



# KLÖVERN

ANNUAL REPORT 2006

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Page 42–72 have been audited by Klövern's auditor

Photo, front cover:  
Hepatica nobilis  
Pontus and Eva at Klövern's head office  
Helgafjäll 7 in Kista

Photo this page:  
Helgafjäll 7 in Kista



# The Year in Brief

## Net profit for the year

Net profit for the year increased by SEK 252 million to SEK 631 million (379). This year's profit includes realised changes in value for properties totalling SEK 45 million (25) and unrealised changes in value from properties of SEK 217 million (133).

## Sales and acquisitions

Fifteen properties (36) have been sold for SEK 348 million (557) and 63 properties (55) have been acquired for SEK 4,672 million (2,108) during the year. The major part of the acquisitions is a property portfolio, mainly in Kista and Täby, which was acquired from Fabege in November. During the year, three new units have been established, at Uppsala as well as Kista and Täby. At the end of the year, Klöver had twelve well-functioning geographical units. The properties consist of 1,436,000 sq.m. (1,042,000) with a value of SEK 10.7 billion (6.0).

## Dividend

The Board of Directors is recommending a dividend of SEK 1.25 per share (1.00).

	2006	2005	2004
Net profit for the year, SEKm	631	379	213
Profit after tax excluding changes in value of properties and deferred tax, SEKm	316	201	152
Rental income, SEKm	808	635	485
Realised changes in value properties, SEKm	45	25	30
Unrealised changes in value properties, SEKm	217	133	30
Operating surplus, SEKm	504	391	286
Earnings per share, SEKm	5.04	3.27	2.30
Interest coverage ratio, times	4.4	2.8	2.4
Equity ratio, %	34.3	34.8	36.9
Economic occupancy ratio, %	84	87	87
Dividend per share, SEK	1.25*	1.00	0.75

\* Proposal by the Board of Directors

## Annual General Meeting 2007

Klövern's Annual General Meeting will be held at 4 pm on Wednesday, March 28, 2007 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 Thursday, March 22, 2007
- notify the Company of their desire to attend not later than 4 pm on Thursday, March 22, 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](http://www.klovern.se).

Such notice must contain the shareholder's name, date of birth (Swedish personal ID 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 22 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 in the original at the time of notification of attendance. A registration certificate must be attached to such request when appropriate.

The Board of Directors proposes a dividend to the shareholders of SEK 1.25 per share. It is proposed that the record day for the dividend, which gives the holder the right to receive the dividend, be April 2, 2007. If the Annual General Meeting passes the resolution as proposed, the dividend will be remitted by VPC on Thursday, April 5, 2007.



## President's statement

*Three factors underlying the record result for 2006 are hard work, large acquisitions and a buoyant economy. We control the first two of these factors ourselves but, as we all know, the economy is subject to cyclical variations, regardless of our wishing that it should always be at peak performance. During 2007, with a continued favourable level of economic activity, we have the opportunity as never before to increase new letting and our income. We intend to make use of this opportunity!*

Two years ago, we had just reached an agreement to acquire properties for SEK 750 million from Byggvesta in Linköping. This acquisition led to Klöver's property value increasing to SEK 4.9 billion and we had, within SEK 0.1 billion, achieved the target of SEK 5 billion set by the senior management and the Board of Directors. The question was whether there was a value in growth as such or whether the most important thing was to try to develop the existing portfolio. The answer was that one need not exclude the other. There is a value in continuing to grow, as long as the acquisitions produce a good yield. Many institutional investors, in particular foreign investors, have rules according to which they may not invest in companies with a capitalisation of less than

EUR 1 billion, which, for real-estate companies, is directly related to the value of the property portfolio, among other things. Interest from the stock market in turn ensures Klöver's ability to obtain equity finance. The strategy that was produced concerned how we were to progress from SEK 5 to SEK 10 billion in the value of the property portfolio. Today, two years later, we have achieved this goal.

### Major strategic acquisitions

During the year, we have carried out three major property acquisitions and a number of small acquisitions. The three large acquisitions consisted of Fyrislund 6:6 in Uppsala,

which was purchased for SEK 227 million in May, a property holding in Nyköping for SEK 245 million in June and properties, mainly in Kista and Täby, for SEK 4 billion in November. With the acquisitions in Uppsala, Kista and Täby, we have established three new units at these places. These new units operate on the same principles as Klöver's other units, with a considerable measure of self-determination but with support from Klöver's head office – the service office – at both management level as well as various central functions. However, there are, of course, differences between the various units. With its high-quality premises, the Uppsala unit offers a lot of additional services to customers in Life Science. As the largest property owner in the area, the unit in Kista has a great advantage in being able to offer demanding and prominent IT customers the customised environments that they require. The latter will entail large investments and Klöver has accordingly recruited a number of staff, in particular to Kista, who have long experience of driving projects forward. This experience can also be of use in other units.

### Developing organization

A large property portfolio places increased demands on the organization. During the year, the number of personnel has increased by almost 50 per cent, from 75 to 110. The major part of this increase naturally relates to the new units, but also at other units and at the head office the organization has been supplemented. The units, in particular the larger ones, have gradually come to resemble independent companies with their own broad expertise. Klöver's organization has not only developed quantitatively, but also qualitatively. Systems have been upgraded, personnel have been trained and routines have been made more stringent.

### Great potential for earnings

The new acquisitions have meant that 2007 started with a lower occupancy ratio than 2006. During the fourth quarter of 2006, however, the occupancy ratio increased by one percentage point.

We have seen great potential in the vacancies acquired during the year. As an example can be mentioned that 13 new leases have been entered into Fyrislund 6:6 in Uppsala with a total annual lease contract value of over

20 million since taking possession in May and that Klöver has entered into a ten-year lease with the exhibition centre, Sollentunamässan in Kista, since the turn of the year 2006/07.

The development of the occupancy ratio in Linköping is another good example of focused letting work. Three years ago, Klöver's vacancy in Mjärdevi was 60 per cent. It is now 15 per cent. Klöver's target of halving vacancies in existing holdings within three years is being maintained. Today, we have the largest vacancies and thus the greatest potential for result, in Kista, Linköping and Uppsala. A halving of the vacancy which was 16 per cent at the turn of the year, would lead to an increase in the operating surplus of at least SEK 100 million.

### Future and forecast

It cannot be denied that the buoyant economy has contributed to the year's fantastic result of SEK 631 million. Low interest rates and a generally large demand in society has meant low interest expenses and increased letting at a higher average rent. For Klöver, this means, however, to be optimally equipped, regardless of the state of the business cycle. The far and away most important task during 2007 will be to continue letting in the buoyant economy on the basis of our "quick-footed", locally rooted organization. Profitable investments in the energy sphere which reduce our consumption and continued efficiency improvement in the organization and administrative systems are other important tasks. The former may include a review of Klöver's geographical extent.

We shall become more efficient. Resources shall be located where they are most useful and provide the greatest effect. We want to see a clear effect in the sphere of letting during the year. And last but not least, we shall enjoy ourselves while we are achieving results. Personnel who enjoy their work create infinitely more added value.

Klöver's profit before tax, excluding changes in value, is expected to exceed SEK 325 million in 2007. The corresponding result for 2006 was SEK 281 million.

Nyköping, 16 February 2007

*Gustaf Hermelin*  
President & CEO

# Business model, goals and strategies

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

## Financial goals

Klöverns 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, the 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 Klöverns staff cannot affect.

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

Klöverns 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 interest coverage ratio is to be at least 1.5 times.*

Interest expense is the largest single cost item in Klöverns. It is therefore important that the company has an earning capacity that covers the present interest expense level by a broad margin.

## New dividend policy

Klöverns will transfer on a long term basis at least 50 per cent of net profit, excluding unrealised changes in value and deferred tax, to shareholders. Dividend policy was changed at the beginning of 2007, which was communicated in the year-end report for the 2006 financial year.

## Financing strategy

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

Klöverns is to become a leading player for commercial premises in large Swedish cities. The strategy is to create geographical and functional units in prioritised cities with at least 150,000 sq.m. of lettable space and/or rental revenue per year of at least SEK 75 million. The goal is to create a positive identity and a strong brand name, both locally and nationally. The target for the size of the units was increased at the end of 2006.

## Customer strategy

Klöverns 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, Klöverns will deliver activities and services that are relevant, easily accessible and which provide added value to the customer. Existing customers shall be taken well care of so that they become ambassadors for the company.

## Acquisition strategy

Klöverns 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 Klöverns key ratios.

## Development 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.
- Klöver's vision is to strengthen the local business sector for the benefit of businesses and individuals.
- Klöver's staff work according to the motto of "making the customer's day easier every day".



Interior from Barkassen 7 in Karlstad.

## Goal fulfilment

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



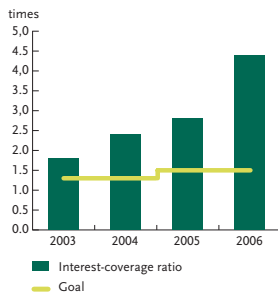
The return on equity was 20.6 per cent in 2006. In the past four years, the average return has been 16.9 per cent, which exceeds the long-term goal of at least 15 per cent.

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



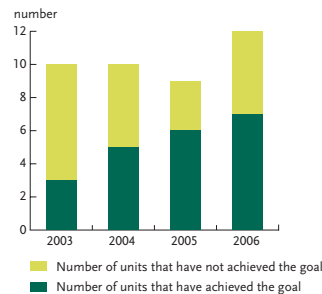
The equity ratio has complied with in all four financial years since the start. The target has been expressed as an interval since 2005.

The interest coverage ratio is to be at least 1.5 times



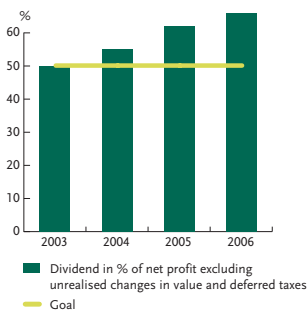
The interest-coverage ratio has exceeded the target for all years. In 2006, it was 4.4 times.

Geographical units should have at least 150,000 sq.m. of lettable area and/or rental revenue of at least SEK 75 million



During 2006, the market goal was increased for the units. Consequently, units that have previously achieved the old target must now expand more to achieve the new goal.

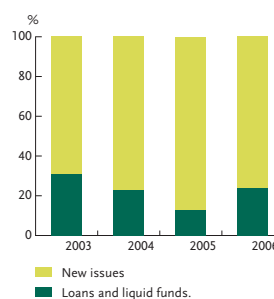
In the long term, at least 50 per cent of the net profit, excluding unrealised changes in value and deferred taxes, is to be distributed to shareholders\*



In the past four years, Klöver has distributed an average of 58 per cent of net profit, excluding unrealised changes in value and deferred taxes.

\*The diagram shows dividend in relation to dividend policy adopted in February 2007.

When acquiring properties, the possibility of new issue is to be considered



New issues of own shares, primarily in relation to sales of properties, have accounted for a large proportion of Klöver's financial solution.

# The share and owners

## Share capital and ownership

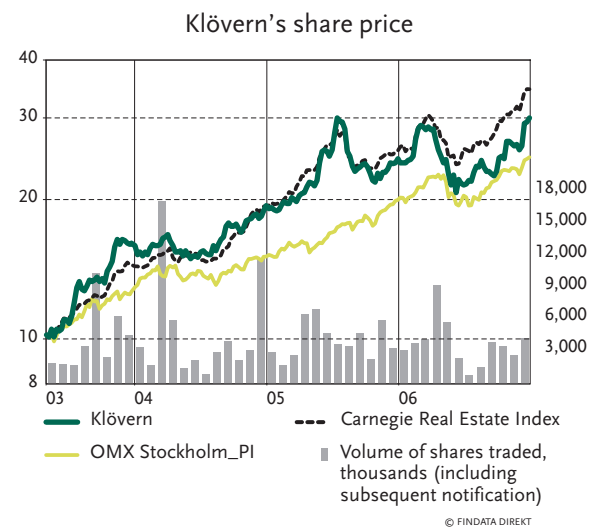
As of December 31, 2006, Klöver's share capital amounted to SEK 832,721,630. The total number of shares was 166,544,326 with a nominal value of SEK 5 per share and one vote per share. A trading lot consists of 500 shares. The identity of the share on the Stockholm Stock Exchange, Stockholmsbörsen, is SSE19459 and the ISIN code is SE0000331225.

The number of shareholders as of December 31, 2006, was 19,058. The number of shareholders decreased during the year, mainly as a result of shareholders with a shareholding of less than a trading lot being invited to purchase or sell Klöver shares free of brokerage. More shareholders decided to sell rather than buy shares and the number of shareholders consequently fell by over 4,000. Those who decided to buy shares, bought larger lots, and net purchases accordingly amounted to 474,009 shares.

The ten largest shareholders represented 70.2 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.

## Price movements

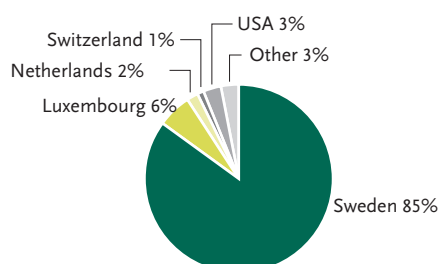
The price of the Klöver share increased during the year from SEK 24.50 to SEK 30.00, which is equivalent to an increase of 22 per cent. The Stockholm stock exchange Stockholmsbörsen's All-share index (OMXSPI) rose during the same period by 24 per cent and Carnegie's property index (CREX) by 36 per cent. The highest price paid during the year was SEK 30.40 and the lowest SEK 19.50. In 2006, 45 million Klöver shares were traded for a total of SEK 1,147 million, which indicates a high liquidity. Klöver's capitalisation at the end of 2006 was SEK 4,996 million, compared with SEK 2,949 million at the end of 2005.



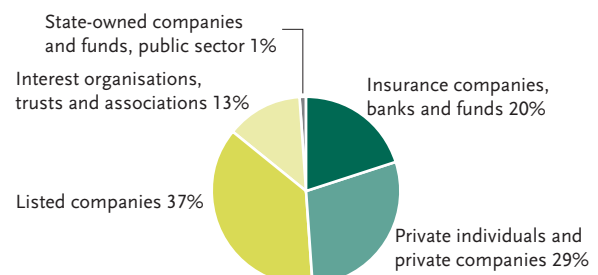
## DISTRIBUTION OF THE SHARES

No. of shares	No. of owners	No. of shares	Total no. of shares, %
5,000,001–	6	101,444,876	61
1,000,001–5,000,000	14	25,131,688	15
100,001–1,000,000	73	23,728,004	14
50,001–100,000	38	2,834,871	1
10,001–50,000	236	5,286,415	3
2,001–10,000	926	4,618,239	3
1,001–2,000	690	1,198,829	1
501–1,000	1,009	943,725	1
500 or less	16,066	1,357,679	1
<b>Total</b>	<b>19,058</b>	<b>166,544,326</b>	<b>100</b>

### Distribution of the shares



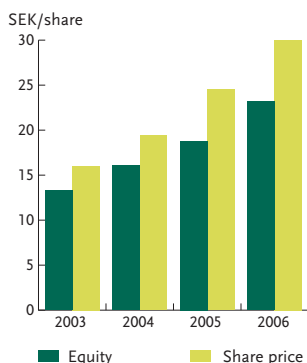
### Distribution of shares in Swedish ownership



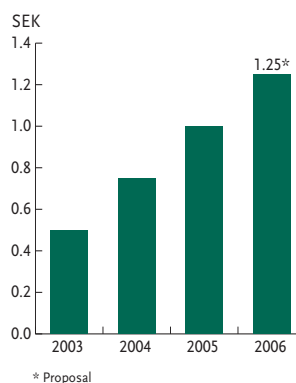
## Equity

Equity per share totalled SEK 23.2 at the end of the year after an increase of SEK 4.4 during the year.

Equity per share and share price per share



## Dividend



This year's proposal means that 66 per cent of the earnings, excluding unrealised changes in value and deferred taxes, are distributed to the shareholders. The proposed dividend is equivalent to a direct yield of 4 per cent calculated on the basis of the share price on 31 December 2006. Given the year's price rise of 22 per cent, a total return of 26 per cent is achieved for 2006.

## Tax assessment value and acquisition value

Klövern's shares are listed on the Nordic list of Stockholm stock exchange for medium-sized companies. Holding of Klövern shares is not subject to wealth tax.

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

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

## Total return



## Dividend

According to Klövern's policy, dividend shall amount in the long term to at least 50 per cent of net profit, excluding unrealised changes in value and deferred taxes. Dividend policy was changed at the beginning of 2007.

The Board of Directors proposes that dividend on 2006's result should total SEK 1.25 per share, which is an increase of 25 per cent compared with 2005. If the Annual General Meeting decides in accordance with the Board's proposal, dividend is expected to be paid on 5 April, the record date being 2 April 2007.

## Contact with investors

Klövern regularly meets shareholders, potential investors and analysts, both in Sweden and in other countries, to present the company. During the year, Klövern has participated in Stora Aktiedagen (The Big Share Day) in Linköping and made trips to both the U.K. and the Netherlands for meetings with investors.

## LARGEST SHAREHOLDERS

Owner	No. of owners	No. of shares	Holding and votes, %	Change, % points
Fabege AB		46,180,067	27.7	27.7
Arvid Svensson Invest AB		17,016,609	10.2	-3.9
Lantbrukarnas Riksförbund		16,550,000	10.0	-2.1
Investment AB Öresund		9,062,982	5.5	-0.8
Skandia Liv		7,858,469	4.7	-1.9
Länsförsäkringar fonder		6,393,249	3.8	1.5
Fortis Bank Luxembourg		3,938,198	2.4	-1.0
Länsförsäkringar Södermanland		3,665,174	2.2	-0.9
HQ Fonder		3,509,740	2.1	-0.8
SEB Fonder		2,691,925	1.6	-1.0
<b>Sum largest shareholders</b>	<b>10</b>	<b>116,866,413</b>	<b>70.2</b>	<b>16.8</b>
Other owners	19,048	49,677,913	29.8	-16.8
<b>Total all owners</b>	<b>19,058</b>	<b>166,544,326</b>	<b>100.0</b>	<b>0.0</b>

On 1 January 2006, the number of outstanding shares was 120,364,259. During 2006, 46,180,067 shares have been newly issued, leading to a reduction in the percentage holding of many shareholders.

## CHANGE OF SHARE CAPITAL

Day	Month	Year	Transaction	Share capital, SEK		Number of shares		Nominal, SEK/share
				Change	Total	Change	Total no.	
1	January	2002	At beginning of year	–	57,567,223	–	575,672,226	0.10
18	June	2002	Directed new issue <sup>1)</sup>	2.40	57,567,225	24	575,672,250	0.10
27	June	2002	Reversed split 1:250 <sup>2)</sup>	–	57,567,225	-573,369,561	2,302,689	25.00
27	June	2002	Write-down of share capital <sup>3)</sup>	-46,053,780	11,513,445	–	–	5.00
7	August	2002	Priority issue <sup>4)</sup>	115,134,450	126,648,895	23,026,890	25,329,579	5.00
17	December	2002	Non-cash issue <sup>5)</sup>	79,972,005	206,619,900	15,994,401	41,323,980	5.00
15	August	2003	Non-cash issue <sup>6)</sup>	70,038,450	278,658,350	14,007,690	55,331,670	5.00
15	August	2003	Non-cash issue <sup>7)</sup>	27,692,300	304,350,650	5,538,460	60,870,130	5.00
25	September	2003	Redemption convertible loan <sup>8)</sup>	452,500	304,803,150	90,500	60,960,630	5.00
17	October	2003	Non-cash issue <sup>9)</sup>	32,238,460	337,041,610	6,447,692	67,408,322	5.00
12	January	2004	Conversion of A shares to B shares <sup>10)</sup>	0	337,041,610	0	67,408,322	5.00
19	January	2004	Redemption convertible loan <sup>11)</sup>	910,000	337,951,610	182,000	67,590,322	5.00
13	February	2004	Non-cash issue <sup>12)</sup>	20,900,000	358,851,610	4,180,000	71,770,322	5.00
18	February	2004	Conversion of B shares to A shares <sup>13)</sup>	0	358,851,610	0	71,770,322	5.00
18	February	2004	Non-cash issue <sup>14)</sup>	63,629,975	422,481,585	12,725,995	84,496,317	5.00
6	April	2004	Redemption convertible loan <sup>15)</sup>	20,226,135	442,707,720	4,045,227	88,541,544	5.00
7	May	2004	Redemption convertible loan <sup>16)</sup>	682,500	443,390,220	136,500	88,678,044	5.00
2	July	2004	Redemption convertible loan <sup>17)</sup>	456,140	443,846,360	91,228	88,769,272	5.00
16	August	2004	Non-cash issue <sup>18)</sup>	85,083,045	528,929,405	17,016,609	105,785,881	5.00
3	March	2005	Non-cash issue <sup>19)</sup>	33,000,000	561,929,405	6,600,000	112,385,881	5.00
6	June	2005	Non-cash issue <sup>20)</sup>	39,891,890	601,821,295	7,978,378	120,364,259	5.00
22	November	2006	Non-cash issue <sup>21)</sup>	230,900,335	832,721,630	46,180,067	166,544,326	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 Klövern.

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

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 Klövern.

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 Klövern.

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 Klövern.

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.

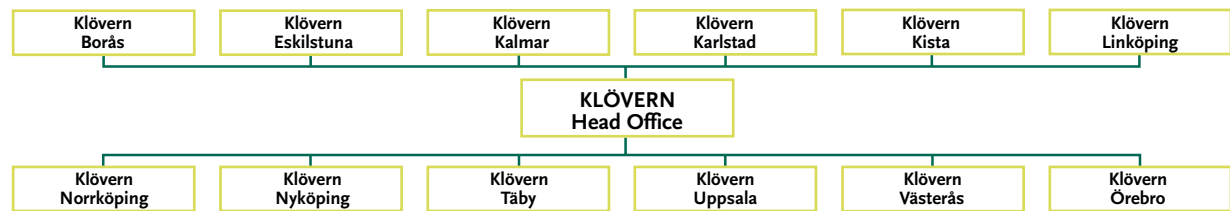
18) Non-cash issue at a subscription price of SEK 16 per share directed at Arvid Svensson AB on sale of properties to Klövern.

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

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

21) Non-cash issue at a subscription price of SEK 23.68 per share directed at Fabege Nacka Holding AB on sale of properties to Klövern.

# 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 twelve 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 business 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 twelve units, Eskilstuna, is taken care of by leased staff. At the other eleven units, customer contacts and most of the property operations are taken care of by Klöver's own staff. During the year, three new units have been opened due to large property acquisitions.

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 at least 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, their work is based on 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 was SEK 5.8 million (6.1) in 2006.

## IT – a tool in everyday work

Klöver's motto of "making the customer's day easier every day" can also be used to describe our view of the company's use of IT. The IT tools used are intended to facilitate and improve the efficiency of everyday activities. Among other things, Klöver uses the electronic invoice management system Vitec Nova, the group accounting system Ocras and the financial system XOR Control.

The electronic invoicing system via Baltzar has simplified the invoicing process markedly. Instead of sending invoices backwards and forwards across Central Sweden, for instance, for attestation, everything is taken care of by computer. The process is speeded up. Baltzar also facilitates searches since everything is stored electronically and is thus available for the company's staff.

XOR is used for day-to-day accounting and in closing the accounts.

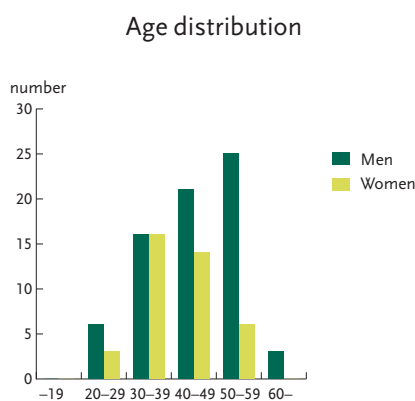
All of Klöver's leases are registered in Vitec Nova. All notices of payment of invoicing relating to tenants are taken care of in Vitec's rent sub-ledger. If a tenant has not paid on the due date, a reminder is automatically sent to the tenant via Vitec.

All consolidation of the Group's result takes place in Ocras as well as the operational follow-up. Ocras handles information from a number of our other systems, XOR, Vitec and Baltzar. The budget is also registered in Ocras and it is possible to extract lease contract statistics from the system.

IT investments (hardware) totalled SEK 0.8 million during the year.

## Personnel

The total number of employees was 110 (75) at year-end after an increase of 47 per cent during the year. This increase is a natural result of the property acquisitions that took place during the year. Of the total number of employees, 39 were women (30) and 71 men (45). Just over a fifth of the employees worked at the head office. The average age was 43 (44). The average age for men was slightly higher than for women, 45 years (45) compared with 41 years (41).



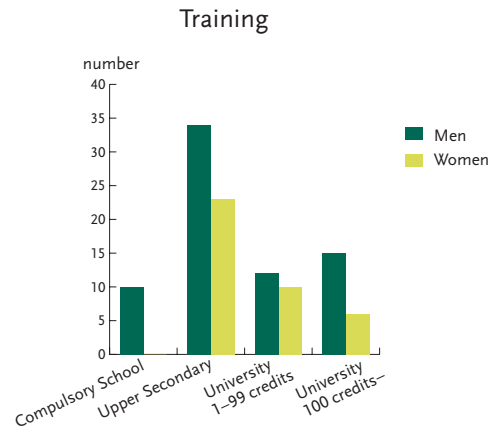
## Staff turnover and absence

Staff turnover was 7 per cent (12) during the year and sick leave in the whole group was 1.8 per cent (2.1). Sick leave was slightly higher for men, 2.2 per cent, (2.1) than for women 1.1 per cent (2.0). Of the total sick leave, 37 per cent (33) consisted of long-term sick leave of 60 days or more. The average period of employment for staff was 1.7 years at the end of 2006. No incidents have taken place leading to sick leave.

Klövern has commissioned a private company to carry out health profile surveys of 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 yearly obtains an overall picture of the state of health of its employees. The 2006 survey shows high satisfaction and motivation, but also a higher level of stress than is desirable. All employees are covered by health care insurance.

## Training

At the end of 2006, 39 per cent (40) of the employees had undertaken some form of university education. Of these, almost 49 per cent (33) had obtained 100 credits or more at university college or university.



Klövern 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 academy – where staff have the opportunity of education and competence development. During 2006, the Klöver academy has arranged courses in the responsibility of the property owner, operating office hotels, system science, and the role and responsibility of the property caretaker. The cost of competence renewal was SEK 17,000 (16,000) per employee during the year.

## The profit sharing foundation

Klövern's profit sharing trust was established in spring 2004. The first and second transfers from Klöver AB to the foundation were made in April 2005 and 2006. The profit sharing foundation acquires Klöver shares for the transferred amounts. All permanent Klöver employees receive shares in any annual allocation to the foundation based on time worked and the starting date of employment. This provision, based on among other things the company's result, is at most one price base amount per employee. The allocation to the foundation must be retained there for at least three full calendar years, in addition to the year of deposit, before any withdrawals may be made. On withdrawal, the amount paid to the individual will be subject to tax as if it were salary.

# 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, are prerequisites for 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 was complemented with an environmental action plan which describes in concrete terms how the policy is to be achieved and the measurable goals that the organization 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.

## Environmental measures during 2006

During 2006, the organization has worked intensively on trimming and adjusting heating and ventilation systems with a view to reducing consumption and ensuring that the amount of heating and air is adapted to the current needs. The following list shows some examples of concrete environmental measures, apart from ongoing adjustments, undertaken by Klöver during 2006.

## Energy

- The ventilation and cooling plant has been replaced at the property Katrinehill 8 in **Borås**. Likewise a new control system for heating, ventilation and cooling has replaced and, to some extent, complemented the previous system. Around 80 per cent of heating will be recovered.
- In **Karlstad**, the properties Sälgen 6 and Sägen 1 have undergone conversion of heating and cooling systems. Direct acting electric heaters have been replaced by waterborne systems with heat pump. Two cooling machines have been replaced by free cooling from bores. This saving amounts to approximately SEK 50 per sq.m. At Barkassen 8 and Passadvinden 3, old automatic control systems have been replaced by main control units. This saving amounts to SEK 13 per sq.m.
- In **Kista**, new control equipment has been installed at Isafjord 1, building 18 and 19, and new time channel control. At the same property, in building 20, ventilation equipment has been shut down and slowed down.

At the property Knarranäs 4, control functions for time control of ventilation at the property have been installed. At Helgafjäll 3, cooling has been reconnected to make use of energy from a cooling heat pump. District cooling is only used for comfort cooling for office premises, while the cooling heat pump takes care of production.

- The automatic control system at Brevduvan 17 in **Linköping** has been connected to the Internet to simplify measures. At Brevduvan 21, a timer which controls outdoor lighting, stairwells and doors has been replaced by an annual timer. Primary valves have been replaced at eight properties to obtain lower KSV values. New control equipment for the district heating plant has been installed at Paletten 1. New control equipment for heating systems and ventilation with heat recovery, web connection, and frequency control of ventilation has been installed at Mekanikern 22.
- Lighting on demand has been installed in communal spaces at Diket 1 and Rottfjärilen 1 in **Norrköping**.
- A new ventilation system with a rotating heat exchanger has been installed at Hotellet 26 in **Nyköping**, which saves energy. Thermostats have been replaced at Fors 11. A new energy-saving oil boiler, which has been prepared for rock heating, has been installed at Tryckaren 3.
- Rock heating and a new control and ventilation system has been installed at the property Kardborren 13 in **Täby**. A new automatic control system has been installed at Lodet 2 and a new automatic control system in half of the property and a new heat pump have been installed at Svänghjulet 1.
- In **Uppsala**, a start has been made on time and daylight control of lighting in central corridors, installation of heat recovery in buildings which do not have this and district heating exchangers been replaced in parts of Fyrislund 6:6 and Kungsängen 10:1.
- Computerised automatic control systems have been installed at five district heating plants in **Västerås**. Cooling equipment has been removed and district cooling installed in a number of properties. Old district heating plants, new exchanges and frequency and pressure controlled pumps have been refurbished to save energy. Replacement of garage fittings and control with presence detectors.
- New ventilation with heat recovery has been installed at Kitteln 11 in **Örebro** and cooling for shops has been rebuilt from airborne and energy-intensive to fan air coolers for direct cooling in the shops. At Rådhuset 1, presence control for lighting in stairwells has been installed. At Barkenlund 11, presence control for operation of ventilation plants has been installed and thermostat valves on radiators have been replaced.

### Waste

- Sorting at source has been introduced at the properties Barkassen 7, 8 and 9, Monitorn 9 and Kanoten 10 in Karlstad.

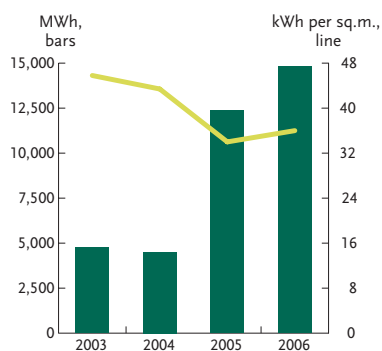
### Water and sewerage

- An old oil separator for the property's laundry room at Nötknapparen 24 has been replaced by a new environmentally friendly facility.

### Environmentally hazardous substances

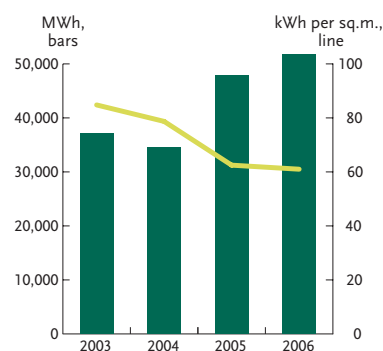
- Asbestos decontamination has been carried out at Katrinehall 8 in Borås.
- Asbestos decontamination has been carried out in parts of Vampyren 9 in Eskilstuna.
- The environmental impact from freon has been reduced by approximately 20 kg with the replacement of the cooling machines in Karlstad.

Electricity consumption, property electricity



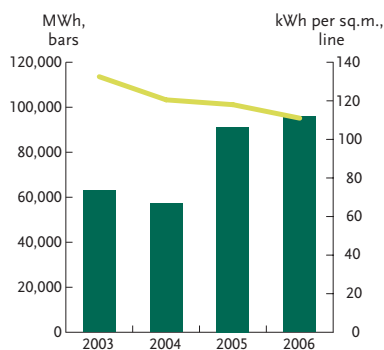
Property electricity can only be separated in a small part of Klöverns properties. Consumption at these properties has increased by approximately 3 per cent in 2006.

Electricity consumption, incl. tenant electricity



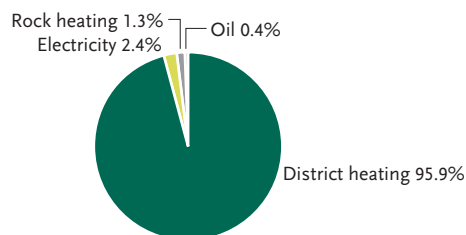
Consumption has decreased by 2 per cent in 2006 at properties where the tenants' electricity consumption is included in the property electricity supply contract. The reduction in consumption is explained by improved operation optimisation.

District heating consumption



District heating consumption (degree day corrected) per sq.m. has decreased by 6 per cent during 2006 due to energy optimisation carried out.

Types of heating



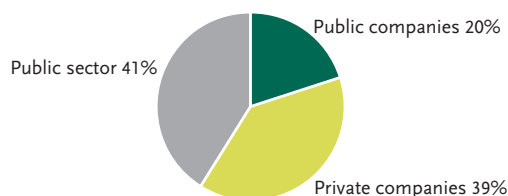
# Customers

## Closeness to customers

A good relationship with the customer is a crucial success factor for 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.

Good communication with the customer is not only ensured by personal meetings. Communication with customers can also take place via the website, newsletters, circulars and customer magazines. Units have organised regular meetings to which different customer groups have been invited. It is also important that the customer is able to reach the right person at Klöver as quickly as possible, regardless of whether this concerns renegotiation of lease contracts or some practical problem at the rented premises. In the latter case, the matter is often urgent. Customers can report faults via telephone, e-mail or directly at the office. For the convenience of the customer, several units have made it possible for customers to report faults via the website.

Lease contract value per type of tenant

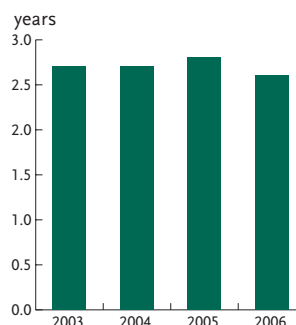


## Customer structure

Klöver's business orientation towards commercial properties means that most of the customers are legal entities. At year-end 2006, the public sector accounted for 20 per cent (26) of the lease contract value, private companies for 39 per cent (44) and public companies for 41 per cent (30).

The ten largest customers account for 35 per cent (24) of Klöver's lease contract value. With the acquisition of properties in Kista during the year, Ericsson's share of the lease contract value has risen sharply from 6 per cent to 18 per cent. Only two other tenants have lease contract values that exceed 3 per cent of Klöver's total lease contract value. The average lease period for the ten largest customers is 3.2 years and 2.6 years for all tenants.

Average lease period



### KLÖVERN'S LARGEST TENANTS

Tenant	No. of contracts	Contract value, SEKm	Proportion of total contract value, %	Average contract term, years
Ericsson	31	197	18	3.1
Saab	10	37	4	2.6
Posten	42	36	3	1.6
Arvid Svensson	8	16	2	7.4
Nokia	5	16	2	3.7
Social Insurance Agency	9	15	2	3.4
Telia Sonera	20	14	1	6.5
Swedish Road Administration	20	13	1	4.7
Pfizer Health	13	13	1	1.6
Tieto Enator	3	13	1	1.5
<b>Total largest tenants</b>	<b>161</b>	<b>370</b>	<b>35</b>	<b>3.2</b>

# Market descriptions

During 2006 Klöver was active in the property business in twelve main markets. Klöver 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 nine out of twelve prioritised markets Klöver is among the five biggest owners of commercial premises. In Eskilstuna, Uppsala and Örebro, Klöver is in sixth, seventh and tenth place respectively.

Klöver's twelve prioritised markets, Borås, Eskilstuna, Kalmar, Karlstad, Kista, Linköping,

Norrköping, Nyköping, Täby, Uppsala, Västerås and Örebro have many similarities. All twelve markets saw a positive population trend in both 2005 and 2006, which shows the cities' power of attraction. Compared with 2005, unemployment fell in all of Klöver's markets where statistics are available.

The private service sector accounts for most of the job vacancies in the majority of Klöver's markets. This is followed by public services and the manufacturing industry. Below is an overview of Klöver's geographical markets in tabular form. The following pages contain more detailed descriptions of each market.

## POPULATION\*

Municipality	2006	2005	Change, 12 months, %
Borås	100,115	99,192	0.9
Eskilstuna	92,196	91,517	0.7
Kalmar	61,309	60,867	0.7
Karlstad	82,714	82,002	0.9
Kista	30,191**	30,142**	0.2
Linköping	138,450	137,594	0.6
Norrköping	125,261	124,635	0.5
Nyköping	50,143	49,758	0.8
Täby	61,073	60,532	0.9
Uppsala	185,211	183,231	1.1
Västerås	132,830	131,762	0.8
Örebro	128,689	127,528	0.9

\* Refers to 30 September each year

\*\* Refers to December 2005 and 2004 respectively.

Source: Statistics Sweden

## UNEMPLOYMENT

%	Open unemploy.	Labour market prog.	Total unemploy.	Change fr. 2005
Borås	3.4	2.3	5.7	-0.9
Eskilstuna	4.7	2.7	7.4	-1.5
Kalmar	4.0	2.4	6.4	-0.9
Karlstad	3.6	3.0	6.6	-0.9
Kista	i.u.	i.u.	i.u.	i.u.
Linköping	3.8	2.1	5.9	-0.6
Norrköping	5.4	3.2	8.6	-0.8
Nyköping	3.0	2.3	5.3	-1.4
Täby	1.5	0.5	2.0	-0.8
Uppsala	2.9	1.4	4.3	-0.8
Västerås	4.4	2.5	6.9	-1.2
Örebro	4.9	2.5	7.4	-0.9

Source: National Labour Market Board (AMS)

i.u. = information unavailable

## RENTAL LEVELS, NORMAL LOCATIONS

	Office, SEK sq.m.	Retail, SEK sq.m.	Industry/ware- house, SEK sq.m.
Borås	800-1,300	1,000-1,400	350-600
Eskilstuna	900-1,100	1,000-1,500	500-650
Kalmar	800-1,100	1,000-1,500	300-600
Karlstad	900-1,100	1,300-2,000	400-600
Kista	1,400-2,100	1,400-4,500	800-1,000
Linköping	1,000-1,300	1,500-2,000	400-500
Norrköping	1,000-1,300	1,200-2,200	350-500
Nyköping	800-1,000	1,200-1,800	350-700
Täby	800-1,300	1,000-3,000	750-900
Uppsala	1,300-1,800	1,200-4,000	400-800
Västerås	900-1,200	1,200-1,800	300-800
Örebro	900-1,200	1,400-2,000	400-700

Source: DTZ and Klöver

## PROPERTY PRICES, AVERAGE VALUE PER PROPERTY\*

	Premises, SEK/sq.m.	Industry/warehouse, SEK/sq.m.
Borås	6,250	1,475
Eskilstuna	3,800	2,900
Kalmar	4,110	2,710
Karlstad	8,000	3,250
Kista	i.u.	i.u.
Linköping	9,450	4,500
Norrköping	4,145	4,046
Nyköping	3,460	3,010
Täby	11,000	5,500
Uppsala	9,900	8,900
Västerås	7,700	2,800
Örebro	10,200	4,100

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.

i.u. = information unavailable

## 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/E20 in Gothenburg. Borås therefore has good road connections with both Gothenburg (50 km) and Stockholm (400 km). Landvetter Airport is 30 km west of Borås. There is a rail link with the main line network to Alvesta and Gothenburg. There are regional train links with Varberg, Herrljunga and Vänersborg.

The population of Borås municipality in September 2006 totalled 100,115 people, following an increase of 0.9 per cent compared with the previous year.

POPULATION TREND						
Municipality	Sept 2006	Sept 2005	Change 12 months	Dec 2001	Change 4.75 years	Change per year
Borås	100,115	99,192	0.9 %	97,347	2.8 %	0.6 %

Source: Statistics Sweden

Total unemployment in December 2006 was 5.7 per cent, which is equivalent to Sweden as a whole (5.6) and just above the county of Västergötland as a whole (5.2).

The number of employment opportunities in the municipality of Borås is around 49,000. The largest proportions are within the private service sector (36 per cent), public services (40 per cent) and the manufacturing industry (17 per cent).

### LARGEST EMPLOYERS IN THE MUNICIPALITY OF BORÅS

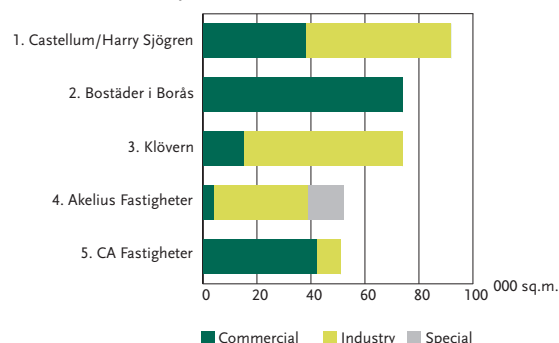
Employer	Proportion total no. of employees in municipality, %	No. of employees
City of Borås	20.2	8,975
V. Götaland County Council	9.6	4,275
Ellos	2.3	1,025
Ericsson	2.3	1,025
Manpower	1.4	625
Sv. Provnings/Forskningsinst.	1.4	625
Borås University College	1.4	625
H&M Rowells	1.0	425
Samhall	1.0	425
Parker Hannifin	0.9	375
<b>All ten largest</b>	<b>41.5</b>	<b>18,400</b>

Source: DTZ

### Investor market

The total premises area in Borås is approximately 4,050,000 sq.m., of which 800,000 sq.m. are commercial premises, 1,500,000 sq.m. industrial premises and 1,750,000 sq.m. residential.

### Largest owners of commercial premises in Borås



Source: Byggstatistik

During 2006, eleven commercial properties changed owner as separate properties in Borås at an average price of SEK 6,250 per sq.m. In addition, 15 industrial premises have changed owner as separate properties at an average value of around SEK 1,475 per sq.m.

In spring 2006, GE Real Estate Norden acquired 28 properties in Borås from the Kanico group for around SEK 200 million. Almost half of the total lettable space of around 23,000 sq.m. is a commercial area located within Knalleland. In summer 2006, Pandox acquired the hotel property Scandic Plaza Borås from Västsvenska Hotellfastigheter for SEK 136.5 million.

During autumn 2006, Keops acquired five commercial properties from Kungsleden for SEK 110 million. ING Real Estate acquired Gulmäran 7 for SEK 139 million. In November 2006, Nordic Real Estate Partners acquired two relatively newly built logistics properties of 46,800 sq.m. at Viared industrial estate. The properties were sold by a local property owner for SEK 230 million.

Erik Selin Fastigheter has started construction of an ICA Maxi supermarket of 11,000 sq.m. at Söderleden just south of main road 40. An additional 2,500 sq.m. will be let. The assessed rental level is SEK 1,300 per sq.m.

### Rental market

The rental level for modern offices is at SEK 800 to SEK 1,300 per sq.m. in the centre. In the built-up area, the rent varies from SEK 500 to SEK 800 per sq.m. Rental levels are higher mainly in relatively new produced or modernised offices close to the centre. The vacancy rate for offices in central Borås is estimated at 3–7 per cent and 7–13 per cent in the rest of the built-up area.

The normal retail rental level in ordinary locations in the inner city is SEK 1,000 to SEK 1,400 per sq.m., but levels over SEK 2,000 per sq.m. within the department stores in the absolute city core exist. Rents in the out-of-town retail area at Knalleland are from SEK 1,000 to just over SEK 2,000 per sq.m.

The rental levels in industrial properties vary between SEK 350 and SEK 600 per sq.m.. Rents can exceed SEK 600 for modern customised premises. The vacancy rate is between 5 and 10 per cent.

## Eskilstuna

### Location and communications

Eskilstuna is located in north-west Södermanland. The E20 highway and the Svealand rail line both pass through the city. The distance to Stockholm is 110 km and to Västerås 40 km. There is a small transport airport four kilometres from the centre of Eskilstuna.

The population of Eskilstuna municipality in September 2006 was 92,196 people. This is an increase in population of around 0.7 per cent compared with the same time last year.

#### POPULATION TREND

Municipality	Sept 2006	Sept 2005	Change 12 months	Dec 2001	Change 4.75 years	Change per year
Eskilstuna	92,196	91,517	0.7 %	89,135	3.4 %	0.7 %

Source: Statistics Sweden

Total unemployment in December 2006 was 7.4 per cent, which is higher than average for the county of Södermanland (6.3 per cent) and for Sweden as a whole (5.6 per cent). The number of employment opportunities in the municipality of Eskilstuna is around 79,700. The greatest proportions are within manufacturing and mining (22 per cent), care and social services (18 per cent) and communications (16 per cent).

#### LARGEST EMPLOYERS IN THE MUNICIPALITY OF ESKILSTUNA

Employer	Proportion total no. of employees in municipality, %	No. of employees
<b>Södermanland</b>		
County Council	21.5	8,600
Municipality of Eskilstuna	7.5	3,000
Volvo Construction Equipm.	3.3	1,300
Volvo Hauler & Loaders	1.8	700
<b>Swecon</b>		
Anläggningsmaskiner	1.0	385
Eskilstuna Kommunfas.	0.9	365
ASSA	0.9	360
Eskilstuna Energi och Miljö	0.9	355
Outokumpu Stainless	0.9	350
Assa Industri	0.9	340
<b>All ten largest</b>	<b>39.6</b>	<b>15,755</b>

Source: DTZ

### Investor market

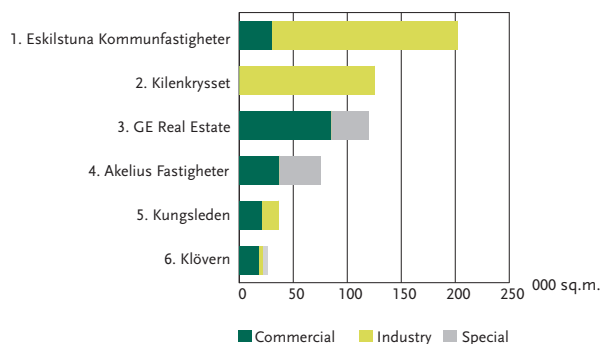
The total premises area in Eskilstuna is around 3,492,000 sq.m., of which 628,000 sq.m. is commercial premises, 1,086,000 industrial premises and 1,778,000 residential.

During the past year, seven relevant commercial properties have changed hands as separate properties in Eskilstuna. The average price was around SEK 3,800 per sq.m. within the range SEK 1,600 to 9,600 per sq.m. The average price for industrial properties for the twelve properties transferred during the year is around SEK 2,900 per sq.m. within the range of SEK 1,300 to SEK 6,000 per sq.m.

In 2006, ICA Maxi has been established alongside Rondell shopping centre in the Skiftinge area of the city. This building consists of 11,000 sq.m., 7,000 sq.m. of which is retail area.

The private-owned Eskilstunahem has acquired two residential properties for a total price of SEK 111 million during 2006.

#### Largest owners of commercial premises in Eskilstuna



Source: Byggstatistik

### Rental market

The rental levels for modern offices are between SEK 900 and SEK 1,300 per sq.m. in the centre. For less modern offices the level is around SEK 700 to SEK 900 per sq.m.

The total vacancy rate in central Eskilstuna is estimated at 5 per cent or slightly higher.

Retail rental levels are rising and the level in the city centre is from SEK 2,000 to over SEK 3,000 per sq.m.

The rental levels in industrial properties vary between SEK 500 and SEK 650 per sq.m. depending on location and standard. The vacancy rate is 5–8 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. The distance to Stockholm is 410 km, to Gothenburg 350 km and to Malmö 280 km. Kalmar Airport with international charter flights is about 5 km from the centre of Kalmar.

The population of Kalmar municipality was 61,309 in September 2006. This is an increase of approximately 0.7 per cent compared with the same time last year.

#### POPULATION TREND

Municipality	Sept 2006	Sept 2005	Change 12 months	Dec 2001	Change 4,75 years	Change years
Kalmar	61,309	60,867	0.7 %	59,787	2.5 %	0.5 %

Source: Statistics Sweden

Total unemployment was 6.4 per cent in December 2006, which is higher than in both the county of Kalmar (5.7) and Sweden as a whole (5.6). Despite major shutdowns, the business sector and employment have developed positively in the past year. IKEA's establishment in Kalmar is considered to be psychologically important for additional new establishments in the municipality. The number of employment opportunities in Kalmar city totals around 29,600. The biggest proportions are within private services (45 per cent), public services (41 per cent) and manufacturing industry (11 per cent).

#### LARGEST EMPLOYERS IN THE MUNICIPALITY OF KALMAR

Employer	Proportion total no. of employees in municipality, %	Number of employees
Municipality of Kalmar	16.6	4,800
County Council	11.1	3,200
University of Kalmar	2.9	840
Kalmarsunds Gymnasieförb.	1.4	400
National Police Board	1.2	350
KLS Livsmedel	0.7	205
Skanska	0.7	200
Motoman Robotics Europé	0.7	200
Ericsson Power Modules	0.7	190
Barometern	0.6	170
<b>All ten largest</b>	<b>36.6</b>	<b>10,555</b>

Source: DTZ

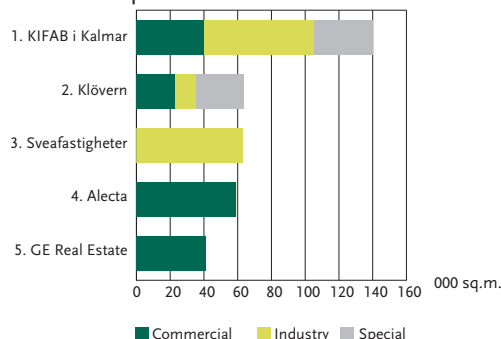
### Investor market

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

In the past year, only five commercial properties have changed hands as separate properties in Kalmar. The price per sq.m. varied between SEK 3,000 and SEK 6,600. The average value was around SEK 4,110 per sq.m. Twelve industrial properties were transferred during the past year at an average price of SEK 2,710 per sq.m. within the span of SEK 290–6,520 per sq.m.

IKEA has opened a new store of 24,000 sq.m. in summer 2006. Additional retail establishments will take place adjacent to this store, including a new City Gross shop of around 12,000 sq.m. Alecta has been rebuilding the shopping centre Giraffen in 2006 and 2007 and adding over 10,000 sq.m. of retail space at the same time. The first phase was opened in autumn 2006. PEAB is going to build a new police station in the Flodhästen block. This building, which will comprise 14,700 sq.m., has already been sold to Sveafastigheter for SEK 250 million. In September 2006, the Chinese Fanerdun group acquired an industrial property (Cloetta's former chocolate factory) and adjacent land of 150,000 sq.m. from the municipality of Kalmar for SEK 12.2 million. The first building phase of 47,000 sq.m. of premises for exhibitions started in October 2006.

#### Largest owners of commercial premises in Kalmar



Source: Byggstatistik

### Rental market

The rental levels for modern offices are between SEK 800 and SEK 1,100 per sq.m. in the centre. Rents are over SEK 1,400 per sq.m. for premises of new construction standard. Office vacancies are estimated at between 5 and 10 per cent. Retail rents in the most attractive shopping malls can amount to between SEK 2,000 and SEK 3,000 per sq.m. More normal rents are between SEK 1,000 and SEK 1,500 per sq.m. Rental levels in industrial and warehouse premises vary between SEK 300 and SEK 600 per sq.m. For older and simpler premises, the usual rent level is from SEK 150 to SEK 300 per sq.m. The vacancy rate is around 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 a main railway line pass through the city. The distance to Stockholm is 310 km, to Gothenburg 250 km and to Oslo 220 km. Karlstad Airport is 18 km from the centre of Karlstad.

The municipality of Karlstad had a population of around 82,714 in September 2006, following an increase of around 0.9 per cent in the past 12 months.

#### POPULATION TREND

Municipality	Sept 2006	Sept 2005	Change 12 months	Dec 2001	Change 4.75 years	Change per year
Karlstad	82,714	82,002	0.9 %	80,748	2.4 %	0.5 %

Source: Statistics Sweden

Total unemployment was 6.6 per cent in December 2006, which is higher than in both the county of Värmland (6.4) and Sweden as a whole (5.6).

The number of employment opportunities in Karlstad municipality is around 45,000. The largest proportions were within private services (50 per cent), public services (36 per cent) and manufacturing industry (10 per cent).

#### LARGEST EMPLOYERS IN THE MUNICIPALITY OF KARLSTAD

Employer	Proportion total no. of employees in municipality, %	Number of employees
Municipality of Karlstad	14.8	6,500
Värmland County Council	10.5	4,600
Karlstad University	2.5	1,100
Konsum Värmland	1.2	520
Metso Paper	1.1	500
Tieto Enator	1.1	500
Posten Sverige	0.9	400
Telia Sonera	0.8	340
Rescue Services Agency	0.8	330
Kvaerner Kamfab	0.5	240
<b>All ten largest</b>	<b>34.2</b>	<b>15,030</b>

Source: DTZ

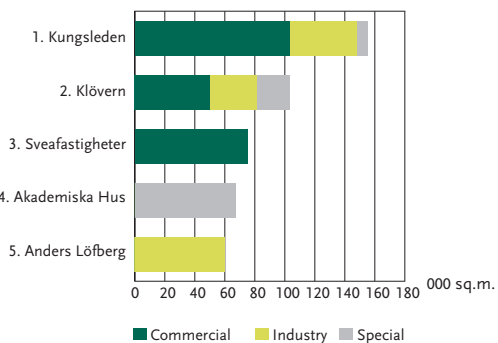
### Investor market

The total premises and housing area in Karlstad is around 3,440,000 sq.m., of which 935,000 sq.m. is commercial premises, 835,000 sq.m. industrial premises and 1,670,000 sq.m. residential property.

Only two rented commercial properties have changed hands as separate properties in Karlstad in 2006 at a price level of SEK 8,000 per sq.m. In 2006, four major transactions with commercial properties have been noted. At the beginning of 2006, Danska Ejendomsvaekst acquired a large property portfolio from Kungsleden, including Höken 13 in Karlstad. The Danish Keops large acquisitions from

Kungsleden included three properties in Karlstad, among others the central shopping mall Mercurius 11. In autumn 2006, Norska Conceptor AS acquired three centre facilities from Karlstads Bostads AB. The consortium SP-Group acquired a company with a large office and conference property, Hyttan 12.

#### Largest owners of commercial premises in Karlstad



Source: Byggstatistik

Six industrial properties have changed hands as separate properties in Karlstad in 2006 at an average price of SEK 3,250 per sq.m. In summer 2006, Kungsleden acquired a concentrated holding of small industrial and office buildings located in the Örsholmen industrial area. The price is stated as SEK 50 million.

### Rental market

The rental levels for modern offices are between SEK 900 and SEK 1,100 per sq.m. in the centre and in the Kanikenäset area. In the Klara area, which includes a large proportion of administrative buildings, the rents are around SEK 800 to SEK 1,000 per sq.m. In industrial areas such as Växnäs and Örsholmen, the vacancy rate for offices vary between 7 and 10 per cent.

Rents in retail buildings vary between SEK 1,500 and SEK 3,500 per sq.m., while rents in ordinary shops with an entrance at street level are normally in the range of SEK 1,300 to SEK 2,000 per sq.m. In September 2006, the shop gallery Mitticity was opened. Rental levels for normal shop sizes are between SEK 3,000 and SEK 3,500 per sq.m. An extensive reconstruction of Bergvik shopping centre and the adjacent Zakrisdal area has taken place. In summer 2007, IKEA will open a new store in the Bergvik area. The vacancy rate for shops is relatively lower in the city core, around 2 to 3 per cent.

Rental levels for normal industrial properties vary between SEK 400 and SEK 600 per sq.m. The level is between SEK 300 and SEK 400 per sq.m. for older premises and up towards SEK 750 per sq.m. for newly-built small premises. The vacancy rate for industrial premises is estimated at between 7 and 12 per cent.

## Kista

### *Location and communications*

Around 30,000 people live in the city district of Kista and about the same number work there. Kista is the City of Stockholm's northernmost city district, consisting of Akalla, Husby, Kista and the Hansta nature reserve.

Kista is approximately 13 kilometres north-west of central Stockholm and 30 kilometres south of Arlanda airport. There are good communications to Kista with the E4 highway to the north, the E18 highway to the south and metro, buses and a commuter train station in the area.

In December 2005, Kista had a population of 30,191, which is an increase of 0.2 per cent compared with the same time last year, when the population was 30,142. From 1990 to 1995, the population increased by 2,223. In the past five-year period, the population has increased by 170.

#### POPULATION TREND

Municipality	Dec 2005	Dec 2004	Change 12 months	Dec 2000	Change 5 years	Change per year
Kista	30,191	30,142	0.2 %	30,021	0.6 %	0.1 %

Source: Statistics Sweden

Open unemployment in Kista totalled 5.3 per cent in 2006, which is higher than the level in the county (3.9 per cent) but lower than Sweden as a whole (5.6 per cent).

The largest proportions of employment opportunities were in financial activities (34 per cent), retail and communications (31 per cent) and personal and cultural services (12 per cent).

#### LARGEST EMPLOYERS IN KISTA

Employer	Proportion total no. of employees in municipality, %	No. of employees
Ericsson	26.7	8,000
IBM	13.0	3,900
FOI, Totalförsvarets Forskningsinstitut	4.2	1,250
Saab Tech	3.5	1,050
Infineon Technologies Sweden	2.7	800
Enea Systems	2.0	600
Nokia Svenska	2.0	600
ATEA Sverige	1.6	500
Enea	1.3	400
Philips	1.3	400
<b>All ten largest</b>	<b>58.3</b>	<b>17,500</b>

Source: DTZ

### *Investor market*

The total area of premises in Kista is 1,600,000 sq.m., of which commercial premises account for 600,000 sq.m., industrial premises 200,000 sq.m. and residential premises 800,000 sq.m.

On the transaction side, a couple of package transactions have taken place in 2006. No exclusively purchase transactions have been registered.

NIAM Fond II sold the three properties Färöarna 1, Rekjavik 1 and Borgargjord 2 in Kista to Doughty Hanson's fond European Real Estate Fund II. The purchase price is estimated at SEK 2 billion and the lettable area at 120,000 sq.m. (approximately SEK 16,700 per sq.m.).

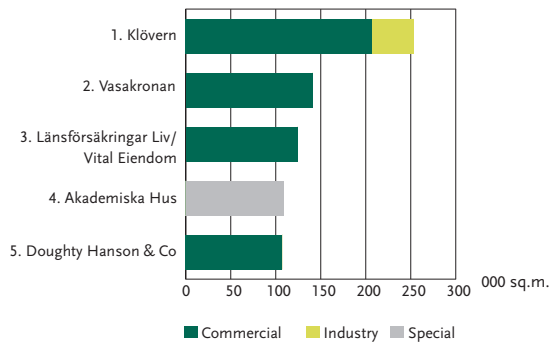
The property Holar 1 was part of a transaction Balder made with Diligentia at the turn of the year 2005/2006 consisting of ten properties in the Stockholm region.

In January 2006, Fabege announced that they had acquired the leasehold site Lidarände 1 in Kista for SEK 90 million (SEK 6,500 per sq.m.).

In July, Humlegården Fastigheter bought six properties on behalf of Länsförsäkringar Livs from the US investment bank The Blackstone Group. One of the properties was situated in Kista, Skalholt 1. Eriksson is the largest tenant at the property. The whole portfolio consists of 102,000 sq.m. and was sold for SEK 1.9 billion (SEK 18,000 per sq.m.).

In September, a major transaction was announced when Fabege sold 45 properties to Klöver for SEK 4,032 million. Twenty of these properties were situated in Kista.

### Largest owners of commercial premises in Kista



Source: Byggstatistik

### Rental market

Rental levels for modern offices are between SEK 1,400 and SEK 2,100 per sq.m. in Kista. The vacancy rate for offices averages around 13 per cent.

Retail rent levels are around SEK 2,200 per sq.m., but can extend from SEK 1,400 to SEK 4,500 per sq.m. The vacancy rate for retail premises is around 3 per cent.

Rental levels in industrial properties vary between SEK 800 and SEK 1,000 per sq.m. The vacancy rate is currently estimated at 4 per cent.



Isafjord 1 in Kista

## 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. The distance to Stockholm is 210 km, to Gothenburg 280 km and to Norrköping 40 km. The airport with international services is 3 km from the centre of Linköping. Linköping University, with its 26,500 students and 3,800 employees, is one of Sweden's largest universities.

The population of the municipality of Linköping in September 2006 was around 138,450 people. This is an increase of around 0.6 per cent compared with last 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.

#### POPULATION TREND

Municipality	Sept 2006	Sept 2005	Change 12 month	Dec 2001	Change 4.75 years	Change per year
Linköping	138,450	137,594	0.6 %	134,039	3.3 %	0.7 %

Source: Statistics Sweden

Total unemployment was 5.9 per cent in December 2006, which is slightly higher than in Sweden as a whole (5.6) but lower than in the county of Östergötland (6.6).

The number of employment opportunities in the municipality of Linköping is around 63,100. 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 total no. of employees in municipality, %	No. of employees
Municipality of Linköping	10.2	6,425
Östergötland County Council	9.9	6,175
Saab	6.8	4,275
Linköping University	6.0	3,825
Ericsson	1.5	975
Swedish Meats	1.4	875
ISS Facility services	1.2	775
Swedish Armed Forces	1.0	675
Attendo Care	1.0	625
Aerotechtelub	1.0	625
<b>All ten largest</b>	<b>40.0</b>	<b>25,250</b>

Source: DTZ

## Investor market

The total premises and residential property area in Linköping is around 4,577,000 sq.m., of which 1,229,000 sq.m. is commercial premises, around 1,074,000 sq.m. industrial premises and 2,773,000 sq.m. residential property.

During 2006, two rented commercial properties have changed hands as separate properties in Linköping. According to the price picture, the average value is of around SEK 9,450 per sq.m. within the range of SEK 5,766 to SEK 13,137 per sq.m.

Turnover of industrial properties has also been very low. Only two industrial properties have been transferred during the past year. The average price per sq.m. is SEK 4,500 in the range SEK 4,438 to SEK 4,563 per sq.m.

The number of property portfolio 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 rate level combined with new players, including various property funds and foreign investors from, for example, Norway, Denmark and Germany, has helped force yield requirements in Linköping down.

Nordea Liv and Axfast reached agreement on an exchange transaction of properties at a value of SEK 685 million. In the exchange transaction, Nordea Liv is acquiring the logistics property Glaskulan 5 with 9,700 sq.m. and three retail properties totalling 12,000 sq.m. being constructed in Tornby in Linköping. British Boulton is continuing to buy retail properties in Sweden. They have bought five shopping centres located in Karlskoga, Norrköping, Linköping, Mjölby and Center Syd in Löddeköpinge. The vendor is the Danish Keops, among others. Center Syd in Löddeköpinge and the shopping malls Gränden in Linköping and Domino in Norrköping accounted for the highest values.

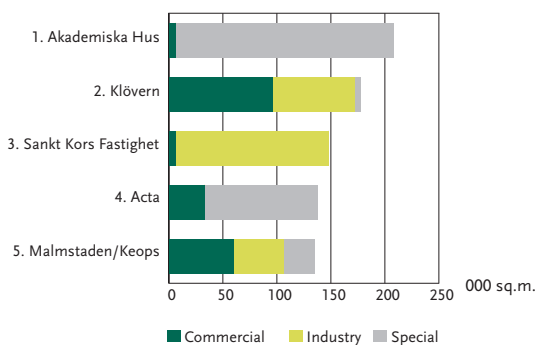
Kungsleden has acquired eleven homes for the elderly totalling 25,600 sq.m. from Riksbyggen for SEK 290 million. The properties have a rental value of SEK 26 million. Furthermore, Kungsleden has acquired the property Navhälet 2 with 7,640 sq.m. in Linköping for around SEK 30 million. The rental value amounts to around SEK 5 million.

At the beginning of 2007, Castellum acquired four properties at Mjärdevi Science Park for SEK 373 million. These properties were Datalinjen 1, Teknikringen 1, Collegium and the Intenia building. The properties consist of 35,000 sq.m. of which 26,000 sq.m. is office premises. The vacancy rate was over 35 per cent. The buildings were erected between 1984 and 2002. The municipal property company Sankt Kors was the vendor.



Elektriciteten 2 in Linköping

### Largest owners of commercial premises in Linköping



Source: Byggstatistik

### Rental market

Rental levels for modern offices are between SEK 1,000 and SEK 1,300 per sq.m. in the centre, having fallen substantially during recent years. A few years ago rents of SEK 1,600 per sq.m. were recorded. For older offices the level is below SEK 1,000 per sq.m.

The downturn in IT and telecommunications and the move of state-owned companies to Rättscentrum have created large vacancies in central Linköping. The total vacancy rate in these areas is estimated at between 10 and 15 per cent. Vacancies are not expected to increase in the central areas since new office building is non-existent. However, unleased offices are being converted to residential accommodation.

There is still a considerable imbalance in Mjärdevi Science Park. Out of a total of 180,000 sq.m. of office

premises, 55,000 to 60,000 sq.m. are vacant. 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 sq.m. after rental discounts.

Normal shop rental levels for good locations in the inner city are SEK 1,500–2,000 per sq.m. Tannerforsgatan 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 sq.m. Smaller shop premises have rental levels of over SEK 3,000–4,500 per sq.m. For externally situated shop premises the rent varies between SEK 400–900 per sq.m. A large external retail area has been established at Tornby. When it comes to external retail, levels of SEK 1,200–1,300 per sq.m. are regarded as good. In Tornby the expansion for commercial purposes continues with new production.

The rental levels in industrial properties vary between SEK 400 and SEK 500 per sq.m. For older premises the level is SEK 300 per sq.m. and for newly-built small premises in good locations up to SEK 500 per sq.m. The vacancy rate 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.

To sum up, 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. Vacancies are expected to diminish for all types of premises in a year or so.

## Norrköping

### Location and communications

Norrköping is situated on Bråviken in north-eastern Östergötland. The E4 and E66 highways both pass through the city. The distance to Stockholm is 160 km and to Linköping 40 km. The airport is approximately 4 km from Norrköping. The city is on the southern main line. The port of Norrköping is one of the most important all-year round ports on the east coast.

In September 2006, the population of the municipality of Norrköping was 125,261 inhabitants, an increase of around 0.5 per cent during the last year.

#### POPULATION TREND

Municipality	Sept 2006	Sept 2005	Change. 12 months	Dec 2001	Change 4.75 years	Change per year
Norrköping	125,261	124,635	0.5 %	122,896	1.9 %	0.4 %

Source: Statistics Sweden

Total unemployment was 8.6 per cent in December 2006, which is manifestly higher than both in the county of Östergötland (6.6) and Sweden as a whole (5.6).

The number of employment opportunities in the municipality of Norrköping is around 55,000. The largest proportions 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

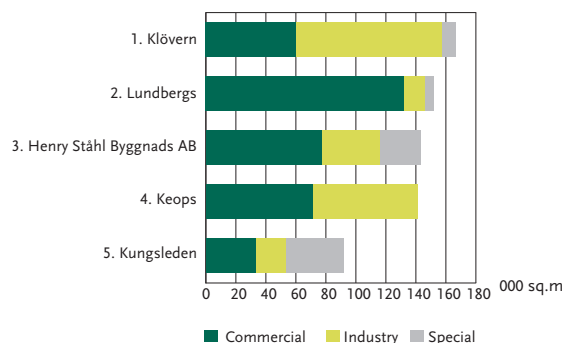
Employer	Proportion total no. of employees in municipality, %	No. of employees
Municipality of Norrköping	16.3	9,100
Östergötland County Council	4.7	2,600
Holmen Paper	1.6	880
Billerud Skärblacka	1.4	750
Linköping University	0.9	500
Sw. Prison/Probation Service	0.9	475
Swedish Migration Board	0.8	450
Eon	0.8	450
Sw. Civil Aviation Adm.	0.7	400
SMHI	0.7	390
<b>All ten largest</b>	<b>28.8</b>	<b>15,995</b>

Source: DTZ

### Investor market

The total premises and residential space in Norrköping amounts to approximately 5,023,000 sq.m., of which commercial premises account for 1,093,000 sq.m., industrial premises 1,480,000 sq.m. and residential 2,450,000 sq.m. During 2006, four commercial rental properties have changed hands as separate properties in Norrköping. The average price is SEK 4,145 per sq.m. Eleven industrial properties have changed hands at an average price of SEK 4,046 per sq.m.

### Largest owners of commercial premises in Norrköping



Source: Byggstatistik

An establishment boom is in process in the out-of-town retail area Ingelsta. The biggest establishment is Axfast's shopping centre with 40,000 sq.m. of sales space for around 15 stores.

Stadium has constructed a logistics centre of around 32,000 sq.m., an investment of SEK 200 million. British Boulton has acquired five shopping centres situated in Karlskoga, Norrköping, Linköping, Mjölby and Center Syd in Löddeköpinge. Among the vendors was the Danish company Keops. Erik Selin has acquired a property portfolio for over SEK 2.3 billion from Kungsleden including properties in Norrköping. RBS Nordisk Renting has purchased the Swedish Maritime Administration's head office in Norrköping consisting of 15,600 sq.m. from Mattsons Fastighetsutveckling. Kungsleden has purchased the property Tråden 11 in Norrköping for SEK 89.4 million from Mattsons Fastighetsutveckling AB. The lettable area amounts to approximately 20,200 sq.m. NGL Construction has acquired CloettaFazer's chocolate factory in Norrköping. The property consists of around 20,200 sq.m.

### Rental market

Rental levels for modern new offices are between SEK 1,000 and SEK 1,300 per sq.m. in the centre. The level is around SEK 700 to SEK 900 per sq.m. for less modern offices.

The vacancy rate in central Norrköping is estimated at around 7–8 per cent. Vacancies are expected to be unchanged. Normal retail rent levels for A locations in the city centre are SEK 1,200 to SEK 2,200 per sq.m. but levels of between SEK 3,000 and SEK 4,000 occur in department stores located in the city core.

Rental levels in industrial premises vary between SEK 350 and SEK 500 per sq.m. For older premises, the level is SEK 350 per sq.m. and for newly-built and small premises SEK 500 to SEK 600 per sq.m. The vacancy rate is estimated at around 5–10 per cent.

## 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 and to Norrköping 60 km. Skavsta Airport with international services, is approximately 10 km from central Nyköping. One of Sweden's largest deepest harbours is located in the neighbouring municipality of Oxelösund.

In September 2006, the municipality of Nyköping had a population of 50,143. This is an increase of around 0.8 per cent compared with the same time last year.

#### POPULATION TREND

Municipality	Sept 2006	Sept 2005	Change 12 months	Dec 2001	Change 4.75 years	Change per year
Nyköping	50,143	49,758	0.8 %	49,273	1.8 %	0.4 %

Source: Statistics Sweden

Total unemployment was 5.3 per cent in December 2006, which is lower than for the county of Södermanland (6.3) and Sweden as a whole (5.6). An important cause of this development is the expansion of Skavsta Airport. Despite the increase in population, the proportion of persons outside the labour market has decreased during the past year.

The number of employment opportunities in the municipality of Nyköping is around 21,400. The largest proportions are in private services (45 per cent), public services (41 per cent) and manufacturing (11 per cent).

#### LARGEST EMPLOYERS IN THE MUNICIPALITY OF NYKÖPING

Employer	Proportion total no. of employees in municipality, %	No. of employees
Municipality of Nyköping	19.7	4,600
Södermanland County Council	9.4	2,200
SAAB Automobile	1.3	310
Thorsman & Co	1.3	300
Studsvik Nuclear	0.9	215
ABB Automation Technology Products AB Cewe	0.8	190
Kärnkraftsäkerhet utbildning	0.8	185
Sörmland County Administrative Board	0.7	170
Stockholm Skavsta Airport	0.7	160
Medhälsan Företagshälsövård i Nyköping	0.7	150
<b>All ten largest</b>	<b>36.3</b>	<b>8,480</b>

Source: DTZ

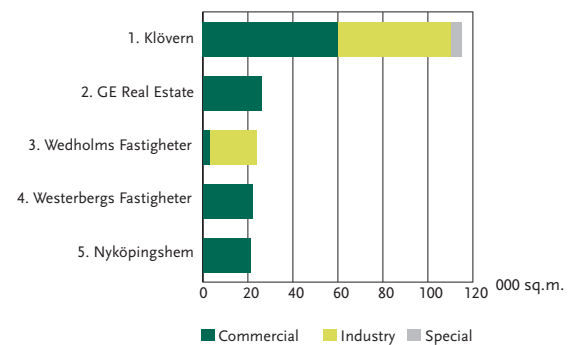
### Investor market

The total premises and residential space in Nyköping amounts to approximately 1,715,000 sq.m., of which commercial premises account for 383,000 sq.m., indus-

trial premises 445,000 sq.m. and residential properties 887,000 sq.m. In the past year, only four commercial rental properties have changed owner in Nyköping as separate properties. The average price was SEK 3,460 per sq.m., within the range SEK 1,040 to SEK 4,980 per sq.m.

Four industrial properties have changed hands in the past year. The average price per sq.m. was SEK 3,010 per sq.m., within the range SEK 1,790 to SEK 3,740 per sq.m. The largest transaction was Klöverns acquisition of Victor Hanson Fastigheter AB with seven properties in central Nyköping and one each in Stockholm and Täby for SEK 245 million. The total lettable area is 23,000 sq.m., the major being retail premises and offices.

#### Largest owners of commercial premises in Nyköping



Source: Byggstatistik

### Rental market

The rental market for modern offices has been largely unchanged during the year and totals around SEK 800 to SEK 1,000 per sq.m. in the centre. Rents for fully modern offices can reach levels between SEK 1,100 and SEK 1,200 per sq.m. Vacancies for offices are expected to exceed around 10 per cent. The vacancy rate is lower for fully modern offices, however, down towards 5 per cent. Vacancies are considered to have decreased slightly in the past year.

Retail rents can exceed SEK 3,000 per sq.m. for small premises in the most attractive shopping malls. More normal rents are between SEK 1,200 and SEK 1,800 per sq.m. Rents in B-locations are often between SEK 600 and SEK 900 per sq.m. There are two out-of-town retail areas in Nyköping, adjacent to Brandkärr, which is dominated by the supermarkets Coop Forum and ICA Kvantum, and at Gumsbacken, which has been expanded in recent years. There is a small retail area at Spelhagen including a Lidl store. Rental levels for industry and warehouse premises vary between SEK 350 and SEK 700 per sq.m. Rents between SEK 200 and SEK 300 per sq.m. are common for older and simpler premises. For newer customised premises they can be at about the same level as for offices.

The vacancy rate for industrial and warehouse premises is around 10 per cent. The new production which occurs is mainly for own use.

## Täby

### Location and communications

Täby is located in the county of Stockholm. The E18 motorway and main roads 264 and 265 pass through the municipality, as well as the Roslagbanan railway line with services to Stockholm. The distance to central Stockholm is about 18 km and to Arlanda airport about 30 km.

The population of the municipality of Täby was 61,073 in September 2006, an increase of approximately 0.9 per cent compared with the same time last year.

POPULATION TREND						
Municipality	Sept 2006	Sept 2005	Change 12 months	Dec 2001	Change 4,75 years	Change per year
Täby	61,073	60,532	0.9 %	60,229	1.4 %	0.3 %

Source: Statistics Sweden

Total unemployment in the municipality was 2.0 per cent in December 2006, which is considerably lower than for the county of Stockholm (3.9 per cent) and Sweden as a whole (5.6 per cent).

The number of employment opportunities in the municipality of Täby totals around 22,000. The largest proportions are within trade and communications (31 per cent), banks (17 per cent) and health care and social services (14 per cent).

LARGEST EMPLOYERS IN THE MUNICIPALITY OF TÄBY			
Employer	Proportion total no. of employees in municipality, %	No. of employees	
Municipality of Täby	14.5	2,875	
Pfizer	2.6	525	
Busslink i Sverige	2.3	475	
Powerwave Technologies Sweden	2.0	425	
Micronic Laser Systems	1.4	275	
Coop Sverige	1.2	225	
HSB Omsorg	1.2	225	
Stockholm County Council	1.2	225	
Täbypedagogerna Förskolor	1.0	175	
Novartis Sverige	1.0	175	
<b>All ten largest</b>	<b>28.5</b>	<b>5,600</b>	

Källa: DTZ

### Investor market

The total area of premises in Täby is 1,000,000 sq.m., of which commercial premises account for 500,000 sq.m., industrial premises 300,000 sq.m., and housing 200,000 sq.m.

In the past year, four relevant commercial properties have changed hands as separate properties in Täby. The average price was around SEK 11,000 per sq.m. in the

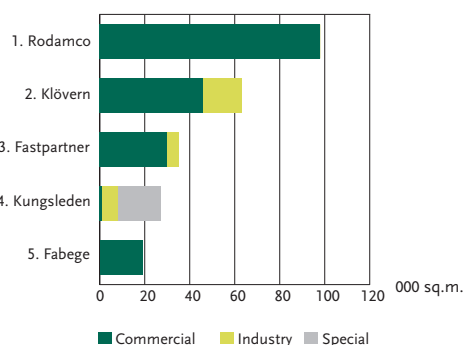
range SEK 7,400 to SEK 15,000 per sq.m. As regards industrial properties, the average price for the four properties transferred during the year is around SEK 5,500 per sq.m. in a range between SEK 3,300 and SEK 8,500 per sq.m.

At the end of 2006, Kungsleden acquired six properties in Täby from Näsbyark Industrihus AB. The purchase price was SEK 140 million and the properties consisted of a total of 9,600 sq.m. of premises.

During autumn 2006, Klöver acquired 45 properties from Fabège. 24 of these properties are located in Täby, 20 in Kista and one in Sigtuna. The sales price amounts to SEK 4,032 million. The properties sold have a total lettable area of around 350,000 sq.m., mainly offices with a rental value of around SEK 430 million.

In spring 2006, Reef Global Opportunities Fund II, LCC, acquired six commercial properties in the Stockholm region from AB Sofieberg. The purchase price is estimated at over SEK 500 million. The portfolio consists of two properties in Stockholm and one each in Täby, Nacka, Botkyrka and Huddinge. The major part is offices, although there are also various warehouse and handicraft spaces in the portfolio, which totals 67,500 sq.m.

Largest owners of commercial premises in Täby



Source: Byggstatistik

### Rental market

The rental market for modern offices in the centre is between SEK 800 and SEK 1,300 per sq.m. For other offices, the level is rather SEK 700 to SEK 1,200 per sq.m. A reasonable estimate of the total vacancy rate in central Täby is in the range of 7 per cent and upwards.

Normal retail rental levels for ordinary locations in the town centre are SEK 1,000 to SEK 3,000 per sq.m. while levels between SEK 3,000 and SEK 4,000 exist in the very centre. Rental levels for industrial properties vary between SEK 750 and SEK 900 per sq.m. according to location and standard. The vacancy rate is 6 to 9 per cent.

## Uppsala

### Location and communications

Uppsala is Sweden's fourth largest city and is part of the Mälars region, where a third of the Swedish population live, and which is responsible for 50 per cent of the country's research and development capacity. Both the E4, the main roads 55 and 72 and the Östkust railway line pass through the city. The distance to Stockholm is 70 km and to Arlanda 40 km.

The number of inhabitants in the municipality of Uppsala was 185,211 in September 2006, after an increase of 1.1 per cent in the past year.

#### POPULATION TREND

Municipality	Sept 2006	Sept 2005	Change 12 months	Dec* 2001	Change 4.75 years	Change per year
Uppsala	185,211	183,231	1.1 %	178,051	4.0 %	0.8 %

\* excluding Knivsta

Source: Statistics Sweden

Total unemployment in the municipality was 4.3 per cent in December 2006, which was on a par with the rest of the county (4.4) although lower than for Sweden as a whole (5.6).

The number of employment opportunities in the municipality of Uppsala totals around 84,600. The largest proportions are within health care and social services (21 per cent), education and research (19 per cent) and trade and communications (16 per cent).

#### LARGEST EMPLOYERS IN THE MUNICIPALITY OF UPSALA

Employer	Proportion total no. of employees in municipality, %	No. of employees
Municipality of Uppsala	14.2	12,000
County Council	12.8	10,800
Uppsala University	6.9	5,800
Univ. of Agricultural Sciences	2.2	1,850
GE Healthcare Bio-sciences	1.2	1,000
Uppsala Garrison	1.1	900
Uppsala Police Authority	0.8	700
Fresenius Kabi	0.7	575
Gamla Uppsala Buss	0.6	475
Phadia	0.5	475
<b>All ten largest</b>	<b>41.0</b>	<b>34,575</b>

Source: DTZ

### Investor market

The total area of premises and housing in the municipality of Uppsala is 6,000,000 sq.m., of which commercial premises account for 1,300,000 sq.m., industrial premises 1,000,000 sq.m., and residential 3,700,000 sq.m.

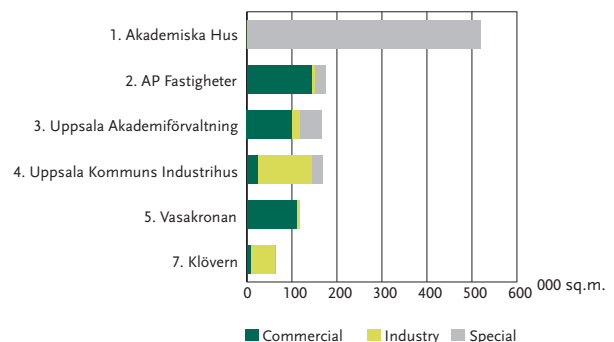
During 2006, five relevant commercial properties have changed hands as separate properties in Uppsala. The average price was around SEK 9,900 per sq.m. in the range SEK 4,800 to SEK 13,200 per sq.m. The average price for the

seven industrial properties which have changed hands during the year was around SEK 8,900 per sq.m. in a range between SEK 1,000 and SEK 20,300 per sq.m.

Aberdeen Fastighetsfond Sverige has purchased nine properties with a market value of SEK 724 million from Diös & Kuylenstierna. Two of the properties are located in Uppsala, the rest in Södertälje and Solna. The properties consist together of 34,500 sq.m. Klöver has acquired Pharmacia's previous head office and facility in Uppsala for SEK 227 million. This acquisition consists of approximately 57,000 sq.m. of high-quality premises and land suitable for development in the Fyrislund area.

Vasakronan has acquired Norrporten's Uppsala portfolio for SEK 913 million. This acquisition includes twelve properties of 70,500 sq.m. and a fully let project of 10,000 sq.m. Nine properties are located in central Uppsala and three in Boländerna/Kungsängen. The Danish company Norcap has acquired a retail property of 8,500 sq.m. in Uppsala from IBI Sverige. The purchase price was SEK 166 million. Aberdeen Property Investors have purchased two retail properties in Uppsala for SEK 60 million.

### Largest owners of commercial premises in Uppsala



Source: Byggstatistik

### Rental market

The rental level for modern offices is between SEK 1,300 and SEK 1,800 per sq.m. in the centre. The high rental levels are mainly in relatively new produced offices close to the centre. Rents have been stable in the past period, with a weak upward tendency. The vacancy rate for offices in Uppsala is estimated at between 2 and 4 per cent in the centre and between 5 and 10 per cent in the rest of the built-up area. Vacancies are expected to remain relatively stable in the coming year.

Normal retail rental levels for ordinary locations in the inner city are SEK 1,200 to SEK 4,000 per sq.m., while levels over SEK 5,000 exist for premises in central shopping malls.

Rental levels for industrial properties vary between SEK 400 and SEK 800 per sq.m. The vacancy rate is between 5 and 10 per cent.

## 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 distance to Stockholm is 110 km and to Gothenburg 380 km. Västerås airport with international services is 6 km from central Västerås. The port of Västerås is the largest inland port in the Nordic countries.

The number of inhabitants in the municipality of Västerås amounted in September 2006 to 132,830, which means an increase of approximately 0.8 per cent compared with last year.

#### POPULATION TREND

Municipality	Sept 2006	Sept 2005	Change 12 months	Dec 2001	Change 4.75 years	Change per year
Västerås	132,830	131,762	0.8 %	127,799	3.9 %	0.8 %

Source: Statistics Sweden

The proportion of unemployed, including persons employed in labour market programmes, amounted to 6.9 per cent in December 2006, which is higher than in the county of Västmanland (6.1) and in Sweden as a whole (5.6).

The number of employment opportunities in the city of Västerås is around 121,300. The largest proportions were in manufacture and mining (20 per cent), trade and communications (19 per cent), health care and social services (16 per cent) and financial activities and corporate services (13 per cent).

#### LARGEST EMPLOYERS IN THE MUNICIPALITY OF VÄSTERÅS

Employer	Proportion total no. of employees in municipality, %	No. of employees
Municipality of Västerås	15.8	9,500
Västmanland County Council	8.3	5,000
ABB Automation Tech.	8.3	5,000
Bombardier Transportation	3.2	1,900
ABB	2.2	1,300
ICA Sverige	1.7	1,000
Mälardalen University College	1.6	975
Westing Electric Sweden	1.3	800
ABB Power Technologies	1.3	750
ISS Sverige	1.0	600
<b>All ten largest</b>	<b>44.7</b>	<b>26,825</b>

Source: DTZ

### Investor market

The total premises space in Västerås amounts to 5,190,000 sq.m., of which commercial premises account for 1,439,000 sq.m., industrial premises 1,061,000 sq.m. and residential property 2,690,000 sq.m.

In the past year, eleven rented commercial properties have changed hands as separate properties in Västerås. The average price was SEK 7,700 per sq.m. within the range SEK 2,700 to SEK 17,100 per sq.m.

Fourteen industrial properties have changed hands at, according to statistics, an average price of SEK 2,800 per sq.m., within the interval SEK 500 to SEK 6,957 per sq.m.

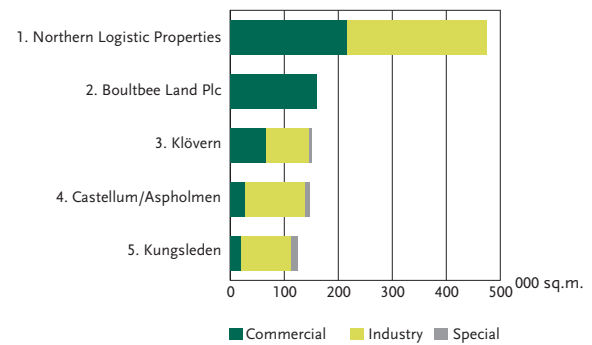
In 2006, the retail trade areas Hälla and Erikslund in Västerås have developed. ICA Fastigheter has added 16,500 sq.m. in Erikslund. Alecta, in collaboration with Aberdeen Property Investors, has acquired the property Bladbaggen 1, a volume trading property with a lettable area of 23,000 sq.m. located in Hälla trading estate, for a purchase price of SEK 350 million. ICA Fastigheter AB has through a subsidiary sold the fully let property Köpmannen 12 in Västerås in Hälla trading estate to Redevco Sweden AB. Boulton has acquired the Centra shopping centre in Västerås, Lennart 17, with a lettable area of 13,500 sq.m. from Peab and Brinova. The purchase price was SEK 258 million. Boulton already owns several properties in Västerås, including the neighbouring



Manfred 6 in Västerås

properties in the Multicenter shopping centre, Punkt, Gallerian and Skrapan. Västerås City Council has sold the Rocklunda sports area to ArosMotet Fastigheter AB for SEK 128 million, with a 25-year lease. A new roofed bandy arena is to be completed by 2007/2008 and a new football stadium by autumn 2008.

#### Largest owners of commercial premises in Västerås



Source: Byggstatistik

#### Rental market

The market rent for good standard central office premises has been stable for a long time and is assessed at between SEK 900 and SEK 1,200 per sq.m. Rents in the range of SEK 1,200 to SEK 1,300 can occur for the very best premises. The rent can be even higher for small premises in Skrapan. Rents in the range of SEK 800 to SEK 1,000 per sq.m. are usual for somewhat older premises outside the centre.

For small premises in shopping malls, the rents can be between SEK 3,000 and SEK 5,000 per sq.m. The rent level in out-of-town shopping centres is between SEK 900 and SEK 2,000 per sq.m.

A reasonable estimate is that the total vacancy ratio in central Västerås is between 5 and 10 per cent.

Rental levels in industrial properties vary between SEK 500 and 800 per sq.m. The vacancy rate is between 5 and 10 per cent. Rents for warehouse premises are between SEK 300 and SEK 500 per sq.m.

## 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 distance to Stockholm is 200 km, to Gothenburg 280 km and to Malmö 500 km. Örebro-Bofors airport with international flights is 10 km from central Örebro. In September 2006, the municipality of Örebro had a population of 128,689 persons, after an increase of 0.9 per cent during the past year.

#### POPULATION TREND

Municipality	Sept 2006	Sept 2005	Change 12 months	Dec 2001	Change 4.75 years	Change per year
Örebro	128,689	127,528	0.9 %	124,873	3.1 %	0.6 %

Source: Statistics Sweden

Unemployment totalled 7.4 per cent in December 2006, which is slightly higher than in the county of Örebro (7.3) and in Sweden as a whole (5.6). The number of employment opportunities in the municipality of Örebro is around 62,100. The largest proportions were in 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 total no. of employees in municipality, %	No. of employees
Municipality of Örebro	17.7	11,000
Örebro County Council	14.0	8,700
Örebro University	2.1	1,300
Atlas Copco Rock Drills	1.9	1,200
Statistiska Centralbyrån	1.0	630
Örebro County Police Authority	0.9	550
Distributionstjänst	0.7	430
Busslink i Sverige	0.7	420
Haldex Garphyttan	0.6	380
DHL i Örebro	0.6	380
<b>All ten largest</b>	<b>40.2</b>	<b>24,990</b>

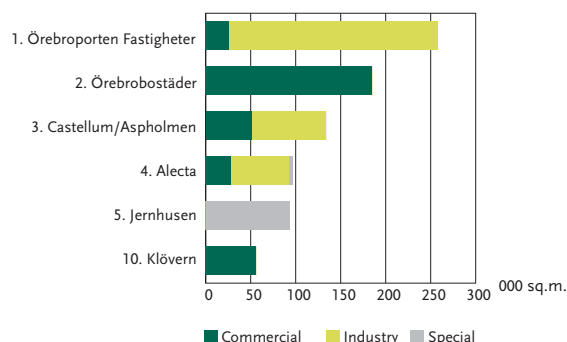
Source: DTZ

### Investor market

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

Since October 2005, only four relevant commercial properties have changed hands as separate properties in Örebro. The average price for the sales amounted to SEK 10,200 per sq.m. in the range SEK 5,250 to SEK 15,150 per sq.m.

### Largest owners of commercial premises in Örebro



Source: Byggstatistik

During the same period, nine relevant sales of industrial properties were noted in Örebro. The average price per sq.m. in the sales was approximately SEK 4,100 within the range SEK 900 to SEK 8,500 per sq.m. 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 attractive market and there is no shortage of potential buyers. The predominant players are, however, seldom interested in selling.

A few large transactions have taken place in Örebro during 2006. In August 2006, Castellum acquired a commercial property with a lettable area of 10,500 sq.m. located in the Holmen industrial estate at the northern entrance to the city. The purchase price was SEK 41 million.

At the turn of the year 2005/2006, Klöverm acquired the office property called NetCity, located adjacent to Örebro University, from Skanska.

Brinova has signed an agreement with DHL Express in Sweden to construct a new terminal in Örebro. This terminal is being built directly adjacent to the mega-warehouse that DHL Exel Supply Chain already leases from Brinova. The new building will consist of 8,700 sq.m. and the project volume amounts to SEK 85 million. Moving in is expected to take place in September 2007.

### The rental market

Rental levels for modern offices are in the range of SEK 900 to SEK 1,200 per sq.m. in the centre. The levels outside the centre are between SEK 700 and SEK 900 per sq.m. The vacancy rate for offices in central Örebro is 5–10 per cent. Normal shop rental levels for good centre locations in the inner city are SEK 1,400 to SEK 2,000 per sq.m., although levels over SEK 3,500 per sq.m. for department stores in the city core occur. The vacancy rate for stores in central Örebro is 3–5 per cent. The rental levels for industrial premises vary between SEK 400 and SEK 700 per sq.m. The vacancy rate is estimated at 5–10 per cent.

## Purchases and sales

Purchases and sales of properties are an important part of Klöver's 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. 2006 was no exception.

During 2006, Klöver sold 15 properties (36) with a value of SEK 348 million (557) and a realised change in value of SEK 45 million (25). Properties sold are listed on page 84. Sales consisted of 9 per cent (24) of the number of properties at the beginning of 2006. A number of sales concerned locations where Klöver's portfolio of properties was very limited in scope, often with a single property. Sales at places with one or very few properties improve the operational efficiency of Klöver's geographical units. Apart from these sales, a number of completely developed commercial properties on prioritised markets have been sold.

The number of acquired properties was 63 (55) during the year with a value of SEK 4,672 million (2,108). During the spring, a very large property was acquired in Uppsala from Pfizer for SEK 227 million. With this acquisition, a unit was established in Uppsala. At the beginning of the summer, nine properties were acquired for SEK 245 million, mainly in Nyköping, which complemented the existing holding in the city. At the end of the year, a large property holding consisting of 45 properties was acquired from Fabege for SEK 4,032 million, mainly located in Kista and Täby. In conjunction with this acquisition, units were established in Kista and Täby. In addition, Klöver has acquired additional properties in Borås, Kalmar, Västerås and Örebro.

### PROPERTY ACQUISITIONS

Unit	Number	Area, sq.m.	Purchase price, SEKm	Rental value, full-year basis, SEKm
Borås	1	6,450	17	3
Eskilstuna	–	–	–	–
Kalmar	1	9,482	28	5
Karlstad	–	–	–	–
Kista	22	262,026	3,526	339
Linköping	–	–	–	–
Norrköping	–	–	–	–
Nyköping	8	16,859	201	18
Täby	25	66,956	552	63
Uppsala	1	56,802	227	70
Västerås	3	25,892	67	6
Örebro	2	5,203	54	6
<b>Total</b>	<b>63</b>	<b>449,670</b>	<b>4,672</b>	<b>510</b>

### PROPERTY SALES

Unit	Number	Area, sq.m.	Sales price, SEKm	Change in value, SEKm	Rental value, full-year basis, SEKm
Borås	–	–	–	–	–
Eskilstuna	1	1,872	7	–	1
Kalmar	–	–	–	–	–
Karlstad	1	3,073	9	1	2
Kista	–	–	–	–	–
Linköping	6	26,570	153	15	21
Norrköping	1	2,117	11	2	2
Nyköping	1	2,106	4	1	1
Täby	–	–	–	–	–
Uppsala	1	4,144	24	4	4
Västerås	4	16,615	140	22	14
Örebro	–	–	–	–	–
<b>Total</b>	<b>15</b>	<b>56,497</b>	<b>348</b>	<b>45</b>	<b>45</b>

# Property portfolio

By year-end 2006, Klöver had a total of 205 properties (162) located in 21 municipalities (21) from Uppsala in the north to Kalmar in the south. The total lettable area was approximately 1,436,000 sq.m. (1,042,000). The net increase during the year was 43 properties (14) with around 394,000 sq.m (234,000). The economic occupancy rate, 84 per cent (87), was three percentage points lower than at the previous turn of the year. The decrease in the occupancy ratio is mainly due to acquisition of properties with large vacancies.

## Commercial orientation

Klöver is focused on commercial properties. Approximately 55 per cent (46) of the total rental value is accounted for by office space. Industrial and warehouse space comes next followed by education/laboratory/health care/recreation, retail, restaurant/hotel and residential space. The proportion of residential is only around 1 per cent (2) of the total rental value.

The average lease contract period is 2.6 years (2.8) with 20 per cent of the commercial rental contracts, measured as a share of the contract value, falling due for renegotiation in 2007.

### PROPERTIES

	No. of properties	Fair value, SEKm	Profit ratio, %*
Offices	93	6,448	62
Industrial/warehouse	62	2,242	61
Education/laboratory/health care/recreation	9	579	51
Retail	29	1,220	60
Restaurant/hotel	5	171	48
Residential	1	20	42
Other**	6	21	0
<b>Total</b>	<b>205</b>	<b>10,701</b>	<b>60</b>

\* Refers to property portfolio in the 2006 financial year.

\*\* Sites.

### PROPERTIES, DISTRIBUTION BY UNIT

Unit	No. of properties	Profit ratio, %*
Borås	14	57
Eskilstuna	4	62
Kalmar	11	61
Karlstad	17	61
Kista	22	74
Linköping	24	64
Norrköping	18	51
Nyköping	29	61
Täby	25	58
Uppsala	3	33
Västerås	27	59
Örebro	11	68
<b>Total</b>	<b>205</b>	<b>60</b>

\* Refers to property portfolio in 2006.

### PREMISES

	Area, 000 sq.m.	Proportion, area, %	Rental value, SEKm	Proportion of rental value, %	Average rent/sq.m.	Economic occupancy rate, %
Offices	658	46	697	55	1,140	82
Industrial/warehouse	520	36	273	21	582	85
Education/laboratory/health care/recreation	112	8	113	9	1,021	77
Retail	84	6	105	8	1,274	94
Restaurant/hotel	44	3	38	3	808	90
Residential	18	1	15	1	853	94
Other*	–	–	35	3	–	93
<b>Total</b>	<b>1,436</b>	<b>100</b>	<b>1,276</b>	<b>100</b>	<b>954</b>	<b>84</b>

\* Garage, parking spaces, signs, masts and sites.

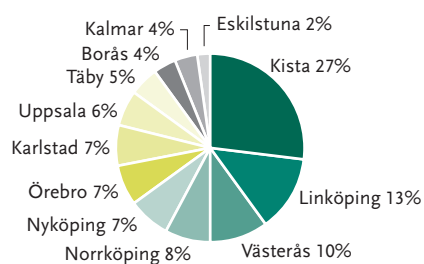
### PREMISES, DISTRIBUTION BY UNIT

Unit	Area, 000 sq.m.	Rental value, SEKm	Proportion of rental value, %	Economic occupancy rate, %
Borås	75	44	4	90
Eskilstuna	27	32	2	88
Kalmar	64	43	4	86
Karlstad	102	92	7	90
Kista	262	339	27	82
Linköping	179	161	13	80
Norrköping	168	103	8	79
Nyköping	132	93	7	91
Täby	67	63	5	91
Uppsala	66	82	6	60
Västerås	181	131	10	88
Örebro	113	93	7	94
<b>Total</b>	<b>1,436</b>	<b>1,276</b>	<b>100</b>	<b>84</b>

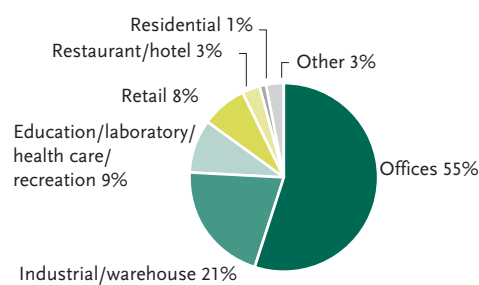
## LEASE CONTRACT STRUCTURE

Term of lease contracts in commercial premises, maturity year	Number of contracts	Area, sq.m.	Contract value, SEKm	Proportion of contract value, %
2007	914	285	216	20
2008	640	269	248	23
2009	411	211	208	19
2010	191	195	209	20
2011	56	47	40	4
2012–	68	111	103	10
<b>Total</b>	<b>2,280</b>	<b>1,118</b>	<b>1,024</b>	<b>96</b>
Residential	219	18	14	1
<b>Total not incl. garage/parking space</b>	<b>2,499</b>	<b>1,136</b>	<b>1,038</b>	<b>97</b>
Garage/parking space	1,480	–	31	3
<b>Total</b>	<b>3,979</b>	<b>1,136</b>	<b>1,069</b>	<b>100</b>

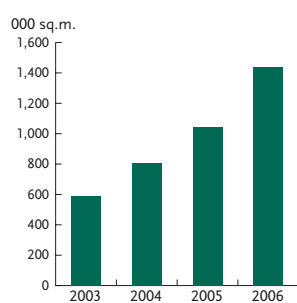
Distribution of rental value by unit



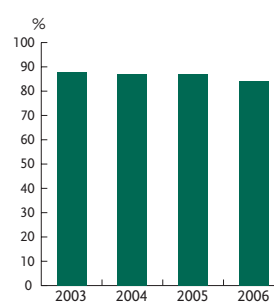
Distribution of rental value by type of premises



Development of property portfolio



Development of letting ratio



# Science Park and Business Park



Klövern's focus on technology parks became a tangible reality in 2005 when parts of the Pronova area in Norrköping were acquired. Pronova complemented our existing property portfolio in Mjärdevi in Linköping and Kanikenäset in Karlstad.

During the past year, Klöver has expanded the concept of Science and Business Parks with the acquisitions in another three attractive areas: Örebro Science Park, Uppsala Business Park and Kista Science City. Neticity, in Örebro, in the vicinity of the university was acquired in early 2006. Uppsala Business Park is in the Fyrislund area and has a unique position in Life Science. It is a very creative environment with close collaboration between research and industry. At the end of November 2006, Klöver took possession of properties in Kista Science City, where among others Ericsson has its head office. One of Sweden's most successful shopping malls, Kista Galleria, is located there and the area will be complemented in 2007–2008 with a large hotel and an exhibition facility.

Technology Parks are categorized by being in the vicinity of communications such as major roads, local public transport, and sometimes airports, as well as being in the vicinity of a university or other institution of higher education. Businesses undertaking research, training/education, high technology and IT are offered attractive premises for a good price in a creative and dynamic environment. Gathering a lot of developing companies in the same area leads to a lot of positive effects, such as the creation of development projects, new companies, network building and transfer of technology.

## Karlstad Business Park

At the historical Kanikenäset, where there are now large, modern buildings, companies in IT and telecommunications predominate. There are around 40 companies here with over 2,000 employees. Among Klöver's largest tenants in the area can be mentioned Telia and Tieto Enator.

Karlstad Business Park is in a strongly expansive phase. New housing is being built alongside the commercial properties. A living city district is developing and Kanikenäset has been transformed into a very attractive area with great potential.

Klövern owns five of a total of nine commercial properties in the area and is by far and large the largest property owner. Other properties are owned by Skanska, Pictura and Karolinen Fastigheter, among others.

## Kista Science City

Kista Science City is one of the world's leading "high-tech clusters" where many of the world's leading ICT (Information, Communication, Technology) companies are located. The geographical situation between the E4 and E18 highways, with both metro and commuter trains and closeness to Arlanda and Bromma airports, make the area an excellent location for both car travellers and those travelling by public transport, as well as visitors from further away. Kista Galleria – northern Europe's largest shopping mall – is a guarantee of a high level of service in the area.

Two-thirds of the 30,000 employees working in the approximately 1,400 companies in Kista are employed in the ICT sector. These companies range from Ericsson's head office to small entrepreneur-led companies. There are also around 3,500 students and 1,000 researchers linked to the Royal Institute of Technology.

Klövern is the largest property owner in Kista with 19 properties and 255,000 lettable area, corresponding to a market share of around 25 per cent.

## Mjärdevi Science Park

Mjärdevi Science Park in Linköping is an attractive environment for knowledge and development-intensive companies and activities. The major part of the around 250 companies and 5,000 employees are active in a number of world-class areas of competence – telecommu-



nications, software and system development, electronics, home communications and vehicle safety. Klöverns has two properties: Idétävlingen 4 and Idéskissen 1, with three buildings totalling approximately 27,300 sq.m., in the area. Major tenants include Expert, Enea, Lawson, Sick-IVP and VM-data. The Technology Park has developed well with a lot of new companies, which is start to become noticeable in the demand for premises. Access to sites for new development is good.

### Norrköping Science Park

Norrköping Science Park (formerly Pronova Science Park) is a business park in the vicinity of the university which promotes entrepreneurship and new business initiatives through its creative and knowledge-intensive environment. Within the area there is access to a hotel and conference facility and additional service such as a gym and a restaurant. There are about a hundred companies in the area with over 700 employees. Among the larger tenants may be mentioned the IT department of the municipality of Norrköping, Flextronics, Gaia System and Leon AB.

There is a special focus on four profile areas: media technology, printed electronics, new health tools and logistics.

### Uppsala Business Park

Uppsala Business Park has a special position in Life Science in Sweden. Within the area a majority of the generally available processes in the sphere of pharmaceuticals and medical devices and the instrument and diagnostic industry. Today, AMO, Biolipox, Biovitrium, Fresenius, Kabi, GE-Biacore, Kemwell, Medeca Pharma, Pfizer, Phadia and Visionar are active in the area. Orexo and Kibion (a subsidiary of Orexo) started to move into the area in January 2007 and have an option for further expansion. The area offers service in the form of company health care, a Montessori day care centre, restaurants, conference facilities, a laboratory desk and security services.

There are also various laboratories in the area for, among other things, chemical and microbiological analyses. There is a stability room, a clean room and pilot facilities for pharmaceutical production. The area also has computer rooms with redundant electricity supply and reserve power and includes an "office hotel" where Helenius, Elconcept, NNE Sweden AB, Radon and the energy advisor in Uppland, Welch Allyn and Siemens Building Technologies are tenants. During 2007, Uppsala Business Park intends to develop a laboratory hotel concept (XtendedLab) and a start has made on developing a computer server hotel.

Today, Klöverns is responsible for some 25 different high quality types of media for its tenants at Uppsala Business Park. Many of the types of media delivered are covered by the highly demanding GMP requirements (Good Manufacturing Practice) on organization, quality, routines, validation, documentation and drawing management. Klöverns is responsible for central monitoring systems and emergency routines for tenants and other property owners in the area.

1,800 employees work in the area.

### Örebro Science Park

NetCity is the first part of Örebro Science Park which is growing in the vicinity of Örebro University. Precio, Impera and Bilock Software are good examples of some of the development-intensive companies in the IT sector now present in NetCity. The regional association and Örebro Innovation Center are other examples of organizations which work with collaboration between the university and the business sector.

The business incubator Inkubera which started in January 2007 is another example. In all there are 16 companies with 155 employees in the area. Klöverns is planning a further expansion of the area, which includes an agreement with the municipality on additional sites.

# Financing

Financial operations are handled by the parent company's finance function. 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 of market fluctuations. The policy settles the assignment of the responsibilities and works as a guideline for the finance function. In support of the company's finance function, there is a finance committee, consisting of the Chairman of the Board, two board members, and the President/CEO, finance manager and chief financial officer.

Financial transactions shall be carried out on the basis of an assessment of the company's overall needs of liquidity, financing and interest risk.

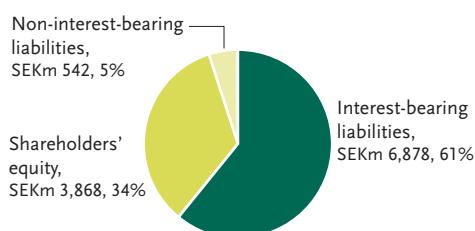
The goals of the financial policy are as follows:

- The equity ratio is to be between 25 and 35 per cent.
- The interest coverage ratio shall be at least 1.5 times.

## Loan structure

As at December 31, 2006, 61 per cent of Klöver's financing consisted of interest-bearing liabilities. Shareholders' equity amounted to 34 per cent 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 and an interest-free loan of SEK 160 million from Fabège, which was arranged in connection with acquisition of companies from the same company. The loan is due for payment in November 2008.

Financial structure, December 31, 2006



The interest-bearing loans totalled SEK 6,878 million (3,987) of which 68 per cent had floating interest and 32 per cent fixed interest. Klöver has credit limits of SEK 7,802 million (4,114). The increase in volume of the loan stock can be assigned to a number of large acquisitions during the year.

The loan portfolio is split between seven lenders, Swedish and foreign. The largest lenders are Swedbank, SBAB, Handelsbanken and Aareal Bank. As collateral for interest-bearing liabilities, the company has mortgages of SEK 6,979 million (4,663). At year-end, the average period of tied-up capital was 4.3 years (4.6). All financing is in Swedish kronor (SEK).

## LOAN MATURITY DATE

Loan maturity year	Credit agreement, SEKm	Utilized, SEKm	Utilized, %
2007	504	404	80
2008	183	183	100
2009	141	141	100
2010	2,254	2,197	97
2011	2,345	1,945	83
2012–	2,375	2,008	85
<b>Total</b>	<b>7,802</b>	<b>6,878</b>	<b>88</b>

## Interest rate structure

Klöver's single largest cost item is interest expense and management of financing is accordingly very important. The average fixed interest period was 1.8 years (1.0) at the turn of the year. The loans, including variable loans, which have an interest due date in 2007, had an average fixed-interest period of 10 days (49) at the turn of the year. In the cases where floating interest has been swapped to a lower fixed interest rate, the interest rate and the period of fixed interest are calculated according to the terms of the swap. The average interest rate was 4.1 per cent (3.5) at the turn of the year. The increase in the interest rate level is due to a general increase in interest rates.

The interest rate risk shall, according to finance policy, be limited by loans with initial fixed interest periods of 90 days or shorter, and which exceed 20 per cent of the total loan volume, being 50 per cent interest rate capped. When raised, these shall have maturities of at least three years. The maximum interest rate level, including margins, for these floating loans shall, when raised, be the five-year bond rate plus 2.5 percentage points.

## LOAN STRUCTURE

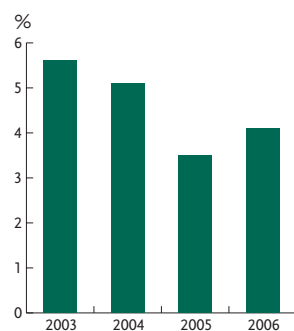
Year interest due	Average interest rate, %	SEKm	Percentage portion, %
Variable	3.8	4,685	68
2007	4.8	256	4
2008	5.1	534	8
2009	5.1	63	1
2010	3.7	32	0
2011	6.5	308	4
2012–	4.4	1,000	15
<b>Total</b>	<b>4.1</b>	<b>6,878</b>	<b>100</b>

To limit the interest rate risk for loans with floating interest, SEK 3,329 million (929) of loans have been interest capped. This interest cap is set at 4.0 and 4.5 per cent and related to Stibor 90 days. SEK 730 million of the interest cap matures in 2009 and SEK 1,099 million in 2010, SEK 1,000 million in 2011 and SEK 500 million in 2012.

Loans maturing within 12 months amount to SEK 4,941 million. An immediate change in the short market rate of one percentage point would entail an increase in interest expense per year of SEK 44 million. If the short market rate were to immediately increase by one percentage point, Klöver's increased interest expense would be limited by the interest cap.

The interest cap and swap which are used to manage interest rate risk and achieve the selected fixed interest rate can over time entail changes in value of the interest derivative portfolio. As at December 31, 2006, the unrealised change in value for these interest caps totalled SEK 8.8 million (–2.7), which entails a change during the year of SEK 11.5 million. The unrealised changes in value amounted for swap agreements to SEK 16.0 million (–0.1).

Average level of interest rates as at December 31



## Liquidity

As at the turn of the year cash and bank balances totalled SEK 95 (141) million, and granted unused cheque credits amounted to SEK 557 million (153). In addition, there are unused loan commitments of SEK 367 million (83), 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 the turn of the year, Klöver had an interest-coverage ratio of 4.4 times (2.8). The interest coverage ratio shows that Klöver with its annual profit could pay its annual interest expense around 4.4 times.

## Equity ratio

As at December 31, 2006, the equity ratio was 34.3 per cent (34.8).

# Property development

To develop properties in order to reduce vacancies, thereby raising the value, is a natural element of Klöver's 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.

Six properties were the subject of major renovations during 2006: Vampyren 9 in Eskilstuna, Skepparen 15 in Karlstad, Mekanikern 22 in Linköping, Ana 11 in Nyköping, Leif 19 in Västerås and Kitteln 11 in Örebro. In addition to these, 76 other properties were developed, albeit to a lesser degree. A total of SEK 156 million (67) 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, two major investment projects were decided upon with office premises on behalf of Eskilstuna Kommunfastigheter. The project was completed in spring 2006. A multi-phase project was also started in 2006 for premises for the John Bauer upper secondary school. Investment was also made in the external environment at the property where existing terrace slabs between the buildings were improved with new planted areas, walking areas and equipment. The total investment at the property is estimated at SEK 42 million, of which SEK 27 million had been used up to the end of 2006. SEK 25 million was invested in 2006 alone. The return on investments is calculated at 17 per cent.

## Skepparen 15, Karlstad

At the Karlstad property Skepparen 15, approximately 6,300 sq.m. was vacant when Klöver took possession in mid-2002. During 2002, approximately 1,000 square metres of old-fashioned school premises were rebuilt for the John Bauer upper secondary school. The following year, the ground floor of the central part of the building, which had contained a large-scale school kitchen with difficult access because of the location of a shelter, was transformed into a modern office landscape for Flextronics (now Relacom). During 2004, a total of SEK 5 million was invested for further adaptation of premises for the John Bauer upper secondary school and for a florist training activity. In 2005, SEK 10 million was invested for Johan Bauer upper secondary school. In 2006, SEK 13 million has been invested for rebuilding the



Skepparen 15 in Karlstad

educational premises for Folkuniversitet. Total investment during 2006 amounted to SEK 16 million and to SEK 36 million during the period 2002–2006. The major part of the property is fully developed. The return on investment carried out in 2006 is 8 per cent.

### Mekanikern 22, Linköping

SEK 10 million has been invested in 2006 at the property Mekanikern 22 in Linköping, which was acquired in 2005 in two refurbishments for Friskis & Svette and Busfabriken. Mekanikern 22, which was previously an industrial property of older standard, now consists of 2,962 sq.m. of modern exercise facility and 2,665 sq.m. of an indoor play facility for children. The return on investments is 18 per cent.

### Ana 11, Nyköping

At the property Ana 11 in Nyköping, Klöver completed a health centre for the county council at the beginning of 2006. The Stadsfjärden health centre consists of approximately 1,100 sq.m. Total investment amounts to SEK 13 million, of which SEK 12 million was invested in 2005 and SEK 1 million in 2006.

The lease contract runs for 15 years and the tenant moved in February 2006. The return on investment is 11 per cent.

### Leif 19, Västerås

A major refurbishment started at the Västerås property Leif 19 at the end of 2006 to change the old and relatively large pharmacy premises of 980 sq.m. to smaller, 480 sq.m. more modern premises for the same tenant Apoteket.

Total investment is estimated at SEK 13 million, of which SEK 3 million were invested during 2006. The return on investment is estimated at 8 per cent.

### Kitteln 11, Örebro

At the property Kitteln 11 in Örebro, which consists of Kompassen shopping mall, office premises and a small component of shops, the old heating and ventilation system has been replaced by a new system with heat recovery. At the same time, a more energy efficient cooling system has been installed at the premise with direct cooling. The investment is estimated at SEK 8.4 million, of which SEK 6.1 million was invested during 2006. The energy saving is estimated at around SEK 700,000 per year. The annual return on investment is estimated at 8 per cent.



Interiors from Mekanikern 22 in Linköping

# Property valuation

Klövern reports investment properties in accordance with the fair value method. Every quarter, Klövern values 100 per cent of the property portfolio. Approximately 25 per cent of the property portfolio is valued externally each quarter and the rest internally. This means that every property in the portfolio is externally valued once during a rolling 12-month period and three times internally.

Internal valuation is carried out using the same method as external valuation. During 2006, Klövern has externally valued 163 properties, the absolute majority of which were properties that had been owned for the whole year. The valuations have been carried out using a yield valuation method in combination with the location price method and applying a 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, 2006
<i>Fair value</i>	SEK 10,701 million
<i>Calculation period</i>	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 6.0 and 12.0 per cent
<i>Cost of capital/discount rate</i>	Between 5.5 and 14.0 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 objects
<i>Inflation</i>	Two per cent (The Riksbank's inflation target)

## Valuation model

- + Estimated rent payments
- Operating expense payments (including property tax, repair and maintenance of housing, and site leasehold charges) in accordance with the cash flow method
- = Operating surplus in accordance with the cash flow method
- Deduction for investments
- = Property's cash flow

## Calculation of the fair value

An individual assessment has been made of every property's yield capacity and cash flow. The calculation periods are mainly five years with the exception of properties where there is an important lease contract with a longer remaining contract period than five years. In those cases, a calculation period corresponding to the remaining contract period plus at least 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.

The calculation of the property's earning capacity has been based on current lease contracts and known lettings and vacating tenants. An individual market assessment of the rental levels has been made for all premises. For let premises, market rent has been used in the cash flow calculation after the end of the lease period.

The assessment of market rents, future operating expenses, investments and building rights has been made by the external valuers with the aid of Klövern's managers.

Operating expenses have been assessed on the basis of the properties' budget for the respective property and the

## PROPERTY HOLDING AND VALUATION BASIS PER UNIT, DECEMBER 31, 2006

Unit	No. of properties	Rental value, SEKm *	Occupancy ratio, %*	Lettable area, 000 sq.m.	Cost of capital, %	Yield, %
Kista	22	339	82	262	7.00–9.00 **	6.25–7.25 **
Linköping	24	161	80	179	7.75–11.50	6.00–9.50
Västerås	27	131	88	181	6.50–11.00 **	6.00–10.00 **
Norrköping	18	103	79	168	7.00–14.00	6.00–12.00
Karlstad	17	93	90	102	7.00–11.00	6.80–9.00
Örebro	11	93	94	113	5.50–9.25	6.50–11.00
Nyköping	29	93	91	132	7.50–12.00	6.00–9.00
Uppsala	3	82	60	66	8.00–11.00	6.50–8.75
Täby	25	63	91	67	7.75–9.50 **	6.00–7.50 **
Borås	14	44	90	75	8.00–11.50	6.50–8.75
Kalmar	11	42	86	64	8.75–10.50	7.00–8.50
Eskilstuna	4	32	88	27	8.50–10.00	7.00–8.00
Total	205	1,276	84	1,436	5.50–14.00	6.00–12.00

\* The rental value includes the lease contract value for the areas let and assessed market values for vacant space. The market rent for vacant space is assessed on the basis of the existing state of the vacant space, i.e. before any refurbishment and adaptation.

\*\* Cost of capital and direct yield requirements which applied to properties acquired in the fourth quarter, but not valued externally, are not included.

outcomes and the experiences 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 budgeted investments and the assessment of the external valuers or future investment requirements.

The present value of the cash flow has been calculated by the cash flow being discounted with the cost of capital/discount rate. 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 with in the internal valuations. 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.

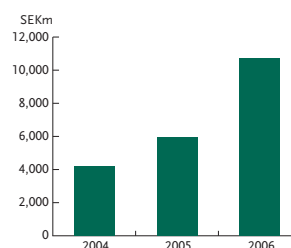
All properties have been inspected within a three-year period. New inspections are made during the external valuations of the properties where large refurbishment, moving in or other events affecting the value have taken place.

CHANGE IN FAIR VALUE	SEKm
Opening fair value	5,968
Acquisition value for properties acquired during the year	4,672
Investment in properties	147
Purchase price, sold properties	-348
Realised change in value	45
Unrealised change in value	217
<b>Closing fair value</b>	<b>10,701</b>

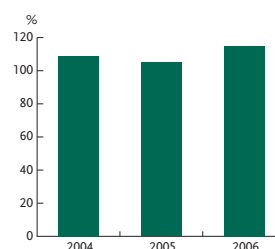
## Changes in value of the properties

The fair value of Klöverns properties amounted to SEK 10,701 million (5,968) on December 31, 2006. For the full year of 2006, unrealised increases in value totalled SEK 217 million (132) and realised changes in value SEK 45 million (25).

Fair value of properties



Sales price in relation to valuation



# Risk and sensitivity analysis

All business activity is associated with a certain amount of risk-taking. In the next section some of the factors are taken up, not in order of importance, which may affect Klöverns activities, financial position and earnings. An overall risk valuation should also include an analysis of the global environment and general information about the property market and its companies.

## The share

Shareholding is always associated with risk and risk-taking. Since a share investment can both rise and fall in value, it is not certain that an investor will get the invested capital back. Investments in Klöverns shares should therefore be preceded by a careful analysis of Klöverns, its competitors and business environment, and general information about the real estate industry and its companies. An investment in shares must never be seen as a fast way of generating a return but rather as a long-term investment with capital that can be spared.

## Properties

Klöverns has concentrated its property portfolio to twelve large cities/markets. Ninety-seven per cent of the rental income derives from these prioritised markets. At year-end, Klöverns had an occupancy ratio of 84 per cent (87).

A significant feature of Klöverns business model is to buy 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. Klöverns ability to generate positive changes in value is affected, in among other ways, by how well Klöverns succeeds in refining and developing properties and by the contract and customer structure. Furthermore, the general level of interest rates, the level of economic activity, the local balance between supply and demand, the expected rental growth, the tax situation, the opportunities for loan financing and the importance of the yield requirement are important factors affecting property prices. The required return is also affected by the risk-free interest rate and the properties' unique risk. The required return is also affected by access to and the return from alternative investments. Changes in the market value of the properties can affect the company's result both positively and negatively. As Klöverns reports its portfolio of properties at fair value, this means that the book value corresponds to the market value of the investment properties. This means that changes in the

property portfolio have a direct effect on the income statement and balance sheet.

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

## Tenants

Approximately 20 per cent (26) of Klöverns rental income derives from public sector activities, 41 per cent (30) from public companies and 39 per cent (44) from private companies. The proportion of tenants which are public companies has risen in 2006 mainly due to large property acquisitions in Kista.

Ericsson is Klöverns largest tenant with 18 per cent (6) of Klöverns total lease contract value. Ericsson leases, in particular, large areas in Kista, and two large facilities in Kumla and Katrineholm respectively. Ericsson's average lease contract period was 3.1 years at the year-end.

The facilities in Kumla and Katrineholm are subject to leases with three and one year remaining respectively. The activities at these premises are part of Ericsson's core business in the GSM and 3G areas.

Our next largest customer is Saab with a 4 per cent share of Klöverns total lease contract value. Among other premises, Saab has a large warehouse in Nyköping and a large office premises in Kista. The lease contracts with Posten Sverige AB account for 3 per cent of Klöverns total rental income. Posten has been 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.

Other major tenants are Arvid Svensson, Nokia, the Swedish Social Insurance Agency, Telia Sonera, the National Road Administration, Pfizer Health and Tieto Enator. Together, the ten largest tenants account for approximately 35 per cent (24) of Klöverns total lease contract value. Exposure to the ten largest tenants which previously decreased for some years, has increased in 2006.

## Operation and maintenance

A number of Klöverns major cost items in property operation, such as heating, electricity, water and waste collec-

tion, consist of charge-based costs. In most cases, Klöver is dependent on a local supplier, often municipally owned, for water, district heating and waste collection. The charges for these services depend on a number of factors, such as costs for the supplier's investments in facilities and a distribution network, and costs for raw materials and taxes. Costs for electricity are as a rule dependent on supply and demand in the open electricity market.

Klövern's properties are well-maintained and in good condition, which means 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.

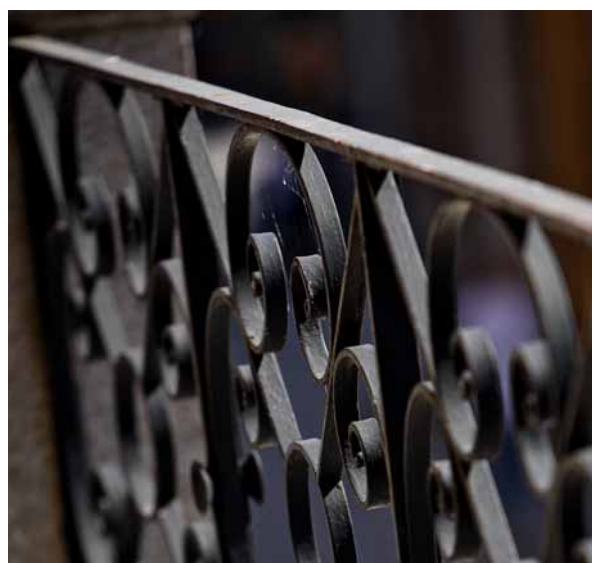
The largest expense for operation of the properties is electricity and heating. Practical efforts and capital expenditure are ongoing to improve cost-effectiveness, see the section on the environment on page 12. Klöver had a floating electricity price for the whole of 2006.

Tenant turnover gives rise to costs for adaptations and vacancy periods. Klöver has a low turnover rate at its premises and these costs can accordingly be kept at a low level. Turnover, measured as vacating tenants in SEK in relation to rental income in 2006, is equivalent to 5.5 per cent.

## Rents and rental development

The development of rents of commercial properties is generally controlled by supply and demand. Demand for Klöver's commercial premises is affected by changes in the level of economic activity and the population and employment trend at the places in question. However, this effect is less than in a company that concentrates its property portfolio only to Stockholm, Gothenburg and Malmö. The supply of premises in a local market consists of the existing portfolio and any newly produced areas. At the major part of Klöver's property locations, rental levels are lower than what would be required to meet the return on new construction costs. The risk of oversupply of competing areas as a result of new production is therefore limited.

At places with a declining population, demand for premises will decline over time, which will lead to an increasing vacancy rate and a risk of falling rental levels. Population has increased at all of Klöver's main locations in 2006.



Elektriciteten 2 in Linköping

There are no guarantees that Klöver's major tenants will renew or extend their leases when they expire, which, in the course of time, can lead to reduced rental income and increased vacancies. 89 per cent of Klöver's lease contracts, with an original term exceeding three years, are wholly or partly linked to the consumer price index (CPI).

There is no guarantee that Klöver will always be able to enter into lease contracts that wholly or partly compensate for inflation. Klöver depends on tenants paying their rents in time, and tenants' undertakings are therefore guaranteed by parent companies or as bank guarantees in certain lease contracts. Likewise, there remains in many cases the risk of the tenant suspending payments or otherwise being unable to meet their undertakings. If this happened, it would have a negative effect on Klöver's result.

## Financing

Besides equity, Klöver's activities are financed to the largest extent by borrowing from credit institutions. Consequently, Klöver is exposed to financing and interest rate risks. Klöver's capital structure means that interest expense is a substantial cost item. The interest expense is primarily affected by the level of current market rates but also by the strategy adopted by Klöver for fixed-interest periods for interest rates.

Market rates are primarily affected by the expected rate of inflation, where pricing of bonds and certificates is based on supply and demand. The shorter interest rates are mainly affected by the Riksbank's repo rate, which is an instrument of monetary policy.

Monetary policy in Sweden aims at maintaining inflation at two per cent plus/minus one percentage point by adjustment of the repo rate. Apart from increasing inflation expectations, the interest rate level can be expected to rise, which immediately increases the costs for floating loans and loans with a short maturity. See the section on "Financing" for more information.

During 2006, Klöver has decided to shorten the fixed-interest period and placed a large part, SEK 4,685 million, on loans with a floating interest rate. To limit the risk of a sharp increase in short-term rates, part of the portfolio, SEK 3,329 million, has been protected by interest-rate caps. If the floating interest rate as at

December 31, 2006 had been one percentage point higher, Klöver's interest expense would have increased by around SEK 44 million.

Klöver has concentrated its portfolio mainly on commercial properties, which entails a larger operating risk than if it had included a larger proportion of residential property. The target for the equity ratio has been adjusted to the portfolio of commercial properties.

## Dependence on senior management and other key personnel

Klöver's future development depends to a great extent on the knowledge, experience, ability and commitment of the senior management and other key personnel. Klöver has entered into contracts of employment, which Klöver considers to be competitive. Klöver regards its personnel as a great asset and works continuously to maintain a good personnel policy.

## Operating risks

Operating risks mean the risk of incurring losses due to deficient routines, lack of control, and/or improper actions. Good internal checks, administrative systems that are appropriate for their purpose, competence development and access to reliable valuation models are methods to reduce the operational risks. In this connection, Klöver works continuously to monitor the company's administrative security and control.

## Influence from major shareholders

There are no known shareholder agreements or other agreements between the shareholders of Klöver. The largest individual shareholders are Fabege AB and Arvid Svensson AB, which own 27.7 and 10.2 per cent respectively of the capital and votes as at December 31, 2006. Fabege intends to distribute its holding of Klöver shares to its shareholders in spring 2007. Major shareholders can, due to their influence, affect Klöver in among other ways, with regard to those matters that are subject to decision at the annual general meeting. These shareholders can also enable or prevent a takeover of the company by a public offer.

## Taxes

Klövern's current tax proceedings can be summarised as follows:

*Years of assessment 1999–2003, tax surcharge totalling SEK 21 million and a reduction of the tax loss carry forward of SEK 21 million net.*

The amounts have not yet been paid (respite) and the tax surcharge is reported as a contingency. Klöver'n has appealed the cases to the county administrative court.

*Year of assessment 2003, deduction for capital loss of SEK 4,933 million and tax surcharge of SEK 493 million.*

At the end of 2003, Klöver'n requested that tax assessment for the same year should be reconsidered. The intention was to have considered whether Klöver'n was entitled to an additional loss carry forward of SEK 5 billion due to a loss which the company, and indirectly the shareholders, had made in its previous activity of IT company. In spring 2006, Klöver'n recalled its request for reconsideration. However, despite this, the Tax Agency decided to impose a tax surcharge of SEK 493 million on Klöver'n, which Klöver'n appealed against to the county administrative court. Klöver'n has submitted a new request for reconsideration concerning the capital loss of SEK 5 billion (year of assessment 2003) and this request has been rejected by the Tax Agency. Klöver'n has therefore appealed against the decision to the county administrative court.

The tax surcharge has not yet been paid (respite) and is reported as a contingency. Klöver'n has appealed against the case to the county administrative court.

## Environment

Property development and property exploitation entail an effect on the environment. According to the Environmental Code, those who engage in activities that contribute to pollution are also responsible for subsequent treatment. If the person carrying out the activity cannot carry out or pay for this treatment of a property, the party that has acquired the property, and who, at time of acqui-

sition, knew of or should have detected the pollution, is responsible. This means that demands can, in certain conditions, be directed at Klöver'n for land decontamination or subsequent treatment for the existence or suspicion of pollution in the ground, water areas, or groundwater to put the property in such a state as follows from the Environmental Code. Such requirements can have a negative impact on Klöver'n. At present, however, there is no knowledge of any important environmental demands which can be directed at Klöver'n.

## Disputes

At year-end 2006, a few disputes and economic claims on Klöver'n 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 6.8 million in this year's closing of the books are sufficient to meet these remaining demands.

## Sensitivity analysis

The sensitivity analysis is based on the Group's earning capacity and balance sheet as at December 31, 2006. 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 longer perspective.

### SENSITIVITY ANALYSIS

	Change	Annual earnings-effect, SEKm
Economic occupancy rate	+/- 1 %	+/- 12.8
Rental income	+/- 1 %	+/- 10.7
Property expenses	+/- 1 %	-/+ 4.5
Klövern's average borrowing cost	+/- 1 %-point	-/+68.8

# 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, 2006, the value of the properties is approximately SEK 10.7 billion and the rental income on an annual basis around SEK 1,070 million. The Klöver share is listed on the Stockholm stock exchange Stockholmsbörsen's Nordic list for medium-sized companies. As at December 31, 2006, the number of shares in Klöver totalled 166,544,326 distributed among approximately 19,100 owners. The division of ownership is shown on pages 7–9.

## Earnings

The year's net profit amounted to SEK 631 million (379). This improvement is primarily due to unrealised changes in value and a considerably larger property portfolio. Net profit for the year includes realised changes in value from property sales at SEK 45 million (25) and unrealised changes for properties at SEK 217 million (133). Net financial income was SEK – 122 million (–181), of which changes in value of financial instruments amounted to SEK 49 million (–3). See page 86 for the four-year review.

## Cash flow and financial position

The cash flow was SEK –46 million (31). The equity ratio was 34.3 per cent at the year-end, compared with 34.8 per cent at the beginning of the year. Shareholders' equity increased to SEK 3,868 million, compared with SEK 2,264 million at the beginning of the year. Liquid funds amounted to SEK 95 million (141) and interest-bearing liabilities were SEK 6,878 million (3,987). See Note 22 concerning financial risks.

## Portfolio of properties

In the beginning of 2006, Klöver owned 162 properties distributed over 21 municipalities and a value of SEK 5,968 million. At the end of the year, Klöver had 205 properties in 21 municipalities with a total value of SEK 10,701 million. During the year 63 properties (55) were acquired for a total price of SEK 4,672 million (2,108), with a total area of approximately 450,000 sq.m. (332). The major part of the properties are located in Kista, Täby and Uppsala. In 2006, 15 properties (36) were sold for a total purchase price of SEK 348 million (557). The economic occupancy ratio in the property portfolio was 84 per cent (87) at the end of 2006.

## 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 58 million (33). The Parent Company has received group contributions of SEK 172 million (85) from subsidiaries in the Group. The Parent Company's liquid funds amounted to SEK 13 million on December 31 compared with SEK 15 million at the beginning of the year. Net investments in shares, participation rights and equipment totalled SEK 2 million (1).

## Directed emissions

In conjunction with property acquisition, in Kista and Täby from Fabège in November 2006, part of the purchase price was paid by a directed issue of 46,180,067 Klöver shares at a price of SEK 23.68 per share.

## Transactions with related parties

In conjunction with the acquisition of properties in Västerås in 2004 from Arvid Svensson AB, leases contract were included where Arvid Svensson AB are tenants. The total annual contract value as at December 31, 2006, is SEK 16 million (16). The Board considers that the contracts were made on commercial terms, see Note 25. Remuneration to the President & CEO and the Board is shown in Note 3.

On November 20, 2006, Klöver acquired properties for around SEK 4 billion from the listed company Fabège. In connection with the property acquisition, Klöver made a new issue of shares to Fabège. With 27.7 per cent of the capital and votes, Fabège has subsequently been Klöver's largest owner. Fabège has notified that they intend to distribute the Klöver shares to Fabège's shareholders in spring 2007.

## 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 owners 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 the Stockholm stock exchange Stockholmsbörsen with a capitalization of at least SEK 3,000 million as at May 31 in the respective

year, 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 was not subject to the code in the 2006 financial year since the capitalization was below the above amount on the date in question.

### *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 shall be in Nyköping. An 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). The Company's financial year is the calendar year. See [www.klovern.se/About Klöver/Corporate Governance](http://www.klovern.se/About%20Klovern/Corporate%20Governance) 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 March or April. The notice of the meeting is published in the Swedish Official Gazette (*Post- och Inrikes Tidningar*) and Svenska Dagbladet. 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, and 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. 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 within the correct time. Shareholders also have the right to ask questions during the meeting.

For important decisions made during the 2006 Annual General Meeting, see [www.klovern.se/Investor relations/Press releases](http://www.klovern.se/Investor%20relations/Press%20releases).

### *Nominations Committee*

The 2006 Annual General Meeting 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 exceeds five per cent of the shares and votes in the company as at August 31 each year and a representative of the other shareholders. The nominations committee, until the 2007 Annual General Meeting, consists of the following representatives stating the owner that they represent:

Göran Almberg, LRF (Chairman of the Nominations Committee)

Rikard Svensson, Arvid Svensson Invest AB

Bo Jansson, Skandia Liv

Erik Tönberg, Investment AB Öresund

Klas Andersson, representative of the other shareholders  
Stefan Dahlbo, Klöver's Chairman of the Board

The representatives can be contacted by e-mail [styrelsenominering@klovern.se](mailto: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 2006 until the 2007 Annual General Meeting, Klöver's Board consists of seven members, of which the President & CEO is one. From the 2006 Annual General Meeting, the Board consists of Stefan Dahlbo (Chairman), Gustaf Hermelin (President & CEO of Klöver), Lars Holmgren, Anna-Greta Lundh, Johan Piehl, Lars Rosvall and Fredrik Svensson. 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, is the secretary at Klöver's Board meetings. The Chairman of the Board is appointed at the meeting following appointment at 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 work plan. Klöver's Board has four ordinary meetings per calendar year. Some questions such as acquisitions and sales, market matters, organization, financial position, are dealt with at all ordinary meetings. Other issues such as strategy, annual reports, audit reports, budgets etc are dealt with at special meetings. During 2006, besides the four ordinary meetings, eleven 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 2006 are shown in the notes to the accounts.

### *Auditor*

Ernst & Young were appointed as auditor for Klöver AB at the 2003 Annual General Meeting from the annual general meeting in 2003 to the end of the annual general meeting in 2007. Björn Fernström authorised public accountant and auditor for the company since 2000 has been auditor in charge for Klöver AB since 2000.

### *Events after the end of the period covered by the report*

Klöver has signed a ten-year lease contract with the exhibition centre Sollentunamässan for 14,000 sq.m. of exhibition area in Kista. The project starts in April 2007 and the tenant is expected to move in in August 2008. The exhibition centre will be located in the property Lidärände 1 in central Kista. Klöver's investment is calculated at SEK 130 million and the direct yield in the property, after completion of the project, is estimated at 6.5 per cent. The contract is conditional on a decision on a new local plan.

### *Outlook for 2007*

In Klöver's view, the rental market will be continue to be positive in 2007. The level of economic activity is expected to remain high and the general level of interest rates is expected to increase from its present level. In the coming year, work on reducing vacancies in the existing portfolio will be further intensified. Selective property acquisitions will be made with a view to further strengthening Klöver's position in existing markets. The volume of property sales is expected to increase and be in the

range of over SEK 500 million. For the full year of 2007, the result, excluding tax and changes in value, is considered to exceed SEK 325 million.

## Dividend

According to Klöver's new dividend policy, Klöver's aim on a long-term basis is to transfer at least 50 per cent of net profit to its shareholders, excluding unrealised changes in value and deferred taxes. 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 2006 financial year, the Board of Directors proposes an increase in dividend to SEK 1.25 per share (1.00) corresponding to SEK 208.2 million (120.4).

## Proposed allocation of earnings

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

Amount brought forward	SEK	454,296,054
Net profit for the year	SEK	58,059,334
Amount available for allocation	SEK	512,355,388
Dividends to the shareholders	SEK	– 208,180,408
To be carried forward	SEK	304,174,980

## Statement by the Board pursuant to Chapter 18, section 4, of the Companies Act

### *Proposal by the Board*

In the proposed allocation of earnings, the Board proposes to the shareholders at the 2007 Annual General Meeting for Klöver that a dividend of SEK 1.25 per share be paid to shareholders for the 2006 financial year, which corresponds to a total dividend of SEK 208.2 million. Furthermore, the Board proposes that the shareholders at the Annual General Meeting authorise the Board to decide the date of payment.

### *Klöver's financial position*

Klöver's financial goals are:

- Return on equity is to be at least 15 per cent in the long-term
- The equity ratio is to be between 25 and 35 per cent.
- The interest coverage ratio is to be at least 1.5 times.

The financial goals were achieved in 2006.

According to the annual report, Klöver's equity ratio was 34 per cent in the Group and 82 per cent in the parent company. After the proposed dividend, the equity ratio will be 33 per cent in the Group and 81 per cent in the parent company. The proposed dividend constitutes 5.4 per cent of shareholders' equity in the Group and 6.7 per cent of the equity in the parent company. Klöver's target for the equity ratio is achieved even after the proposed dividend. Derivative instruments have been valued at fair value in the Group in accordance Chapter 4, section 14a of the Annual Accounts Act and changes in value have been reported in the income statement. Amounts relating to unrealised changes in value of financial instruments in the Group's income statement have been valued at SEK 27.5 million.

### *Motivation by the Board of Directors*

Taking into account the statements made above, the Board considers that the proposed dividend is can be justified taking into consideration the requirements made in Chapter 17, section 3, second and third paragraphs, of the Companies Act.

The type and scope of activity does not entail risks to a greater extent than those normally occurring in the industry.

The assessment by the Board of the financial position of the parent company and the group means that the dividend is justifiable in relation to the requirements that the type of business, extent and risk make on the size of the equity of the Parent Company and the Group and the consolidation requirements, liquidity and position otherwise of the Parent Company and the Group.

The view of the Board is that the proposed dividend will not affect the ability of Klöver AB to comply with its commitments in the long and short term or to make the necessary investments

Klöver AB (publ)

Company registration no. 556482-5833

# Financial Reports

## Statement of Income

### Group

Amounts in SEK thousand	Note	2006	2005
Rental income	2, 23	807,550	634,740
Other income	2	35,435	3,946
Property costs	3, 5	-338,811	-247,468
<b>Operating surplus</b>		<b>504,174</b>	<b>391,218</b>
Changes in value of properties, realised	9	45,007	25,245
Changes in value of properties, unrealised	9	216,973	132,543
Depreciation, machinery and equipment	8	-2,680	-1,782
Central administration costs	3, 4, 5	-49,299	-35,075
<b>Operating profit</b>		<b>714,175</b>	<b>512,149</b>
Financial income	6	2,289	3,749
Financial expenses	6	-173,170	-182,210
Changes in value, financial instruments, realised		65	-
Changes in value, financial instruments, unrealised	22	27,515	-2,745
Changes in value, securities, realised	22	5,181	-
Changes in value, securities, unrealised	22	16,432	-
<b>Profit before tax</b>		<b>592,487</b>	<b>330,943</b>
Current tax	7	-15,802	-246
Deferred tax	7	54,000	48,000
<b>NET PROFIT FOR THE YEAR</b>		<b>630,685</b>	<b>378,697</b>
Attributable to:			
Parent company shareholders	16	630,685	378,697
Minority interest		-	-
Earnings per share before and after dilution, SEK	16	5.04	3.27

## Balance sheet

*Group*

Amount in SEK thousand	Note	31.12.2006	31.12.2005
<b>Assets</b>			
Machinery and equipment	8	14,011	4,901
Investment properties	9	10,700,902	5,967,855
Derivatives	22	49,324	6,806
Deferred tax asset	7	333,000	279,000
<b>Total fixed assets</b>		<b>11,097,237</b>	<b>6,258,562</b>
Accounts receivable	12	31,605	6,880
Prepaid expenses and accrued income	13	21,958	10,614
Other receivables	11	37,831	73,051
Blocked account		3,862	16,313
Liquid funds	14	95,442	141,251
<b>Total current assets</b>		<b>190,698</b>	<b>248,109</b>
<b>TOTAL ASSETS</b>		<b>11,287,935</b>	<b>6,506,671</b>
<b>Shareholders' equity</b>			
Share capital	15	832,721	601,821
Other contributed capital		1,715,219	852,575
Retained profits		689,614	431,281
Net profit for the year		630,685	378,697
<b>Shareholders' equity attributable to the parent company's shareholders</b>		<b>3,868,239</b>	<b>2,264,374</b>
<b>Liabilities</b>			
Long-term interest-bearing liabilities	17	6,796,389	3,934,138
Other long-term liabilities	17	160,000	–
Provisions	19	6,826	7,072
Derivatives	22	–	65
<b>Total long-term liabilities</b>		<b>6,963,215</b>	<b>3,941,275</b>
Current interest-bearing liabilities	17	81,423	53,195
Accounts payable		113,120	35,048
Income tax liability		15,984	959
Other liabilities	20	6,964	3,010
Accrued expenses and prepaid income	21	238,990	208,810
<b>Total current liabilities</b>		<b>456,481</b>	<b>301,022</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>11,287,935</b>	<b>6,506,671</b>

See Note 24 for information about the Group's pledged assets and contingencies.

## Shareholders' equity

*The Group*

## Shareholders' equity attributable to the parent company's owners

Amount in SEK thousand	Share capital	Other contributed capital	Retained earnings including net profit for the year	Total shareholders' equity
<b>Shareholders' equity, 31.12.2004</b>	<b>528,929</b>	<b>656,427</b>	<b>515,570</b>	<b>1,700,926</b>
Dividend	–	–	–84,289	–84,289
New share issue	72,892	196,148	–	269,040
Net profit for the year	–	–	378,697	378,697
<b>Shareholders' equity, 31.12.2005</b>	<b>601,821</b>	<b>852,575</b>	<b>809,978</b>	<b>2,264,374</b>
Dividend	–	–	–120,364	–120,364
New share issue	230,900	862,644	–	1,093,544
Net profit for the year	–	–	630,685	630,685
<b>Shareholders' equity, 31.12.2006</b>	<b>832,721</b>	<b>1,715,219</b>	<b>1,320,299</b>	<b>3,868,239</b>

## Statements of Cash flow

*The Group*

Amount in SEK thousand	Note	2006	2005
<b>Current operations</b>			
Profit after financial items excluding depreciation and unrealised changes in value		283,994	177,682
Realised changes in value		50,253	25,245
Income taxes paid		-333	-246
<b>Cash flow from operations before changes in working capital</b>		<b>333,914</b>	<b>202,681</b>
Change in operating receivables		55,549	-42,696
Change in operating liabilities		111,762	59,919
Total change in working capital		167,311	17,223
<b>Cash flow from current operations</b>		<b>501,225</b>	<b>219,904</b>
<b>Investing operations</b>			
Divestment of properties		302,643	532,055
Acquisition of properties	27	-3,725,238	-1,905,357
Acquisition of machinery and equipment		-11,790	-3,632
Investment in financial fixed assets		-42,518	-6,806
<b>Cash flow from investing operations</b>		<b>-3,476,903</b>	<b>-1,383,740</b>
<b>Financing operations</b>			
Loans taken up		3,236,178	2,052,900
Repayments of loans		-345,699	-769,115
Change in other long-term liabilities		159,754	-4,411
Dividend		-120,364	-84,289
<b>Cash flow from financing operations</b>		<b>2,929,869</b>	<b>1,195,085</b>
<b>Cash flow for the period</b>		<b>-45,809</b>	<b>31,249</b>
<b>Liquid funds at beginning of year</b>		<b>141,251</b>	<b>110,002</b>
<b>Liquid funds at end of year</b>	14	<b>95,442</b>	<b>141,251</b>

## Statements of Income

*Parent Company*

Amounts in SEK thousand	Note	2006	2005
Net sales	2	79,135	55,554
Cost of services sold		-50,046	-35,184
<b>Gross profit</b>		<b>29,089</b>	<b>20,370</b>
Depreciation, machinery and equipment	8	-931	-756
Central administration costs	3, 4	-49,299	-35,075
<b>Operating profit</b>		<b>-21,141</b>	<b>-15,461</b>
Result from other securities	22	21,613	-
Interest income	6	4,054	938
Interest expense	6	-467	-348
<b>Profit before tax</b>		<b>4,059</b>	<b>-14,871</b>
Current tax	7	-	-
Deferred tax	7	54,000	48,000
<b>NET PROFIT FOR THE YEAR</b>		<b>58,059</b>	<b>33,129</b>

## Balance sheet

*Parent Company*

Amount in SEK thousand	Note	31.12.2006	31.12.2005
<b>ASSETS</b>			
Machinery and equipment	8	3,606	2,214
Total tangible fixed assets		3,606	2,214
Shares and participation	26	212,343	183,292
Receivables from group companies	10	2,712,897	1,322,483
Deferred tax asset	7	333,000	279,000
Total financial fixed assets		3,258,240	1,784,775
<b>Total fixed assets</b>		<b>3,261,846</b>	<b>1,786,989</b>
Accounts receivable	12	–	2
Receivables from group companies	10	467,606	179,247
Prepaid expenses and accrued income	13	5,800	5,082
Other receivables	11	3,036	47,074
Cash and bank	14	12,808	14,557
<b>Total current assets</b>		<b>489,250</b>	<b>245,962</b>
<b>TOTAL ASSETS</b>		<b>3,751,096</b>	<b>2,032,951</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Share capital	15	832,721	601,821
Statutory reserve		1,740,250	877,606
Retained earnings		454,296	369,134
Net profit for the year		58,059	33,129
<b>Total shareholders' equity</b>		<b>3,085,326</b>	<b>1,881,690</b>
Other provisions	19	6,826	7,072
<b>Total provisions</b>		<b>6,826</b>	<b>7,072</b>
Liabilities to group companies		172,292	–
<b>Total long-term liabilities</b>		<b>172,292</b>	<b>–</b>
Accounts payable		9,249	4,988
Liabilities to group companies		450,761	122,615
Other liabilities	20	6,963	2,713
Accrued expenses and prepaid income	21	19,679	13,873
<b>Total current liabilities</b>		<b>486,652</b>	<b>144,189</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,751,096</b>	<b>2,032,951</b>

## Shareholders' equity

*Parent company*

Amount in SEK thousand	Share capital	Statutory reserve	Retained earnings including net profit for the year	Total shareholders' equity
<b>Shareholders' equity, 31.12.2004</b>	<b>528,929</b>	<b>681,458</b>	<b>367,999</b>	<b>1,578,386</b>
Dividend	–	–	–84,289	–84,289
New share issue	72,892	196,148	–	269,040
Group contribution received	–	–	85,424	85,424
Net profit for the year	–	–	33,129	33,129
<b>Shareholders' equity 31.12.2005</b>	<b>601,821</b>	<b>877,606</b>	<b>402,263</b>	<b>1,881,690</b>
Dividend	–	–	–120,364	–120,364
New share issue	230,900	862,644	–	1,093,544
Group contribution received	–	–	172,397	172,397
Net profit for the year	–	–	58,059	58,059
<b>Shareholders' equity 31.12.2006</b>	<b>832,721</b>	<b>1,740,250</b>	<b>512,355</b>	<b>3,085,326</b>

## Statements of Cash flow

*Parent company*

Amount in SEK thousand	Note	2006	2005
<b>Current operations</b>			
Profit after financial items		4,059	-14,871
Adjustment for non-cash items	27	173,082	81,769
Income taxes paid		-	-
<b>Cash flow from operations before changes in working capital</b>		<b>177,141</b>	<b>66,898</b>
Change in operating receivables		-245,037	535,173
Change in operating liabilities		342,463	-94,723
Total change in working capital		97,426	440,450
<b>Cash flow from current operations</b>		<b>274,567</b>	<b>507,348</b>
<b>Investing operations</b>			
Acquisition of machinery and equipment	8	-2,323	-1,247
Investment in financial fixed assets	27	-325,921	-420,045
<b>Cash flow from investing operations</b>		<b>-328,244</b>	<b>-421,292</b>
<b>Financing operations</b>			
Dividend		-120,364	-84,289
Change in long-term liabilities		172,292	-
<b>Cash flow from financing operations</b>		<b>51,928</b>	<b>-84,289</b>
<b>Cash flow for the period</b>		<b>-1,749</b>	<b>1,767</b>
<b>Liquid funds at beginning of year</b>		<b>14,557</b>	<b>12,790</b>
<b>Liquid funds at end of year</b>		<b>12,808</b>	<b>14,557</b>

## Notes

Amounts in SEK thousand unless otherwise stated

### Note 1 Accounting principles

Klövern AB (publ) is a Swedish-registered limited company with its registered office in Nyköping. The Parent Company's shares are listed on the Stockholm Stock Exchange's Nordic list for medium-sized companies. The address of Klöverns head office is Box 1024, 611 29 Nyköping.

The consolidated accounts for 2006 consist of the Parent Company and its subsidiaries, together referred to as the Group.

The annual accounts and consolidated accounts have been approved for publication by the Board on February 21, 2007. The Group's income statement and balance sheet and the Parent Company's income statement and balance sheet will be presented for adoption by the Annual General Meeting on March 28, 2007.

### 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 (ISB) and interpretation statements made by the International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the European Commission for application within the EU. The consolidated accounts have also been prepared in accordance with Swedish law by application of the Swedish Financial Accounting Standards Council's recommendation RR 30:05 Supplementary accounting rules for groups.

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 application of IFRS in the parent company due to the Annual Accounts Act and, in certain cases, current tax legislation.

### Prerequisites for preparing the financial reports of the Parent Company and Group

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, valued at their fair value through the consolidated income statement.

The accounting principles already stated for the Group have been applied consistently to the reporting and consolidation of the Parent Company and subsidiaries.

### Changed accounting principles

A number of new standards, changes in standards and interpretation statements come into effect from the 2007 financial year and have not been applied in preparing these financial reports.

The only standards that are expected to affect Klöverns are IFRS 7 – Financial instruments – disclosures and related changes in IAS 1 Presentation of financial statements. These standards require extensive information about the importance of financial instruments for the company's financial position and result and qualitative and quantitative information about the nature and extent of risks. IFRS 7 and the related changes in IAS 1 will entail extensive additional information in the Group's financial reports as from 2007 with respect to the company's financial instruments and share capital.

### Classification and related matters

Fixed assets and long-term liabilities in the Parent Company and the Group consist only of amounts expected to be recovered or paid more than 12 months from the balance sheet date whereas current assets and current liabilities in the Parent Company and Group consist only 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 Klöverns 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 voting shares that can be used without delay or converted shall be taken into consideration. Subsidiaries are consolidated 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 contingencies. The acquisition value for the Group is determined 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, debts and contingencies 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.

### Classification of acquisitions

Upon acquisition of business activities, an analysis is made of how the acquisition is to be reported based on the following criteria: The existence of employees and the complexity of internal processes. Furthermore, the number of activities and the existence of agreements with various degrees of complexity are taken into consideration. If these criteria are present to a large extent, the acquisition is classified as an operating acquisition and if they are present to a small extent as an asset acquisition.

When an acquisition of subsidiaries entails acquisition of assets which do not constitute a business operation, the acquisition cost is allocated to the individual assets and liabilities based on their relative fair values at the time of acquisition.

### Transactions which 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 the consolidated accounts.

### Income

#### Rental income

Rental income from investment properties is reported in the income statement based on the conditions of the lease contracts. The aggregate cost of the benefits provided is reported as reduction of the rental income during the lease period. Income from early termination of leases is reported as income at the time that the payment is received.

#### Other income

Other income consists of sales of services to customers who are not tenants and income from rental guarantees.

#### 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 regard to risks and benefits and commitment in the continuing administration of the property. In addition, circumstances which are outside the control of the seller and/or the purchaser, and can effect the result of the transaction are taken into account.

#### 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 financions and ownership of the Group's subsidiaries and ownership of the Group's subsidiaries.

##### *Property expenses*

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

##### *Financial income and expense*

Financial income and expense consists of interest income on bank funds and receivables, interest expense on loans, realised and unrealised profits and losses on financial investments and derivatives used within the financial activity.

Interest expense includes amortized debt issuance costs and similar direct transaction costs to raise loans.

Dividend income is reported when the right to receive payment is established.

#### Reporting of borrowing costs

The Group and the Parent Company do not capitalise interest in the assets' acquisition value. These are instead reported separately in the period they arise.

#### Financial instruments

Financial instruments reported in the balance sheet include on the asset side 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 at the time of acquisition 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 with the instrument's contractual terms (transaction date). Accounts receivable are taken up in the balance sheet 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 taken up 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 is in need of writing-down.

Derivative instruments are valued in the consolidated accounts at their fair value with changes in value reported in the income statement. The following derivative instruments occur: interest rate swaps and interest caps. The company does not apply hedge accounting.

#### *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 or for financing of investment in properties.

#### *Long-term receivables and other receivables*

Long-term receivables and other receivables are receivables that are held 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.

#### *Loan claims and accounts receivable*

Loan claims and 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.

#### *Liabilities*

Liabilities are reported at acquisition value.

#### *Accounts payable*

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

#### *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*

Klövern'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 of the asset. Estimated periods of use:

- machinery and equipment      3–10 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, which includes expenses directly attributable to the acquisition.

Investment properties are reported in consolidated balance sheet at their fair value, see note 9. Every quarter, Klöver values 100 per cent of the property portfolio, 25 per cent externally and the rest internally. This means that every property in the portfolio is valued externally 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

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in accordance with the principles described in the section on reporting of income.

Additional expenses are added to the reported value only if it is probable that the future financial benefits associated with the asset 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 and maintenance are expensed as incurred.

### Dividends

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

### Remuneration to employees

#### *Defined contribution pension schemes*

Undertakings concerning fees defined contribution schemes are expensed in the income statement as incurred.

### 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 comprise 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. Adjustment of current taxes attributable to earlier periods is also included.

Deferred tax is calculated in accordance with the balance sheet method based on temporary differences between reported and tax values on assets and liabilities. The following temporary differences are not taken into account: temporary differences which have arisen at the time of initial reporting of assets and liabilities and which are not operating acquisitions and which at the time of the transaction neither affect the reported nor the taxable result. Neither are temporary differences taken into account that relate to shares and participation in subsidiaries and associated companies which are not expected to be reversed in the foreseeable future. The valuation of deferred tax is based on how the reported values of assets and liabilities are expected to be reversed or regulated. 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 utilized. The value of the deferred tax assets is reduced when it is no longer regarded as probable that they can be used.

### Contingencies

A contingency 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 32:05 Accounting for legal entities. The statements made by the Emerging Issues Task Force (Swedish Financing Accounting Standards Council) applicable to listed companies have also been applied. According to RR 32:05, 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.

The accounting principles for the Parent Company have been consistently applied to 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 based on the respective subsidiary's property portfolio.

### *Subsidiaries*

The shares and participation 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*

Machinery and equipment 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

### *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 Council (URA 7). Group contributions are reported directly against equity at the recipient and capitalised in shares and participation rights at the donor, to the extent that write-down is not required. Group contributions are reported according to their financial implication. This means that group contributions provided and received with a view to minimising the Group's total tax are reported directly in relation to profits brought forward after deduction for the current tax effect.

### Note 2 Distribution of income

	2006	2005
<i>Group</i>		
Rental income	807,550	634,740
Sale of services to customers who are not tenants	20,052	376
Rental guarantees	15,383	3,570
Total other income	35,435	3,946
<i>Parent Company</i>		
Invoiced sales to subsidiaries	79,135	55,554

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

Remuneration and benefits to the President & CEO are decided upon by the Company's Board of Directors. Remuneration and benefits to other senior 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. It is possible to set the bonus amount aside as pension instead of salary. There is no incentive programme for other senior executives. 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 12 price base amounts (12 x SEK 39,700). The retirement age of the President & CEO is 65. 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 all 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.

The pension premium for other senior executives amounts to 25 per cent of the basic salary during the period of employment with the company. The retirement age of other senior executives is 65. The period of notice for termination at the Company's initiative is 12 months and at the employee's initiative 6 months. Two senior executives have a right to a company car.

**Profit-sharing trust**

Klövern has a profit-sharing trust that includes all employees. Transfers to the trust can at most amount to one price base amount per employee (SEK 39,700) based on a combination of Klövern's profit, yield requirement and dividend to shareholders. The transfer for the year including wage taxes is SEK 4,375,000 (3,300,000).

**Remuneration to Board of Directors**

The board received a total of SEK 906,000 (1,000,000) to be distributed among the directors (excluding the President). The Chairman's fee is SEK 250,000 (250,000) and the fee paid to other directors amounts to SEK 125,000 (125,000) per director.

**Remuneration to the President & CEO**

The President & CEO has received a salary of SEK 1,974,000 (1,687,000) and a company car benefit of SEK 64,000 (49,000). The President & CEO has also received a result-based salary amount to SEK 500,000 (500,000).

**Salaries and benefits to other leading executives (including the Vice-President)**

Salaries and benefits totalling SEK 4,294,000 (3,972,000) have been paid during the year to other senior executives (four persons with one additional person at the end of the year).

**Costs of remuneration to employees**

	2006	2005
<i>Group</i>		
Salaries and remuneration, etc.	36,752	25,755
Pension costs, fee-based plans	4,423	3,889
Social security contributions	12,280	8,659
<b>Group total</b>	<b>53,455</b>	<b>38,303</b>

**Average number of employees**

	2006	Proportion women, %	2005	Proportion women, %
Parent Company	83	37	63	37
Subsidiaries	4	100	1	100
<b>Group total</b>	<b>87</b>	<b>39</b>	<b>64</b>	<b>37</b>

All employees are employed in Sweden.

**Gender distribution in executive management**

	2006 Proportion women, %	2005 Proportion women, %
<i>Parent Company</i>		
Board	15	13
Other senior executives	17	20
<i>Group total</i>		
Board	15	13
Other senior executives	17	20

At the end of 2006, the board of the Parent Company consisted of 7 members (8), of which 1 woman (1). The number of senior executives (including the President) in the Parent Company was 6 persons (5), of which 1 woman (1).

**Salaries, other remuneration and social security contributions**

	2006		2005	
	Salaries and remuneration	Social security contributions	Salaries and remuneration	Social security contributions
Parent Company	35,756	16,385	25,424	12,490
(of which pension expense) <sup>1)</sup>		4,420		3,941

1) SEK 411 (496) 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**

	2006		2005	
	Board and President	Other employees	Board and President	Other employees
Parent Company	3,444	32,312	3,187	22,237
(of which bonus etc.)	500	–	500	–
Group	3,444	33,288	3,187	22,568
(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 currently according to the rules.

	Group		Parent Company	
	2006	2005	2006	2005
Costs for fee-based scheme	3,470	2,817	3,467	2,877

**Share-related remuneration**

There are no share-related remuneration plans at Klövern.

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### Senior executives, remuneration and benefits

	Basic salary, Chairman of the Board	Variable salary	Other benefits	Pension cost <sup>1)</sup>	Financial instruments	Other remuneration, etc.	Total
Chairman of the Board	250	–	–	–	–	–	250
President & CEO	1,974	500	64	511	–	–	3,049
Other senior executives	4,074	–	220	1,266	–	–	5,560
<b>Total</b>	<b>6,298</b>	<b>500</b>	<b>284</b>	<b>1,777</b>	<b>–</b>	<b>–</b>	<b>8,859</b>

1) Including salary taxes

### Financial instruments, etc.

There is no remuneration in the form of options or other financial instruments.

### Sick leave in the Parent Company

	2006	2005
Total sick leave as a proportion of ordinary working hours	1.8 %	2.1 %
of which continuous sick leave of 60 days or more	37 %	33 %
Sick leave as part of every group's ordinary working hours		
Sick leave by gender:		
Men	2.2 %	2.1 %
Women	1.1 %	2.0 %
Sick leave by age category:		
29 years old or younger	1.5 %	2.3 %
30 to 49	1.3 %	1.7 %
50 years old or older	3.0 %	2.6 %

### Note 4 Fees and reimbursement to auditors

	Group		Parent Company	
	2006	2005	2006	2005
<i>Ernst &amp; Young AB</i>				
Audit assignments	1,112	680	1,112	680
Other assignments	2,670	2,857	2,670	2,857

### Note 5 Operating expenses broken down by type of cost

	2006	2005
<i>Group</i>		
<b>Property-related costs</b>		
Electricity, district cooling and heating	–115,132	–86,699
Purchased services		
administration and maintenance	–57,985	–40,536
Repairs and maintenance	–52,915	–53,978
Property tax and site leasehold charges	–34,945	–25,739
Personnel costs	–34,575	–28,104
Other property expenses	–43,259	–12,412
<b>Total</b>	<b>–338,811</b>	<b>–247,468</b>
<b>Central administration</b>		
Personnel costs	–16,259	–13,656
Provision, profit-sharing trust	–4,375	–3,300
Attorney fees, tax proceeding	–8,741	–6,375
IT, advertising and cost of premises	–7,015	–5,740
Auditors' fees	–1,112	–680
Other costs	–11,797	–5,324
<b>Total</b>	<b>–49,299</b>	<b>–35,075</b>

### Note 6 Net financial items

	2006	2005
<i>Group</i>		
Interest income, group companies	–	–
Interest income, other	2,289	3,749
<b>Total</b>	<b>2,289</b>	<b>3,749</b>
<i>Parent Company</i>		
Interest income, group companies	2,982	–
Interest income, other	1,072	938
<b>Total</b>	<b>4,054</b>	<b>938</b>
	2006	2005
<i>Group</i>		
Interest expense, group companies	–	–
Interest expense, other	–173,170	–182,210
<b>Total</b>	<b>–173,170</b>	<b>–182,210</b>
<i>Parent Company</i>		
Interest expense, group companies	–	–
Interest expense, other	–467	–348
<b>Total</b>	<b>–467</b>	<b>–348</b>

## Note 7 Taxes

<i>Income statement</i>	Group		Parent Company	
	2006	2005	2006	2005
<b>Current tax expense(-)/tax income (+)</b>				
Tax expense for the period	-15,802	-246	-	-
<b>Adjustment of tax relating to earlier years</b>				
	-15,802	-246	-	-
<b>Deferred tax expense(-)/tax income (+)</b>				
Deferred tax income (capitalised value of the loss carry-forwards during the year)	54,000	48,000	54,000	48,000
	<b>54,000</b>	<b>48,000</b>	<b>54,000</b>	<b>48,000</b>
Total reported tax expense(-)/tax income (+)	38,198	47,754	54,000	48,000
<b>Reconciliation of effective tax</b>				
Profit before tax	592,487	330,943	4,059	-14,871
Tax according to current tax rate (28%)	-165,896	-92,664	-1,137	-
Non-deductible costs	-2,541	-1,430	-1,760	-
Tax effect of use of loss carry forwards to cover the year's result, not previously reported	152,635	93,848	2,897	-
Revaluation, deferred tax asset	54,000	48,000	54,000	48,000
	<b>38,198</b>	<b>47,754</b>	<b>54,000</b>	<b>48,000</b>
<b>Balance sheet</b>	31.12.2006	31.12.2005	31.12.2006	31.12.2005
<b>Reported deferred tax assets</b>				
Opening balance	279,000	231,000	279,000	231,000
Deferred tax income attributable to utilisation of loss carry forwards for result for the year	152,635	93,848	121,265	93,848
Deferred tax income attributable to revaluation of the remaining loss carry-forwards	54,000	48,000	54,000	48,000
Off-set of deferred tax income against deferred tax liability	-152,635	-93,848	-121,265	-93,848
Closing balance	333,000	279,000	333,000	279,000
<b>Not reported deferred tax assets (SEKm)</b>				
Opening balance	175	317	175	317
Of which used to cover this year's tax expense	-121	-94	-121	-94
Of which used for revaluation of the remaining tax liability	-54	-48	-54	-48
Closing balance	0	175	0	175
<b>Change in deferred tax in temporary differences and loss carry forwards (SEKm)</b>				
	Balance on 1 January 2006	Reported on Income Statement	Reported against equity	Balance on 31 December 2006
Investment properties (temporary differences)	119	64	-	183
Set-off against deferred tax liability	-119	-64	-	-183
	0	0	-	0

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### Deficits and depreciation of residual value

At the beginning of the 2006 financial year, Klöver AB had, after increases and reductions of the taxable profit due to the tax audit completed in autumn 2006, a tax loss of SEK 1,060 million and a depreciation basis for depreciation of residual value that exceeds book depreciation by SEK 998 million. For the 2006 financial year, Klöver has accordingly established the tax loss carry forward and tax depreciation basis, exceeding book basis, of SEK 2,058 million in total. The losses and depreciation basis are mainly attributable to sales of Swedish and foreign subsidiaries and fixed assets and goodwill in the previous IT business activity.

### Current tax and deferred tax asset

The accounts for 2006 include a current tax expense of SEK 16 million attributable to tax in subsidiaries, which have been prohibited from equalising profit on group contributions during the year. The reported deferred tax asset amounts to SEK 333 million, which is based on Klöver's assessment of the company's present earning capacity. The deferred tax asset has thereby increased by SEK 54 million as at December 31, 2006. The deferred tax asset is attributable to established tax loss carry forwards and amortization for taxable depreciation basis, in addition to book basis of equipment and goodwill.

### Calculation of deferred tax asset and effects from and including 2007

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 unrealised changes in value of properties for a period of five years. At the end of the 2006 financial year, the scope consisting of established tax loss carry forwards and additional depreciation basis for tax purposes in addition to book basis, on equipment and goodwill, which serves as the basis for the deferred tax asset, has been entirely used up. This means that from and including the 2007 financial year, the deferred tax asset will be reduced by the amount in the income statement taken up as a deferred tax expense without affecting liquidity.

### Temporary differences and deferred tax liability

Klöver's reported temporary differences between tax residual values for properties and the fair value of the properties as well as temporary differences relating to financial instruments, amount to SEK 655 million as at December 31, 2006. At a 28 per cent tax rate, the deferred tax liability for temporary differences amounts to SEK 183 million, which has been offset in Klöver's accounts against the deferred tax asset.

In addition to the above, there are temporary differences of SEK 2,871 million which have arisen in connection with asset acquisitions, for which – in accordance with current regulations – deferred tax has not been calculated.

### Tax proceedings

In summary, Klöver's current tax proceedings consist of the following years and amounts:

#### **Years of assessment 1999–2003, tax surcharge totalling SEK 21 million and a reduction of the tax loss carry forward of SEK 21 million net**

The tax surcharge has not yet been paid (respite) and is reported as a contingency. Klöver has appealed the cases to the county administrative court.

#### **Year of assessment 2003, deduction for capital loss of SEK 4,933 million and tax surcharge of SEK 493 million**

At the end of 2003, Klöver requested that tax assessment for the same year should be reconsidered. The intention was to have considered whether Klöver was entitled to an additional loss carry forward of SEK 5 billion due to a loss which the company, and indirectly the shareholders, had made in its previous activity of IT company. In spring 2006, Klöver recalled its request for reconsideration. However, despite this, the Tax Agency decided to impose a tax surcharge of SEK 493 million on Klöver, which Klöver appealed against to the county administrative court. Klöver has submitted a new request for reconsideration concerning the capital loss of SEK 5 billion (year of assessment 2003) and this request has been rejected by the Tax Agency. Klöver has therefore appealed against the decision to the county administrative court.

The tax surcharge has not yet been paid (respite) and is reported as a contingency. Klöver has appealed against the case to the county administrative court.

## Note 8 Machinery and equipment

	2006		2005	
	Group	Parent Company	Group	Parent Company
<i>Accumulated acquisition cost</i>				
Opening balance	11,968	3,799	15,298	2,552
Purchases	10,252	2,323	3,271	1,247
Reclassifications	–	–	–8,430	–
Acquisition of subsidiaries	2,221	–	2,082	–
Sales and disposals	–75	–36	–253	–
	<b>24,366</b>	<b>6,086</b>	<b>11,968</b>	<b>3,799</b>
<i>Accumulated scheduled depreciation</i>				
Opening balance	–7,067	–1,585	–9,608	– 829
Reclassifications	–	–	5,791	–
Acquisition of subsidiaries	–657	–	–1,600	–
Sales and disposals	49	36	132	–
Scheduled depreciation on acquisition values	–2,680	–931	–1,782	–756
	<b>–10,355</b>	<b>–2,480</b>	<b>–7,067</b>	<b>–1,585</b>
<b>Reported value at the end of period</b>	<b>14,011</b>	<b>3,606</b>	<b>4,901</b>	<b>2,214</b>

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

The management properties are valued in accordance with the fair 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, the rest being internally valued. This means that every property in the portfolio is externally valued during a rolling 12-month period.

During 2006, Klöver has externally valued 163 properties, of which the majority are properties owned for the whole year. These valuations have been carried out with a yield-based method combined with a location price method applying 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, 2006
<i>Fair value</i>	SEK 10,701 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 6.0 and 12.0 per cent
<i>Cost of capital/ discount rate</i>	Between 5.5 and 14 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 fair value per location, December 31, 2006**

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 %
Kista	22	339	82	262	7.00–9.00 **	6.25–7.25 **
Linköping	24	161	80	179	7.75–11.50	6.00–9.50
Västerås	27	131	88	181	6.50–11.00 **	6.00–10.00 **
Norrköping	18	103	79	168	7.00–14.00	6.00–12.00
Karlstad	17	93	90	102	7.00–11.00	6.80–9.00
Örebro	11	93	94	113	5.50–9.25	6.50–11.00
Nyköping	29	93	91	132	7.50–12.00	6.00–9.00
Uppsala	3	82	60	66	8.00–11.00	6.50–8.75
Täby	25	63	91	67	7.75–9.50 **	6.00–7.50 **
Borås	14	44	90	75	8.00–11.50	6.50–8.75
Kalmar	11	42	86	64	8.75–10.50	7.00–8.50
Eskilstuna	4	32	88	27	8.50–10.00	7.00–8.00
<b>Totalt</b>	<b>205</b>	<b>1,276</b>	<b>84</b>	<b>1,436</b>	<b>5.50–14.00</b>	<b>6.00–12.00</b>

\* The rental value includes the lease value for the areas let and assessed market rents for vacant spaces. The market rent for vacant spaces is assessed in the present condition of the vacant spaces, i.e. before refurbishment and adaptation.

\*\* Cost of capital and direct yield requirement for properties acquired during the fourth quarter, but not valued externally, are not included.

**Valuation method**

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

<p><b>Valuation model</b></p> <p>+ Estimated rent payments</p> <p>– Operating expense payments, including property tax, repair and maintenance of housing, and site leasehold charges according to the cash flow method.</p> <p>= Operating surplus according to the cash flow method</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. 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 current-day value with the cost of capital.</p> <p>Normal calculation period, five years.</p> <p><b>Fair value of property</b></p>
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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 is an important lease contract with a longer remaining lease period than five years. In the cases, a calculation period corresponding to the remaining lease 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. In the calculations, an assessed inflation trend for rents, operating and maintenance costs has been calculated at 2 per cent (The Riksbank's inflation target). 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 with in the internal valuations. 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 vacated premises. 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 fair value of Klövern's properties amounted to SEK 10,701 million (5,968) on December 31, 2006. For the full year of 2006, unrealised increases in value totalled SEK 217 million (133) and realised changes in value SEK 45 million (25).

<i>Group, December 31, 2006</i>	<i>Properties</i>
<b>Opening fair value</b>	<b>5,968</b>
Acquisition value of properties acquired during the year	4,672
Investment in properties	147
Sales income, sold properties	-348
Realised change in value	45
Unrealised change in value	217
<b>Closing fair value</b>	<b>10,701</b>
<i>Group, December 31, 2004</i>	<i>Properties</i>
<b>Opening fair value</b>	<b>4,193</b>
Acquisition value of properties acquired during the year	2,108
Investment in properties	67
Sales income, sold properties	-557
Realised change in value	25
Unrealised change in value	132
<b>Closing fair value</b>	<b>5,968</b>

**Investment properties – effect on profit for the period**

<i>Group</i>	<i>2006</i>	<i>2005</i>
SEKm		
Rental income	843	639
Direct costs for investment properties that generated rental income during the period	-339	-247
Direct costs for investment properties that did not generate rental income during the period	-	-

In 2005 and 2006 all investment properties generated rental income.

**Tax assessment values – investment properties**

<i>Group</i>	<i>2006</i>	<i>2005</i>
SEKm		
Tax assessment values, buildings	4,536	2,620
Tax assessment values, land	1,345	600
<b>Total tax assessment value</b>	<b>5,881</b>	<b>3,220</b>

**Tax residual value – investment properties**

The tax residual value of the properties totalled SEK 7,175 (4,752) million on December 31, 2006.

**Note 10 Receivables from group companies**

<i>Parent Company</i>	2006	2005
<b>Long-term receivables</b>		
Accumulated acquisition values		
Opening balance	1,322,483	633,598
Change in receivables	1,390,414	688,885
<b>Reported value at end of period</b>	<b>2,712,897</b>	<b>1,322,483</b>
<b>Current receivables</b>		
Accumulated acquisition values		
Opening balance	179,247	761,897
Change in receivables	288,359	-582,650
<b>Reported value at end of period</b>	<b>467,606</b>	<b>179,247</b>

**Note 11 Other receivables**

	2006	2005
<i>Group</i>		
Short-term investments	-	46,825
Deduction taxes and charges	31,190	24,838
Receivable, seller promissory notes	2,488	-
Other current receivables	4,153	1,388
<b>Total</b>	<b>37,831</b>	<b>73,051</b>
<i>Parent Company</i>		
Short-term investments	-	46,818
Deduction taxes and charges	2,959	143
Other current receivables	77	113
<b>Total</b>	<b>3,036</b>	<b>47,074</b>

**Note 12 Accounts receivable**

Accounts receivable in the Group is reported after taking into consideration customer losses arising during the year totalling SEK 2,879,000. The Parent Company has no customer losses.

**Note 15 Shareholders' equity****Change in share capital**

	Date	Number of shares	Nom SEK/share	Share capital, SEK
<b>Opening balance</b>	<b>01.01.2006</b>	<b>120,364,259</b>	<b>5</b>	<b>601,821,295</b>
New issue of shares	22.11.2006	46,180,067	5	230,900,335
<b>Closing balance</b>	<b>31.12.2006</b>	<b>166,544,326</b>	<b>5</b>	<b>832,721,630</b>

**Dividend**

The Board of Directors of Klöver AB proposes to the Annual General Meeting that a dividend of SEK 1.25 per share (1.00) shall be paid, a total of SEK 208.2 million (120.4).

**Note 13 Prepaid expenses and deferred income**

	2006	2005
<i>Group</i>		
Accrued supplier liabilities	3,729	3,446
Prepaid insurance	3,280	2,251
Prepaid site leasehold charges	3,493	-
Other prepaid expenses and accrued income	11,456	4,917
<b>Total</b>	<b>21,958</b>	<b>10,614</b>
<i>Parent Company</i>		
Accrued supplier liabilities	965	1,510
Prepaid insurance	3,280	2,251
Acquisitions in process	412	-
Other prepaid expenses and accrued income	1,143	1,321
<b>Total</b>	<b>5,800</b>	<b>5,082</b>

**Note 14 Liquid funds**

	2006	2005
<i>Group</i>		
Cash and bank	95,442	141,251
<b>Total</b>	<b>95,442</b>	<b>141,251</b>
<i>Parent Company</i>		
Cash and bank	12,808	14,557
<b>Total</b>	<b>12,808</b>	<b>14,557</b>

**Note 16 Earnings per share**

The calculation of earnings per share for 2006 has been based on the net profit for the year attributable to the Parent Company's shareholders amounting to SEK 630,685,000 (SEK 378,697 000) and to a weighted average of the number of outstanding shares in 2006 totalling 125,238,822 (115,800,115). There are no dilution effects relating to earnings per share for the full year 2006 or 2005. The components have been calculated in the following way:

<i>Net profit attributable to the parent company's shareholders</i>		
	2006	2005
Net profit attributable to the parent company's shareholders	630,685	378,697

<i>Of which average number of outstanding shares</i>		
Number	2006	2005
<b>Total number of shares in January</b>	<b>120,364,259</b>	<b>105,785,881</b>
Effect of new issue, March 4, 2005		6,600,000
Effect of new issue, June 3, 2005		7,978,378
Effect of new issue, November 22, 2006	46,180,067	
<b>Total number of shares, December 31</b>	<b>166,544,326</b>	<b>120,364,259</b>

Weighted average number of shares during the year	125,238,822	115,800,115
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**Note 17 Interest-bearing and non interest-bearing liabilities**

<i>Group</i>		
<i>SEK thousand</i>	2006	2005
<b>Long-term liabilities</b>		
Bank loan	6,796,389	3,886,215
Promissory note liability	–	47,923
<b>Total</b>	<b>6,796,389</b>	<b>3,934,138</b>
<b>Current liabilities</b>		
Current portion of bank loans	33,500	53,195
Promissory note liability	47,923	–
<b>Total</b>	<b>81,423</b>	<b>53,195</b>
Unused overdraft facility	95,000	78,000

Other long-term liabilities, 160,000, refer to non-interest bearing liabilities which have arisen in connection with acquisition of properties. The loan falls due for payment on November 20, 2008. The maturity structure for interest-bearing liabilities is shown in note 22.

**Note 18 Liabilities to credit institutions**

<i>Parent Company</i>		
<i>SEK thousand</i>	2006	2005
<b>Long-term liabilities</b>		
Bank loans	–	–
<b>Total</b>	<b>–</b>	<b>–</b>
<b>Current liabilities</b>		
Overdraft facility	–	–
Current portion of bank loans	–	–
<b>Total</b>	<b>–</b>	<b>–</b>
Unused overdraft facility	50,000	50,000

**Note 19 Provisions**

	2006	2005
<i>Group</i>		
<b>Other provisions which are long-term liabilities</b>		
Opening balance	7,072	11,483
Amount taken into use during the year	–246	–4,411
<b>Closing balance</b>	<b>6,826</b>	<b>7,072</b>

<i>Parent Company</i>		
<b>Other provisions</b>		
Opening balance	7,072	11,483
Amount taken into use during the year	–246	–4,411
<b>Closing balance</b>	<b>6,826</b>	<b>7,072</b>

Before Klöver changed its area of business activities to a real estate company 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, 2006, the provision for disputes totalled SEK 6,826,000 (7,072,000). The major part, SEK 4,326,000 (4,572,000) 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 2006 and 2005 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. The amounts have not been discounted to present-day value because of the uncertainty of when the disputes will be settled.

**Note 20 Other liabilities**

	2006	2005
<b>Other current liabilities</b>		
<i>Group</i>		
Personnel's withholding tax and social security contributions	2,486	1,802
Debt to part-owner of property	2,444	–
Debt to previous property owner	1,307	–
Other items	727	1,208
<b>Total</b>	<b>6,964</b>	<b>3,010</b>

<i>Parent Company</i>		
Personnel's withholding tax and social security contributions	2,486	1,717
Value-added tax	4,417	996
Other items	60	–
<b>Total</b>	<b>6,963</b>	<b>2,713</b>

**Note 21 Accrued expenses and prepaid income**

	2006	2005
<i>The Group</i>		
Invoiced rents for the first quarter of 2007/2006	143,381	131,017
Accrued interest expense	20,773	17,634
Accrued costs for electricity, heating etc.	18,170	12,382
Accrued stamp tax on properties	12,362	12,256
Accrued cost, mortgage	10,000	–
Accrued personnel costs	9,937	5,538
Accrued property tax	6,073	4,207
Accrued costs, profit sharing trust	5,265	3,640
Other items	13,029	22,136
<b>Total</b>	<b>238,990</b>	<b>208,810</b>

<i>Parent Company</i>		
Accrued personnel costs	8,968	5,538
Accrued costs, profit sharing trust	5,265	3,640
Other items	5,446	4,695
<b>Total</b>	<b>19,679</b>	<b>13,873</b>

**Note 22 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 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 minimise 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, 2006, is shown by the following table:

Capital due date year	Credit agreement, SEKm	Utilized, SEKm	Utilized, %
2007	504	404	80
2008	183	183	100
2009	141	141	100
2010	2,254	2,197	97
2011	2,345	1,945	83
2012	2,375	2,008	85
<b>Total</b>	<b>7,802</b>	<b>6,878</b>	<b>88</b>

As at December 31, 2006, the average remaining duration of the loan stock was 4.3 years. On the same date, there were liquid funds totalling SEK 95 million and confirmed, but not used credit facilities, of SEK 557 million. There were moreover unused loan undertakings of SEK 367 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 fair 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.

Klöverns 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.

Year interest due	Average interest		Percentage proportion
	rate, %	SEKm	
Variable	3.8	4,685	68
2007	4.8	256	4
2008	5.1	534	8
2009	5.1	63	1
2010	3.7	32	0
2011	6.5	308	4
2012–	4.4	1,000	15
<b>Total</b>	<b>4.1</b>	<b>6,878</b>	<b>100</b>

**Interest cap/interest swaps**

To limit the interest rate risk for the variable loans, an interest cap for a loan volume of SEK 3,329 (929) million has been purchased. The interest caps are set at 4.0 per cent and 4.5 per cent respectively and related to STIBOR 90 days. SEK 730 million of the interest cap runs until 2009, SEK 1,099 million until 2010, SEK 1,000 million until 2011 and SEK 500 million until 2012. On 31 December 2006, the unrealised change in value of the interest cap was SEK 8.8 million (–2.7) and the change in value in 2006 was SEK 11.5 million.

For loans of SEK 1,000 million, there was an interest rate swap running until 20 November 2016. The market value of this swap was SEK 16.0 (–0.1) million.

The interest rate caps have been valued by Handelsbanken and Swedbank respectively on the basis of the current interest rate curve and volatility for the respective maturity. The interest rate swap has been valued by Swedbank by future cash flows being discounted to present-day value.

## Financial Reports

### 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. 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 & Poors A- or Moodys A3	SEKm 100 per group

### Changes in value, securities, realised and unrealised

Sales price	68,431
Book value	-46,818
<b>Change in value (Parent Company)</b>	<b>21,613</b>
Of which change in value until September 30, 2006	16,432
Change in value quarter 4, 2006	5,181
<b>Change in value (Group)</b>	<b>21,613</b>

The amounts refer to Klöverns holding of 2,158,700 shares in Diös Fastigheter AB. All shares were sold on October 30, 2006.

### Fair value

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

Group	2006	2005
Liquid funds	95,442	141,251
Interest-rate swaps <sup>1)</sup>	16,010	-65
Interest cap <sup>2)</sup>	33,314	6,806
Bank loans	-6,829,889	-3,939,277
Promissory note loans	-47,923	-47,923

1) The interest-rate swap is based on a nominal amount of SEK 1,000 million.

2) The interest-rate cap is based on a nominal amount of SEK 3,329 million.

### Note 24 Assets pledged and contingent liabilities

SEK thousand

Assets Pledged	Group		Parent Company	
	2006	2005	2006	2005
Property mortgages	6,978,860	4,662,771	-	-
Floating charges	12,500	5,000	-	-
Escrow funds	3,862	20,063	3,758	3,750
<b>Total assets pledged</b>	<b>6,995,222</b>	<b>4,687,834</b>	<b>3,758</b>	<b>3,750</b>
<i>Contingencies</i>				
Guarantees in favour of subsidiaries	-	-	6,200,661	3,746,218
Other contingencies*	514,230	4,049	514,230	4,049
<b>Total contingencies</b>	<b>514,230</b>	<b>4,049</b>	<b>6,714,891</b>	<b>3,750,267</b>

\* The amount for 2006 refers to Klöverns ongoing tax proceedings, see Note 7.

### Sensitivity analysis

The calculations of the sensitivity analysis are based on the Group's earning capacity and balance sheet as per December 31, 2006. 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 lease 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.

	Annual effect- Change on profit, SEKm	
Financial occupancy ratio	+/- 1 %	+/- 12.8
Rental income	+/- 1 %	+/- 10.7
Property costs	+/- 1 %	-/+ 4.5
Klöverns average interest rate on loans	+/- 1 % -point	-/+68.8

### Note 23 Operational leasing

The Group leases its investment properties according to operational leasing agreements (see Note 9). Current rents are included at a smaller amount, SEK 2.9 million (1.4). The future rental payments for which notice to vacate cannot be given, are as follows:

	2006	2005
<i>Operational leasing – the Group as lessor, SEKm</i>		
Agreed rental income, year 1	261	158
Agreed rental income, year 2–5	705	455
Agreed rental income, later than year 5	103	80
<b>Total</b>	<b>1,069</b>	<b>693</b>

**Note 25 Close associates**

The parent company has a close associate relationship with its subsidiaries, see Note 26

	Year	Services sold	Services bought	Receivable	Liability
<i>Group</i>					
Other close associates	2006	16,443	–	5,518	–
Other close associates	2005	9,470	–	–	489
<i>Parent Company</i>					
Subsidiary	2006	79,132	–	3,180,503	623,053
Subsidiary	2005	55,451	–	1,501,730	122,615

Transactions with close associates are priced on market conditions. In conjunction with acquisition of the property in Västerås in 2004 from Arvid Svensson AB, a lease contract was included where Arvid Svensson AB is the tenant. The total annual contract value is SEK 16 million (16). Payments to the President & CEO, senior executives and the Board of Directors are shown by Note 3.

On November 20, 2006, Klöver acquired properties for SEK 4 billion from the listed property company Fabege. In connection with the property acquisition, Klöver made a new issue of shares to Fabege. With 22.2 per cent of the capital and votes, Fabege has subsequently been Klöver's largest owner. Fabege has notified that it intends to distribute Klöver shares to Fabeges shareholders in spring 2007.

**Note 26 Shares and participation rights in group companies**

	31.12.2006	31.12.2005
Accumulated acquisition values		
Opening balance	183,292	183,092
Purchase	100	200
<b>Closing balance</b>	<b>183,392</b>	<b>183,292</b>
Accumulated write-ups		
Opening balance	–	–
Write-ups for the year	28,951	–
<b>Closing balance</b>	<b>28,951</b>	<b>–</b>
<b>Total</b>	<b>212,343</b>	<b>183,292</b>

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 % <sup>1)</sup>	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	8,138
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	15,974
Klövern Komp Ett AB, 556613-4085, Nyköping	1,000	100	100
Klövern Karl AB, 556708-7985, Nyköping	1,000	100	5,139
Other subsidiaries, dormant			500
			<b>212,343</b>

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

## Financial Reports

### Note 27 Cash flow analysis

Amount in SEK thousand	Group		Parent Company	
	2006	2005	2006	2005
<i>Interest paid</i>				
Interest received	2,289	3,749	4,054	938
Interest paid	-170,031	-190,444	-467	-348

#### *Cash flow from investing operations*

The property acquisitions have been partly financed by non-cash issues, amounting to SEK 1,094 (269) million.

	Parent Company	
	2006	2005
<i>Adjustment for items not included in the cash flow</i>		
Deprecation on equipment	931	756
Group contribution	172,397	85,427
Change in allocations	-246	-4,414
<b>Total</b>	<b>173,082</b>	<b>81,769</b>

	Parent Company	
	2006	2005
<i>Investment in financial fixed assets</i>		
Participation rights in group companies	-29,051	-200
New issue	1,093,544	269,040
Receivables from group companies	-1,390,414	-688,885
<b>Total</b>	<b>-325,921</b>	<b>-420,045</b>

### Note 28 Events after the end of the period covered by the report

Klövern has signed a ten-year lease with the exhibition centre Sollentunamässan for 14,000 square metres of exhibition area in Kista. The project will start in April 2007 and the tenant is expected to move in in August 2008. The centre will be situated at the property Lidarände 1 in central Kista. Klövern's investment is calculated at SEK 130 million and the direct yield at the property, after completion of the project, 6.5 per cent. The lease contract is conditional on the decision on a new local plan.

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 material importance has been excluded which would affect the picture of the Group and the Parent Company created by the annual report.

The annual accounts and the consolidated annual accounts have been approved for publication by the board on February 21, 2007. 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 March 28, 2007.

Nyköping, February 21, 2007

*Stefan Dahlbo*  
Chairman

*Gustaf Hermelin*  
President & CEO

*Lars Holmgren*

*Anna-Greta Lundh*

*Johan Piehl*

*Lars Rosvall*

*Fredrik Svensson*

Our audit report was submitted on February 21, 2006

Ernst & Young AB

Björn Fernström  
Authorized 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 2006 financial year. The company's annual report and consolidated accounts are contained in the printed version of this document on pages 42 to 72. 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 management, 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 be granted discharge from liability for the financial year.

Stockholm, February 21, 2007

Ernst & Young AB

*Björn Fernström*

Authorized Public Accountant

## Board of Directors and auditor



**Stefan Dahlbo**, born 1959.  
Chairman of the Board since 2002.  
Executive Vice President,  
Investment AB Öresund.  
*Other assignments:* Director of  
Faberge AB, Hagströmer & Qyiberg  
AB and Nobia AB.  
*Education:* Graduate in business  
administration.  
*Shareholding in Klöver:* 42,666  
shares, privately and via company.



**Johan Piehl**, born 1955.  
Director since 2003.  
President Förvaltnings AB  
Charrow.  
*Other assignments:* Director of  
Hagströmer & Qyiberg AB and  
HQ Fonder Sverige AB.  
*Education:* Market economist.  
*Shareholding 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.  
*Shareholding in Klöver:* 2,349,235  
shares, privately, via family and  
company.



**Lars Rosvall**, born 1959.  
Director since 2005.  
President and CEO,  
Frösundaviksparken AB.  
*Other assignments:* Chairman of  
Ampelia Förvaltning AB, Berik  
Capital Advisors AB, Backahill AB  
and Dagon AB.  
*Education:* Graduate in business  
administration.  
*Shareholding in Klöver:* 300,000  
shares, via company.



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



**Fredrik Svensson**, born 1961.  
Director since 2005.  
President and CEO, Arvid  
Svensson Invest AB (ASI AB).  
*Other assignments:* Chairman of  
Case Investment AB.  
Vice-Chairman of Sardus AB,  
Director of Broström AB, Balder  
AB, Ramnäs Bank AB and United  
Logistics AB.  
*Education:* Graduate in business  
administration.  
*Shareholding 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,  
Länsförsäkringars ITCenter,  
Södermanlands Nyheter and Setra  
Group AB.  
*Education:* Graduate in business  
administration.  
*Shareholding in Klöver:* 8,000  
shares, privately.

### Auditor

Ernst & Young AB  
**Björn Fernström**, born 1950.  
Authorised 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.

# Management



**Gustaf Hermelin**, born 1956. President and Chief Executive Officer, employed since 2002.  
*Previous employment:* 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.  
*Shareholding in Klöver:* 2,349,235 shares, privately, via family and company.



**Anders Lundquist**, born 1963. Chief Financial Officer, Vice President, employed since 2002.  
*Previous employment:* CFO, Synoptik Sweden 2001–2002, Director of Corporate Communications Wihlborgs 1998–2001, CFO NK Cityfastigheter 1993–1998, Product manager Kavli 1992–1993, CFO Kavli 1991–1992, Controller Nordiska Kompaniet 1988–1991.  
*Education:* University studies in economics.  
*Assignments:* None.  
*Shareholding in Klöver:* 40,000 shares, privately.



**Britt-Marie Einar**, born 1965. Corporate Communications Officer, employed since 2004.  
*Previous employment:* Information and IR manager Tornet 1999–2003, Financial journalist Veckans Affärer 1997–1999 and Financial journalist Finanstidningen 1990–1997, Treasurer Östgöta Enskilda Bank 1989–1990.  
*Education:* Graduate in business administration.  
*Assignments:* None  
*Shareholding in Klöver:* 1,000 shares, privately.



**Thomas Nilsson**, born 1951. Real Estate Manager, employed since 2002.  
*Previous employment:* 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.  
*Shareholding in Klöver:* 250,991 shares, via company.



**Tomas Hermansson**, born 1968. Unit Manager Kista, employed since 2006.  
*Previous employment:* Administrative Manager Fabege 2006, Marketing Manager Skanska Fastigheter Stockholm 2004–2006, Project Manager Skanska Projektutveckling Sverige 1998–2003, Project Manager Skanska Bygg 1996–1998, and Project Manager Skanska International Building 1996.  
*Education:* MSc (Engineering), Royal Institute of Technology in Stockholm, university studies in Economics.  
*Assignments:* None.  
*Shareholding in Klöver:* 0



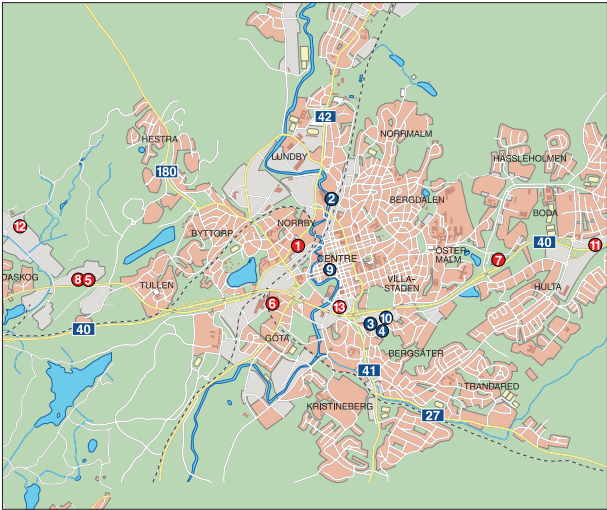
**Caesar Åfors**, born 1959. Finance Manager, employed since 2002.  
*Previous employment:* Consultancy assignments in StrandFastigheter 1999–2002, Self-employed 1997–1998, Estate agent Areal AB 1990–1997.  
*Education:* MSc in Forestry.  
*Assignments:* None.  
*Shareholding in Klöver:* 661,464 shares,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

# Specification of properties

Map reference	Municipality	Property	Address	Building/appraisal year	sq.m.						Rental value, SEK 000	Tax assessment, SEK/m	Economic occupancy rate, %	
					Office	Industrial/warehouse	Retail	Education/lab/health/recreation	Restaurant/hotel	Residential				Total
1	Borås	Gjutaren 10	Norby Tvärg. 7, Norby Långg. 18	1963	1,003	7,846	0	0	0	0	8,849	3,623	8	93
2	Borås	Grävlingen 5	Skaraborgsv. 21	1974/90	6,740	0	613	0	0	0	7,353	6,386	32	92
3	Borås	Katrinedal 2	Katrinedalsg. 14 Åsboholmsg. 12	1963	2,739	2,646	1,096	2,224	280	0	8,985	5,463	25	86
4	Borås	Katrinehill 8	Åsboholmsg. 16	1969	5,189	1,261	0	0	0	0	6,450	3,077	Spec. prop.	77
5	Borås	Kuggen 1	Verkstadsq. 14	1992/96	0	1,872	0	0	0	0	1,872	1,226	4	100
6	Borås	Laxöringen 1	Bockasjöq. 10	1960	1,392	1,672	0	0	0	0	3,064	1,366	7	80
7	Borås	Milen 7	Solvarvsg. 4, 6	1969/89	2,405	7,531	0	0	0	0	9,936	5,052	16	88
8	Borås	Muttern 2	Verkstadsq. 12	1963/89	442	1,842	0	0	0	0	2,284	1,419	5	88
9	Borås	Nestor 1	Lilla Brog. 17	1963	1,238	0	1,148	0	0	0	2,386	2,820	14	99
10	Borås	Näckrosen 3	Katrinedalsg. 1, 3, Åsboholmsg. 25	1990	4,026	1,242	0	0	0	0	5,268	5,084	20	100
11	Borås	Raklinjen 2	Källbäckerydsg. 6,8	1968/70	0	7,755	0	0	0	0	7,755	3,096	8	91
12	Borås	Rotorn 3	Masking. 4	1972/75	0	3,037	0	0	0	0	3,037	1,330	5	50
13	Borås	Uranus 16	Bryggareg. 18, 20	1960	0	4,456	0	2,734	0	0	7,190	2,810	6	94
1	Eskilstuna	Nötknäpparen 24	Gustafsv. 5 A	1956	185	180	1,899	0	0	0	2,264	844	2	100
2	Eskilstuna	Valpen 3	Björksq. 5, 7	1993	0	4,134	0	0	0	0	4,134	5,227	Spec. prop.	100
3	Eskilstuna	Vampyren	Kribsensg. 8, Kungsg. 25	1937/79	7,218	1,464	6,237	160	109	1,643	16,831	21,641	83	85
4	Eskilstuna	Vägsålen 24	Kribsensg. 5	1936	100	0	77	2,310	0	1,040	3,527	4,385	21	84
	Fagersta	Ratten 9	Kristiansbergsv. 10	1975	0	380	423	0	0	0	803	749	1	82
1	Kalmar	Apotekaren 20	Storg. 28, 30, V. Sjög. 13	1965	953	101	817	0	0	0	1,871	2,437	11	99
2	Kalmar	Fredriksdal 1	Smedjeg. 2	1982	750	2,748	0	0	0	0	3,498	2,440	Spec. prop.	83
3	Kalmar	Guldfisken 2	Esplanaden 30	1947	2,936	93	0	0	0	0	3,029	2,707	13	100
4	Kalmar	Cumsen 31	Verkstadsq. 5	1963	4,005	14,518	526	6,211	1,007	159	26,426	11,143	18	92
5	Kalmar	Koljan 24	Esplanaden 29, Norra v. 16, 18, 20	1929/92	6,380	2,579	243	0	280	0	9,482	4,591	41	32
6	Kalmar	Korpen 18	Fabriksq. 31	1976	2,222	50	0	1,434	0	0	3,706	3,563	Spec. prop.	100
7	Kalmar	Korpen 20	Fabriksq. 29, Nyg. 30	1979	4,397	666	0	1,319	0	0	6,382	5,158	32	74
8	Kalmar	Lärningen 5	Kaggensg. 40 B-D, 42, 44, Strömg. 7B, C	1960	3,638	147	714	69	0	0	4,568	4,509	24	92
9	Kalmar	Matrosen 1	Tjärhovsg. 1	1995	1,293	0	0	889	0	0	2,182	2,619	12	100
10	Kalmar	Mästaren 28	Fiskareg. 20, Kaggensg. 30	1962	568	21	748	0	0	0	1,337	1,740	9	100
11	Kalmar	Tenngjutaren 1	Larmg. 40, Strömg. 2	1979	1,354	0	0	0	0	297	1,651	1,533	9	99
1	Karlstad	Barkassen 7	Lagergrens g. 2, 4	1990	12,084	0	425	0	61	0	12,570	12,660	78	82
2	Karlstad	Barkassen 9	Lagergrens g. 8	1991	6,824	0	0	332	0	0	7,156	8,410	55	90
3	Karlstad	Gångjärnet 2	Blockq. 29	1964	158	2,814	0	0	0	0	2,972	2,146	8	100
4	Karlstad	Hammaran 21	Gjuterig. 27, 29	1990	774	1,172	0	0	0	0	1,946	1,208	4	100
5	Karlstad	Herrhagen 1:10	Hampirsg. 4	1986/87	0	475	0	1,040	0	0	1,515	1,229	7	100
6	Karlstad	Kanoten 10	Lagergrens g. 7	1989	9,146	585	0	0	434	0	10,165	13,164	83	79
7	Karlstad	Kanoten 9	Kanikenäsbanken 12	1990	8,894	0	0	0	0	0	8,894	8,187	49	100
8	Karlstad	Monitorn 9	Ö. Torgg. 2	1993	3,090	0	219	0	0	0	3,309	4,797	26	97
9	Karlstad	Passadvinden 3	Regnvindsg. 17	1990	321	3,378	0	0	0	0	3,699	1,989	7	93
10	Karlstad	Skepparen 15	Orrholmsg. 4, 6 Sjömansg. 1	1954	2,072	0	0	19,781	0	0	21,853	21,543	Spec. prop.	97
11	Karlstad	Stolpen 1	Ventilg. 5	1964	4,019	0	0	285	0	0	4,304	3,513	6	97
12	Karlstad	Sågen 1	Faktorig. 13, Industrig. 1	1986	3,283	0	0	0	0	0	3,283	2,942	14	53
13	Karlstad	Sågen 2	Faktorig. 15	1988	1,735	0	0	0	0	0	1,735	0	7	0
14	Karlstad	Sälgen 6	Älvg. 39	1949	1,574	0	0	0	0	0	1,574	1,532	4	100
15	Karlstad	Tornadon 2	Blekeq. 9	1975	303	12,232	0	0	0	0	12,535	5,847	20	83
16	Karlstad	Ugnen 1	Sågverksq. 32	1989	891	851	0	0	0	0	1,742	929	3	98
	Katrineholm	Nejlilan 13	Fredsg. 30, 32	1951	19	1,685	0	0	0	861	2,565	1,912	Spec. prop.	96
	Katrineholm	Rådmannen 3	Västgötäg. 16	1955/78	0	18,298	0	0	180	0	18,478	11,860	16	100
	Kristinehamn	Uroxen 14	Kungsg. 28	1954	1,854	1,065	84	0	0	0	3,003	2,457	6	96
	Kumla	Transistorn 2	Montörg. 2, Radiog. 9	1972/98	0	35,521	0	0	0	0	35,521	21,321	59	100
	Köping	Drotten 2	V. Långg. 6	1988	2,405	1,196	0	0	0	0	3,601	3,082	11	75
1	Linköping	Brevduvan 17	Kungsg. 20	1918	7,361	126	0	0	0	257	7,744	9,029	53	100
2	Linköping	Brevduvan 21	Åg. 33	1990	8,934	350	58	0	290	0	9,632	15,249	103	99
3	Linköping	Bävern 13	Hertig Karlsq. 2A-C, 4A-B	1981	5,596	255	0	0	0	0	5,851	6,009	37	87
4	Linköping	Dahljan 18	S:t Larsq. 30	1963	1,668	319	2,164	0	493	0	4,644	6,217	33	97
5	Linköping	Dahljan 20	Tanneforsq. 20	1962	576	469	1,501	0	377	168	3,091	5,493	30	91

■ Office   
 ■ Industry/warehouse   
 ■ Retail   
 ■ Education/health care/lab/physical recreation   
 ■ Restaurant/hotel   
 ■ Residential   
  Land

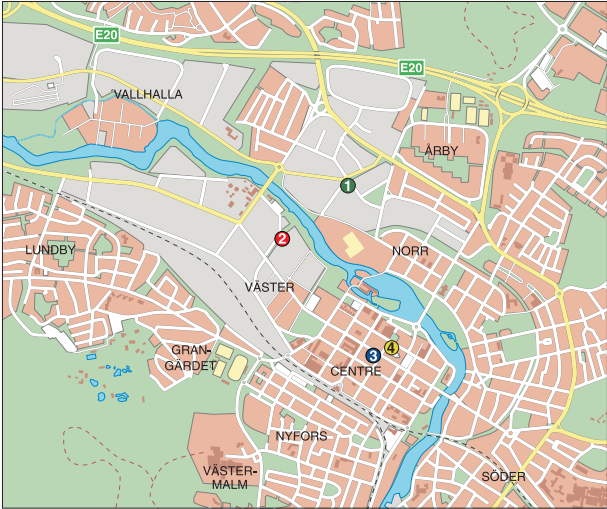
Borås



10 Näckrosen 3, Borås



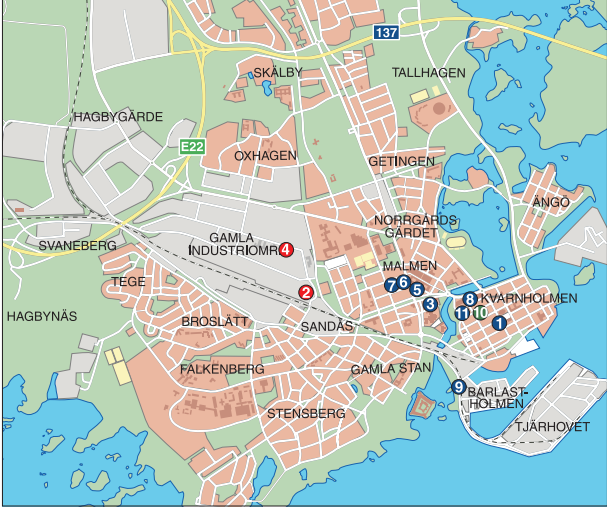
Eskilstuna



3 Vampyren 9, Eskilstuna



Kalmar



9 Matrosen 1, Kalmar

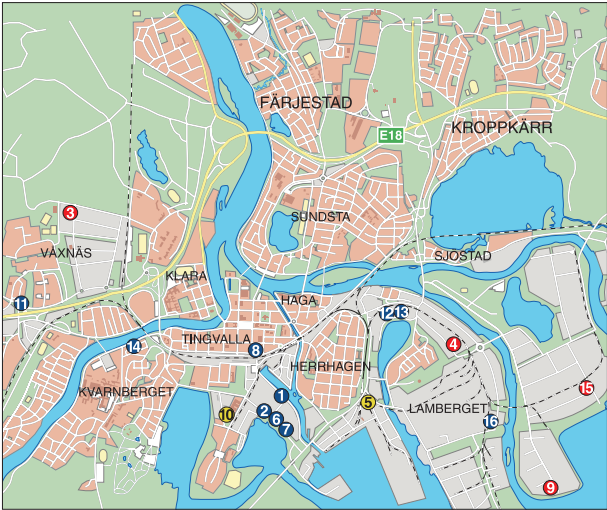


## Specification of properties

Map reference	Municipality	Property	Address	Building/appraisal year	sq.m.						Rental value, SEK 000	Tax assessment, SEKm	Economic occupancy rate, %	
					Office	Industrial/warehouse	Retail	Education/lab/health/recreation	Restaurant/hotel	Residential				Total
6	Linköping	Dalmasen 2	Storg. 46	1973	780	0	246	267	0	0	1,293	1,661	9	100
7	Linköping	Decimalen 16	Repslagareg. 25, Nyg. 15	1968/99	2,247	754	1,661	0	0	0	4,662	7,465	41	98
8	Linköping	Domaren 13	Tanneforsg. 8	1966	705	424	869	790	87	0	2,875	5,230	31	74
9	Linköping	Doppingen 15	Drottningg. 23, 25	1965	1,255	266	899	0	1,595	1,314	5,329	5,514	32	64
10	Linköping	Däckeln 3	Klosterg. 35	1900/76	177	196	1,765	0	0	660	2,798	4,931	26	99
11	Linköping	Elefanten 17	Barnhemsg. 2	1950/99	6,098	70	0	0	0	0	6,168	8,359	43	99
12	Linköping	Elektriciteten 2	Stora Torget 3	1894/78	2,299	399	878	0	0	0	3,576	5,356	33	93
13	Linköping	Fonden 1	Junkersg. 1	1987	3,665	0	0	0	0	0	3,665	4,398	22	87
14	Linköping	Ganymeden 7	Roxeng. 9, 11	1975	1,385	13,100	0	0	440	0	14,925	8,558	25	53
15	Linköping	Glasberget 1	Attorpsg. 5	1990	7,274	675	0	1,270	0	0	9,219	8,211	39	84
16	Linköping	Glasbiten 1	Attorpsg. 2	1977	0	3,760	0	0	0	0	3,760	2,753	7	100
17	Linköping	Guvernören 13	Norra Oskarsg. 18	1968/71	625	2,500	0	0	0	0	3,125	1,493	6	87
18	Linköping	Gymnasten 2	Roxeng. 7	1977	1,772	0	0	0	310	0	2,082	1,876	9	97
19	Linköping	Idéskissen 1	Teknikringen 3	1984	2,356	0	0	2,370	0	0	4,726	4,365	Spec. prop.	82
20	Linköping	Idétävlingen 4	Wallenbergsg. 4	2000	20,437	1,072	0	385	620	0	22,514	22,678	118	59
21	Linköping	Kättaren 7	Läskolvsg. 4	1972	1,255	17,958	0	0	0	0	19,213	4,370	23	36
22	Linköping	Mekanikerna 22	Gamla Tanneforsv. 17A	1940/90	4,400	13,686	0	2,962	0	0	21,048	12,512	23	74
23	Linköping	Navbössan 1	Läsblecksg. 7, 9	1980	570	10,581	0	0	0	0	11,151	4,676	19	35
24	Linköping	Paletten 1	Gumpekullav. 8	1980/91	5,339	349	0	0	0	0	5,688	4,573	22	87
	Mark	Kyrkängen 9	Kyrkog. 2	1929	653	0	0	0	0	0	653	896	4	100
	Norberg	Norbergsby 10:66	Nyg. 2	1988	0	0	2,668	0	0	0	2,668	1,981	1	100
1	Norrköping	Bronsen 2	Tennng. 4	1971	3,769	4,390	0	890	0	0	9,049	4,915	19	61
2	Norrköping	Diket 10	Drottningg. 66, Nyg. 93	1968	3,384	111	1,365	0	0	0	4,860	6,677	30	98
3	Norrköping	Kopparhamaren 2	Norra Grytsg. 8, 10, 14	1969	25,865	3,836	0	2,777	4,279	0	36,757	31,426	206	75
4	Norrköping	Kopparhamaren 3	Kungsg. 56/Norra Grytsg. 2, 4, 6	1929	0	7,940	0	0	0	0	7,940	794	4	0
5	Norrköping	Kopparhamaren 4	Kungsg. 52	1929	0	0	0	0	0	0	0	0	1	0
6	Norrköping	Malmen 5	Kopparg. 18	1979/82	761	2,690	425	0	0	0	3,876	2,089	7	85
7	Norrköping	Malmen 6	Kopparg. 10	1963	0	6,900	0	0	0	0	6,900	4,224	12	100
8	Norrköping	Omformaren 7	Hagag. 10	1969/70	33	5,102	4,178	3,065	0	0	12,378	5,688	3	99
9	Norrköping	Pelikanen 14	Hospitalsg. 20	1972	1,670	0	0	191	0	0	1,861	1,389	6	67
10	Norrköping	Platinan 1	Platinag. 1	1988	0	0	3,875	0	0	0	3,875	1,856	7	100
11	Norrköping	Reläet 9	Ståthögav. 48	1974/93	2,230	32,384	0	0	600	0	35,214	12,791	65	53
12	Norrköping	Rotfjärilen 1	Svårmareg. 1, 3	1992/93	4,380	1,365	0	0	0	0	5,745	4,826	14	85
13	Norrköping	Silvret 2	Kopparg. 28	1988/98	0	6,866	0	0	0	0	6,866	2,801	17	100
14	Norrköping	Skeppet 13	Hospitalsg. 26	1929/93	0	0	1,817	90	676	976	3,559	3,906	22	94
15	Norrköping	Stjärnan 15	Slottsg. 114, 116	1958	4,979	92	0	3,295	2,528	271	11,165	7,053	31	57
16	Norrköping	Stjärnan 16	Slottsg. 114, 116	1958	0	0	0	0	0	0	0	0	14	0
17	Norrköping	Stålet 3	Malmg. 18	1969	1,525	8,691	0	0	0	0	10,216	3,733	Spec. prop.	88
18	Norrköping	Svärdet 8	Hospitalsg. 17 mfl	1967	7,693	40	0	0	365	0	8,098	9,300	36	100
1	Nyköping	Ana 11	Gästbuds. 2 m fl, Spelhagsv. 3 mfl	1940/87	12,680	25,456	0	4,795	0	0	42,931	24,965	73	91
2	Nyköping	Ana 13	Nyckelv. 14	2003	680	0	0	0	0	0	680	796	3	100
3	Nyköping	Bagaren 20	Ö. Storg. 5, St Anneg. 6	1962	400	0	450	0	352	681	1,883	1,828	9	98
4	Nyköping	Biografen 19	V. Storg. 18, 20	1970/87	250	0	1,011	0	440	856	2,557	2,824	13	100
5	Nyköping	Brandholmen 1:9	Pontong. 11	1962	1,484	6,704	0	0	0	97	8,285	3,418	10	72
6	Nyköping	Brädgården 3	Folkkungav. 1	Land	0	0	0	0	0	0	0	0	0	0
7	Nyköping	Fabrikatet 1	Materialv. 3	1980	0	2,087	0	2,632	0	0	4,719	2,621	8	67
8	Nyköping	Fabrikatet 4	Materialv. 3	Land	0	0	0	0	0	0	0	0	0	0
9	Nyköping	Fabrikatet 5	Materialv. 3	Land	0	0	0	0	0	0	0	0	0	0
10	Nyköping	Fors 11	Repslagareg. 43	1946/69	8,292	2,418	335	137	236	0	11,418	10,228	42	89
11	Nyköping	Furan 2	Domänv. 11	2001	0	17	0	2,838	0	0	2,855	2,713	Spec. prop.	100
12	Nyköping	Gripen 1	V. Storg. 25	1986	475	0	691	0	0	0	1,166	1,363	6	100
13	Nyköping	Hermelinen 7	Ö. Storg. 36	1940/81	2,021	0	0	0	0	665	2,686	1,842	9	71
14	Nyköping	Hotellet 18	Brunnsg. 35	1940	50	0	62	0	425	275	812	416	2	97
15	Nyköping	Hotellet 26	V. Storg. 19	1981	0	0	1,350	0	3,430	0	4,780	4,701	23	100
16	Nyköping	Järnhandlaren 2	V. Storg. 9	1929/90	467	478	562	0	0	0	1,507	1,354	7	97
17	Nyköping	Järnhandlaren 3	V. Storg. 7	1929/90	0	0	0	0	0	0	0	0	Joint tax Järnhand. 2	0
18	Nyköping	Kompaniet 29	Folkkungav. 1	1986	1,006	13	0	305	742	0	2,066	2,029	8	100
19	Nyköping	Lansen 13	Gasverksv. 2 Ö. Längdg. 5, 7	1977/91	4,338	1,027	542	0	0	0	5,907	5,337	24	94

■ Office   
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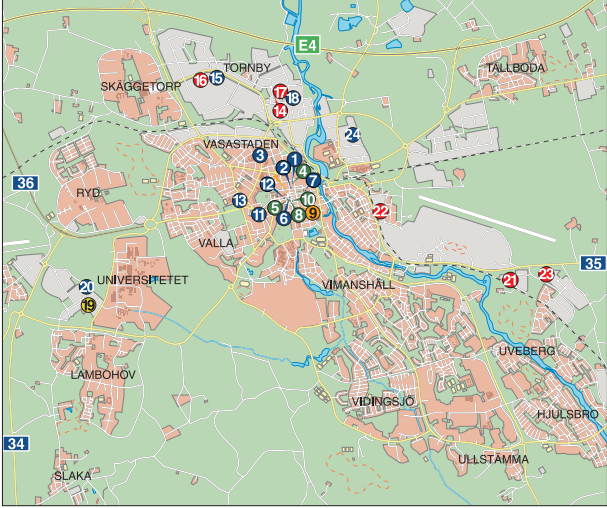
Karlstad



7 Kanoten 9, Karlstad



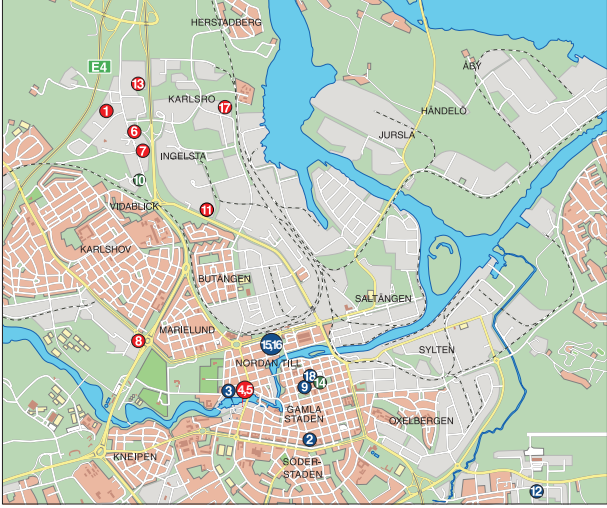
Linköping



12 Elektriciteten 2, Linköping



Norrköping



12 Rotfjärilen 1, Norrköping

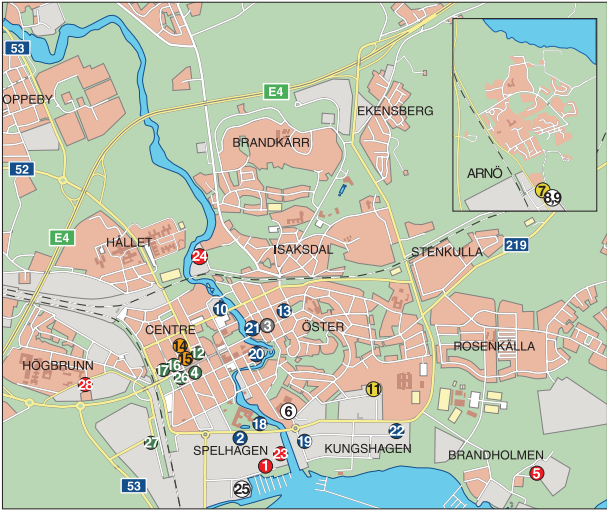


## Specification of properties

Map reference	Municipality	Property	Address	Building/appraisal year	sq.m.						Rental value, SEK 000	Tax assessment, SEK/m	Economic occupancy rate, %	
					Office	Industrial/warehouse	Retail	Education/lab/health/recreation	Restaurant/hotel	Residential				Total
20	Nyköping	Nyköpings Bruk 7	V. Kvarng. 62	1991	1,678	65	0	0	0	0	1,743	1,619	9	85
21	Nyköping	Riksbanken 5	Ö. Storg. 3	1991	2,139	173	0	0	0	0	2,312	2,628	11	87
22	Nyköping	Skölden 2	Gasverksv. 15	1989	1,962	73	0	0	0	0	2,035	1,460	6	98
23	Nyköping	Spelshagen 1:7	V. Skeppsbron 6	1929	91	5,326	0	0	0	0	5,417	2,031	4	95
24	Nyköping	Spinneriskan 2	Periodgängen 11	1969	0	4,210	0	0	0	0	4,210	2,186	3	100
25	Nyköping	Spånten 7	Spelshagsv. 4, 6, 8	Tomt	0	0	0	0	0	0	0	0	1	0
26	Nyköping	Standard 17	V. Storg. 8, 10, Bagareg. 29	1970	0	39	3,213	0	99	0	3,351	5,199	25	81
27	Nyköping	Stensötan 5	Idbäcksv. 8B	1973	449	1,989	2,420	0	0	0	4,858	3,234	6	100
28	Nyköping	Säven 4	Norrköpingsv. 9	1987	0	1,853	0	0	0	0	1,853	2,225	Spec. prop.	100
	Sigtuna	Märsta 15:7	Bristag. 13	1970/93	0	11,993	0	0	322	0	12,315	7,387	34	98
1	Stockholm	Alptanäs 2	Torshamnsg. 7, 7A, 9, Haukadalsg. 1	1981	3,250	0	0	0	0	0	3,250	3,799	15	100
2	Stockholm	Alptanäs 3	Torshamnsg. 1, 3, 5	Land	0	0	0	0	0	0	0	246	1	100
3	Stockholm	Borg 1	Torshamnsg. 16	1977	1,411	0	0	0	0	0	1,411	2,423	8	100
4	Stockholm	Borg 2	Strömög. 3	1981	0	4,655	0	0	0	0	4,655	4,612	18	100
5	Stockholm	Färöarna 3	Isafjordsg. 27, 31, Kistagängen 20, 26	1986	20,069	0	0	0	0	0	20,069	26,595	175	100
6	Stockholm	Geysir 1	Österög. 4	1979	595	4,390	0	0	0	0	4,985	4,854	22	25
7	Stockholm	Geysir 2	Österög. 2	1980	2,302	4,296	0	0	165	0	6,763	9,944	31	100
8	Stockholm	Gullfoss 3	Österög. 1, 3	1983	6,929	70	0	0	0	0	6,999	7,781	64	42
9	Stockholm	Gullfoss 5	Viderög. 6	1983	1,490	2,100	0	0	0	0	3,590	3,641	26	59
10	Stockholm	Helgafjäll 1	Torshamnsg. 22, 24 A-D, 26 A-B	1979/81	36,040	3,883	0	0	0	0	39,923	63,724	75	79
11	Stockholm	Helgafjäll 2	Torshamnsg. 28 A-B, 30 A-E, 32 A-D, 34 A-B	1979/81	0	0	0	0	0	0	0	0	226	0
12	Stockholm	Helgafjäll 3	Torshamnsg. 36, 38, 40	1980	3,530	10,152	0	0	0	0	13,682	22,584	99	97
13	Stockholm	Helgafjäll 4	Torshamnsg. 42, 44, 46	1998	16,778	18	0	0	0	0	16,796	26,429	194	100
14	Stockholm	Helgafjäll 5	Kistagängen 2, 4, Torshamnsg. 20	1978	14,156	2,002	0	0	0	0	16,158	19,884	161	60
15	Stockholm	Helgafjäll 7	Torshamnsg. 48, 50, 52, 54	2000	23,489	925	0	0	0	0	24,414	40,000	284	41
16	Stockholm	Isafjord 1	Grönlandsgången 6, Torshammarsg. 21, 23	1976/93	57,122	0	0	0	0	0	57,122	62,288	380	100
17	Stockholm	Knarrarnäs 4	Färög. 3, Isafjordsg. 19, 21	1985	7,631	134	0	0	488	0	8,253	14,110	82	77
18	Stockholm	Knarrarnäs 9	Knarrarnäsg. 15	1986	4,730	37	0	0	0	0	4,767	8,753	52	94
19	Stockholm	Lidarände 1	Torshamnsg. 18	1979	0	12,102	0	0	0	0	12,102	4,149	86	82
20	Stockholm	Röros 1	Norgeg. 1	1985	2,688	0	0	0	0	0	2,688	3,854	23	80
	Stockholm	Slaggeteglet 2	Voltav. 4	1975	1,916	168	0	0	0	0	2,084	1,721	13	61
	Trosa	Verktyget 4	Industrig. 4, 6, 8 A-C, Verktygsg. 3	1980/90	3,293	7,600	0	0	1,000	0	11,893	6,335	19	90
1	Täby	Kannringen 1	Enhagslingen 2, 4	1988	4,119	0	0	0	0	0	4,119	4,325	28	83
2	Täby	Kannringen 2	Enhagslingen 6	1991	1,983	18	0	0	0	0	2,001	2,114	11	79
3	Täby	Karborren 13	Kanalv. 15, 17	1981	12,563	99	0	1,081	0	0	13,743	15,044	77	97
4	Täby	Kälroten 4	Vallatorpsv. 2, 6	1980	0	0	855	0	0	0	855	1,036	4	100
5	Täby	Kälroten 5	Vallatorpsv. 2, 6	1980	0	0	0	0	0	0	0	53	0	100
6	Täby	Linjalen 60	Måttbandsv. 12	1991	2,867	606	0	0	0	0	3,473	3,326	21	90
7	Täby	Linjalen 61	Tillverkarv. 9	1990	0	778	0	0	0	0	778	713	4	100
8	Täby	Linjalen 65	Måttbandsv. 8, 10	1989	0	1,325	0	0	0	0	1,325	1,136	3	100
9	Täby	Linjalen 66	Linjalv. 9, 11	1990	0	3,801	0	0	108	0	3,909	3,450	12	93
10	Täby	Linjalen 7	Måttbandsv. 4	1989	0	800	0	0	0	0	800	504	2	100
11	Täby	Linjalen 8	Måttbandsv. 6	1989	0	600	0	0	0	0	600	371	2	100
12	Täby	Lodet 2	Tumstocksv. 9 A, B, 11 A, B	1990	4,811	3,520	0	0	0	0	8,331	7,505	27	97
13	Täby	Mätstängan 2	Linjalv. 6 A-B	1991	3,752	0	0	0	0	0	3,752	3,300	22	75
14	Täby	Roslags-Näsby 24:44	Stockholmsv. 100, 102	1965	0	530	2,181	0	0	0	2,711	1,603	5	100
15	Täby	Roslags-Näsby 24:45	Stockholmsv. 100, 102	1965	0	0	0	0	0	0	0	0	Joint tax R-N 24:44	0
16	Täby	Roslags-Näsby 25:7	Stockholmsv. 100, 102	1965	0	0	0	0	0	0	0	0	Joint tax R-N 24:44	0
17	Täby	Roslags-Näsby 25:8	Stockholmsv. 100, 102	1965	0	0	0	0	0	0	0	0	Joint tax R-N 24:44	0
18	Täby	Smygvinkeln 10	Ritarslingen 20	1991	197	620	0	0	0	0	817	704	3	100
19	Täby	Smygvinkeln 11	Ritarslingen 18	1991	1,648	0	0	258	0	0	1,906	1,562	7	92
20	Täby	Smygvinkeln 12	Ritarslingen 16	1992	1,010	554	0	0	0	0	1,564	1,336	9	100
21	Täby	Smygvinkeln 9	Ritarslingen 22	1991	0	960	0	0	0	0	960	464	3	100
22	Täby	Svänghjulet 1	Enhagslingen 23, 25	1990	1,632	257	0	1,715	445	0	4,049	4,053	22	95
23	Täby	Svänghjulet 2	Enhagslingen 5	1989	2,577	0	0	410	0	0	2,987	2,657	21	61
24	Täby	Svänghjulet 3	Enhagslingen 15, 17, 19, 21, 21B	1991	4,229	197	289	0	0	0	4,715	4,996	25	97
25	Täby	Tryckaren 3	Reprov. 6, Viggbyholmsv. 81	1945/92	1,655	1,906	0	0	0	0	3,561	2,950	11	76

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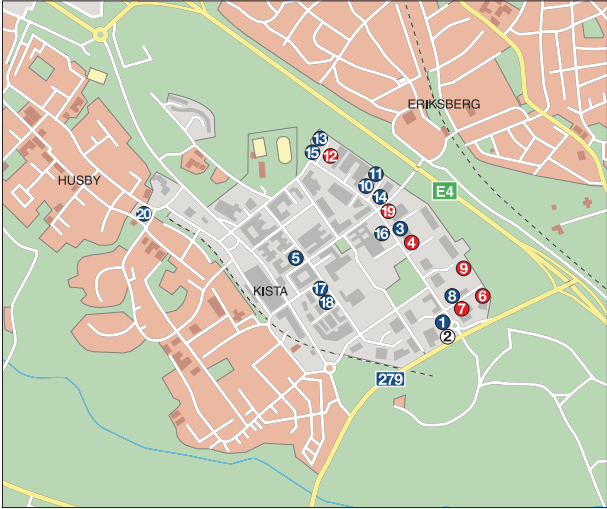
Nyköping



4 Biografen 19, Nyköping



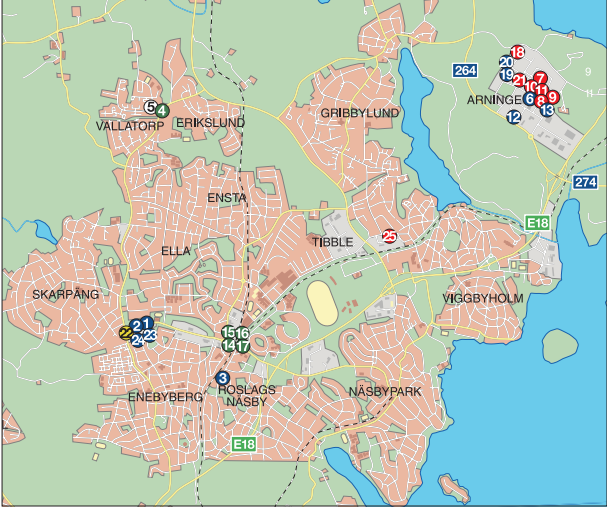
Stockholm/Kista



15 Helgafjäll 7, Kista



Täby



13 Mätstången 2, Täby

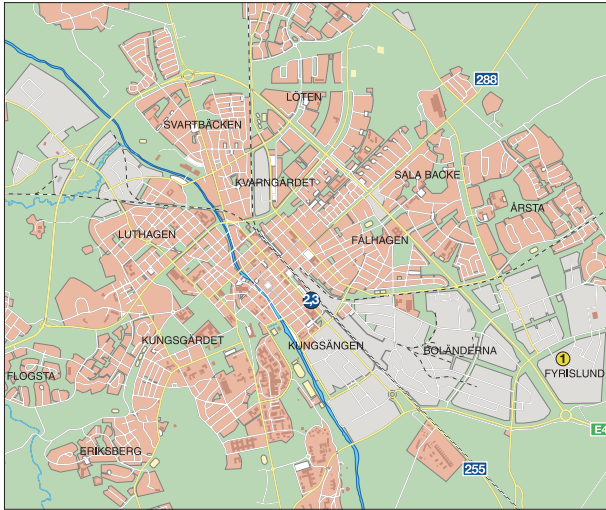


## Specification of properties

Map reference	Municipality	Property	Address	Building/appraisal year	sq.m.						Rental value, SEK 000	Tax assessment, SEKm	Economic occupancy rate, %	
					Office	Industrial/warehouse	Retail	Education/lab/health/recreation	Restaurant/hotel	Residential				Total
1	Uppsala	Fyrislund 6:6	Rapsg. 7	1972/85	18,956	8,897	0	27,477	1,312	160	56,802	69,831	287	53
2	Uppsala	Kungsängen 10:1	Bävernsgränd 17, 19, 21, Kungsg. 48, 50	1920/66	5,367	1,664	781	0	0	952	8,764	11,857	42	98
3	Uppsala	Kungsängen 10:2	Bävernsgränd 17, 19, 21, Kungsg. 48, 50	1920/66	0	0	0	0	0	0	0		Joint tax Kungsängen 10:1	0
1	Västerås	Allmogekulturen 5	Svalgängen	1991	4,986	2,083	0	2,775	5,501	0	15,345	11,815	42	69
2	Västerås	Bogserbåten 1	Saltängsv. 22	Land	0	0	0	0	0	0	0	0	0	0
3	Västerås	Briggen 3	Saltängsv. 14, 16	1963	0	4,894	0	0	0	0	4,894	3,964	7	100
4	Västerås	Friedningen 18	Elledningsg. 5a	1988	940	0	0	0	0	0	940	418	2	100
5	Västerås	Gastuben 5	Björnö. 8	1967	0	1,240	2,442	0	0	0	3,682	2,678	8	99
6	Västerås	Gustavsvik 13	Sjöhagsv. 3, 5, 7, Stenborgsg. 2	1962	7,772	21,202	0	0	450	0	29,424	14,785	27	97
7	Västerås	Icander 1	Stenborgsg. 1	1987	0	8	0	0	2,992	0	3,000	1,271	10	100
8	Västerås	Inge 10	Smedjeg. 8	1960	292	245	2,692	351	1,185	1,089	5,854	5,305	28	92
9	Västerås	Klas 8	Smedjeg. 13	1956	781	625	2,074	1,027	533	250	5,290	6,043	28	94
10	Västerås	Knut 26	Vasag. 20	1953	0	0	1,609	85	0	733	2,427	2,179	12	44
11	Västerås	Kol 13	Kopparbergsv. 25	1955	541	3,575	223	0	0	95	4,434	4,895	Spec. prop.	97
12	Västerås	Leif 19	Hantverkarg. 2	1930/64	5,655	568	9,043	315	3,992	1,375	20,948	29,485	132	95
13	Västerås	Manfred 6	Erik Hars g. 2	1988	2,728	180	0	0	0	1,369	4,277	4,435	23	95
14	Västerås	Omformaren 5	Betongg. 1, Wijkmansg. 7	1962/85	4,690	3,924	0	0	0	0	8,614	3,759	11	76
15	Västerås	Omformaren 6	Wijkmansg. 5	1962/85	0	0	0	0	0	0	0	0	2	0
16	Västerås	Ringborren 13	Tallmätarg. 7	1930/59	1,727	1,759	0	0	0	0	3,486	1,943	7	84
17	Västerås	Ringborren 15	Tallmätarg. 8, Ringborreg. 1	1990	3,921	9,418	110	4,051	337	0	17,837	9,052	26	77
18	Västerås	Sigurd 3	Sigurdsg. 27, 29, 31, 33, 35, 37	1952/88	2,331	5,101	2,653	0	0	0	10,085	7,220	17	90
19	Västerås	Sjöhagen 12	Sjöhagsv. 14	1952/80	464	2,631	4,263	0	0	0	7,358	6,061	8	96
20	Västerås	Skonerten 2	Saltängsv. 18	1966/87	0	4,720	0	0	0	0	4,720	3,973	7	100
21	Västerås	Stensborg 2	Sjöhagsv. 2	1977	1,271	0	0	0	0	0	1,271	763	2	0
22	Västerås	Stensborg 4	Sjöhagsv. 4	1989	0	18	0	1,526	0	0	1,544	1,303	Spec. prop.	99
23	Västerås	Verkstaden 11	Metallverksg. 19, 21, Pressverksg. 4	1974	1,650	15,628	0	0	0	0	17,278	2,051	19	27
24	Västerås	Västerås 2:5	Stenborgsg. 4	1989	1,450	0	0	0	0	0	1,450	1,410	4	96
1	Örebro	Barkenlund 11	Vasastrand 11	1989	2,427	404	0	0	0	0	2,831	3,022	18	100
2	Örebro	Forskarbyn 2	Forskarv. 1, 3	1998	5,067	0	0	0	136	0	5,203	6,456	35	97
3	Örebro	Färaherden 1	Riag. 1, 3	1992	1,778	0	0	0	0	752	2,530	1,952	15	54
4	Örebro	Kitteln 11	Storg. 7-9, Engelbrektsg 8, Kungsg. 6, Köpmang. 3	1964	4,344	996	4,618	1,626	832	596	13,012	16,556	81	91
5	Örebro	Olaus Petri 3:234	Ö. Bang. 7	1979	5,089	924	0	0	3,045	0	9,058	10,162	Spec. prop.	99
6	Örebro	Oxbacken 7	Krontorpsg. 1	1988	2,682	0	0	0	0	0	2,682	2,130	11	88
7	Örebro	Rådhuset 1	Drottningg. 3, Engelbrektsg. 2	1950	1,480	100	0	0	800	0	2,380	2,698	15	99
8	Örebro	Vindhjulet 3	Tunnlandsg. 1, 3, 5	1970	16,769	847	0	1,356	0	0	18,972	14,940	74	86
<b>Total</b>					<b>658,417</b>	<b>519,904</b>	<b>84,107</b>	<b>111,900</b>	<b>44,378</b>	<b>17,591</b>	<b>1,436,297</b>	<b>1,275,831</b>	<b>5,881</b>	<b>84</b>

■ Office   
 ■ Industry/warehouse   
 ■ Retail   
 ■ Education/health care/lab/physical recreation   
 ■ Restaurant/hotel   
 ■ Residential   
  Land

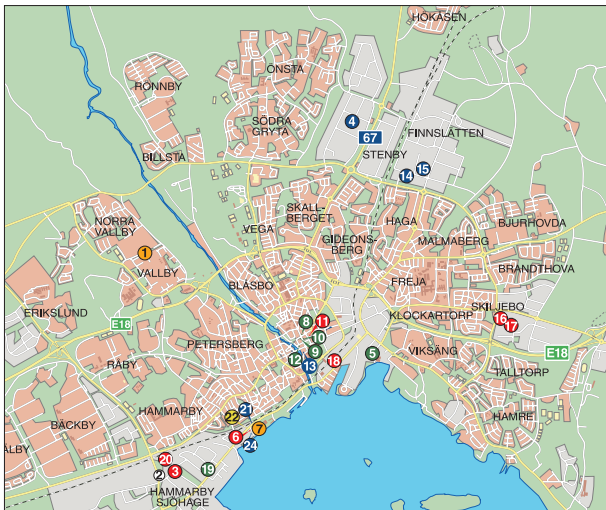
Uppsala



1 Fyrislund 6:6, Uppsala



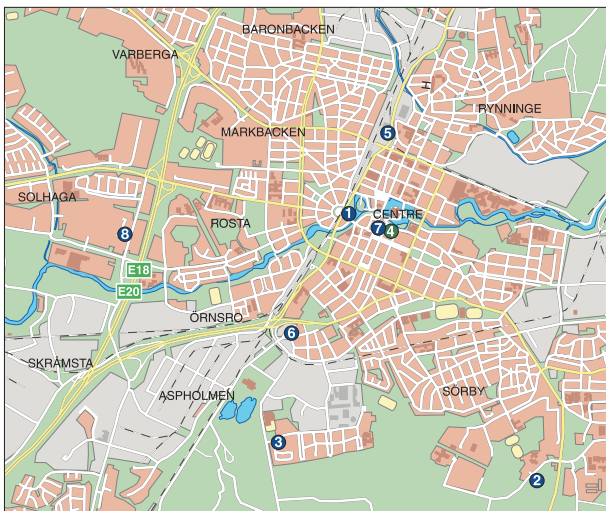
Västerås



1 Allmogekulturen 5, Västerås



Örebro



2 Forskarbyn 2, Örebro



# Properties sold

Municipality	Property	Address	Building/ appraisal year	sq.m.						Rental value, SEKm	
				Office	Industrial/ warehouse	Retail	Education/ lab/health/ recreation	Restaurant/ Hotel	Resi- dential		Total
Eskilstuna	Valhalla 2:19	Fraktg. 11	1974	365	0	1,507	0	0	0	1,872	0.8
Karlstad	Regnvinden 8	Regnvindsg. 6	1991	507	2,566	0	0	0	0	3,073	1.9
Linköping	Abboten 4	Apotekareg. 14	1977	2,183	514	540	0	0	200	3,437	3.5
Linköping	Borgaren 8	Borgmästarev. 8, Hantverkarg. 1	1929	0	0	166	1,047	2,963	0	4,176	5.5
Motala	Basaren 7	Bispmotalag. 5, 7	1910/80	1,293	619	3,927	0	1,111	0	6,950	5.2
Norrköping	Åby 20:2	Nyköpingsv. 28	1974	290	0	129	1,352	346	0	2,117	1.6
Nyköping	Stockrosen 7	Krukmakareg. 4	1940	155	1,373	0	578	0	0	2,106	0.8
Nässjö	Brevet 1	Storg. 47	1980	0	2,856	1,775	0	0	0	4,631	2.1
Nässjö	Posten 1	Postg. 1A-B	1955	1,992	12	1,050	0	0	99	3,153	1.7
Tranås	Örnen 17	Hermelinsg. 3	1993	221	333	160	0	0	3,509	4,223	3.2
Uppsala	Kvarngärdet 30:2	Kvarntorget 3	1964	644	0	3,162	0	338	0	4,144	4.2
Västerås	Ludvig 21	Mimerg. 6	1960	0	0	0	0	0	0	0	0.0
Västerås	Ludvig 20	Mimerg. 6	1960	1,697	472	394	137	170	354	3,224	2.7
Västerås	Mina 13	Stora g. 49, 51	1962/65	540	292	1,255	147	220	2,718	5,172	4.5
Västerås	Livia 17	Stora g. 44, 46	1931/99	5,064	334	615	1,046	475	685	8,219	7.2
<b>Total</b>				<b>14,951</b>	<b>9,371</b>	<b>14,680</b>	<b>4,307</b>	<b>5,623</b>	<b>7,565</b>	<b>56,497</b>	<b>44.9</b>

# Definitions

## 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 the years 2003–2004. The loan expired in 2004 and was converted in its entirety to 4,545,455 shares in 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-bearing liability and charged to net financial income as an interest expense.

*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.

## Cash flow per share

Cash flow for the period as a percentage of average number of shares.

## Debt equity ratio

Interest-bearing liabilities relative to equity at the end of the year.

## Direct yield of the share

Share dividend (distributed in future years) as a percentage of the share price at the end of the year.

## 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.

## Economic occupancy rate

Rental revenue reported as a percentage of rental value at the end of the year.

## Equity per share

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

## Interest coverage ratio

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

## Leverage, real estate

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

## Operating surplus

Total income, minus rental discounts, bad debt loss, operation and maintenance costs, site leaseholds and property tax.

## Other income

Income from sales of services to customers who are not tenants and income from rental guarantees.

## P/E-ratio

The share price at the end of the year in relation to earnings per share.

## Profit margin

Operating profit as a percentage of total income.

## Profit ratio

Operating surplus as a percentage of total income.

## 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, tenant adaptations, site lease rent and real estate taxes.

## Realised changes in value, properties

Property sales for the period after deduction of the properties latest reported fair value.

## Rental income

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

## Rental value

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

## Return on equity

Profit after tax as a percentage of average shareholders' equity.

## Return on total capital

Operating profit as a percentage of average total assets.

## Total income

Total of rental and other income.

## Total yield per share

The share development divided by the share price at the beginning of the year plus direct yield for the share.

## Turnover rate

Total turnover of number of shares in relation to average number of shares.

## Unrealised changes in value, properties

Change in the fair value of the property portfolio at the end of the respective period.

## Value added per employee

Operating profit excluding changes in value plus wage costs including wage overheads divided by the average number of employees.

# Four-year review

SEKm

<b>Statement of Income</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003 **</b>
Rental income	808	635	485	322
Other income	35	4	–	–
Property costs	–339	–248	–199	–133
<b>Operating surplus</b>	<b>504</b>	<b>391</b>	<b>286</b>	<b>189</b>
Change in value properties, realised	45	25	30	–
Change in value properties, unrealised	217	133	30	–
Result from sale of properties	–	–	–	19
Depreciation of equipment	–3	–2	–2	–1
Central administration	–49	–35	–30	–17
<b>Operating profit</b>	<b>714</b>	<b>512</b>	<b>314</b>	<b>190</b>
Result from financial items	–171	–178	–129	–103
Change in value financial instruments, unrealised	28	–3	0	–
Changes in value securities, realised	5	–	–	–
Changes in value securities, unrealised	17	–	–	–
<b>Profit before tax</b>	<b>593</b>	<b>331</b>	<b>185</b>	<b>87</b>
Taxes on the year's result	38	48	28	0
<b>NET PROFIT FOR THE YEAR</b>	<b>631</b>	<b>379</b>	<b>213</b>	<b>87</b>
<b>Balance Sheet</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003 **</b>
Machinery and equipment	14	5	6	6
Investment properties	10,701	5,968	4,193	2,890
Deferred tax liability	333	279	231	200
Other assets	145	114	64	135
Liquid funds	95	141	110	135
<b>ASSETS</b>	<b>11,288</b>	<b>6,507</b>	<b>4,604</b>	<b>3,365</b>
Shareholders' equity	3,868	2,264	1,701	908
Interest-bearing liabilities	6,878	3,987	2,703	2,316
Other liabilities	542	256	200	141
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>11,288</b>	<b>6,507</b>	<b>4,604</b>	<b>3,365</b>
<b>Statements of Cash Flow</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003 **</b>
Cash flow from current operations	501	220	207	10
Cash flow from investment operations	–3,477	–1,384	–815	–717
Cash flow from financing operations	2,930	1,195	583	779
Cash flow for the year	–46	31	–25	72
Liquid funds at beginning of year	141	110	135	63
<b>Liquid funds at end of year</b>	<b>95</b>	<b>141</b>	<b>110</b>	<b>135</b>
<b>Property-related ratios, end of year</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003 **</b>
Lettable space, thousand sq.m.	1,436	1,042	808	588
Rental value, SEKm	1,276	798	596	434
Book value properties, SEKm	10,701	5,968	4,193	2,890
Occupancy rate economic, %	84	87	87	88
Profit ratio, %	60	61	59	59
<b>Financial ratios</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003 **</b>
Equity ratio after dilution, %	34.3	34.8	36.9	28.4
Interest coverage ratio, times	4.4	2.8	2.4	1.8
Debt equity ratio, %	1.8	1.8	1.6	2.5
Leverage real estate, %	64	67	64	78
Return on equity after dilution, %	20.6	19.1	16.1	11.7
Profit margin, %	84.7	80.2	64.7	59.0
Average interest on interest-bearing liabilities, %	4.1	3.5	5.1	5.6
<b>Data per share and share data</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003 **</b>
Number of shares at end of period after dilution, million	166.5	120.4	105.8	71.9
Average number of shares after dilution, million	125.2	115.8	92.9	54.5
Earnings per share after dilution, SEK	5.04	3.27	2.30	1.65
Cash flow per share, SEK	–0.37	0.27	–0.27	1.32
Equity per share, SEK	23.23	18.81	16.08	13.32
Dividend, SEK	1.25*	1.00	0.75	0.50
Share price at end of year, SEK	30.00	24.50	19.40	16.00
Market capitalisation, SEKm	4,996	2,949	2,052	1,079
Turnover rate, %***	38	42	63	81
Book value of properties per share, SEK	64.25	49.60	39.60	40.20
P/E-ratio	6.0	7.5	8.4	9.7

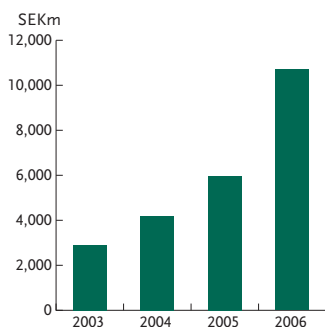
\* Recommendation of the Board of Directors.

\*\* Not recalculated in accordance with IFRS. To comply with IFRS requirements, properties and financial instruments must be recalculated to fair value, which would affect both the income statement and the balance sheet.

\*\*\* Source Stockholmsbörsen.

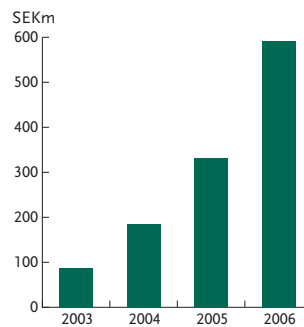
The overview only covers the four years since Klöveren was listed on the stock exchange 2003.

Properties



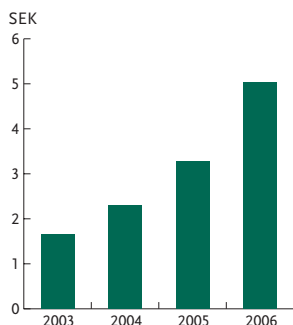
The reported value of the properties increased by around SEK 4.7 billion in 2006, mainly due to acquisitions in Kista and Täby.

Profit before tax



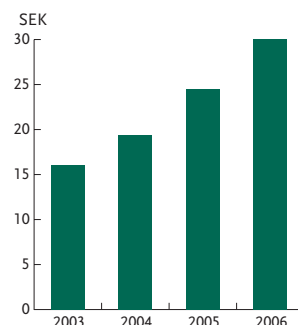
Profit before tax has increased greatly since 2003, partly due to a large increase in the property portfolio and its market valuation.

Earnings per share after dilution



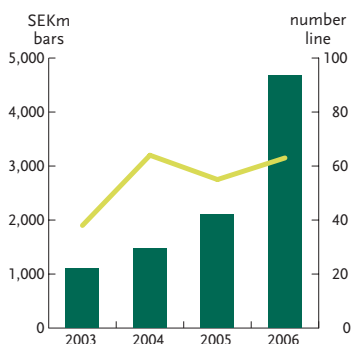
Earnings per share have increased despite a great increase in the number of outstanding shares.

Share price at year-end



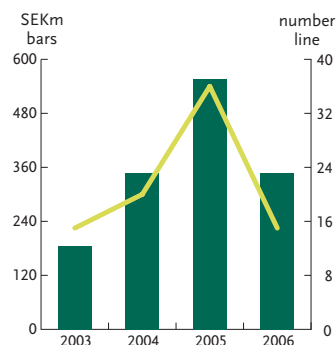
The share price increased by 22 per cent in 2006, to be compared with 26 per cent in 2005.

Property acquisitions



During 2002, two large property holdings were acquired which formed the basis for Klöver. Acquisitions have increased from SEK 1 billion to SEK 5 billion per year in the following years.

Property sales



Between 2003 and 2006, fully-developed properties, residential properties, and properties at non-priority locations have been divested.

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Photo, back cover: Betula, Astrid and Staffan in Karlstad, Kanoten 9 in Karlstad

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