	100
Klövern Komp Bobby AB, 556678-9938, Nyköping	1,000	100	100
Klövern Charbel AB, 556594-9814, Nyköping	1,000	100	100
Klövern Dante AB, 556594-9830, Nyköping	1,000	100	100
Klövern Efraim AB, 556594-9855, Nyköping	1,000	100	100
Klövern Ett AB, 556610-3106, Nyköping	1,000	100	100
Klövern Komp Ett AB, 556613-4085, Nyköping	1,000	100	100
Other subsidiaries, dormant			500
Total			183,292

1) Refers to the ownership portion of the capital, which also complies with the proportion of votes for the total number of shares.

Note 28 Cash flow analysis

	Group		Parent Company	
	2005	2004	2005	2004
<i>Interest paid</i>				
Interest received	3,749	3,018	938	89
Interest paid	-225,712	-132,142	-348	33

Cash flow from investing operations

The property acquisitions have been partly financed by non-cash issues, amounting to SEK 269 million (334).

	Parent Company	
	2005	2004
<i>Adjustment for items not included in the cash flow</i>		
Deprecation on equipment	756	523
Group contribution	85,424	180,649
Change in allocations	-4,411	-752
Total	81,769	180,420

	Group	
	2005	2004
<i>Change in long-term liabilities</i>		
Bank loans raised	2,052,900	769,200
Bank loans paid	-833,477	-115,250
Current portion of bank loans	21,169	-
Promissory note debts	43,193	-26,499
Other provisions	-4,411	-
Total	1,279,374	627,451

Note 29 Events after the end of the period covered by the report

Two properties have been acquired for a total purchase price of SEK 66 million. One of the properties is located in Borås and the other in Örebro. Transfer of possession took place in the first quarter of 2006. Three properties have been sold for a total of SEK 92 million. Two of the properties are located in Västerås and one in Uppsala. The sales exceed the most recent reported actual value by SEK 7 million, which will affect Klöverns profit for the first quarter of 2006.

Note 30 Information about the parent company

Klövern AB (publ) is a Swedish-registered limited company with its registered office in Nyköping. The parent company's shares are listed on Stockholmsbörsen's O list. The address of the head office is Box 1024, SE-611 29 Nyköping.

The consolidated accounts for 2005 consist of the parent company and its subsidiaries, together referred to as the Group.

Financial Reports

Note 31 Explanations concerning the transition to IFRS

This financial report for the Group is the first that has been prepared applying IFRS, which is shown by note 1. The accounting principles stated in note 1 have been applied in the preparation of the Group's financial reports for the 2005 financial year and for the comparison year of 2004 and for the Group's opening balance as per January 1, 2004, except as regards IAS 32, 29 and IFRS 4, which, according to the exemption in IFRS 1, will only be applied to 2005.

When producing the Group's opening balance sheet, amounts reported in accordance with previously applied accounting principles have been adjusted in accordance with IFRS. Explanations as to how the transition from previous accounting principles to IFRS have affected the Group's financial position are shown by the following tables and the explanations for these. The most important effect for Klöver'n of the transition to IFRS concerns the reporting of properties.

The properties are classified as investment properties and valued at their actual value in the balance sheet with not-realised changes in value in the income statement. Previously, Klöver'n's properties have been reported as property held for resale (inventory) at the lowest of acquisition and actual value. Property sales are reported in the income statement under the heading realised changes in value, which is calculated as the difference between the sales prices and the latest reported actual value. Previously, the result from property sales, was reported as the difference between the sales price and the lowest of the properties' acquisition value and the actual value.

The effects of the recalculation of the comparison figures for the result for the whole year of 2004 and information concerning shareholders' equity at the beginning and end of 2004 are shown below.

Income Statement – Transition to IFRS, SEKm	Jan – Dec 2004	
Profit according to previous accounting principles	193	
Reported gain property sales according to previous principles	–40	
Change in value properties, realised	30	
Change in value properties, not-realised	30	
Change in value financial instruments, not-realised	–	
Profit	213	
Shareholders' equity – Transition to IFRS, SEKm	31.12.2004	01.01.2004
Shareholders' equity according to previous accounting principles	1,631	908
Reporting of properties at actual value	70	50
Financial instruments at actual value ¹⁾	–0	–0
Shareholders' equity	1,701	958

1) The amount totals SEK –0.2 million

The Board of Directors and the President & CEO hereby certify that this annual report has been prepared in accordance with generally-accepted accounting principles for listed companies. The information provided accords with the actual conditions in the activity and nothing of significant importance has been excluded which would affect the picture of the Group and the Parent Company created by the annual report.

The annual report and the consolidated annual accounts have been approved for publication by the Board on February 23, 2006. The Group's income statement and balance sheet and the parent company's income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders on April 5, 2006.

Nyköping, February 23, 2006

Stefan Dahlbo
Chairman

Gustaf Hermelin
President & CEO

Lars Holmgren

Anna-Greta Lundh

Johan Piehl

Lars Rosvall

Fredrik Svensson

Per Uhlén

Our audit report was submitted on February 23, 2006

Ernst & Young AB

Björn Fernström
Authorised public accountant

Audit Report

To the Annual General Meeting in Klöver AB
Reg. no. 556482-5833

We have examined the annual accounts, the consolidated accounts, the accounting records and the management by the Board of Directors and the President of Klöver AB for the 2005 financial year. The Board of Directors and the President are responsible for these accounts and the management of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financing reporting standards, IFRSs, as adopted by the EU and the Annual Accounts Act, when preparing the consolidated accounts. Our responsibility is to render our opinion on the annual accounts, the consolidated accounts and the management based on our audit.

The audit was performed in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain a high level of, but not absolute, assurance that the annual accounts and the consolidated accounts contain no material errors. The audit procedure includes examination of a sample of supporting documentation for amounts and other information in the accounting records. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President, and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts as well as evaluating the aggregate information contained in the annual accounts and the consolidated accounts. As a basis for our recommendation concerning discharge from liability, we have examined significant decisions, actions and circumstances in the company to allow us to form an opinion as to whether any Director or the President is liable for damages to the company, or in any other way has acted contrary to the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit gives us a reasonable basis for our statements below.

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and provide a true and fair picture of the company's performance and financial position in accordance with generally accepted accounting standards in Sweden. The consolidated accounts have been drawn up in accordance with the international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act and provide a true and fair picture of the Group's performance and financial position. The Administration Report complies with the other parts of the annual accounts and the consolidated accounts.

We recommend that the Annual General Meeting adopts the Statement of Income and the Balance Sheet for the Parent Company and the Group, deals with the profit in the Parent Company in accordance with the proposal made in the Administration Report and that the members of the Board of Directors and the President be granted discharge from liability for the financial year.

Stockholm, February 23, 2006

Ernst & Young AB

Björn Fernström
Authorized Public Accountant

Board of Directors



Stefan Dahlbo, born 1959.
Chairman since 2002.
Executive Vice President,
Investment AB Öresund.
Other assignments: Director of
Fabege AB, Hagströmer &
Qviberg AB, AB Custos and
Nobia AB.
Education: Graduate in business
administration.
Share ownership in Klöver: 27,666
shares, privately and via company.



Johan Piehl, born 1955.
Director since 2003.
President, Förvaltnings AB
Charrow.
Other assignments: Director of HQ
Fonder Sverige AB.
Education: Market economist.
Share ownership in Klöver: 580,100
shares, privately, via family and
company.



Gustaf Hermelin, born 1956.
Director since 2003.
President and CEO, Klöver AB.
Other assignments: Director of
Diös Fastigheter AB.
Education: Studies in economics,
Stockholm School of Economics.
Share ownership in Klöver:
2,346,277 shares, privately, via
family and company.



Lars Rosvall, born 1959.
Director since 2005.
President and CEO,
Frösundaviksparken AB.
Other assignments: Chairman of
Amazon AB, Director of Berik
Capital Advisors AB.
Education: Graduate in business
administration.
Share ownership in Klöver: 100,000
shares, via company.



Lars Holmgren, born 1952.
Director since 2003.
President and CEO
Lantbrukarnas Ekonomi AB.
Other assignments: Among others,
Chairman of LRF Försäkring AB,
LRF Konsult AB, LRF Media
AB, LRF Samköp AB and Svensk
Markservice AB.
Among others, Director of Diös
Fastigheter AB, Kronfågel
Holding AB and Setra Group AB.
Education: Chemical economist.
Share ownership in Klöver: 0
shares.



Fredrik Svensson, born 1961.
Director since 2005.
President and CEO, Arvid
Svensson Invest AB (ASI AB).
Other assignments: Chairman of
Föreningen Fastighetsägarna i
Västerås City, Västerås
Citysamverkan and Case
Investment AB. Director of
Broström, Sardus, Balder, SHB
Regionbank Mellansverige, Ramnäs
Bruk and United Logistics.
Education: Graduate in business
administration.
Share ownership in Klöver:
17,016, 609 shares, via company



Anna-Greta Lundh, born 1955.
Director since 2003.
President and CEO,
Länsförsäkringar Södermanland.
Other assignments: Director of
Länsförsäkringar AB,
Södermanlands Nyheter and Setra
Group AB.
Education: Graduate in business
administration.
Share ownership in Klöver: 7,000
shares, privately.



Per Uhlén, born 1948.
Director since 2005.
President and CEO, Diligentia AB.
Other assignments: Among others,
Chairman of Uppsala Universitets
Utveckling AB, Gammadata
Mätteknik AB and Almi
Företagspartner Uppsala AB.
Among others, Director of TK
Development A/S.
Education: Masters degree in civil
engineering.
Share ownership in Klöver: 10,000
shares, via company.

Management and Auditor

Management



Gustaf Hermelin, born 1956. President and Chief Executive Officer, employed since 2002.
Previous employments: President, StrömFastigheter 2001–2002, StrandFastigheter 1993–2002, Regional manager, Storheden/Wihlborgs 1998–2001, President, etc., Oskarsborg 1994–1997.
Education: Studies in economics at Stockholm School of Economics.
Assignments: Director of Diös Fastigheter AB.
Share ownership in Klöver: 2,346,277 shares, privately, via family and company.



Anders Lundquist, born 1963. Chief Financial Officer, Vice President, employed since 2002.
Previous employments: CFO, Synoptik Sweden 2001–2002, Director of Corporate Communications, Wihlborgs Fastigheter 1998–2001, CFO, NK Cityfastigheter 1993–1998, Product manager, Kavli 1992–1993, CFO Kavli 1991–1992, Controller AB Nordiska Kompaniet 1988–1991.
Education: University studies in economics.
Assignments: None.
Share ownership in Klöver: 53,066 shares, privately.



Thomas Nilsson, born 1951. Real Estate Manager, employed since 2002.
Previous employments: Consultancy assignments in, among others, Storheden, Wihlborgs and StrandFastigheter 1995–2002, President, Skavsta Flygplats AB 1991–1995, President, Nyköpings Industrihus 1982–1994.
Education: BSc, Business Administration.
Assignments: None.
Share ownership in Klöver: 250,991 shares, via company.



Caesar Åfors, born 1959. Finance Manager, employed since 2002.
Previous employments: Consultancy assignments in StrandFastigheter 1999–2002, Self-employed 1997–1998, Estate agent, Areal AB 1990–1997.
Education: MSc in Forestry.
Assignments: None.
Share ownership in Klöver: 661,464 shares, via company.



Britt-Marie Einar, born 1965. Corporate Communications Officer, employed since 2004.
Previous employments: Information and IR manager, Tornet 1999–2003, Financial journalist, Veckans Affärer 1997–1999 and Finanstidningen 1990–1997, Treasurer, Östgöta Enskilda Bank 1989–1990.
Education: Graduate in business administration.
Assignments: 1,000 shares, privately.

Auditor

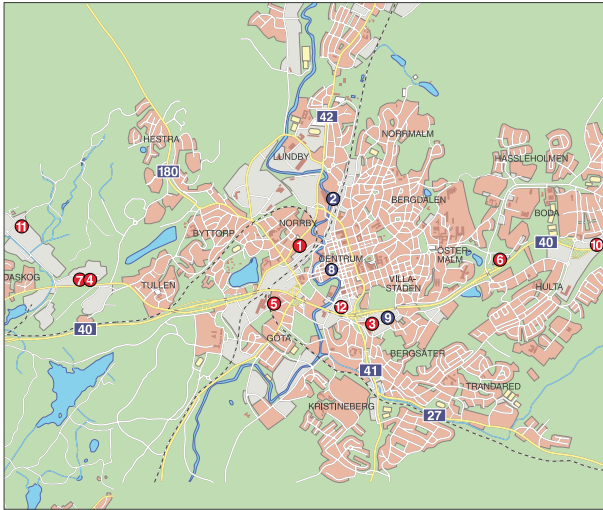
Ernst & Young AB
Björn Fernström, born 1950. Authorized public accountant. The Company's auditor since 2000.
Ernst & Young have been appointed by the Annual General Meeting in 2003 until the end of the Annual General Meeting in 2007.

Specification of properties

Map reference	Municipality	Property	Address	Building year/ appraisal year	Office, sq.m.	Industrial/warehouse, sq.m.	Retail, sq.m.	Education/health care/recreation, sq.m.	Restaurant/hotel, sq.m.	Residential, sq.m.	Total, sq.m.	Rental value, SEKm	Tax assessment, SEKm	Economic occupancy rate, %
1	Borås	Gjutaren 10	Norby Tvärgata 7, Norrby Långg 18	1966	1,101	7,748	0	0	0	0	8,849	3.5	8	94
2	Borås	Grävlingen 5	Skaraborgsvägen 21, 21A	1887/1990	6,673	0	613	0	0	0	7,286	6.2	32	87
3	Borås	Katrinedal 2	Katrinedalsgatan 14–20, Åsboholm 10–12	1955/1988	2,739	2,646	1,276	2,044	280	0	8,985	5.6	24	90
4	Borås	Kuggen 1*	Verkstads 14	1992/1996	0	1,872	0	0	0	0	1,872	1.2	4	100
5	Borås	Laxöringen 1	Bockasjöгатan 10	1943/1960	1,392	1,672	0	0	0	0	3,064	1.5	3	89
6	Borås	Milen 7	Solvarvsgatan 4–6	1969/1989	2,405	7,531	0	0	0	0	9,936	5.0	16	88
7	Borås	Muttern 2*	Verkstads 12	1963/1989	442	1,842	0	0	0	0	2,284	1.3	5	67
8	Borås	Nestor 1	Lilla Broгатan 17, Stora Bro 18	1963	1,238	0	1,148	0	0	0	2,386	2.6	14	96
9	Borås	Näckrosen 3	Katrinedalsgatan 1–3, Åsboholm 25 & 27	1990	4,026	1,242	0	0	0	0	5,268	5.0	20	100
10	Borås	Raklinjen 2*	Källbäcksvägen 4 A, 6	1968/1970	0	7,755	0	0	0	0	7,755	3.1	8	91
11	Borås	Rotorn 3*	Masking 4	1972/1975	0	3,037	0	0	0	0	3,037	1.2	5	100
12	Borås	Uranus 16	Bryggareгатan 18–20	1949/1960	0	4,456	0	2,734	0	0	7,190	3.0	6	100
1	Eskilstuna	Nötknäpparen 24	Gustafsvägen 5 A	1955/1956	185	180	1,899	0	0	0	2,264	0.8	2	100
2	Eskilstuna	Valhalla 2:19	Fraktгатan 11	1974	365	0	1,507	0	0	0	1,872	0.8	3	91
3	Eskilstuna	Valpen 3	Björksgatan 5–7	1993	0	4,134	0	0	0	0	4,134	5.2	Spec.prop.	100
4	Eskilstuna	Vampyren 9*	Kriebsensгатan 8–10, Kungsgatan 25–29	1937/1979	7,489	1,344	6,246	0	109	1,643	16,831	17.0	83	86
5	Eskilstuna	Vägskålen 24	Kriebsensгатan 5, Rademachergatan 23	1936/1963	100	0	77	2,310	0	1,040	3,527	4.3	21	96
	Fagersta	Ratten 9	Kristiansbergsvägen 10	1975/1980	0	380	423	0	0	0	803	0.6	1	98
1	Kalmar	Apotekaren 20*	Storgatan 28-30, Västra Sjöгатan 13	1965	953	88	817	0	0	0	1,858	2.4	11	99
2	Kalmar	Fredriksdal 1	Smedjegatan 2	1982	0	3,498	0	0	0	0	3,498	2.2	Spec.prop.	59
3	Kalmar	Guldfisken 2	Esplanaden 30, Postгатan 2–4	1947	2,936	93	0	0	0	0	3,029	2.7	13	100
4	Kalmar	Gumsen 31	Smedjeg 9, Verkstadsгатan 1–5, 15–17	1967/1975	3,849	15,174	526	5,950	1,007	159	26,665	10.9	17	89
5	Kalmar	Korpen 18	Fabriksgatan 31	1976	2,222	50	0	1,434	0	0	3,706	3.5	Spec.prop.	99
6	Kalmar	Korpen 20	Fabriksgatan 29, Nyгатan 30	1979	3,805	666	0	1,911	0	0	6,382	6.1	32	96
7	Kalmar	Lärlingen 5	Kaggensгатan 40 A-D, 42, 44, Strömgatan 7 A, B, C	1960	3,546	149	805	71	0	0	4,571	4.7	24	96
8	Kalmar	Matrosen 1	Tjärhovsgatan 1–7	1995	1,293	0	0	889	0	0	2,182	2.6	12	100
9	Kalmar	Mästaren 28	Fiskareгатan 20, Kaggensгатan 30	1962	562	21	748	0	0	0	1,331	1.7	9	100
10	Kalmar	Tennjutaren 1	Larmгатan 40, Strömgatan 2	1974/1979	1,354	0	0	0	0	297	1,651	1.5	9	99
1	Karlstad	Barkassen 7	Lagergrens gata 2–4	1990	12,084	0	425	0	61	0	12,570	13.7	78	96
2	Karlstad	Barkassen 9*	Lagergrens gata 8	1991	6,494	0	0	720	0	0	7,214	6.7	56	60
3	Karlstad	Gångjärnet 2	Blockгатan 29	1964/1974	158	2,814	0	0	0	0	2,972	2.1	8	100
4	Karlstad	Hammanen 21	Gjuterigatan 27-29	1990	774	1,172	0	0	0	0	1,946	1.1	4	84
5	Karlstad	Herrhagen 1:10	Hamnpirsgatan 4	1986/87	1,040	475	0	0	0	0	1,515	1.2	7	100
6	Karlstad	KaNoteen 10*	Lagergrens gata 7	1989	0	0	0	0	0	0	0.0	0.0	0	0
7	Karlstad	KaNoteen 7*	Lagergrens gata 7	1989	9,146	585	0	0	434	0	10,165	13.2	83	89
8	Karlstad	KaNoteen 9	Kanikensåbanken 12	1990	8,894	0	0	0	0	0	8,894	8.1	49	100
9	Karlstad	Monitorn 9	Ö:s Torgгатan 2A	1993	3,082	8	219	0	0	0	3,309	4.8	26	97
10	Karlstad	Passadvinden 3	Regnvindsgatan 17, 17 A, 17 B	1990	333	3,378	0	0	0	0	3,711	1.9	7	92
11	Karlstad	Regnvinden 8*	Regnvindsgatan 6	1991	507	2,566	0	0	0	0	3,073	2.1	Spec.prop.	37
12	Karlstad	Skepparen 15	Orholm 13, Industrigatan 4–6, Tullhusгатan 6	1954	2,072	0	0	19,781	0	0	21,853	20.2	Spec.prop.	95
13	Karlstad	Stolpen 1	Ventiligatan 5	1964	4,019	0	0	285	0	0	4,304	3.5	6	94
14	Karlstad	Sågen 1	Faktorigatan 13, Industrigatan 1	1986	3,283	0	0	0	0	0	3,283	4.5	14	19
15	Karlstad	Sågen 2	Faktorigatan 15	1988	1,735	0	0	0	0	0	1,735	0.0	7	0
16	Karlstad	Sälgen 6	Älvгатan 39	1929/1949	1,574	0	0	0	0	0	1,574	1.5	4	100
17	Karlstad	Tornadon 2	Blekeгатan 9, Lovartsgatan 8	1975	0	12,535	0	0	0	0	12,535	5.6	20	81
18	Karlstad	Ugnen 1	Sågverksgatan 32	1989	951	784	0	0	0	0	1,735	0.9	3	84
	Katrineholm	Nejlkan 13	Fredsгатan 30–32	1951	288	1,685	0	0	0	592	2,565	1.8	Spec.prop.	97
	Katrineholm	Rådmannen 3	Västgötатan 16	1955/1978	0	18,298	0	0	180	0	18,478	11.8	16	100
	Kristinehamn	Uroxen 14	Kungsgatan 28	1954	1,854	1,065	84	0	0	0	3,003	2.5	6	94
	Kumla	Transistorn 2	Montöргatan 2, Radiogatan 9	1972/1998	0	35,521	0	0	0	0	35,521	23.5	59	100
	Köping	Drotten 2	V:a Långгатan 6	1988	2,405	1,196	0	0	0	0	3,601	3.1	11	73
1	Linköping	Abboten 4*	Apotekareгатan 14, Storgatan 39 A–G	1929/1977	2,183	514	540	0	0	200	3,437	3.5	23	81
2	Linköping	Borgaren 8*	Borgmästareгатan 9, Hantverkargatan 1	1929/1959	0	0	166	1,047	2,963	0	4,176	5.5	25	95
3	Linköping	Brevduvan 17	Kungsgatan 20, S:t Larsгатan 18	1916/1970	7,786	100	0	0	0	257	8,143	9.2	53	97

Office
 Industrial/warehouse
 Retail
 Education/health care/recreation
 Restaurant/hotel
 Residential
 Land

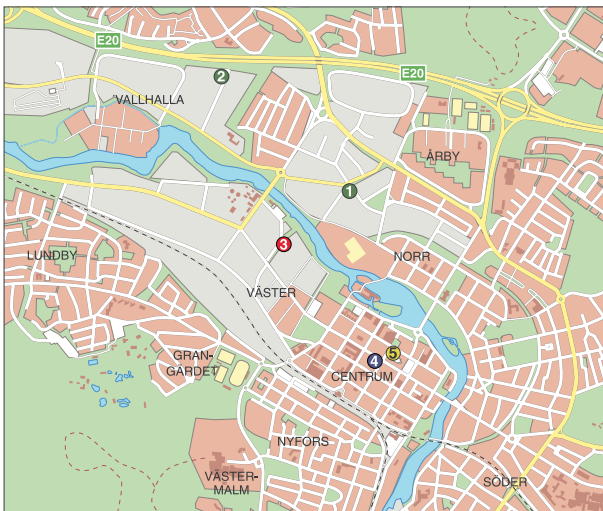
Borås



11 Rotorn 3, Borås



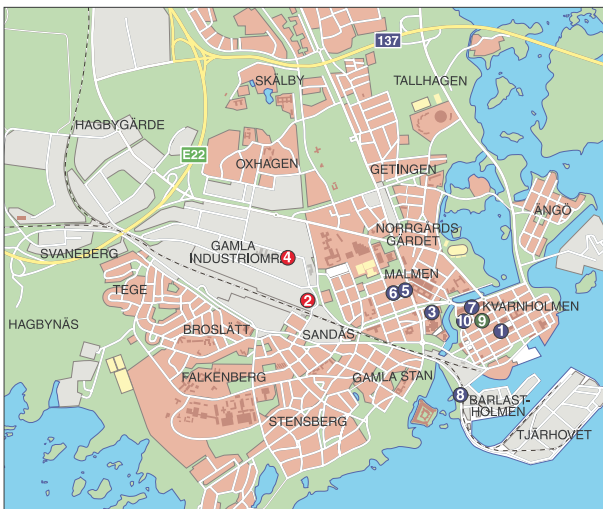
Eskilstuna



3 Valpen 3, Eskilstuna



Kalmar



6 Korpen 20, Kalmar

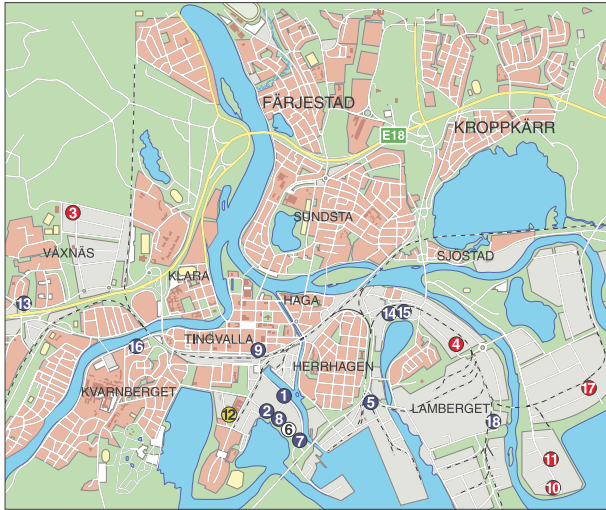


Specification of properties

Map reference	Municipality	Property	Address	Building year/ appraisal year	Office, sq.m.	Industrial/warehouse, sq.m.	Retail, sq.m.	Education/health care/recreation, sq.m.	Restaurant/hotel, sq.m.	Residential, sq.m.	Total, sq.m.	Rental value, SEK/m	Tax assessment, SEK/m	Economic occupancy rate, %
4	Linköping	Brevduvan 21*	Ågatan 33–37	1991	8,934	350	58	0	290	0	9,632	15.0	103	99
5	Linköping	Bävern 13*	Hertig Karlsgatan 2A–C, 4A–B	1981	5,464	361	0	0	0	0	5,825	6.2	37	95
6	Linköping	Dahlia 18*	S:t Larsgatan 30, Storgatan 38	1963	1,668	319	2,164	0	493	0	4,644	6.1	33	93
7	Linköping	Dahlia 20*	Tanneforsgatan 3	1962	744	469	1,501	0	377	0	3,091	5.5	30	93
8	Linköping	Dalmasen 2*	Storgatan 46	1973	780	0	246	267	0	0	1,293	1.6	9	86
9	Linköping	Decimalen 16*	Repslagaregatan 25	1968	2,247	754	1,661	0	0	0	4,662	7.3	41	99
10	Linköping	Domaren 13*	Tanneforsgatan 8	1966/1971	705	511	869	790	0	0	2,875	5.2	31	80
11	Linköping	Doppingen 15*	Drottninggatan 23–25, S:t Larsgatan 35	1965	1,255	266	899	0	1,595	1,314	5,329	5.2	32	93
12	Linköping	Däckeln 3*	Klostergatan 35, Tannerforsgatan 2, 6	1977	177	196	1,765	0	0	660	2,798	5.0	26	100
13	Linköping	Elefanten 17*	Barnhemsgatan 2, Storgatan 78–80	1978/1985	6,098	70	0	0	0	0	6,168	8.3	43	99
14	Linköping	Elektriciteten 2*	Stora Torget 3, Storgatan 50	1929/1985	2,299	399	878	0	0	0	3,576	5.3	33	94
15	Linköping	Fonden 1*	Junkersgatan 1	1987	3,665	0	0	0	0	0	3,665	4.4	22	87
16	Linköping	Ganymeden 7*	Roxengatan 9–11	1963/1973	785	13,840	0	0	440	0	15,065	8.5	25	46
17	Linköping	Glasberget 1	Attorpsgatan 5–9, 13–23	1989/1992	7,178	771	0	1,270	0	0	9,219	8.1	38	90
18	Linköping	Glasbiten 1*	Attorpsgatan 2	1977	0	3,760	0	0	0	0	3,760	2.7	7	100
19	Linköping	Guvernören 13	Norra Oskarsgatan 18	1968/1971	675	2,450	0	0	0	0	3,125	1.4	6	85
20	Linköping	Gymnasten 2	Roxengatan 7	1977	1,772	0	0	0	310	0	2,082	1.9	9	97
21	Linköping	Ideskissen 1*	Teknikringen 3	1984	2,726	0	0	2,000	0	0	4,726	4.1	Spec.prop.	56
22	Linköping	Idétävlingen 4	Wallenbergsgata 4	1990/2001	20,327	1,208	0	385	620	0	22,540	22.3	118	55
23	Linköping	Kättaren 7*	Läskolvsgatan 4	1971/1972	360	19,244	0	0	0	0	19,604	5.6	23	45
24	Linköping	Mekanikerna 22*	Gamla Tanneforsvägen 17A	1947/1998	7,242	13,766	0	0	0	0	21,008	11.3	23	67
25	Linköping	Navbössan 1*	Läsblecksatan 7–9	1980/1983	570	10,581	0	0	0	0	11,151	5.0	19	92
26	Linköping	Paletten 1*	Gumpekullavägen 8	1980	5,413	232	0	0	0	0	5,645	4.6	21	80
	Mark	Kyrkängen 9	Kyrkogatan 2	1929/1985	653	0	0	0	0	0	653	0.9	4	100
	Motala	Basaren 7*	Bispmotalagatan 5-7, Prästgatan 5	1929/1970	1,293	619	3,927	0	1,111	0	6,950	5.2	27	84
	Norberg	Norbergsby 10:66	Nygatan 2	1939/1988	0	0	2,668	0	0	0	2,668	2.0	1	100
1	Norrköping	Bommen 6*	S:t Persgatan 21	1999	5,385	15	0	0	0	0	5,400	8.1	58	100
2	Norrköping	Bronsen 2	Tennegatan 4	1971	3,759	4,400	0	890	0	0	9,049	5.1	19	82
3	Norrköping	Diket 10*	Drottninggatan 66, Nygatan 93	1968	3,367	111	1,365	0	0	0	4,843	6.4	30	94
4	Norrköping	Gryt 21*	Korsgatan 2–4, S:t Persgatan 19	1929/1991	13,011	907	0	3,127	2,610	0	19,655	17.8	98	84
5	Norrköping	Kopparhammaren 2*	Korsgatan 1, Norra Grytsgatan 8, 10, 14	1929/1969	3,530	0	0	0	1,152	0	4,682	1.4	5	29
6	Norrköping	Kopparhammaren 3&4*	Kungsgatan 52, 56, Norra Grytsgatan 2–6	1929	0	7,940	0	0	0	0	7,940	0.8	5	0
7	Norrköping	Malmen 5	Koppargatan 18	1969/1982	750	2,691	425	0	0	0	3,866	2.2	7	72
8	Norrköping	Malmen 6*	Kopparg 10	1963	0	6,900	0	0	0	0	6,900	4.2	12	100
9	Norrköping	Omformaren 7	Hagagatan 4, 6, 10	1969/1970	513	4,622	4,178	3,065	0	0	12,378	6.1	17	69
10	Norrköping	Pelikanen 14	Hospitalsgatan 20	1972	1,670	0	0	191	0	0	1,861	1.4	6	66
11	Norrköping	Platinan 1	Platinagatan 1	1988	0	0	3,875	0	0	0	3,875	1.8	7	100
12	Norrköping	Reläet 9	Ståthögavägen 48	1960/1974	2,230	32,384	0	0	600	0	35,214	13.5	65	44
13	Norrköping	Rotfjärilen 1	Svärmaregatan 1–3	1992/93	4,195	1,550	0	0	0	0	5,745	4.9	14	71
14	Norrköping	Silvret 2	Koppargatan 28	1988/1998	0	6,866	0	0	0	0	6,866	2.8	17	100
15	Norrköping	Skeppet 13	Hospitalsgatan 26–28, Kristinagatan 7	1929/1993	90	0	1,817	0	676	976	3,559	4.5	22	91
16	Norrköping	Stjärnan 15 & 16*	Slottsgatan 114–118, Vattengränden 14	1958	4,979	92	0	3,295	2,528	271	11,165	7.4	45	70
17	Norrköping	Stålet 3	Malmgatan 18	1969	1,545	8,581	0	0	0	0	10,126	3.9	Spec.prop.	86
18	Norrköping	Svårdet 8	Hospitalsgatan 17–21, Kristinagatan 12	1967	7,693	40	0	0	365	0	8,098	9.1	36	97
19	Norrköping	Vävstolen 8*	N. Grytsg. 1–7, 15–17, Korsg. 3	1929/1980	6,934	0	0	0	0	0	6,934	4.2	45	49
20	Norrköping	Åby 20:2	Nyköpingsvägen 28–32	1974	290	0	129	1,352	346	0	2,117	1.6	6	93
1	Nyköping	Ana 11	Spelhagsvägen 3–17, Gästabudsvägen 2–20	1940/87	11,464	25,065	0	3,655	0	0	40,184	21.1	73	90
2	Nyköping	Ana 13	Hamnvägen 7	2003	680	0	0	0	0	0	680	0.8	3	100
3	Nyköping	Bagaren 20	Östra Storgatan 5, S:t Annegatan 6	1962	387	0	450	0	352	681	1,870	1.6	6	81
4	Nyköping	Brandholmen 1:9	Pontongatan 1–11, Propellerv 4–14	1962/1970	1,112	7,076	0	0	0	97	8,285	3.2	10	60
5	Nyköping	Brädgården 3	Folkungavägen 1	Tomt	0	0	0	0	0	0	0	0.0	0	0
6	Nyköping	Fabrikatet 1, 4, 5	Materialvägen 1–5, Finntorpsvägen 2 C–D	1980	0	1,765	0	2,954	0	0	4,719	2.5	8	66
7	Nyköping	Fors 11	Repslagaregatan 41–43, Forsgränd 2–16	1929/1987	8,094	2,616	335	137	236	0	11,418	9.9	42	92
8	Nyköping	Furan 2	Domänvägen 11	2001	0	17	0	2,838	0	0	2,855	2.7	Spec.prop.	100

Office
 Industrial/warehouse
 Retail
 Education/health care/recreation
 Restaurant/hotel
 Residential
 Land

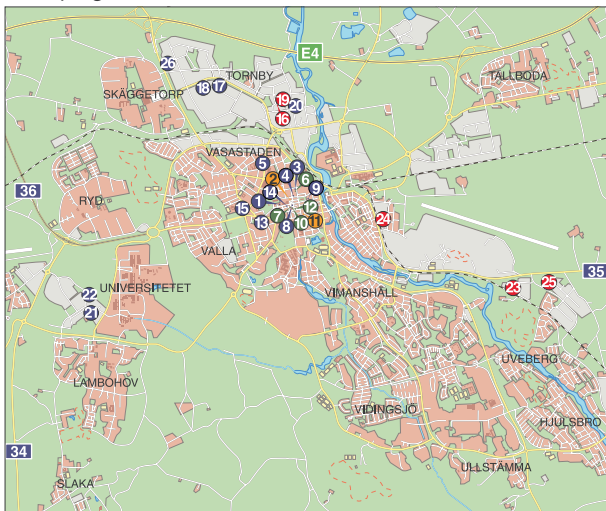
Karlstad



2 Barkassen 9, Karlstad



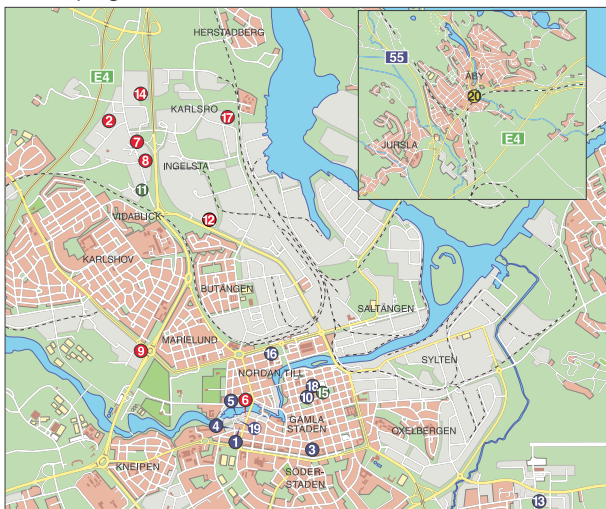
Linköping



12 Däckeln 3, Linköping



Norrköping



18 Svärdet 8, Norrköping



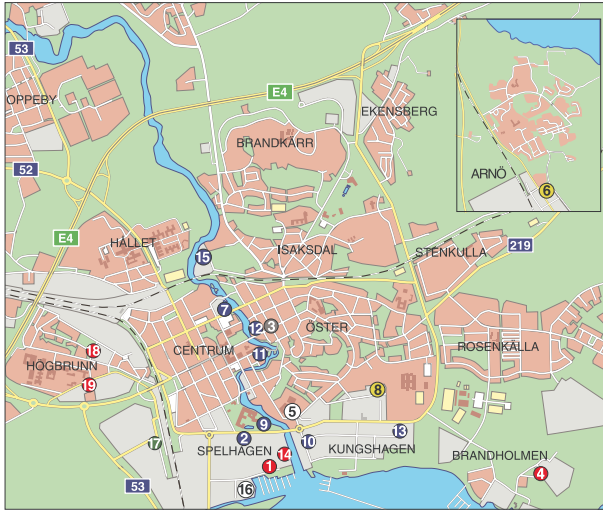
Specification of properties

Map reference	Municipality	Property	Address	Building year / appraisal year	Office, sq.m.	Industrial/warehouse, sq.m.	Retail, sq.m.	Education/health care/recreation, sq.m.	Restaurant/hotel, sq.m.	Residential, sq.m.	Total, sq.m.	Rental value, SEKm	Tax assessment, SEKm	Economic occupancy rate, %
9	Nyköping	Kompaniet 29	Folkkungavägen 1	1986	1,006	13	0	305	742	0	2,066	2.0	8	99
10	Nyköping	Lansen 13	Gasverksvägen 2, Östra Långgatan 5 & 7	1977/1991	4,303	1,027	542	0	0	0	5,872	5.0	24	93
11	Nyköping	Nyköpings Bruk 7	Västra Kvarngatan 62	1910/1991	1,880	0	0	0	0	0	1,880	1.7	9	65
12	Nyköping	Riksbanken 5	Östra Storgatan 3, S:t Annegatan 5-7	1991	2,187	90	0	0	0	0	2,277	2.3	11	96
13	Nyköping	Skölden 2	Gasverksvägen 15	1989	2,035	0	0	0	0	0	2,035	1.4	6	97
14	Nyköping	Spelhamnen 1:7	Västra Skeppsbron 6	1929	91	5,326	0	0	0	0	5,417	1.8	4	100
15	Nyköping	Spinnarskan 2	Periodgängen 7-13	1929/1969	4,210	0	0	0	0	0	4,210	2.2	3	100
16	Nyköping	Spänten 7	Spelhamnsvägen m fl	Tomt	0	0	0	0	0	0	0	0.0	1	0
17	Nyköping	Stensötan 5	Ildbäcksvägen 8 B-C, Stenbärsvägen 1	1971/1985	449	1,989	2,420	0	0	0	4,858	3.0	6	99
18	Nyköping	Stockrosen,7	Krukmakaregatan 4	1940	155	1,373	0	578	0	0	2,106	0.8	2	71
19	Nyköping	Säven 4	Norrköpingsvägen 9	1987	0	1,853	0	0	0	0	1,853	2.2	Spec.prop.	100
	Nässjö	Brevet 1	Storgatan 47	1980	0	2,856	1,775	0	0	0	4,631	2.1	Spec.prop.	99
	Nässjö	Posten 1	Postgatan 1A-1B, Järnvägsgränd 30	1955	1,992	12	1,050	0	0	99	3,153	1.7	7	52
	Tranås	Örnen 17*	Hermelinsgatan 3, Vasagatan 6-10	1964/1993	221	333	160	0	0	3,509	4,223	3.2	13	89
	Trosa	Verktyget 4*	Industrigatan 4-8, Verktogsgränd 3	1972/1990	3,293	7,600	0	0	1,000	0	11,893	6.2	19	92
	Uppsala	Kungsängen 10:1	Kungsgatan 48-50	1920/1966	5,367	1,664	781	0	0	952	8,764	11.3	42	98
	Uppsala	Kungsängen 10:2	Kungsgatan 48-50	1920/1966	0	0	0	0	0	0	0	0.0	0	0
	Uppsala	Kvarngården 30:2	Kvarnortorget 3, Kvarnortorgsgatan 4	1964	644	0	3,162	0	338	0	4,144	4.2	21	95
1	Västerås	Allmogekulturen 5	Svalgöngen 1	1966/1991	4,410	2,135	0	2,775	6,025	0	15,345	12.4	42	59
2	Västerås	Bogserbåten 1	Saltängsvägen 22	Tomt	0	0	0	0	0	0	0	0.0	0	0
3	Västerås	Briggen 3	Saltängsvägen 14-16, Sita Gertruds väg 1-3	1963/1973	0	4,894	0	0	0	0	4,894	4.0	7	100
4	Västerås	Friledningen 18	Elledningsgatan 5a	1988	940	0	0	0	0	0	940	0.4	2	100
5	Västerås	Gastuben 5	Björnövägen 8-10, Kraftverksgränd 2-6	1943/1967	0	1,240	2,442	0	0	0	3,682	2.7	8	99
6	Västerås	Gustavsvik 13	Sjöhamnsvägen 3-7, Stenborgsgatan 2	1957/1962	7,772	21,202	0	0	450	0	29,424	14.2	27	97
7	Västerås	Icander 1	Stenborgsgatan 1	1987	0	0	0	0	3,000	0	3,000	1.0	10	100
8	Västerås	Inge 10	Smedjegatan 8, 15, Vasagatan 22-24	1939/1960	272	265	2,692	351	1,185	1,089	5,854	5.2	28	92
9	Västerås	Klas 8	Torggatan 4	1956	781	208	2,674	844	533	250	5,290	5.3	28	95
10	Västerås	Knut 26	Vasagatan 20	1953	0	0	1,609	85	0	733	2,427	2.2	12	44
11	Västerås	Kol 13	Kopparbergsvägen 25	1955	541	3,575	223	0	0	95	4,434	4.7	Spec.prop.	97
12	Västerås	Leif 19	Hantverkargatan 2-6, Köpmang. 6-8	1930/1964	5,502	573	9,048	315	4,135	1,375	20,948	28.3	132	96
13	Västerås	Livia 17	Stora gatan 44-46	1931/1981	5,064	334	588	1,046	475	702	8,209	7.2	32	79
14	Västerås	Ludvig 20	Mimergatan 6, Östermalmsgatan 15	1960	1,697	472	394	137	170	354	3,224	2.7	10	81
15	Västerås	Ludvig 21	Mimergatan 6, Östermalmsgatan	1960	0	0	0	0	0	0	0	0.0	0	0
16	Västerås	Manfred 6	Erik Hahrs gata 2, Munkgatan 20 A-D	1929/1987	2,728	180	0	0	0	1,369	4,277	4.4	23	86
17	Västerås	Mina 13	Storagatan 49-51, Källgatan 11 B	1962/1965	540	292	1,255	147	220	2,718	5,172	4.5	26	99
18	Västerås	Ringborren 13*	Tallmätarg 7	1960/1962	1,727	1,759	0	0	0	0	3,486	1.9	7	83
19	Västerås	Ringborren 15*	Ringborreg 1	1961/1990	3,757	9,229	248	3,960	337	0	17,531	8.4	26	72
20	Västerås	Sigurd 3*	Sigurdsgatan 27-37	1932/1989	2,456	5,529	2,206	0	0	0	10,191	7.0	17	83
21	Västerås	Sjöhagen 12	Sjöhamnsvägen 14, Järnmalmsgatan 2	1952/1980	464	2,631	4,263	0	0	0	7,358	6.1	8	95
22	Västerås	Skonerten 2	Saltängsvägen 18	1966/1986	0	4,720	0	0	0	0	4,720	3.9	7	100
23	Västerås	Stensborg 2	Sjöhamnsvägen 2	1957/1977	1,271	0	0	0	0	0	1,271	0.9	2	100
24	Västerås	Stensborg 4	Sjöhamnsvägen 4	1989	0	0	0	1,675	0	0	1,675	1.2	6	100
25	Västerås	Västerås 2:5	Stenborgsgatan 4	1982/1989	1,450	0	0	0	0	0	1,450	1.6	4	100
1	Örebro	Barkenlund 11	Vasastrand 11-13	1934/1989	2,426	404	0	0	0	0	2,830	3.0	18	100
2	Örebro	Färherden 1	Riagatan 1,3	1992	1,764	0	0	0	0	752	2,516	2.1	15	74
3	Örebro	Kitteln 11	Storgatan 7-9, Engelbrektsgr 8	1890/1984	4,313	996	4,713	1,599	832	596	13,049	16.1	81	96
4	Örebro	Olaus Petri 3:234	Östra Bangatan 7	1979	5,179	1,077	0	0	3,045	0	9,301	9.1	Spec.prop.	99
5	Örebro	Oxbacken 7	Krontorpsgränd 1	1981/1988	2,682	0	0	0	0	0	2,682	2.0	11	92
6	Örebro	Rådhuset 1	Drottninggatan 3, Engelbrektsgränd 2	1929/1950	1,480	100	0	0	800	0	2,380	2.7	15	99
7	Örebro	Vindhulet 3	Tunnlandsgatan 1-5	1970	17,483	91	0	1,423	0	0	18,997	16.0	74	89
Total					388,577	418,120	88,974	80,632	42,422	22,780	1,041,505	798.1	3,220	87

* Förvärvade under 2005

Office
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 Education/health care/recreation
 Restaurant/hotel
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 Land

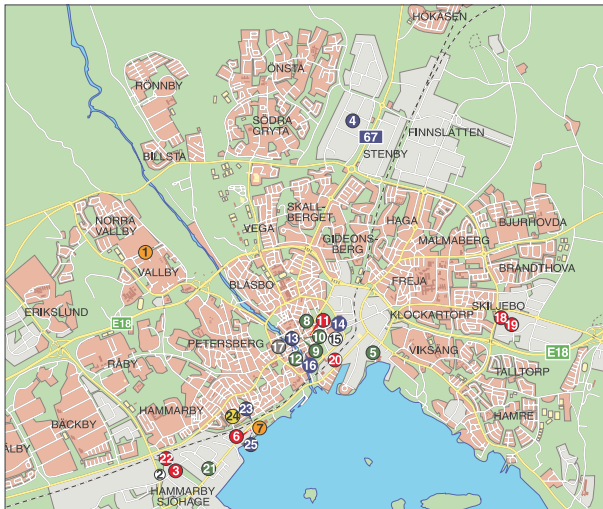
Nyköping



7 Fors 11, Nyköping



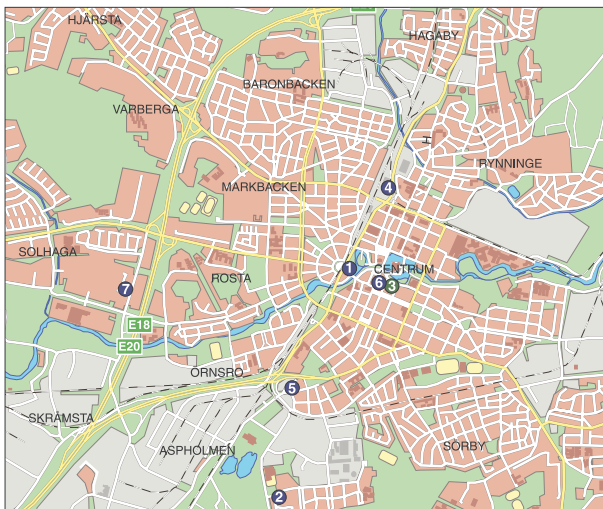
Västerås



1 Allmogekulturen 5, Västerås



Örebro



1 Barkenlund 11, Örebro



Properties sold

Municipality	Property	Address	Building year/appraisal year	Office, sq.m.	Industrial/warehouse, sq.m.	Retail, sq.m.	Education/health care/recreation, sq.m.	Restaurant/hotel, sq.m.	Residential, sq.m.	Total, sq.m.	Rental value, SEK/m
Eskilstuna	Eskilshem 1:8	Nystrandsgatan 3	1972	190	0	1,915	0	0	0	2,105	1.0
Falun	Hattmakaren 16	Nybrogatan 21	1980	2,350	455	953	0	0	0	3,758	2.6
Gävle	Brynäs 12:1	Fältskärsleden 10	1972	2,018	4,090	133	0	0	0	6,241	5.3
Halmstad	Kilot 1	Bolmensgatan 1	1986	1,282	5,612	0	0	0	0	6,894	5.0
Härnösand	Tullen 10	Köpmangatan 13	1983	2,320	2,189	0	0	0	0	4,509	3.0
Kalmar	Bryggaren 2, 24	Storgatan 46, 50	1986/87	578	0	0	0	0	144	722	0.6
Kristianstad	Kristiansstad 5:56	Vattentornsvägen 9	1972	0	1,783	0	0	0	0	1,783	1.5
Linköping	Anders 8	Platensgatan 28	1929/60	1,213	0	0	0	0	0	1,213	1.2
Linköping	Borgmästaren 1	S:t Larsgatan 23, Ågatan 29	1929/60	2,476	0	645	0	0	0	3,121	1.3
Linköping	Hornet 15	Hamngatan 49, Atlasgatan 709	1942/83	145	207	70	0	0	0	422	0.3
Linköping	Hornet 16	Hamngatan 49, Atlasgatan 709	1990	0	143	0	0	0	1,332	1,475	1.2
Linköping	Hornet 17	Valhallagatan 34-36	1942/2004	0	41	0	0	0	1,243	1,284	1.1
Linköping	Domaren 14	Nygatan 29, Klostergatan 30-40	1850/87	0	51	169	0	398	792	1,410	1.5
Luleå	Djuret 3	Blomgatan 17019	1983	463	6,777	107	0	198	15	7,560	5.2
Luleå	Rättan 18	Kungsgatan 19023	1953	3,387	437	10	0	0	0	3,834	4.2
Luleå	Vattenormen 8	Midgårdsvägen 19	1964/83	2,301	840	0	0	0	0	3,141	1.7
Lycksele	Stadshuset 7	Storgatan 24	1985	275	776	394	0	0	0	1,445	1.1
Mörbylånga	Färjestaden 1:292	Storgatan 26	1985	200	0	0	0	0	0	200	0.2
Norrköping	Spolaren 2	Maskingatan 10	1976	0	368	4,774	0	0	0	5,142	2.8
Sandviken	Säterjäntan 3	Västerleden 30	1987	0	933	0	0	0	0	933	0.8
Sundsvall	Borgmästaren 10	Köpmangatan 19	1956	3,378	1,625	0	754	0	0	5,757	5.0
Umeå	Stigbygeln 2	Signalvägen 12	1973	0	3,959	0	0	0	0	3,959	3.2
Uppsala	Boländerna 21:4	Verkstadsgratan 10-14	1968	5,900	2,358	388	0	0	0	8,646	6.7
Vadstena	Helgeandsgården 4	Helgeandsgatan 15A0B	1984/2004	126	14	165	0	240	1,400	1,945	1.8
Västerås	Johanneslund 8	Nygårdsgatan 16-18	1930/85	0	65	0	0	0	1,916	1,981	1.8
Västerås	Magna 7	Floeragatan 15	1929/90	47	0	0	0	0	1,294	1,341	1.1
Västerås	Nanna 4	Floragatan 13	1958/90	0	0	0	50	0	1,207	1,257	1.0
Västerås	Helge 1	Vasagatan 34	1987	593	0	0	0	0	1,063	1,656	1.5
Västerås	Helge 2	Vasagatan 32	1929/99	0	0	171	0	0	1,025	1,196	1.1
Västerås	Helge 6	Vasagatan 30	1984	0	0	0	0	0	683	683	0.6
Västerås	Grimm 6	Rudbecksgatan 4	1938/92	0	115	0	0	0	938	1,053	0.8
Västerås	Grimm 7	Rudbecksgatan 6	1939/90	0	0	0	120	0	1,033	1,153	1.0
Västerås	Grimm 8	Tessingatan 6	1936/90	25	61	0	0	0	1,092	1,178	1.1
Västerås	Ludvig 17	Mimergatan 4, Östermalmsgatan	1960	0	0	240	0	0	0	240	0.1
Örnsköldsvik	Bryssel 11	Köpmangatan 9	1969	2,769	0	0	0	0	0	2,769	2.4
Östersund	Snäckan 25	Rådhusgatan 100	1985	957	1,194	0	1,231	0	0	3,382	3.1
Total				32,993	34,093	10,134	2,155	86	15,177	95,388	73.9

Definitions

Accounting-related

Calculation of ratios

Ratios based on the average number of shares outstanding are computed based on weighted averages. Due consideration was given to new issues and conversion into shares. In reported ratios after dilution, due consideration was given to the effect of issued convertible debenture for 2004. The loan expired in 2004 and was converted in its entirety to 4,545,455 shares during 2003 and 2004. Conversion was possible from August 15, 2002 to June 18, 2004.

Before dilution: Outstanding convertible debenture loans have not been converted to shares. This means that the debenture loan is classified as an interest expense is charged to net financial income.

After dilution: The convertible debenture loan is regarded as fully converted to shares, which means that it is regarded as equity and the number of outstanding shares increases as a consequence of conversion. The interest expense for the convertible loan is reversed, which means that the net of financial items improves and profit increases.

Debt equity ratio

Interest-bearing liabilities relative to equity.

Earnings per share

Profit for the year in relation to the average number of shares.

Equity ratio

Reported shareholders' equity in relation to total assets at end of the year.

Interest coverage ratio

Profit after financial items, plus financial expenses, divided by financial expenses.

Leverage, real estate

Interest-bearing liabilities relating to real estate relative to book value of real estate.

Return on equity

Profit after tax in relation to shareholders' equity in average.

Value added per employee

Operating profit excluding result of property sales plus wage costs including wage overheads divided by the average number of employees.

Visible equity per share

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

Real-estate related

Economic occupancy rate

Rental revenue reported during the year in per cent of rental value at the end of the year. Properties acquired during the year are included as if owned during the entire year.

Property category

Principal use of a property with respect to type of premises. A particular property category may therefore contain smaller areas intended for other uses than the principal use.

Property costs

Refers to direct property costs such as for electricity, water, heating, repairs, maintenance, site lease rent and real estate taxes.

Rental income

Rental income, plus supplement, as compensation for heating and property tax.

Rental value

Rental income, plus estimated market rent for spaces not rented.

Three-year review

SEKm

Statement of Income	2005	2004	2003**
Rental income	639	485	322
Property costs	-248	-199	-133
Operating surplus	391	286	189
Change in value properties, realised	25	30	-
Change in value properties, not-realised	133	30	-
Result from sale of properties	-	-	19
Depreciation of equipment	-2	-2	-1
Central administration	-35	-30	-17
Operating profit	512	314	190
Result from financial items	-178	-129	-103
Change in value financial instruments, not-realised	-3	0	-
Profit before tax	331	185	87
Taxes on the year's profit	48	28	0
NET PROFIT FOR THE YEAR	379	213	87

Balance Sheet	2005	2004	2003**
Equipment	5	6	6
Investment properties	5,968	4,193	2,890
Deferred tax liability	279	231	200
Other assets	114	64	135
Liquid funds	141	110	135
ASSETS	6,507	4,604	3,365
Shareholders' equity	2,264	1,701	908
Interest-bearing liabilities	3,987	2,703	2,316
Other liabilities	256	200	141
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6,507	4,604	3,365

Statements of Cash Flow	2005	2004	2003**
Cash flow from current operations	228	207	10
Cash flow from investment operations	-1,392	-815	-717
Cash flow from financing operations	1,195	583	779
Cash flow for the year	31	-25	72
Liquid funds at the beginning of the year	110	135	63
Liquid funds at the end of the year	141	110	135

Property-related ratios, end of year	2005	2004	2003**
Lettable space, thousand sq.m.	1,042	808	588
Rental value, SEKm	798	596	434
Book value, properties, SEKm	5,968	4,193	2,890
Occupancy rate area, %	82	84	85
Economic occupancy rate, %	87	87	88
Profit ratio, %	61.2	58.9	58.7

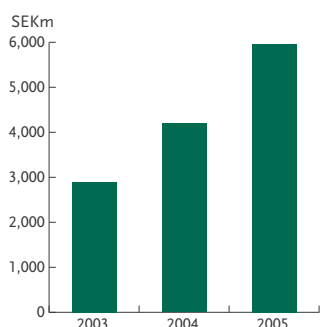
Financial ratios	2005	2004	2003**
Equity ratio after dilution, %	34.8	36.9	28.4
Interest coverage ratio, times	2.8	2.4	1.8
Debt to equity ratio, %	1.8	1.6	2.5
Leverage real estate, %	67	64	78
Return on equity after dilution, %	19.1	16.1	11.7
Average interest on interest-bearing liabilities, %	3.5	5.1	5.6
Interest-bearing liabilities, SEKm	3,987	2,703	2,316

Data per share and share data	2005	2004	2003**
Number of shares at the end of the period after dilution, million	120.4	105.8	71.9
Average number of shares after dilution, million	115.8	92.9	54.5
Earnings per share after dilution, SEK	3.27	2.30	1.65
Dividend, SEK	18.81	16.08	13.32
Share price at the end of the year, SEK	1.00*	0.75	0.50
Market capitalization, SEKm	24.50	19.40	16.00
Book value of properties per share, SEK	2,949	2,052	1,079
The properties book value per share, SEK	49.6	39.6	40.2
P/E-ratio	7.5	8.4	9.7

* Recommendation of the Board of Directors

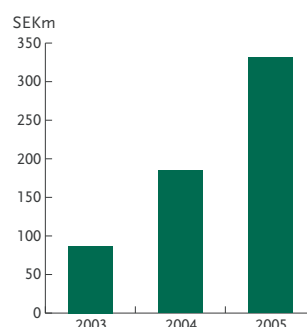
** Not recalculated in accordance with IFRS

Properties



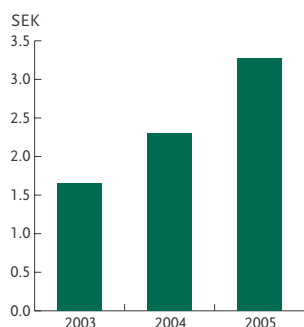
The book value of the properties has increased by almost SEK 2 billion in 2005, partly due to acquisitions.

Profit before tax



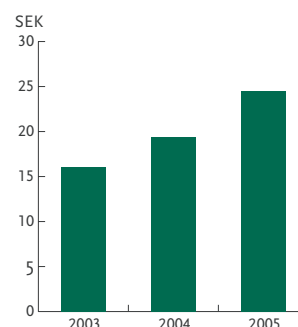
Profit before tax has increased greatly since 2003, partly due to a large increase in the property holding.

Earnings per share after dilution



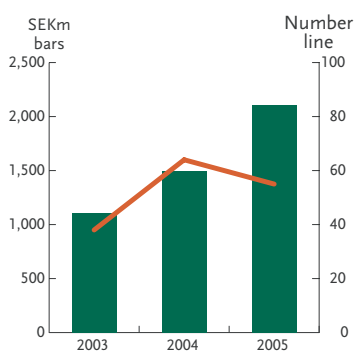
Earnings per share have increased despite a great increase in the number of outstanding shares.

Share price at year-end



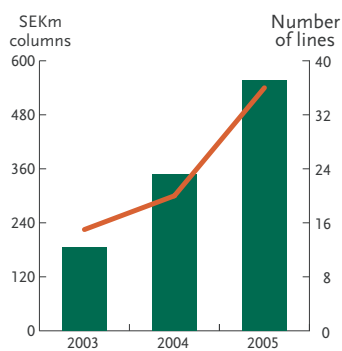
The share price increased by 26 per cent in 2005, to be compared with 21 per cent in 2004 and 40 per cent in 2003.

Property acquisitions



During 2002, two large property holdings were acquired which formed the basis for Klöver. Acquisitions have amounted to more than SEK 1 billion per year in the following years.

Property sales



Between 2003 and 2005, fully-developed properties, properties at non-priority locations and residential properties, in particular, have been divested.

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