

# KLÖVERN



ANNUAL REPORT 2007



”Klövern shall with commitment meet the customer’s needs of premises and services in Swedish growth regions.”



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p 42–72 have been audited by Klövern’s auditors.

Photo front cover: Kista – Helgafjäll 7

# KLÖVERN



Nyköping – Fors 11

# Klövern



## Annual General Meeting 2008

Klövern's Annual General Meeting will be held at 4 pm on 3 April 2008 at Qvarnen Konferens, Västra Kvarngatan 64 in Nyköping.

## Financial information

Interim Report for January – March published on 24 April 2008.

Interim Report for January – June published on 10 July 2008.

Interim Report for January – September published on 23 October 2008.

Year-end report 2008 published on 13 February 2009.

## Vision

*Klövern is creating the communities of tomorrow.*

### 2002

The former IT company Adcore divided up its operations in May and Adcore AB changed its name to Klöver AB focusing on the real estate business. At the same time, Klöver AB acquired its first holding consisting mainly of Post Office properties for SEK 1.3 billion. During the year, properties were also acquired in Nyköping and Norrköping for SEK 620. In December, Gustaf Hermelin became President.



# in brief

In the spring of 2002, Klöver was reorganised from the former IT company Adcore and has developed over the years into one of the major listed property companies in Sweden with a commercial focus.

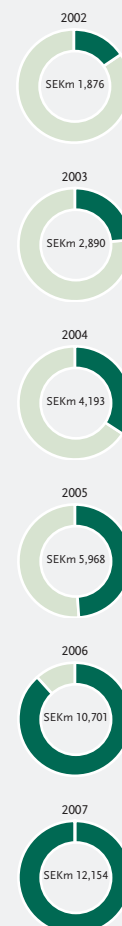
With its origin and "soul" in the local company, Klöver is now a real estate company committed to working closely with customers in Swedish growth regions to meet their needs of premises and services in Swedish growth regions.

Klöver is now active at ten locations: Borås, Karlstad, Kista, Linköping, Norrköping, Nyköping, Täby, Uppsala, Västerås and Örebro.

Operations take place locally with unit offices at ten locations and support from the head office and executive management. The head office is located in Nyköping and the company has now more than 120 employees.

As at 31 December 2007, the value of properties amounted to SEK 12.2 billion and rental income on an annual basis to SEK 1,154 million. The Klöver share is listed on OMX Nordic Exchange's list for medium-sized companies. At the end of 2007, the capitalization was SEK 4.2 billion and the total return on the share, including dividend of SEK 1.25, was -10.8 per cent.

The development of the property portfolio 2002-2007



OVERVIEW	2007	2006	2005	2004	2003**
Net profit for the year, SEKm	1,226	631	379	213	87
Profit excluding changes in value and tax, SEKm	386	281	176	125	87
Change in value, properties, SEKm	1,106	262	158	60	-
Change in value, financial instruments, SEKm	53	28	-3	-	-
Equity ratio, %	37.4	33.7	34.8	36.9	28.4
Lettable area, 000 sq.m	1,394	1,436	1,042	808	588
Book value, properties, SEK	12,154	10,701	5,968	4,193	2,890
Operating margin, %	63	60	61	59	59
Economic occupancy rate, %	88	84	87	87	88
Earnings per share after dilution, SEK	7.36	5.04	3.27	2.30	1.65
Equity per share, SEK	29.36	23.23	18.81	16.08	13.32
Dividend per share, SEK	1.50*	1.25	1.00	0.75	0.50
Dividend yield, %	-10.8	26.5	30.2	24.4	44.7

\* Recommendation by the Board of Directors

\*\* Not recalculated in compliance with IFRS. Properties and financial instruments must be recalculated to fair value to comply with IFRS requirements

This overview only covers five years since Klöver was listed on the stock exchange in 2003.

## Business concept

*Klöver shall with commitment meet the customer's needs of premises and services in Swedish growth regions.*

### 2003

Klöver was listed on the stock exchange again. In August, properties in Kalmar, Karlstad, Linköping, Norrköping and Örebro/Kumla were acquired for SEKm 1,107. During the year, 15 properties were sold at non-prioritized locations for a sales price of SEKm 185.

### 2004

In January, Klöver became established in Borås through acquisition of properties for SEKm 210. During the year, establishment also took place in Västerås through acquisition of 41 properties with a total value of SEK 1 billion. A sale of totally 20 properties for SEKm 307.

### 2005

A total of 36 properties mainly in non-prioritized locations are sold for a price of SEKm 557. Klöver acquires properties, mainly in Linköping for SEKm 1,350. In December, six properties were acquired in Norrköping for SEKm 355, the majority of properties being in the industrial landscape Pronova Science Park.

# The year 2007

Net profit for the year increased to SEK 1,226 million (631) corresponding to SEK 7.36 per share (5.04). This improvement is mainly due to changes in value of properties but also to a larger property portfolio and a relative improvement in net operating income. Earnings excluding changes in value and tax increased by SEK 112 million to SEK 386 million (281), equivalent to SEK 2.32 per share (2.25).

NET PROFIT FOR THE YEAR	2007	2006
Income	1,207	843
Expenses	-821	-562
Profit before changes in value and tax	386	281
Changes in value	1,160	312
Tax	-320	38
<b>Net profit</b>	<b>1,226</b>	<b>631</b>

Equity increased to SEKm 4,867 (3,868) and the equity ratio was 37.4 per cent at the end of the year (33.7).

## Net new leases and the letting ratio

During the year net new leases amounted to SEK 36 million (16) measured in annual rents.

The occupancy rate was 88 per cent (84) at year-end.

## Property portfolio

At year-end, Klöver'n had concentrated its property portfolio so that 99 per cent of rental income was attributable to properties at ten prioritized locations. The properties consist of a total of 1,394,000 sq.m. (1,436,000) at a value of SEK 12.2 billion (10.7).

## The share and dividend

The value of the Klöver'n share has decreased by SEK 4.50 during the year, which corresponds to a reduction of 15 per cent. Carnegie's real estate index (CREX) fell during the same period by 23 per cent and OMX Nordic Exchange's all share index (OMXSPI) by 7 per cent. The Board is recommending a dividend of SEK 1.50 per share (1.25) equivalent to a yield of 5.9 per cent (4.2).

After a decision of the Annual General Meeting on 28 March 2007, repurchase of Klöver'n's own shares was initiated, partly with a view to adapting the company's capital requirements and thus contributing to increased shareholder value. As at 31 December 2007, 775,000 shares had been repurchased.

## Motto

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

### 2006

Through acquisition of Pfizer's head office and product facility in Uppsala for SEK 235 million, Klöver'n's investment in Science and Business Parks was reinforced. In June, among others, seven properties were acquired in Nyköping at a value of SEK 245 million. At the end of 2006, Klöver'n acquired 46 properties in Kista and Täby at a property value of SEK 4.1 billion.

### 2007

Klöver'n entered into agreements to construct the new Kista Expo Center and renegotiated and entered into a new lease with Ericsson for around 50,000 sq.m. The Kalmar and Eskilstuna units and an additional twelve properties particularly in non-prioritized locations were sold for SEK 1,236 million. Acquisition of a total of 47 properties took place, in, among other places, Karlstad, Västerås and Nyköping for a value of SEK 989 million.

# President's statement



*2007 was a fantastic year. Underlying our record results are deliberate focus on day-to-day operations and our customers, successful letting activity and a buoyant economy. Klöver is well equipped for 2008 with a stronger organization and a better customer base than ever before. This is a stable foundation for continued favourable development.*

During 2007, one of our most important tasks was to continue to let vacant premises. The goal for net new leases was SEK 25 million measured in annual rents. In fact, we achieved as much as SEK 36 million.

This year's profit, excluding changes in value and tax, in other words, the operating profit, was expected to amount to at least SEK 325 million. We achieved SEK 386 million. The total profit including changes in value amounted to SEK 1,226 million. The positive change in value of properties is above all an effect of successful improvement projects where the occupancy rate has been increased. Generally increased property prices due to higher rental levels and lower required returns on the existing property portfolio in comparison with Klöver's property portfolio on 31 December 2006 have also contributed.

## Our business activity

The year has been marked by a genuine commitment to day-to-day operations. All members of staff have facilitated our customers' everyday situation in an exemplary way and acted as sales staff in their daily work. Commitment has been created by, in principle, everyone in the company taking part in the budget process and the subsequent quarterly follow-up, which contributes to everyone being well-informed and, in many cases, as someone put it "being up to speed with what's going on". I see many examples of how staff are looking for new income and worked to get rid of "bad costs" creatively and with a high level of ambition. Responsiveness to our customers', in many cases, high-pitched demands has contributed during the year to the development of new products and our business activity.

## Sales and acquisitions

The property portfolio in Eskilstuna and Kalmar and the majority of the properties located outside our ten main locations have been divested during the year. Examples of these properties are the high yield properties Rådmanne 3 in Katrineholm and Transistorn 2 in Kumla, both with Ericsson as tenant. Through new acquisitions, in particular, in Karlstad, Nyköping and Västerås and investments in the existing portfolio, we have succeeded in increasing the property volume. Increased presence and reinforced organization at our main locations means even better opportunities to provide service to our customers, to increase the occupancy rate and reduce the commercial risk.

## Successful letting work

The year started with an occupancy rate of 84 per cent, to increase to 88 per cent through successful letting work by the end of 2007. An improvement of four percentage points. The high level of net new leases during the year has meant, among other things, that we have been able to retain our ambition to retain and even increase our level of profits despite an increase in interest rates.

## Project development

Almost half of our customers lease premises in one of our Business or Science Parks. In many cases, this involves knowledge-intensive companies where there are assets in the form of the personnel and their expertise. To be able to attract the best staff, these companies make a high demand on an attractive and functional environment,

with great flexibility with regards to size and use. One of our larger projects – Kista Expo Center – is a good example of how we can contribute to creating an attractive environment. The Expo Center, with adjacent hotel and office premises, will be one of the business sector's new meeting places. This forum will undoubtedly facilitate and create new opportunities for many of our customers and their personnel in the future.

In addition, there is an increasingly high level of environmental awareness with, demands for reduced energy consumption. Increasingly high demands are made on us to provide new, modern, flexible, energy-efficient premises with effective use of space. During the year, we have therefore started both planning and production of new premises in Kista and at a number of other locations.

### New business plan

The business we have been operating according to was mainly produced in 2002. A lot has changed both within Klöver and in our business environment since then. Work on a new business was high on our list of priorities and started already during the first quarter of 2007.

Klövern's new business plan is the result of joint work between the Board, executive management and personnel. The business plan describes the goals we have for the next five years. The prerequisites for the business plan are the business activity engaged in by Klöver today, known factors in our business environment and an endeavour to achieve optimal goal fulfilment for owners, customers and personnel.

In this spirit, we want to express our new vision in the following way:

*Klövern is creating the communities of tomorrow*

Our new business concept is:

*Klövern shall with commitment meet the customers's needs of premises and services in Swedish growth regions.*

Our motto is the same as before:

*Making the customer's day easier every day*

“Closeness” and “commitment” express our values and we hope that these words will typify Klöver and our relationship with customers and other stakeholders.

In the future, we anticipate a continued increase in volume, with an annual net growth of at least SEK 1 billion, above all through improvement and new construction but also through some acquisitions. All our units should in the long run have a rental value of at least SEK 100 million each. To create stable long-term cash flows from operating activities, it is important in the long term to reduce the cost of changing a tenant at a premise. Our solution will be to define our products to a greater extent both to customers and builders. We will continue to focus on reversing the rising costs in the industry. The energy consumption was reduced for the fifth consecutive year. The goal is to reduce it by a further 20 per cent by 2012.

### Future and forecast

We see a continued great potential in our vacancies and the prospects for 2008 appear to be good. Of course, a continued high level of commitment will still be needed from our personnel regardless of whether the general state of the economy is favourable or not. However, one thing is certain; at least as many companies need to review their requirements for premises when business is not as good as when business is buoyant. Although we operate in a local market, we have customers who often have to be globally competitive. Klöver's success will therefore depend to a great extent on how well we, together with our customers, can create new environments which contribute in a cost-effective way to stimulating and developing the customer's organization and business.

Klövern's profit in 2008, excluding changes in value and tax, is expected to exceed SEK 350 million. On the basis of a comparable property portfolio, the forecast for 2008 is the same as the result for 2007.

Nyköping, 29 February 2008

*Gustaf Hermelin*  
President & CEO

# Business plan and goals

In spring 2007, Klöverna had been operating as a real estate company for five years. The growth targets that we had had been met and work on producing a business plan for the next five years was initiated.

Much of Klöverna's "soul" goes back to the relatively small property companies StrandFastigheter in Nyköping and StrömFastigheter in Norrköping which were acquired in 2002, and where half of Klöverna's existing executive management group worked. The positive experiences from the work in these companies have been made use of in Klöverna's business plan. Closeness to the customer, participating in local networks, developing together with the rest of the community, and being perceived as a local property company in every market area.

Klöverna intends to carry on working in this way and it is also one of the cornerstones of the new business plan. Consideration has also been given in the design of the business plan to the potential of the large company. Modern business systems, good market knowledge, a broad and substantial experience of project and property development and a stable owner structure provide Klöverna with better prerequisites than the small local property company. At the same time, it is important to emphasise that the individual member of staff works in an entrepreneurial way with a commercial approach and with the intention of carrying through long-term transactions.

## Business plan 2008–2012

Klöverna's new business plan is a result of the combined efforts of the Board, executive management and personnel.

The business plan is a living document, which will be tested, discussed and probably changed before the end of 2012.

## Vision and business concept

Klöverna's staff want to have a vision, something to be enthusiastic about in every day work.

Vision:

*Klöverna is creating the communities of tomorrow*

Klöverna shall take part in the development of the community at the respective location. Develop properties for future needs and, when there is an opportunity, use building rights for new exciting components in the city environment. Create the conditions for the new different methods of work of coming generations.

Business concept:

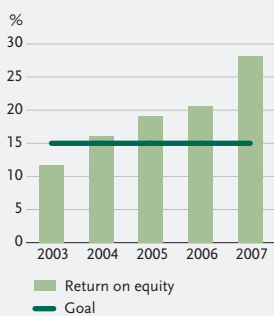
*Klöverna shall with commitment meet the customers needs of premises and services in Swedish growth regions.*

Klöverna shall continue to work to further reinforce the company's position at our prioritized locations. Having an open and close relationship with the customer is important, as is meeting the customer with our own personnel and being responsive to the need of service and additional services in the form, for instance, of broadband and telecommunications.

Motto:

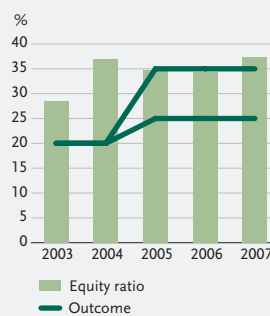
*Making the customer's day easier every day*

Return on equity



Return on equity amounted to 28.1 per cent in 2007. During the past five years, the average return has been 19.2 per cent, which exceeds the long-term goal.

The equity ratio should be in the interval 25 to 35 per cent.



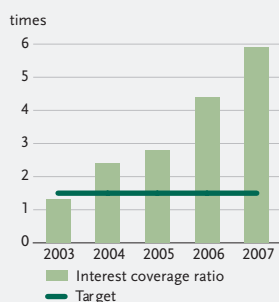
The equity ratio has never been less than the lower level of the goal. The goal has been expressed as an interval since 2005.

## Growth and finances

- *Klövern shall have a net growth through acquisition, improvement and new construction of at least SEK 1 billion per year.*  
Historically, Klövern has succeeded well in reducing the vacancies obtained in connection with property acquisitions. This work is to continue although, in the future, the market will also demand newly-built and more flexible working environments than in the current property portfolio.
- *Return on equity shall amount to at least the risk-free interest rate plus seven percentage points.*  
The required return is partly affected by factors over which Klövern has no control. The goal should therefore be viewed as an average over a number of years.
- *The equity ratio should be in the interval 25 to 35 per cent.*  
To secure long-term survival and make attractive investments possible, it is important for the proportion of equity to be sufficiently high.
- *The interest coverage ratio, calculated excluding changes in value, shall be at least 1.5 times.*  
Interest expense is the single largest cost item for Klövern, and it is therefore important that earning capacity covers the current interest rate level by a broad margin.
- *The dividend shall exceed 50 per cent of the net profit excluding changes in value and deferred tax.*  
When assessing the size of the dividend, consideration shall be given to the company's investment alternatives, financial position and capital structure.

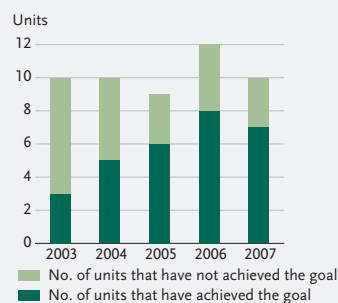


The interest coverage is to be at least 1.5 times



The interest coverage ratio, including change in value, has exceeded the target for every year. During 2007, it amounted to 5.9 times.

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



During 2006, the market target for the units was raised from SEK 50 million to SEK 75 million.

## Goals of the property business

The requirements on Klöver as a tenant will increase in the future. Customers will need greater flexibility both with regard to the design of premises and the length of leases. Having clear goals for the real estate business is important to achieve the overall growth target.

- *The occupancy rate shall be at least 90 per cent in 2008.*  
Klöver has in the past often purchased properties with a relatively high level of vacancies. It has been an important part of the company's business development to improve properties and get them fully let. To achieve the required return, the occupancy rate should not be less than 90 per cent in the long run, even though short-term slippage can be accepted as a step in the business development. The occupancy rate was 88 per cent at the end of 2007.
- *Tenant turnover should be less than six per cent.*  
Replacing an existing tenant with a new tenant often entails a more or less extensive refurbishment and customisation of premises. It is therefore important to aim for a high level of service and customer satisfaction so that the tenancy will be as long as possible. It is just as important to have premises which offer flexible opportunities both in area of use and size.
- *The future needs of major tenants should be surveyed at least every other year.*  
Klöver has close contacts with its customers. Klöver's personnel obtain the information they need for a good customer relationship through planned and regular meeting.

- *The operating margin excluding one-off effects shall increase at least one percentage point a year.*

An important key ratio in Klöver's internal assessment of the property business is the surplus ratio, i.e. the share of income attributable to net operating income. The operating margin is calculated continuously for every property. In 2007, Klöver's average operating margin was 62 per cent excluding one-off effects (63 per cent including these).

- *Heat consumption shall be reduced by 20 per cent by 2012.*

Since the start, Klöver has worked actively to reduce energy consumption at the properties. On average, consumption of heat has decreased by 5 per cent per year in recent years.

- *Personnel turnover should be less than 10 per cent per year and the ambition is for sick leave to be less than three per cent per year.*

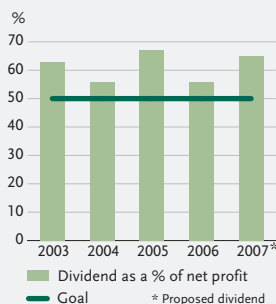
Klöver's personnel are important for the company's ability to develop. Klöver will continue with measures and activities which both promote interest for being employed by Klöver and the well-being of the individual.

- *Klöver should be market leader at all prioritized locations. The aim is for all units to have a rental value of at least SEK 100 million.*

Klöver should be strong in the respective market, a self-evident choice. With a rental value of over SEK 100 million per unit, Klöver will have the ability to have a broad and strong organization. We will then be "the local property company".

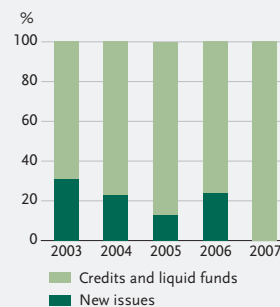
## Goals and outcomes 2003–2007

In the long term, dividend shall exceed 50 per cent of net profit excluding changes in value and deferred tax



During the past five years, Klöver has distributed an average of 61 per cent of net profit after tax and changes in value.

When acquiring properties, consideration shall be given to the possibility of a share issue



New issue of own shares, preferably in relation to property vendors, has made up a large part of Klöver's financing solution.

# Organization and personnel

## Decentralised organization

Local ties are of crucial importance to the relationship with the customer at the respective location. The staff knows their circle of customers, are accessible and able to respond quickly to customer needs. Having a decentralised organization with committed staff who take good care of their customers and strive for mutually profitable relations is one of Klöver's factors for success.

The Klöver Group is organised in a head office, situated in Nyköping, and ten local units. The head office is responsible for management functions, economy and financing, acquisitions and sales, information and investor relations, 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.

Each unit has a responsible manager who, working closely together with Klöver's management, sets guidelines for the operations of the unit. Unit meetings are held twice a year where the person in Klöver's executive management responsible for the unit together with the head

and 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 units.

## Closeness and commitment

The organization works in accordance with the motto of "making the customer's day easier every day." Key words such as closeness and commitment serve to guide the work. Each member of staff has a defined area of responsibility and is able to influence daily operations.

## Personnel

The total number of employees was 121 (110) at year-end after an increase of 10 per cent during the year. Of the total number of employees, 49 were women (39) and 72 were men (71). Just over a fifth of the employees work at the head office. The average age is 43 (43). The average age for men was slightly higher than for women, 45 (45) compared with 40 (41).

The value added per employee amounted to SEK 6.8 million (5.8).



Klöver staff member



Klöver staff member

### Good health and high well-being

Klövern has offered all personnel health profile examinations for the third consecutive year. These examinations aim to make everyone aware of their own health situation and thus have an opportunity to make changes. The examination in 2007 showed a good state of health and high well-being. The level of stress has decreased compared with last year in response to deliberate efforts made by senior executives and managers. Sick leave was 2.0 per cent (1.8) and it was slightly higher for men 2.3 per cent (2.2) than for women 1.6 per cent (1.1). Of the total sick leave, 27 per cent (37) consisted of long-term sick leave lasting 60 days or more. All employees were covered by an attractive sickness benefit scheme and have an annual grant for keep-fit activities of SEK 2,000 per employee. In response to an internal initiative, a “health care challenge” was arranged between units, which resulted in 9,242 30-minute training sessions (the equivalent of 3.5 sessions per week and employee).

### Recruitment and personnel turnover

Klövern recruited 27 new employees in 2007. Recruitment takes place in accordance with a well-planned process consisting of in-depth interviews and personal profile analyses. All new employees participate in an introductory programme where they are given a personal presentation of head office staff. Personnel turnover should be less than 10 per cent per year. In 2007, it amounted to 14 per cent (7).

### Personal development

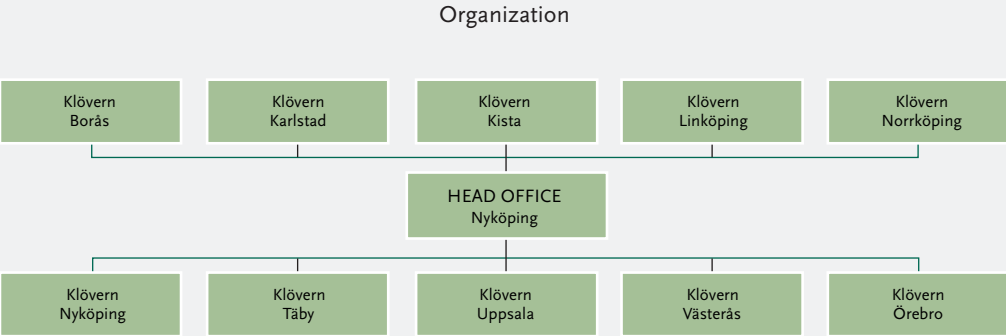
To be able to retain staff, it is important to make available development opportunities in the company. Klöverner therefore carried out a personal development programme for every member of staff during 2007. Development interviews took place in accordance with a structured method twice a year. All staff continuously undergo personal profile analyses to increase insight into their own personal qualities but also to improve collaboration between them and the various departments at the company.

### The Klöverner academy

Klövern aims to continuously maintain, develop and increase the overall competence of its staff. The company therefore has an internal training programme – the Klöverner academy – where staff have the opportunity of competence development and to share knowledge and experience. During 2007, the Klöverner academy has arranged courses in automatic control engineering, operating office hotels, IT and further training for property managers. Collaboration has also taken place with external lecturers and educational companies.

The cost of competence renewal amounted to SEK 20,000 (17,000) per employee during the year.

At the end of 2007, 43 per cent (39) of the employees had undergone some form of university education. Of these almost 52 per cent (49) had taken 100 credits or more at university or another institution of higher education.



## Working environment

Klövern has an open working environment in an organization which is flexible and with fast decision-making procedures. The open positive climate is important for the psychosocial environment. To safeguard the physical working environment, ergonomic action plans have been developed. Crisis management procedures have been produced and implemented continuously by education. All employees have been offered a wholly subsidised lunch. This provides opportunities for spontaneous meetings and good collaboration, at the same time as it provides important pauses.

## Klövern's IT environment

IT is the most important work tool at Klöver. The IT environment is modern, both with regards to hardware and software. Klöver works with a range of general software programs, certain of which have been specially adapted to the special requirements of the organization. Practically all software has been further developed and/or upgraded during the year. Security and stability have been considerably improved during 2007 and ongoing work is continuing to this end. The server park has been renewed and enlarged. A total virtualization of all servers has led to expanded opportunities for a test environment and back-up of all systems without the risk of disruptions and has provided more power to the whole environment. Virtualization has also meant a more even load and

radical reduced risk for overload and disruption caused by server breakdown. Security as regards encroachment and viruses has been increased by restrictions on installations, and installation of software that ensures that all computers have the correct virus definitions.

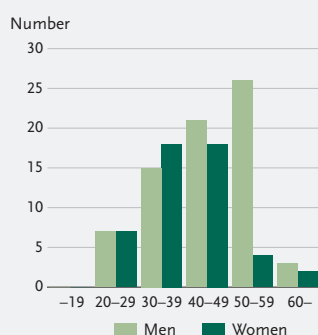
Klövern's staff use the computer as their daily work tool. Good access is therefore important and made possible by IT systems and equipment being adapted and continuously developed for distance work. During the year, special IT contact persons were appointed at every unit with a view to increasing competence in the area, strengthen the transfer of knowledge between units and channel information.

Investments (hardware) in IT amounted to SEK 1.4 million (0.8) during the year.

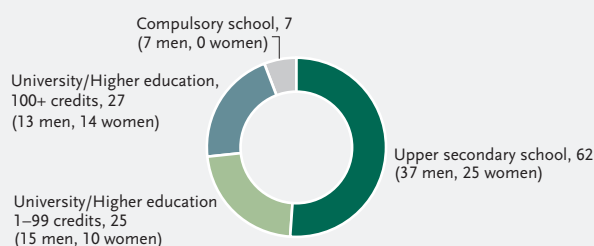
## The profit sharing foundation

Klövern's profit sharing foundation was established in spring 2004. 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 maximum amount has been allocated every year since the profit sharing foundation was established.

Age distribution



Education



# Environment

## Environment work

Concern for the environment is a natural part of day-to-day work at Klöver. Klöver is to be an example in environment and energy, and provide good work and residential environments, indoors as well as outdoors.

A good environment is a prerequisite for satisfied tenants. The goal is that everybody in the organization, should feel responsibility for, and through their actions actively contribute to, compliance with Klöver's environmental policy. Klöver involves employees as well as customers, suppliers and local authorities in the work for a long-term favourable and sustainable environment.

## Environmental policy

Klöver's environmental policy is a living document, which is adapted in response to goals being achieved.

The environmental action plan expresses in concrete terms how the policy is to be achieved, to be sustainable and the measurable goals that the organization works with.

The action plan covers the following areas, among others:

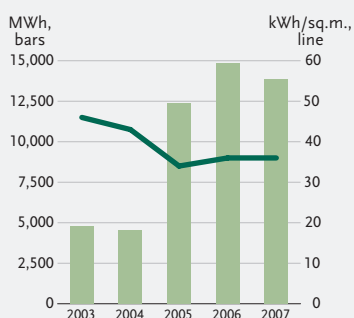
- To reduce use of heating by 20 per cent by 2012.
- To reduce emissions of carbon dioxide by at least 2 per cent per sq.m. and year.
- To reduce water consumption.
- To sort waste at source in all properties.
- To identify environmental risks at all properties.
- New construction and refurbishment shall take place with the least possible impact on the environment based on what is financially sound.

## Energy measures

During 2007, the organization continued work on calibrating and adjusting heating and ventilation systems to reduce energy consumption and ensure that quantities of heating and air are adapted to current needs.

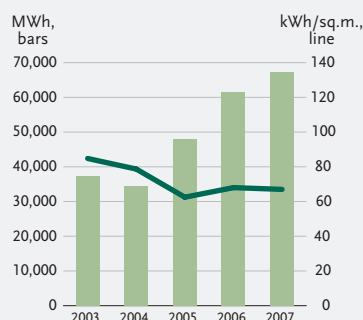
SEK 18 million has been invested at the properties in ventilation systems and new control and heating pumps. The intention was to reduce energy consumption and improve the indoor climate.

Electricity consumption, property electricity



Property electricity can only be separated at a small number of Klöver's properties. Consumption per sq.m. is the same as last year.

Electricity consumption, including tenant electricity



At properties where tenant electricity and electric heating are included in the property electricity contract, consumption has been reduced by 1 kWh per sq.m.

## Energy consumption

The average consumption of district heating, kWh per sq.m. (degree day corrected) continues to fall above all due to energy optimization measures. The average consumption in properties with district heating has decreased to 16 kWh per sq.m, equivalent to 13 per cent compared with 2006.

Average electricity consumption, including tenant electricity and electric heating has decreased by 1 kWh per sq.m. despite an increase in the proportion of electrically heated properties, cooling requirements and the

number of workplaces per sq.m. This indicates that the savings measures carried out produce results even if this cannot be distinguished in the average consumption.

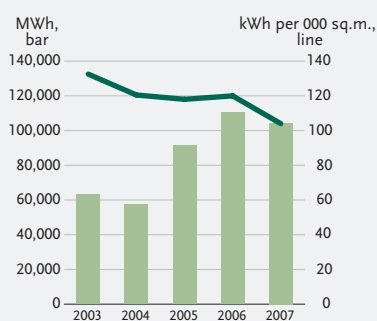
The single largest saving has been achieved at the property Fyrislund 6:6 in Uppsala, where a total of 5.6 GWh has been saved on district heating, electricity and district cooling.

In the reported electricity consumption for 2007, properties where access has been obtained on 30 June 2006 have been included, where Klöver had a contract and still owned the properties at year-end.



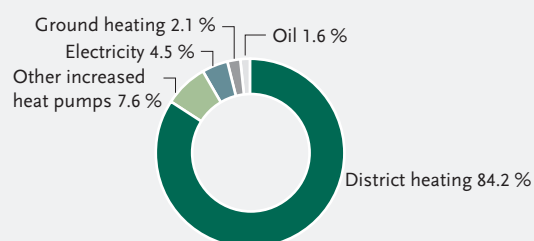
Norrköping – Kopparhammaren 2

District heating consumption



District heating consumption (degree day corrected) per sq.m. has decreased by 13 per cent compared with 2006.

Type of heating



# Customers

## Closeness to customers

A good relationship with the customer is a crucial success factor for virtually all companies. Klöver's staff work according to the motto of "making the customer's day easier every day". For Klöver, this means meeting the customer in both big and small issues. This may involve everything from adaptation of the size of the premises in connection with changed needs, to simpler matters.

Good communications and customer satisfaction are safeguarded not only through personal meetings but also via the website, newsletters, circulars and customer magazines.

Klöver's customer losses are insignificant and amounted in 2007 to less than 0.2 per cent or SEK 2 million of Klöver's total income. Part of the explanation for the low customer losses lies in the relationship with the customer where Klöver's staff follow their activity at close quarters and can quickly perceive if any problem arises.

## Customer structure

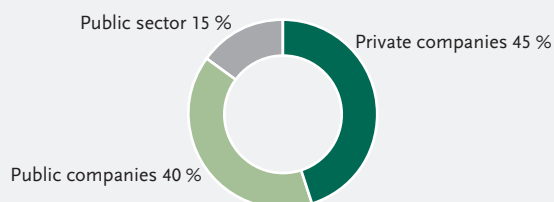
Klöver's business orientation in the direction of commercial real estate means that most of the customers are legal entities. At the end of 2007, public sector activity accounted for 15 per cent (20) of the contract value, private companies for 45 per cent (39) and public limited companies for 40 per cent (41).

The share of the ten largest customers has decreased to 28 per cent (35) of Klöver's total contract value and the average lease period for them was 3.9 years (3.2). Ericsson's share of the contract value has decreased to 14 per cent (18) by sale of properties at Kumla and Katrineholm. All remaining leases with Ericsson are in properties located at Kista. Through renegotiations, the average lease period with Ericsson has increased to 4.9 years (3.1). The average lease period for Klöver as a whole was 2.9 years (2.6).

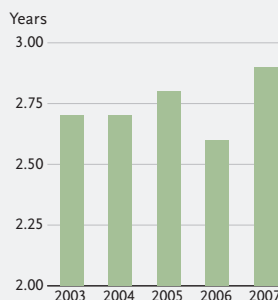
### KLÖVERN'S LARGEST TENANTS

Tenant	No. of contracts	Area, sq.m.	Contract value, SEKm	Proportion of total contract value, %	Average contract term, years
Telefonaktiebolaget L M Ericsson	30	98	162	14	4.9
Saab AB	5	14	33	3	1.9
Posten AB	32	22	26	2	1.2
Telia Sonera AB	30	13	16	2	5.4
Sony Ericsson Mobile Com. AB	10	12	16	2	3.1
Swedish Road Administration	27	17	15	1	4.1
Orexo AB	8	6	15	1	7.0
Pfizer Health AB	12	7	14	1	0.9
Arvid Svensson AB	7	14	14	1	3.1
Municipality of Karlstad	12	12	12	1	2.8
<b>Total largest tenants</b>	<b>173</b>	<b>215</b>	<b>323</b>	<b>28</b>	<b>3.9</b>

Contract value per customer category



Average contract term





Uppsala – Fyrislund 6:6

*“We see an advantage in being a big player on a small market instead of being a small player on a big market”*



Klövern staff members

## Market descriptions

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Kista

## Market review

At the end of 2007, Klöver was active in the property business in ten main markets: Borås, Karlstad, Kista, Linköping, Norrköping, Nyköping, Täby, Uppsala, Västerås and Örebro. Klöver sees an advantage in being a big player on a smaller market as opposed to a smaller player on a big market. This gives a competitive advantage since a company that is well-known in the area is a natural partner for those wishing to rent premises. In eight out of ten prioritised markets Klöver is among the three biggest owners of commercial premises. In Uppsala and

Örebro Klöver is on seventh and tenth place respectively. The ten prioritized locations have many similarities. All of them have had a positive population trend in 2006 and 2007, which shows the cities' power of attraction.

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. The opposite page is an overview of Klöver's geographical markets in tabular form. The following pages contain more detailed descriptions of each market.

## POPULATION\*

Municipality	2007*	2006*	Change, 12 months, %
Borås	100,888	100,147	0.7
Karlstad	83,564	82,855	0.9
Stockholm	794,494	782,344	1.6
Linköping	140,351	138,606	1.3
Norrköping	126,489	125,356	0.9
Nyköping	50,694	50,141	1.1
Täby	61,486	61,046	0.7
Uppsala	187,348	185,218	1.1
Västerås	133,680	132,886	0.6
Örebro	130,254	128,863	1.1

Source: Statistics Sweden

\* Refers to 1 November each year

## UNEMPLOYMENT

Municipality	Open un- employ- ment, %	Labour market program- mes, %	Total un- employ- ment %	Change compared with 2006
Borås	2.7	1.3	4.0	-1.7
Karlstad	3.0	1.3	4.3	-2.3
Kista	i.u.	i.u.	i.u.	i.u.
Linköping	3.2	1.1	4.3	-1.6
Norrköping	4.3	2.1	6.4	-2.2
Nyköping	2.6	1.2	3.8	-1.5
Täby	0.8	0.3	1.1	-0.9
Uppsala	2.2	0.6	2.8	-1.5
Västerås	3.6	1.5	5.1	-1.8
Örebro	4.7	1.4	6.1	-1.3

Source: National Labour Market Board (AMS)

i.u. = information unavailable

## RENTAL LEVELS, NORMAL LOCATIONS

Municipality	Office, SEK per sq.m.	Retail, SEK per sq.m.	Industry/ warehouse, SEK per sq.m.
Borås	800 – 1,400	1,000 – 1,500	350 – 650
Karlstad	1,000 – 1,250	1,300 – 2,000	400 – 600
Kista	1,500 – 2,200	1,400 – 7,000	800 – 1,000
Linköping	1,100 – 1,400	1,500 – 2,000	400 – 500
Norrköping	1,000 – 1,300	1,300 – 2,200	350 – 500
Nyköping	800 – 1,000	1,200 – 1,800	350 – 700
Täby	700 – 1,500	2,000 – 5,000	750 – 1,100
Uppsala	1,400 – 2,000	2,000 – 4,500	500 – 700
Västerås	900 – 1,200	1,200 – 2,000	500 – 850
Örebro	900 – 1,200	1,000 – 2,000	450 – 800

Source: DTZ Sweden AB

## PROPERTY PRICES, AVERAGE VALUE PER PROPERTY\*

Municipality	Premises, SEK per sq.m.	Industry/Warehouse, SEK per sq.m.
Borås	6,300	3,900
Karlstad	6,100	3,100
Kista	i.u.	i.u.
Linköping	9,100	4,200
Norrköping	5,100	4,000
Nyköping	i.u.	4,000
Täby	7,700	i.u.
Uppsala	13,000	6,400
Västerås	10,100	3,900
Örebro	13,100	5,000

Source: DTZ Sweden AB

\* 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

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

### Labour market

The number of employment opportunities in the municipality of Borås was 50,285 in 2007. The largest proportions were within the private service sector (49 per cent), public services (34 per cent) and the manufacturing industry (15 per cent).

Unemployment in Borås in December 2007 was 4.0 per cent, which is just above the national average (3.8) and the county of Västra Götaland as a whole (3.7).

### 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 property.

During 2007, 12 commercial rented properties changed owner as separate properties at an average price of SEK 6,267 per sq.m. ranging between SEK 550 and SEK 22,000 per sq.m.

In addition, 36 industrial premises have changed owner as separate properties at an average value of around SEK 3,936 per sq.m. ranging between SEK 550 and SEK 16,200 per sq.m. The majority are in the interval SEK 2,000 to SEK 6,000 per sq.m.

The Kanico Group is going to invest SEK 300 million in a project called Simonsland in central Borås with the intention of creating a wholly new and attractive city neighbourhood with office and industrial premises. Elfsborg will become the country's first football club with its own property company. A shopping centre is to be built adjacent to the Borås stadium at Knalleland, consisting of 6,000 sq.m. of retail space and 3,000 sq.m. of offices. The cost is expected to be over SEK 200 million. The facility is expected to be completed in 2009.

### Rental market

The rental level for modern offices is at SEK 800 to SEK 1,400 per sq.m. in the centre. In the built-up area, the rent varies from SEK 600 to SEK 900 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.

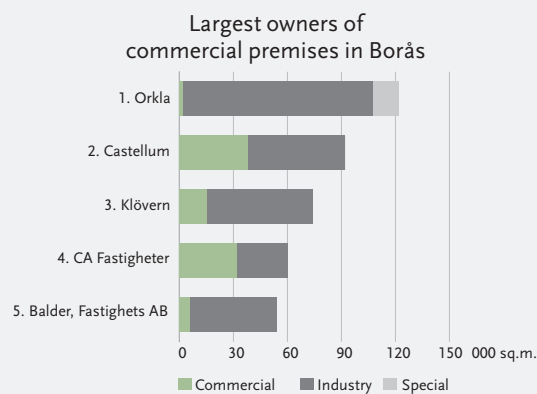
The normal retail rental level in ordinary locations in the inner city is SEK 1,000 to SEK 1,500 per sq.m., but levels over SEK 2,000 per sq.m. occur within the department stores in the absolute city core. Knalleland is a large out-of-town retail area, with a relatively central location. Rents at Knalleland are from SEK 1,000 to just over SEK 2,000 per sq.m. and are at the level of rents in the city centre. Top retail rents are SEK 2,500 per sq.m.

The rental levels in industrial properties vary between SEK 350 and SEK 650 per sq.m. Rents can exceed SEK 650 per sq.m. for modern customized premises. The vacancy rate is between 5 and 10 per cent.

#### POPULATION TREND IN THE MUNICIPALITY OF BORÅS

November 2007	100,888
November 2006	100,147
Change 12 months	0.7 %
Dec 2002	98,150
Change 4.9 years	2.8 %
Change per year	0.6 %

Source: Statistics Sweden



Source: Byggstatistik (Construction statistics)

## Karlstad

Karlstad is the county capital of Värmland and is located in the southern part of the county. The E18 highway and the main railway line between Oslo and Stockholm pass through the city. The distance to Stockholm is 310 km, to Gothenburg 250 km and to Oslo 220 km. Karlstad's airport is 18 km from the city centre.

### Labour market

The number of employment opportunities in the municipality of Karlstad was 46,500 in 2007. The largest proportions were within the private service sector (51 per cent), public services (37 per cent) and the manufacturing industry (10 per cent).

Unemployment was 4.3 per cent December 2007, which is a reduction of 2.3 percentage points compared with December 2006. Unemployment is at the average for the county of Värmland (4.2 per cent) but above the national average (3.8).

### Investor market

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

During 2007, four rented commercial properties changed owner as separate properties in Karlstad at a price level ranging from SEK 3,600 to SEK 9,900 per sq.m. The average price was SEK 6,100 per sq.m.

Klövern acquired 38 properties in a larger package transaction from Kungsleden. The price for the 107,000 sq.m of premises was SEK 736 million.

Sixteen industrial properties have been sold as separate properties in Karlstad during 2007 at an average price

of SEK 3,100 per sq.m. ranging from SEK 2,000 to SEK 6,300 per sq.m.

During 2007, an important new retail outlet has been established, the IKEA store at the out-of-town centre Bergvik.

### Rental market

The rental market for offices has developed positively during 2007. Karlstad has a relative large number of technology consultancy companies which have had an increasing order flow for a number of years. This has also led to an increased need for premises. Market rent levels for modern offices in good locations have accordingly risen by 10 per cent during the year. Rental levels for modern offices are assessed at SEK 1,000 to SEK 1,250 per sq.m. for locations in central Karlstad as well as the Kanikenäset and Klara areas. Rental levels in industrial areas such as Växnäs and Örsholmen vary between SEK 500 and SEK 800 per sq.m. The vacancy rate for offices is between 6 and 8 per cent.

Increased tenant turnover has been noticeable, partly due to the new retail space available in the new shopping mall Mitt-i-City. The vacancy rate for retail outlets is still relatively low in the city core, 2–4 per cent. Shop rents in commercial buildings vary between SEK 1,500 and SEK 3,500 per sq.m. with the higher rents in the new mall. Rental levels in ordinary shops with entrance from the street range between SEK 1,300 and SEK 2,000 per sq.m.

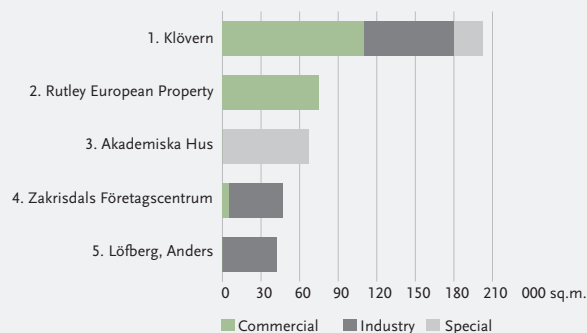
Rental levels for normal industrial properties vary between SEK 400 and SEK 600 per sq.m. The level is between SEK 300 and SEK 400 per sq.m. for older buildings and up to SEK 750 per sq.m for small areas of premises in new buildings. The vacancy rate for industrial premises is between 7 and 12 per cent.

#### POPULATION TREND IN THE MUNICIPALITY OF KARLSTAD

November 2007	83,564
November 2006	82,855
Change 12 months	0.9 %
Dec 2002	80,934
Change 4.9 years	3.2 %
Change per year	0.7 %

Source: Statistics Sweden

#### Largest owners of commercial premises in Karlstad



Source: Byggstatistik (Construction statistics)



Kista – Helgafjäll 4



Kista – Röros 1

## Kista

*Kista is 13 km north-west of central Stockholm and 30 km south of Arlanda airport. There are good communications to Kista by the E4 highway in the east, the E18 highway in the south and by metro, buses and a local train station in the area.*

### *Labour market*

The city neighbourhood of Kista previously consisted of the neighbourhoods Kista, Akalla and Husby. However, since July 2007, it has been merged with Rinkeby and is now Rinkeby-Kista city neighbourhood.

During the past 20 years, Kista has developed into a prominent IT area. Many large IT and telecom companies have their offices in Kista Science Park, for example, Ericsson, Nokia and IBM. There is also an IT university in Kista, a collaboration between the Royal Institute of Technology and Stockholm University. The number of employment opportunities (refers to the former city neighbourhood) in Kista was 31,850 in 2007. The largest

proportions were within manufacturing and construction (29 per cent), financial activities (27 per cent) and retail and communication (23 per cent).

Unemployment was 4 per cent in Kista at the end of 2007, which is higher than in the County of Stockholm (2.7 per cent) and the national average (3.8).

### *Investor market*

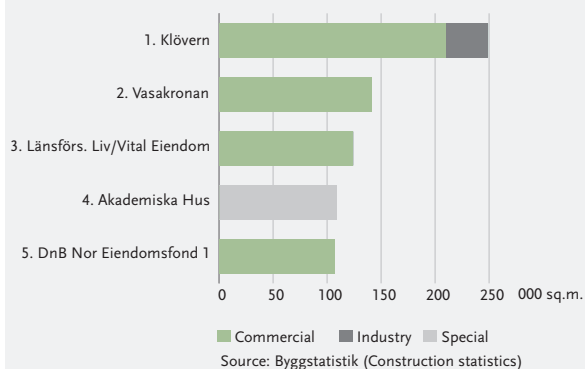
The total premises area in Kista is approximately 1,600,000 sq.m., of which 600,000 sq.m. are commercial premises, 200,000 sq.m. industrial premises and 800,000 sq.m. residential property.

The property Blåfjäll 1 in Kista was purchased in October by the British firm Morley. This purchase consists of 18,000 sq.m. and the property is fully let. The vendor was HDG Mansur and the purchase price SEK 750 million (SEK 41,700 per sq.m). The direct yield was around 5 per cent.



Kista – Helgafjäll 5

Largest owners of commercial premises in Kista



POPULATION TREND IN THE CITY OF STOCKHOLM

November 2007	794,494
November 2006	782,344
Change 12 months	1.2 %
Dec 2002	758,148
Change 4.9 years	4.8 %
Change per year	2.0 %

Source: Statistics Sweden

SEB Trygg Liv and Klövern sold the site leasehold Färöarna 3 in Kista to AREIM Fond 1. The lettable area consists of 40,000 sq.m. of offices which were vacant after the previous tenant Ericsson. The price was SEK 540 million (SEK 13,500 per sq.m.).

In November, Sagax sold two properties Borg 3 and 6 in Kista to Klövern, consisting of 8,300 sq.m. for SEK 89 million (SEK 10,700 per sq.m.). The properties are located close to the planned Kista Expo Center. Sagax subsequently purchased two properties from SEB Trygg Liv in the same area with a lettable area of 15,800 sq.m, 50 per cent of which was industrial premises. The purchase price was SEK 94 million (around SEK 5,900 per sq.m.).

Doughty Hanson sold its properties Färöarna 1, Reykjavik 1 and Borgarfjord 2 at the end of 2007 with a total lettable area of 120,000 sq.m. to DnB Nors Eiendomsfond 1 AS for SEK 2,920 million (SEK 24,000 per sq.m.).

Rental market

The rental market for modern offices is between SEK 1,500 and SEK 2,200 per sq.m. The vacancy rate for offices averages 13 per cent.

Shop rental levels are around SEK 2,200 per sq.m. but they can extend from SEK 1,400 up to as much as SEK 7,000 per sq.m. The vacancy rate for shops is 3 per cent.

Residential rents for older apartments are in the range SEK 850 to SEK 900 per sq.m. and between SEK 1,000 and SEK 1,300 per sq.m. for newer apartments.

Rental levels in industrial properties range from SEK 800 to SEK 1,000 per sq.m. The vacancy rate is currently estimated at 4 per cent.



Linköping – Idétävlingen 4

## Linköping

*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 26,000 students and 3,300 employees, is one of Sweden's largest universities.*

### Labour market

The number of employment opportunities in the municipality of Linköping was 69,574 in 2007. The highest proportions were within private services (45 per cent), public services (38 per cent) and manufacturing industry (15 per cent).

Unemployment was 4.3 per cent in December 2007, which is slightly higher than in Sweden as a whole (3.8) but lower than in the county of Östergötland (4.9).

### 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 2,274,000 sq.m. residential property.

During 2007, eight rented commercial properties have changed hands as separate properties. This is relatively many compared with previous years. According to the price picture, the average value is of around SEK 9,072 per sq.m. within the range of SEK 1,132 to SEK 16,097 per sq.m.

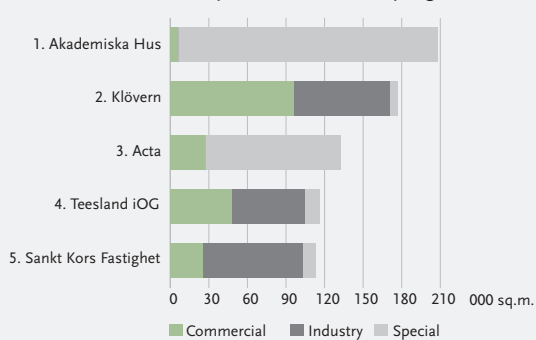
Six industrial properties have been transferred during the past year. The average price per sq.m. is SEK 4,200 per sq.m. in the range SEK 1,219 to SEK 8,557 per sq.m.

Scan is going to construct a logistics centre for over SEK 200 million of 10,000 sq.m. The project is a collaboration between Skanska and Daifuku.



Linköping – Däckeln 3

Largest owners of commercial premises in Linköping



Source: Byggstatistik (Construction statistics)

POPULATION TREND IN THE MUNICIPALITY OF LINKÖPING

November 2007	140,351
November 2006	138,606
Change 12 months	1.3 %
Dec 2002	135,066
Change 4.9 years	3.9 %
Change per year	0.8 %

Source: Statistics Sweden

Kungsleden has purchased four properties from the Åman family for SEK 174 million with an area of 20,000 sq.m. The direct yield is stated at 7 per cent. The properties contain offices and industrial premises among other uses.

At the beginning of 2007, Catellum purchased four properties at Mjärdevi Science Park for SEK 373 million. These properties were Datalinjen 1, Teknikringen 1, Collegium and Intentionhuset. The properties consist of 35,000 sq.m., of which 26,000 sq.m. is office premises. The vacancy rate is stated at just over 35 per cent.

### Rental market

Rental levels for modern offices are between SEK 1,100 and SEK 1,400 per sq.m. in the centre. 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 around 10 per cent. Vacancies are expected to decrease in the central areas.

There is still a considerable imbalance in Mjärdevi Science Park. Out of a total of 180,000 sq.m. of office premises, 30,000 are vacant. The rental level for offices is at SEK 1,000 per sq.m. or more.

Shop rental levels for good inner city locations 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 and 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 and 900 per sq.m.

When it comes to external retail, levels of SEK 1,200 and 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.

## Norrköping

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 4 km from the centre of 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.

### Labour market

The number of employment opportunities in the municipality of Norrköping was around 56,203 in 2007. The largest proportions were in private services (51 per cent), public services (33 per cent) and manufacturing industry (14 per cent).

Total unemployment was 6.4 per cent in December 2007, which is clearly higher than both in the county of Östergötland (4.9) and Sweden as a whole (3.8).

### 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 property 2,450,000 sq.m.

During the past year, four rented commercial properties have changed hands as separate properties in Norrköping. The average price is SEK 5,140 per sq.m., ranging from SEK 1,974 to SEK 12,277 per sq.m.

Nine industrial properties have changed hands at an average price of SEK 4,028 per sq.m., at prices ranging between SEK 1,979 and SEK 6,875 per sq.m.

An establishment boom is in process in the out-of-town retail area Ingelsta. The biggest establishment during 2007 is Axfast's shopping centre with 40,000 sq.m. of sales space for around 15 stores.

During the autumn, Eurocommercial has purchased the commercial property Bronsen 1 with 15,000 sq.m. for SEK 475 million. The direct yield was around 5.75 per cent.

In 2006, Stadium constructed a logistics centre of 32,000 sq.m., corresponding to an investment of SEK 200 million. During the autumn, the property has been sold to DnbNor in Norway for a considerably higher amount.

Keops has sold residential in the Malmstaden portfolio and the Borgsmo portfolio to the Danish-Icelandic Property Group. The purchase price of SEK 273 million also included a small portfolio in southern Sweden.

### 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 round 6–8 per cent.

Normal retail rent levels for A locations in the city centre are SEK 1,300 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.

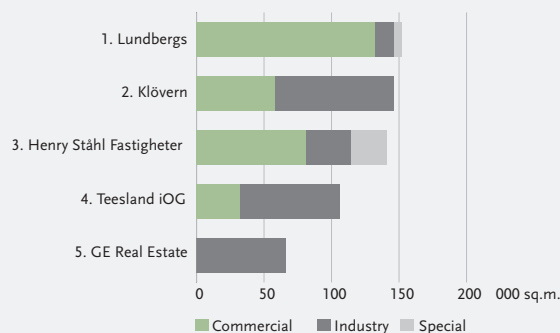
Overall, the supply of offices remains at a high level in Norrköping. There is considerable potential for improvement by renovation or new construction in the Industrielandskapet area. The relationship between supply and demand is more balanced for industrial and retail premises.

#### POPULATION TREND IN THE MUNICIPALITY OF NORRKÖPING

November 2007	126,489
November 2006	125,356
Change 12 months	0.9 %
Dec 2002	123,303
Change 4.9 years	2.6 %
Change per year	0.5 %

Source: Statistics Sweden

#### Largest owners of commercial premises in Norrköping



Source: Byggstatistik (Construction statistics)

## Nyköping

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 is approximately 10 km from central Nyköping. One of Sweden's largest deepest harbours is located in the neighbouring municipality of Oxelösund.

### Labour market

The number of employment opportunities in the municipality of Nyköping was 21,964 in 2007. The largest proportions were in private services (45 per cent), public services (41 per cent) and manufacturing (11 per cent).

Unemployment was 3.8 per cent in December 2007, which is lower than for the county of Södermanland (4.5) and the same as Sweden as a whole (3.8).

### Investor market

The total premises and residential space in Nyköping amounted to 1,714,000 sq.m., of which commercial premises account for 382,000 sq.m., industrial premises 445,000 sq.m. and residential properties 887,000 sq.m.

Three industrial properties have changed hands in the past year. The average price per sq.m. was SEK 3,978 per sq.m. within the range SEK 777 to SEK 7,328 per sq.m.

The Danish investment company Invensis has a building right of 80,000 sq.m. at the northern entrance to Nyköping. They are planning to invest half a billion SEK there. The first phase of 40,000 sq.m. of retail area is expected to be completed at the end of 2008.

Klövern purchased the office property Standard 16 from Länsförsäkringar Södermanland during the autumn for SEK 36 million. With a letting area of 3,362 sq.m.

Klövern has also acquired the properties Kungshagen 1:6 and Nyköpings Bruk 1 for a total price of SEK 32 million and a total area of 3,476 sq.m.

### Rental market

The rental market for modern offices 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. Higher rents also occur for smaller areas.

Vacancies for offices are expected to be below 10 per cent. The vacancy rate is lower for fully modern offices, however, down towards 5 per cent. Vacancies have decreased in the past year.

Retail rents vary greatly. 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.

Rental levels for industry and warehouse premises vary between SEK 350 and SEK 700 per square metre. Rents of between SEK 200 and SEK 300 per sq.m. are common for older and simpler premises. The higher rents apply for newer premises.

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

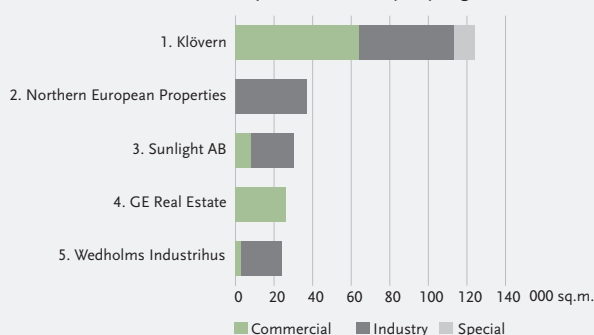
Overall, demand has increased for all types of premises in the past year.

#### POPULATION TREND IN THE MUNICIPALITY OF NYKÖPING

November 2007	50,694
November 2006	50,141
Change 12 months	1.1 %
Dec 2002	49,310
Change 4.9 years	2.8 %
Change per year	0.6 %

Source: Statistics Sweden

#### Largest owners of commercial premises in Nyköping



Source: Byggstatistik (Construction statistics)



Täby – Svänghjulet 1

## Täby

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 15 km.

### Labour market

In 2007, the number of employment opportunities in the municipality of Täby totalled around 22,000. The largest proportions are in private services (59 per cent), public services (32 per cent) and manufacturing industry (7 per cent).

Unemployment in the municipality was 1.2 per cent in December 2007, which is considerably lower than for the county of Stockholm (2.7 per cent) and Sweden as a whole (3.8 per cent).

#### POPULATION TREND IN THE MUNICIPALITY OF TÄBY

November 2007	61,486
November 2006	61,046
Change 12 months	0.7 %
Dec 2002	60,198
Change 4.9 years	2.1 %
Change per year	0.4 %

Source: Statistics Sweden

### 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 residential 200,000 sq.m.

During the past year, four relevant commercial properties have changed hands as separate properties in Täby.

The average price was around SEK 7,656 per sq.m. in the range SEK 4,454 to SEK 12,000 per sq.m.

Two industrial properties have changed hands in a range between SEK 1,179 and SEK 8,149 per sq.m.

During May 2007, JM, together with its subsidiary Seniorsgården, has acquired 120 building rights in one of the planned residential blocks at Attundafältet in centre of Täby. The purchase price was SEK 115 million. The local plan for the area includes 870 residential units, 14,000 sq.m. of office space, 26,000 sq.m. of retail space, 1,400 parking spaces and a new bus station.

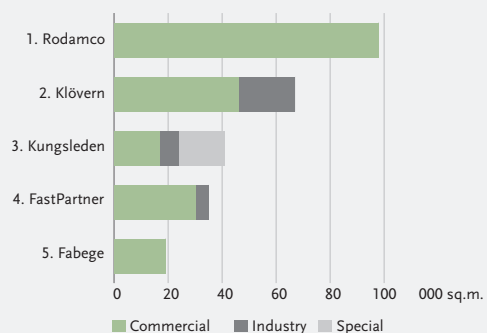
### Rental market

The rental market for modern offices in the centre is between SEK 1,000 and SEK 2,200 per sq.m. For other offices, the level is rather SEK 700 to SEK 1,300 per sq.m. The vacancy rate in central Täby is estimated to be between 5 and 10 per cent.

Normal retail rental levels for ordinary locations in the town centre are SEK 2,000 to SEK 5,000 per sq.m. but levels between SEK 6,000 and SEK 7,500 exist.

Rental levels for industrial properties vary between SEK 750 and SEK 1,100 per sq.m. according to location and standard. The vacancy rate is 6 to 9 per cent.

#### Largest owners of commercial premises in Täby



Source: Byggstatistik (Construction statistics)

# Uppsala

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 [East Coast] railway line pass through the city. The distance to Stockholm is 70 km and to Arlanda Airport 40 km.

## Labour market

The number of employment opportunities in the municipality of Uppsala totalled 85,270. 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).

Total unemployment in the municipality was 2.8 per cent in December 2007, which was on a par with the rest of the county (2.8), although lower than for Sweden as a whole (3.8).

## Investor market

The total area of premises and residential 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 the year, five relevant commercial properties have changed hands as separate properties. The average price was SEK 13,000 per sq.m. in the range SEK 8,900 to SEK 18,900 per sq.m.

The average price for the five industrial properties which have changed hands during the year was SEK 6,400 per sq.m. in a range between SEK 4,000 and SEK 10,300 per sq.m.

Atrium purchased 10.5 hectares of land alongside Gränby Centrum for SEK 140 million during the summer. Together with six other participants, including Atrium Ljungberg and SH Bygg, the shopping centre company is planning to erect a multi-stadium for 8,500 spectators at a cost of over SEK 250 million.

## Rental market

The rental market for modern offices is between SEK 1,400 and SEK 2,000 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 recent 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 stable in the coming year.

Normal retail rental levels for ordinary locations in the inner city are SEK 2,000 to SEK 4,500 per sq.m. but levels over SEK 5,000 exist for premises in central shopping malls.

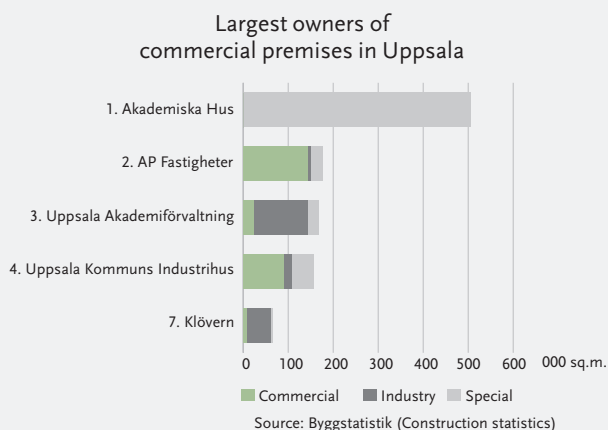
Rental levels for industrial properties vary between SEK 500 and SEK 700 per sq.m. Levels of up to SEK 1,000 per sq.m. occur in the Boländerna area. The vacancy rate for industrial premises in good locations is between 5 and 8 per cent.

Overall, the supply of premises seems to be in balance in Uppsala for a relatively long time to come.

### POPULATION TREND IN THE MUNICIPALITY OF UPSALA

November 2007	187,348
November 2006	185,218
Change 12 months	1.1 %
Dec 2002	179,673
Change 4.9 years	4.3 %
Change per year	0.9 %

Source: Statistics Sweden





Västerås – Allmogekulturen 5

## Västerås

*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.*

### *Labour market*

The number of employment opportunities in the municipality of Västerås was 60,000 in 2007. The largest proportions were in manufacture and mining (19 per cent), trade and communications (18 per cent), health care and social services (16 per cent) and financial activities and corporate services 13 per cent.

Unemployment amounted to 5.1 per cent in December 2007, which is higher than in the county of Västmanland (4.5) and clearly higher than in Sweden as a whole (3.8).

### *Investor market*

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

During 2007, eight rented commercial properties have changed hands as separate properties in Västerås. The average price was SEK 10,100 per sq.m. within the range SEK 2,200 to SEK 22,300 per sq.m.

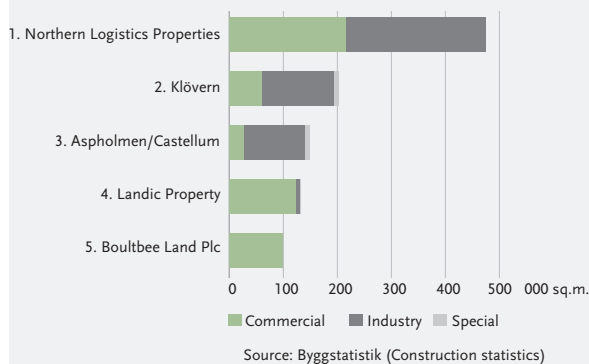
Seventeen industrial properties have changed hands at, according to statistics, an average price of SEK 3,900 per sq.m., within the interval SEK 1,600 to SEK 6,700 per sq.m. During 2007, there has been continued activity in the retail trade areas Hälla and Erikslund. In Erikslund, Aberdeen fastighetsfond [property fund] has acquired the property Krankroken 3 where they intend to convert industrial premises into retail space.

Mediamarket became established in Erikslund during 2007.



Västerås – Leif 19

Largest owners of commercial premises in Västerås



POPULATION TREND IN THE MUNICIPALITY OF VÄSTERÅS

November 2007	133,680
November 2006	132,886
Change 12 months	0.6 %
Dec 2002	128,902
Change 4.9 years	3.7 %
Change per year	0.8 %

Source: Statistics Sweden

Klövern has acquired three properties in Västerås, the vendor being Kungsleden. These properties consist of 32,000 sq.m. of offices, school, shops and industrial premises located in the former SMT area at Öster Mälärstrand.

Keops has acquired a development project at the property Samuel 2 in central Västerås for SEK 137 million from NCC.

The Swedish National Courts Administration has signed a 25-year lease for 6,500 sq.m. of the project's total of 7,000 sq.m. The annual rent is SEK 9 million, equivalent to SEK 1,400 per sq.m.

Ica has acquired 300,000 sq.m. of land in the Hacksta area. Ica is planning to build a new warehouse on the land which is located alongside their existing large warehouse facility.

### 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. Rents of up to SEK 1,500 per sq.m. can occur for premises in Skrapan. Rents in the range of SEK 800 to SEK 1,000 per sq.m. are usual for somewhat older premises.

For small premises in shopping malls, the rents can be between SEK 2,000 and SEK 4,000 per sq.m. Rent levels of up to SEK 5,000 can occur for the very best premises. Rents for retail premises outside the malls are mainly between SEK 1,200 and SEK 2,000 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 7 per cent.

Rental levels in industrial properties vary between SEK 500 and 850 per sq.m. The vacancy rate is between 5 and 10 per cent. Rents for warehouse premises are between SEK 300 and SEK 600 per sq.m.

## Örebro

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 airport with international flights is 10 km from central Örebro.

### Labour market

The number of employment opportunities in the municipality of Örebro was 60,000 in 2007. The largest proportions were in health care and social services (22 per cent), education and research (13 per cent), corporate services (12 per cent), manufacturing industry (12 per cent) and the retail trade (9 per cent).

Unemployment totalled 6.1 per cent in December 2007, which is slightly higher than in the county of Örebro (5.2 per cent) and clearly higher than in Sweden as a whole (3.8 per cent).

### 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 properties 2,663,000 sq.m.

During 2007, four relevant rented commercial properties have changed hands as separate properties. The average price for the sales amounted to SEK 13,100 per sq.m. in the range SEK 6,400 to SEK 23,300 per sq.m. During the same period, seven relevant sales of industrial properties were noted in Örebro. The average price per sq.m. in the sales was SEK 5,000 within the range SEK 1,200 to SEK 6,400 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.

In autumn 2007, the Krämaren shopping centre has been reopened after a total renovation. Some ten new tenants have moved into the refurbished mall including the Spanish-owned fashion chain Zara.

Sten & Ström have started development of Marieberg shopping centre during 2007. This centre will be totally refurbished and be expanded at the same time from 32,000 to 51,000 sq.m. It is expected to be completed by late spring 2009 when the number of shops and restaurants will have increased from the present 60 to 110.

### Rental market

Rental levels for modern offices are in the range of SEK 900 to SEK 1,200 per sq.m. in the centre. Levels of up to SEK 1,350 occur for modern offices in the best locations. Levels of between SEK 700 and SEK 900 per sq.m. occur outside the centre. The vacancy rate for offices in central Örebro is 5–10 per cent.

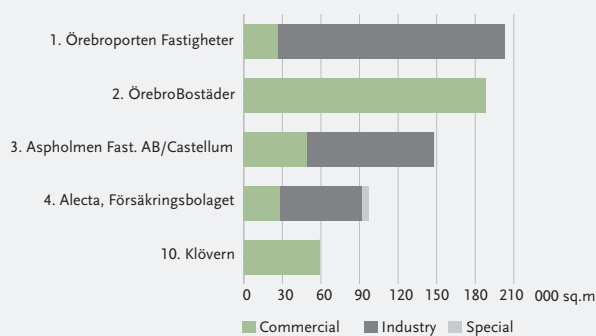
Rents for store premises along the shopping streets in the city core and at the Krämaren shopping centre are mainly between SEK 2,000 and SEK 4,000 per sq.m. Rental levels for good centre locations in the inner city are SEK 1,000 to SEK 2,000 per sq.m.. The vacancy rate for stores in central Örebro is 2–5 per cent. The rental levels for industrial premises vary between SEK 450 and SEK 800 per sq.m. The vacancy rate is estimated at 5–10 per cent.

#### POPULATION TREND IN THE MUNICIPALITY OF ÖREBRO

November 2007	130,254
November 2006	128,863
Change 12 months	1.1 %
Dec 2002	125,520
Change 4.9 years	3.8 %
Change per year	0.8 %

Source: Statistics Sweden

#### Largest owners of commercial premises in Örebro



Source: Byggstatistik (Construction statistics)



*“Klövern is creating the communities of tomorrow.”*



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## Property portfolio

At year-end 2007, Klöver had a total of 220 properties (205) located in 14 municipalities (21) from Uppsala in the north to Borås in the south. The total property value was SEK 12,154 (10,701) million and the lettable area was 1,394,000 sq.m. (1,436,000). The number of properties increased during the year by 15 (43) while the lettable area decreased by 42,000 sq.m. (+394,000). The economic occupancy rate was 88 per cent (84), an increase of four percentage points compared with the previous year-end. The increase in the occupancy rate is mainly due to very strong letting efforts during the year. Net new leases totalled SEK 36 million measured on an annual basis.

Ninety-nine per cent of the portfolio of properties is divided into ten geographical units: Borås, Karlstad, Kista, Linköping, Norrköping, Nyköping, Täby, Uppsala, Västerås and Örebro.

The units in Kalmar and Eskilstuna were sold during the year.

### Lease contract structure

The average lease term has increased to 2.9 years (2.6). A large part of this increase is attributable to a number of major leases being re-negotiated and extended during the year. In all, Klöver has around 3,900 leases. Of the com-

mercial leases, measured as a proportion of lease value, 26 per cent fall due for renegotiation during 2008.

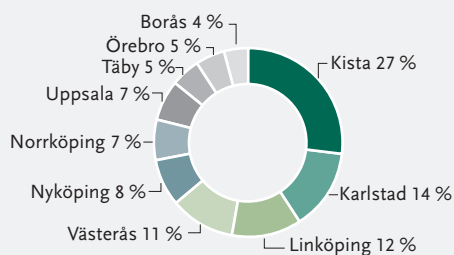
Sixty-six per cent of the total contract value is indexed in relation to the consumer price index (CPI), which provides protection against future inflation increases.

### Operating margin

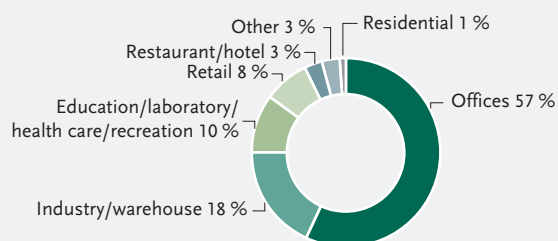
Klöver's operating margin has risen to 63 per cent (60) during the year, which is mainly due to a higher occupancy rate. Adjusted for non-recurring items such as redemption of leases, Klöver achieved an operating margin of 62 per cent (59). The operating margin is measured as operating surplus in relation to rental income. An increased occupancy rate normally leads to an increase in the operating margin since operating costs do not increase proportionally with the occupancy rate.

Klöver's units in Kista and Örebro have a large proportion of offices and shops with high rental income per square metre and a high occupancy rate, which has led to a high operating margin. The units with the greatest potential to increase the operating margin are in Norrköping and Uppsala. Both units have substantial vacancies.

Distribution of rental value per unit



Distribution of rental value per type of premises



PROPERTY PORTFOLIO BY UNIT

Unit	Number of properties*	Area, 000 sq.m.	Rental value, SEKm	Average rent, SEK/sq.m.	Operating margin, %	Ec. occupancy rate, %
Kista	21	249	350	1,603	71	91
Karlstad	49	209	187	930	62	93
Linköping	24	179	160	1,021	68	85
Västerås	29	214	149	775	64	92
Nyköping	31	126	100	812	62	94
Norrköping	14	147	97	859	49	78
Uppsala	3	66	93	1,977	43	63
Täby	25	67	65	1,001	60	93
Örebro	10	62	63	1,075	71	93
Borås	14	75	45	641	57	92
<b>Total</b>	<b>220</b>	<b>1,394</b>	<b>1,309</b>	<b>1,041</b>	<b>63</b>	<b>88</b>

\* During the year, the number of properties decreased by five due to property adjustments.

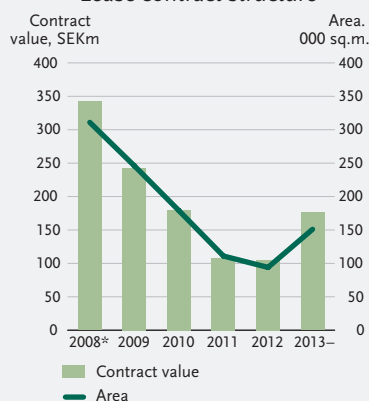
PROPERTY PORTFOLIO BY TYPE OF PREMISES

Type of premises	Number of properties*	Area, 000 sq.m.	Rental value, SEKm	Average rent, SEK/sq.m.	Operating margin, %	Ec. occupancy rate, %
Offices	103	678	741	1,187	68	88
Industrial/Warehouse	61	453	233	613	61	86
Education/laboratory/health care/recreation	32	113	130	1,165	64	80
Retail	11	87	111	1,320	49	96
Restaurant/hotel	5	44	39	894	42	97
Residential	1	19	16	907	58	99
Other**	7	–	39	–	–	90
<b>Total</b>	<b>220</b>	<b>1,394</b>	<b>1,309</b>	<b>1,041</b>	<b>63</b>	<b>88</b>

\* During the year, the number of properties decreased by five due to property adjustments.

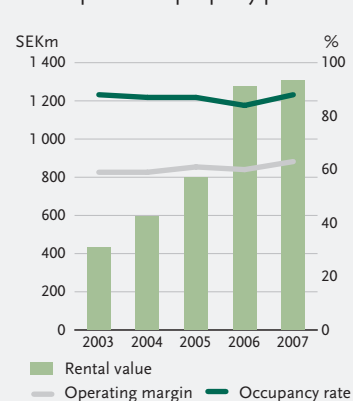
\*\* The number of properties refers to sites. Other columns indicate garages, parking spaces, masts and signs.

Lease contract structure



\* Garages/parking spaces are included in the maturity year 2008 at a contract value of SEK 33 million.

Development of property portfolio



## Business Parks and Science Parks



Uppsala Business Park



Norrköping Science Park



Örebro Science Park

The concept Business Parks and Science Parks characterises an area where companies active in research, development, high technology and IT are offered attractive, premises at a good price in a creative and dynamic environment. A Science Park should be directly adjacent to the university or other institution of higher education.

Concentrating many developing companies within the same area produces good conditions for joint development projects, new companies, network building and technology transfer.

There is added value for the customer in being located in a network among other creative, expansive companies in the same industry, which gives a good image since every park has a clear vision and specialisation. The parks also offer a broad range of services which simplify the customer's everyday situation. The value for Klöver is partly in the possibility of new, long-term relationships with expanding companies and partly in the relatively high demands made by the parks' tenants which drive development in Klöver forwards. New requests for more high level technology can be developed and tested in a "technology-wise" environment to be then spread to Klöver's other tenants.

All parks have office hotels where expanding companies operate and grow. Klöver is also developing an offer called Klöver Entré, which is a concept for newly-started companies to obtain a discounted rent in the parks' office hotel during the first year. These companies are to be active within the specialisation that applies for the park.

Klöver regards office hotels and Klöver Entré as a development and support for local business, and a possibility to meet new customers.

At the parks, Klöver offers various solutions in the sphere of services.

- Internet service means that Klöver offers broadband solutions for all of the companies' various requirements. Klöver has around 200 broadband customers and the service area produces a positive effect on earnings.
- Klöver's telephone service offers the possibility of both mobile and fixed connection with a personal telephone operator and a broad range of telephones and accessories. This service is offered in Norrköping Science Park and will be developed for more parks during the year.

- Postal and administrative service is, together with reception and conference facilities, a part of the concept for the parks.
- Klöverner does not operate parking and restaurant facilities itself but these are available at all parks.

## Klöverner is a dominant player at six Business and Science Parks

### *Karlstad Business Park*

At Kanikenäset, companies in IT and telecommunications predominate. There are around 40 companies here with over 2,000 employees. Klöverner has 39,000 sq.m. in the park. Among Klöverner's largest tenants in the area can be mentioned Telia, the Swedish Consumer Agency and Tieto Enator. Karlstad Business Park is in a strongly expansive phase. New residential is being built alongside the commercial properties. Klöverner has made a deliberate attempt to lead the development of Karlstad Business Park.

### *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. Klöverner is the largest property owner in Kista with 21 properties and 249,000 sq.m. of lettable area, which corresponds to a market share of 29 per cent.

Klöverner is working hard to further increase Kista's attractiveness, among ways by building Kista Expo Center, where a large hotel is also planned.

### *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 - telecommunications, software and system development, electronics, home communications and vehicle safety. Klöverner has 27,000 sq.m. in the area. Major tenants include Expert, Enea, Lawson, Sick-IVP, Tieto-Enator and VM-data.

### *Norrköping Science Park*

Norrköping Science Park is a business park in the vicinity of Campus Norrköping (Linköping University) which promotes entrepreneurship and new business initiatives through its creative and knowledge-intensive environ-

ment. Within the area there are about a hundred companies with over 800 employees. Among the larger tenants may be mentioned the IT department of the municipality of Norrköping, TP Group, Gaia System AB, VM-data and Leon AB. Klöverner operates a conference facility and has 45,000 sq.m. in Norrköping Science Park.

There is a special focus on four profile areas: media technology, printed electronics, new health tools and effective logistics. During 2008 and 2009, the park will be further developed by large investments in visualization and printed electronics.

### *Uppsala Business Park*

Uppsala Business Park has a special position in Life Science in Sweden. Today, AMO, Biolipox, Biovitrium, Fresenius, Kabi, GE-Biacore, Kemwell, Medeca Pharma, Pfizer, Phadia and Visionar are active in the area. The area offers service in the form of company health care, a day care centre, restaurants, conference facilities, a laboratory desk and security services.

There are also various laboratories in the area for chemical and microbiological analyses. There is a stability room, a clean room and pilot facilities for pharmaceutical production. The area also has high-quality computer rooms, where Klöverner operates a server hotel. For companies needing smaller premises, Klöverner offers an office hotel and a laboratory hotel is in the process of development. There are collaboration agreements with the business incubator Uppsala Innovation Center to support and develop new Life Science undertakings.

Today, Klöverner is responsible for some 25 different high quality types of media for its tenants at Uppsala Business Park. 1,800 employees work in the area and Klöverner has 57,000 sq.m. in the park.

### *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, Inkubera and Örebro Innovation Center are other examples of organizations which work with collaboration between the university and the business sector.

Klöverner is working actively for the further development of Örebro Science Park and has 5,000 sq.m. lettable area in the park.

## Project and property development

Project and major tenant adaptations of Klöver's own portfolio are of particular interest at times of stiff competition for properties. Project development can take place through development of unutilised building rights, individual properties or by transformation of entire areas. In all cases, active collaboration is required with tenants and municipal authorities.

Through Klöver deliberately acquiring properties with a high vacancy rate, the company has developed a broad and sound expertise in property and project development. Furthermore, additional highly qualified project resources were recruited during the year.

During 2007, a number of large projects were carried out at existing properties. In all, SEK 594 million (147) was invested. A total of SEK 308 million has been invested in projects completed during 2008, and in some cases commenced in previous years.

The single largest investment during 2007 was at Helgafjäll 5 in Kista, which was refurbished for Nokia and Street Restaurant and which received an external facelift and a modernisation of installations.

In addition to the projects completed during 2007, a great number of large and small investments are in process. In all, 95 projects are in process with calculated expenditure of SEK 711 million.

### Kv Lidarände 1, Kista

During 2007, Kista concluded an agreement to construct Kista Expo Center with 15,000 sq.m. The Kista Expo Center will provide flexible meeting places with a capacity to arrange its own and external fairs, congresses and conferences for 1,400 persons and events and concerts for 4,500 persons. Phase 1 will be completed with moving in in autumn 2008. The second phase will be completed during 2009 with a new entrance hall and entry from Kistagången. Klöver's total investment for the Lidarände block is estimated at SEK 400 million.

In tandem with this process, Klöver is investigating the possibility of building a hotel of around 40 storeys directly adjacent to Kista Expo Center. A new local plan is expected to be adopted in the summer of 2008.

#### MAJOR COMPLETED PROJECTS IN 2007

Property	Location	Investment, SEKm	Estimated net operating income, SEKm	Change in value, SEKm
Helgafjäll 5	Kista	97.2	9.3	158
Furan 2	Nyköping	9.3	0.8	18
Idéskissen 1	Linköping	8.2	2.4	21
Barkassen 9	Karlstad	6.9	2.3	27
Platinan 1	Norrköping	5.7	1.1	18
Kannringen 1	Täby	4.0	2.0	10

Property development is often seen to have an effect on both net operating income and fair value



Kista – Kv Lidarände including the future Kista expo center and hotel.



The future Kista expo center and hotel.

## Building rights

As a consequence of falling vacancies, Klöverns available building rights become increasingly important. There are almost 600,000 sq.m. of possible building rights at different stages of the planning process. In some cases, planning work has not even started and use of this kind of building right must be considered as being uncertain. However, after initial contacts with the municipalities, it is possible even in these cases to assess the possibility of carrying the project as being good.

### BUILDING RIGHTS

Unit	Estimated building right, 000 sq.m. GA*
Kista	200
Uppsala	125
Västerås	90
Nyköping	60
Linköping	40
Norrköping	35
Örebro	15
Karlstad	15
Täby	5
Borås	5
<b>Total</b>	<b>590</b>

\* GA = Gross area

### EXAMPLES OF POSSIBLE BUILDING RIGHTS

Unit	Property	Estimated building right, 000 sq.m. GA*	Planned activity	Construction	Local plan
Borås	Rotorn 3	3	Office/industry	Not started	Not yet completed
Karlstad	Kanoten 9, 10 mm	15	Residential/office/service	Not started	Planning in progress
Kista	Isafjord 1	150	Office (residential)	Not started	Exists for 40,000 sq.m.
Kista	Geysir 1, 2 resp Alptanäs 2, 3	40	Office (industry)	After 2010	Exists for part of project
Linköping	Paletten 1	18	Office/industry	Not started	Exists
Norrköping	Malmen 6	14	Office/retail	Not started	Planning in process
Nyköping	Ana 13 – southern area	25	Residential/office/retail	Not started	Planning in process
Täby	Svånghjulet 2	6	Residential/office	Not started	Exists for part of project
Uppsala	Fyrislund 6;6	118	Residential/production	Not started	Exists
Västerås	Gustavsvik 13, Icander 1, Västerås 2:5	24	Residential	After 2010	Planning in progress
Västerås	Kryssen 3 & 4, Regattan 46	48	Residential	After 2010	Planning in progress
Örebro	Forskarbyn 2	5	Office	Not started	Exists

\* GA = Gross area



Nyköping – Ana 13 – building rights



Kista – Helgafjäll 5

## Purchases and sales

Purchases and sales are an important part of Klöver's aim to continuously develop and improve the property portfolio. The company's strategy has been to acquire properties with a great improvement potential through a high level of vacancies or a high yield. The properties sold have mainly been at locations which are not prioritised by Klöver today.

During 2007, Klöver has worked on reinforcing existing units and concentrating its property portfolio to create organizational and financial opportunities to continue expanding. Ninety-nine per cent of the property portfolio is at Klöver's prioritized locations and seven of ten units have achieved the target of a rental value exceeding SEK 75 million.

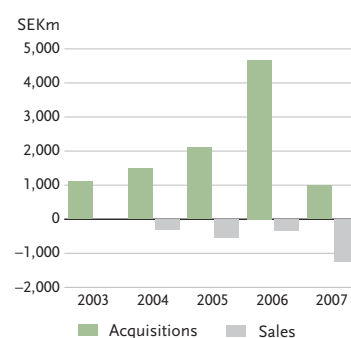
### Acquisitions

The number of acquired properties was 47 (63) during the year with a value of SEK 989 million (4,672) and a lettable area of 159,000 sq.m. (450,000). The major part of the acquired properties are located in Karlstad and Västerås and were acquired in the third quarter from Kungsleden for SEK 908 million. Three properties have been acquired in strategic locations in Nyköping. Properties have also been acquired in Kumla, Köping and Örebro.

### Sales

During 2007, Klöver sold 27 properties (15) with a value of SEK 1,236 (348) million and a lettable area of 202,000 sq.m (56,000). There were essentially two large sales that took place during the year. All properties in Kalmar and Eskilstuna were sold during the second quarter to Dagon for a sales price of SEK 707 million. The reason for Klöver leaving Kalmar and Eskilstuna was mainly the difficulty of growing by additional acquisitions and thus creating strong administrative units. The second transaction was with M2 Gruppen (now Corem), where Klöver sold properties equivalent to SEK 486 million. The properties sold to M2 Gruppen are located at places which are not currently prioritized by Klöver. All properties sold during the year are listed on page 94.

Acquisitions and sales of properties



#### PROPERTY ACQUISITIONS

Unit	Number	Area, sq.m.	Purchase price, SEKm	Rental value, whole-year basis, SEKm
Borås	–	–	–	–
Eskilstuna	–	–	–	–
Kalmar	–	–	–	–
Karlstad	38	107	736	89
Kista	–	–	–	–
Linköping	–	–	–	–
Norrköping	–	–	–	–
Nyköping	3	7	68	7
Täby	–	–	–	–
Uppsala	–	–	–	–
Västerås	4	35	160	19
Örebro	2	10	25	3
<b>Total</b>	<b>47</b>	<b>159</b>	<b>989</b>	<b>118</b>

## Added value of sold properties

The realised change in value for sold properties is based on the difference between the fair value of the properties and the price the property was sold for. The worked-up unrealised changes in value generated in previous years is included in the fair value of the properties and is therefore not shown in the realised change in value. During its period of ownership, Klöver'n has invested a total of SEK 877 million in the properties sold this year. The sales price of properties totalled SEK 1,236 million (348), which results in added value of SEK 359 million (41).



Nyköping – Ana 11

PROPERTY SALES						
Unit	Number	Area, sq.m.	Sales price, SEKm	Change in value, SEKm	Rental value, whole-year basis, SEKm	
Borås	–	–	–	–	–	–
Eskilstuna	4	27	294	90	32	
Kalmar	11	64	423	107	44	
Karlstad	1	1	4	1	1	
Kista	1	12	63	4	8	
Linköping	–	–	–	–	–	
Norrköping	3	21	77	18	11	
Nyköping	2	13	52	10	7	
Täby	–	–	–	–	–	
Uppsala	–	–	–	–	–	
Västerås	2	3	17	5	3	
Örebro	3	61	306	124	35	
<b>Total</b>	<b>27</b>	<b>202</b>	<b>1 236</b>	<b>359</b>	<b>141</b>	

## Property valuation

Klövern carries investment properties in accordance with fair value. Every quarter, Klövern values 100 per cent of the property portfolio, of which 20–30 per cent are 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 an external valuation. During 2007, Klövern has externally valued 172 properties, all of which were properties that had been owned for the whole year. Most of the properties acquired during the year have also been valued externally. 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 yield level of the properties has been assessed on the basis of their unique risk and transactions made at the respective location according to the location price method.

The fair value does not include deductions for stamp tax or other transaction expenses.

The external valuations have been carried out by DTZ Sweden in accordance with the international valuation standard.

### Calculation of fair value

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

### Summary

<i>Valuation date</i>	31 December 2007
<i>Fair value</i>	SEK 12,154 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 5.50 and 11,00 per cent
<i>Cost of capital/ discount rate</i>	Between 5.00 and 13.00 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 inflation target)

### Calculation of the fair value

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 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. Every lease contract at the properties has undergone an individual assessment of its market rent after the end of the lease.

#### PROPERTY HOLDING AND VALUATION AT FAIR VALUE PER 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	21	350	91	249	5.00 – 9.00	5.65 – 7.00
Karlstad	49	187	93	209	6.50 – 10.25	5.80 – 8.75
Linköping	24	160	85	179	6.00 – 11.00	5.50 – 9.00
Västerås	29	149	92	214	6.50 – 11.50	5.50 – 9.50
Nyköping	31	100	94	126	7.00 – 12.00	5.85 – 9.00
Norrköping	14	97	78	147	6.00 – 13.00	5.75 – 11.00
Uppsala	3	93	63	66	7.50 – 12.00	6.00 – 10.00
Täby	25	65	93	67	7.50 – 9.25	5.50 – 7.25
Örebro	10	63	93	62	5.50 – 9.50	6.00 – 7.50
Borås	14	45	92	75	7.50 – 10.00	6.00 – 8.00
<b>Total</b>	<b>220</b>	<b>1,309</b>	<b>88</b>	<b>1,394</b>	<b>5.00 – 13.00</b>	<b>5.50 – 11.00</b>

\* 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.

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

Operating expenses have been assessed on the basis of the budget for the respective property and the 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 of future investment requirements.

The present value of the cash flow for each year 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.

The yield requirements of the external valuers have essentially been 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.

## Changes in value of the properties

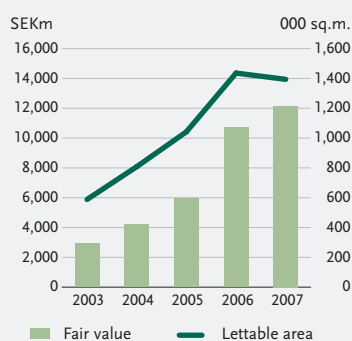
The fair value of Klöverns properties amounted to SEK 12,154 million (10,701) on 31 December, 2007. Changes in value amounted to SEK 1,106 million (262), of which realised changes in value accounted for SEK 242 million (45) and unrealised changes in value SEK 864 million (217).

The change in value has primarily arisen by work on improvement projects, a strong net letting and reduced required return in particular in Kista. The reduced required return in Kista is closely linked to the improvement projects which have been carried out or started during 2007.

The average yield requirement for Klöverns properties was 6.6 per cent (6.9) on 31 December 2007. The direct yield requirement has been affected by changes in the property portfolio carried out during the year. At the beginning of 2007, the average yield requirement for properties sold was 8.5 per cent. Adjusted for properties sold, the average yield requirement was 6.7 per cent at the beginning of 2007.

CHANGE IN FAIR VALUE	SEKm
Reported value on 1 January 2007	10,701
Acquisitions	989
Investments	594
Sales	-1,236
Change in value	1,106
<b>Reported value on 31 December 2007</b>	<b>12,154</b>

Fair value of properties



SENSITIVITY ANALYSIS, PROPERTY VALUATION

	Change +/-	Effect on earnings, SEKm
Direct yield	0.5% point	-858 /+999
Rental income	SEK 100/sq.m.	+/-2,117
Operating expenses	SEK 50/sq.m.	-/+1,058
Vacancy rate	1.0 % point	-/+214

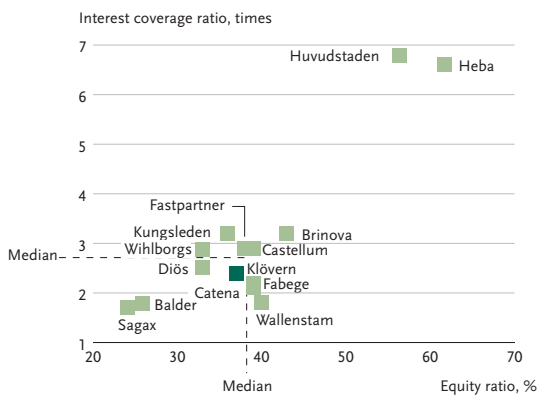
## Financing

Financial operations in the Klöver Group are centralized to the Parent Company. The finance function is responsible for management of borrowing, efficient cash management and limiting the financial risks. Assets, the largest part being the property portfolio, are financed by own or external capital, the latter consisting of loans from banks and credit institutions. The division between own and borrowed capital is determined by the direction of the property portfolio, the company's risk aversion, and not least by the lenders' requirements.

The financial risk taking and position of real estate companies can be seen by, among other things, the equity

ratio, the interest coverage ratio and the leverage. Klöver's goal is for the equity ratio to be between 25 and 35 per cent and for the interest coverage ratio, excluding unrealised changes in value to amount to 1.5 multiples. At the year-end, the equity ratio was 37.4 per cent (33.7) and the interest coverage ratio, was 5.9 times (4.4). A comparison of existing key ratios (interest coverage ratio calculated excluding changes in value) among listed real estate companies as at 30 September 2007 shows that Klöver had an equity ratio and interest coverage ratio close to the median value among the companies compared.

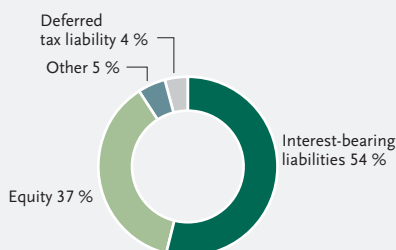
Financial risk and stability per 30 September 2007



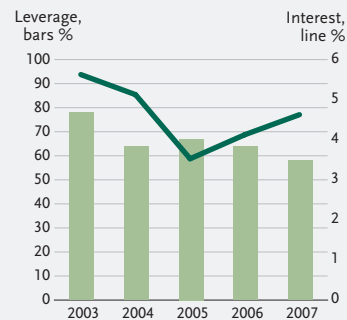
### FINANCIAL TARGETS AND OUTCOME

	Target	Outcome
Interest coverage ratio	Shall, amount to at least 1.5 multiples	5.9
Equity ratio	Should be between 25 and 35 per cent.	37.4
Interest rate risk	Loans with an initial interest coverage ratio of 90 days or shorter and which exceed 20 per cent of the total loan volume are to be 50 per cent covered by the interest cap.	Complied with
Basic risk	<ul style="list-style-type: none"> <li>Tied-up capital is to be at least 3 years</li> <li>At most 35 per cent of the total liability is to mature during the same year.</li> </ul>	3.7 Complied with
Refinancing risk	At most 50 per cent of the capital requirement in relation to one and the same lender	Complied with

### Financing



### Leverage and average interest rate



## Finance policy

Klövern's Board of Directors has adopted a financial policy that sets goals for the financial operations and how financial risks are to be handled. The financial policy is reviewed annually. The overall goal of financial management at Klöver is to support the company's core operations by minimising the long-term cost of external capital and stating how financial risks are to be dealt with.

The policy also stipulates the allocation of responsibility in financial matters and the rules concerning reporting, follow-up and control. Klöver has a finance committee, consisting of the Chairman of the Board, two board members, and the President/CEO, finance manager and chief financial officer. The Chairman of the Board is also the chairman of the finance committee. The committee is an advisory forum which takes up issues of strategic importance. Financial issues to be taken up at the Board should first be discussed by the finance committee.

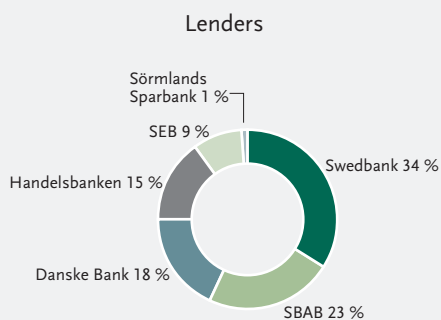
At the Board's annual review of finance policy, the proportion of the loan portfolio which will mature within a year was adjusted from 25 to 35 per cent with a view to obtaining greater flexibility in choice of maturities. The average period of tied-up capital must, however, still be at least three years.

## Financing

Klövern's financing of assets, which amounted to SEK 13,009 million (11,471) on 31 December 2007 consisted of equity of SEK 4,867 million (3,868), which corresponds to 37 per cent (34). The interest-bearing liabilities amounted to SEK 7,007 million (6,878), which is equivalent to 54 per cent (60). The remaining part, SEK 1,135 million (725) or 9 per cent (6) consisted, among other things, of deferred tax liability, other liabilities and accrued expenses and prepaid income. The major part of the non-interest bearing liabilities consisted of prepaid rents and an interest-free loan of SEK 160 million from Fabege which falls due in November 2008.

SEK 5,235 million (4,685) of the interest-bearing loans have variable interest and SEK 1,772 million (2,193) fixed interest. In addition to existing interest-bearing loans, Klöver had unused credit facilities of SEK 1,190 million (924), of which SEK 888 million (457) were immediately available for use with existing collateral. In addition, overdraft facilities of SEK 136 million are available. The increase in volume of the loan portfolio is attributable to the increase in the property portfolio. All financing takes place in SEK. As at year-end, liquid assets totalled SEK 87 million (95).

The loan portfolio is distributed among six lenders, all Swedish. The largest lenders are Swedbank, SBAB, Den Danske Bank and Handelsbanken. There are property mortgages of SEK 7,460 million (6,979) as collateral for the interest-bearing liabilities. At year-end, the average tied-up capital was 3.7 years (4.3).



### INTEREST RATE AND CAPITAL MATURITY STRUCTURE

Year	Interest rate maturity structure		Capital maturity structure	
	Interest due, SEKm	Average interest rate, %	Credit agreement, SEKm	Utilized, SEKm
Floating	5,235	4.6	–	–
2008	428	4.9	193	193
2009	254	4.4	404	404
2010	32	3.8	2,625	2,218
2011	58	6.4	1,635	1,430
2012	–	–	2,268	1,690
2013–	1,000	4.4	1,072	1,072
<b>Total</b>	<b>7,007</b>	<b>4.6</b>	<b>8,197</b>	<b>7,007</b>

## Interest rate structure

The average interest rate was 4.6 per cent (4.1) on 31 December 2007. The increase in the interest rate level is due to a general rise in market interest rates. During 2007, Klöver carried out early redemption of fixed interest loans, which gave rise to additional interest expense, early redemption fees of SEK 10 million.

The average fixed-interest period was 1.4 years (1.8) at year-end. The loans, including variable-interest loans which, have an interest due date in 2008, had an average fixed-interest period of 19 days (10) at year-end. In the cases where variable-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 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. To limit the interest rate risk, Klöver has interest rate caps totalling SEK 3,329 million (3,329).

Loans with interest due dates within 12 months totalled SEK 5,663 million (4,941). An immediate change in the short market rate by +/- one percentage point would entail changed interest expense per year of SEK +19 million or SEK -42 million respectively at the end of the year with the interest cap. Klöver's average borrowing rate would have changed by +0.27/-0.60 percentage points.



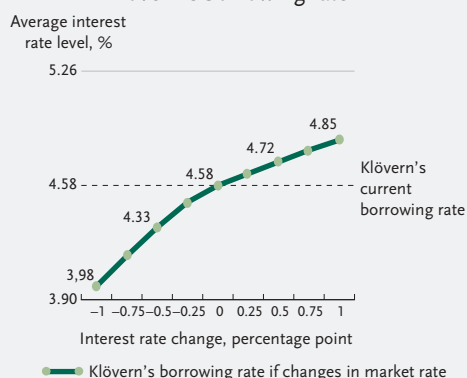
Holdings of interest rate caps and swaps, which are used to manage interest rate risk and achieve the selected fixed interest, can entail changes in value in the interest derivative portfolio over time. During 2007, the change in value of the interest rate caps was SEK 10 million (12). Changes in value for swap agreements were included at SEK 43 million (16). The fair value amounted to SEK 37 million (33) and SEK 60 million (16) respectively.

### KLÖVERN'S INTEREST RATE CAP

Year due	2009		2010			2011		2012
Volume, SEKm	330	400	180	419	500	1,000	500	
Reference rate, STIBOR	3M	3M	1M	3M	3M	3M	3M	
Redemption rate, %	4.0	4.5	4.0	4.0	4.5	4.5	4.5	

M = month

### The effect of interest rate changes on Klöver's borrowing rate



## Opportunities and Risks

### Change in value, properties

The greatest risks and opportunities in Klöver's business lie in changes in the value of properties. The opportunity of generating positive changes in value is largely affected by the extent to which Klöver succeeds in improving and developing properties and by the contract and customer structure. General changes in property values are affected by changes in interest rates, the general state of the economy, the local balance between supply and demand, the expected rental growth, the opportunities for loan financing and the required return. The required return is also affected to a great extent by the risk-free interest rate and the properties' unique risk. Changes in the market value of the properties can affect the company's result both positively and negatively. As Klöver reports its portfolio of properties at fair value, this means that the consolidated book value corresponds to the market value of the properties.

### Rental income and occupancy rate

The largest tenant is Ericsson, which with 30 different contracts at year-end accounted for 14 per cent (18) of Klöver's total contract value. Ericsson leases mainly large office areas in Kista. The group executive management and management of the Networks business area are located there. The next largest customer is Saab with three per cent of Klöver's total contract value.

Other major tenants are Posten, TeliaSonera, Sony Ericsson, the National Road Administration, Orexo, Pfizer Health, Arvid Svensson and the Municipality of Karlstad, who together account for 11 per cent of Klöver's total lease contract value. Exposure to the ten largest tenants decreased to 28 per cent in 2007 (35).

To compensate any inflation effects, the main part of all lease contracts with a term exceeding three years is wholly or partly linked to the consumer price index (CPI).

Klöver makes creditworthiness assessments for all new letting. On the basis of a good credit rating, certain lease contracts are supplemented by a surety, deposit or by a bank guarantee. All rent is paid in advance. Despite this, there is a risk of tenants suspending payments or otherwise not performing their undertakings, which affects Klöver's result negatively. Customer losses amounted in 2007 to less than 0.2 per cent or SEK 2 million of Klöver's total income.

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. Klöver has concentrated its property holdings to ten larger locations and 99 per cent of the rental income derives from these prioritised markets.

At year-end, Klöver had an occupancy rate of 88 per cent (84). This means that the rental value of the vacant areas amounts to around SEK 150 million. With a local presence on the respective market, Klöver has great opportunities to benefit from future business opportunities and increase the occupancy rate. A change in Klöver's occupancy rate of  $\pm 1$  percentage point would affect the company's net profit by SEK  $\pm 13$  million.

### Operation and maintenance

Cost items in property operations consists largely of charge-based costs, such as heating, electricity, water 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.

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

Continuous practical action and investments take place to further improve cost effectiveness. During 2007, Klöver had a variable electricity price for approximately half of its electricity consumption and the remaining half at a fixed price until the end of March 2008. If Klöver's average electricity price changes by  $\pm$  SEK 0.1, earnings before tax will be affected by SEK  $\pm$  8 million.

Heating costs mainly depend on the weather. During 2007, it has been 20 per cent warmer than usual. If heating for a particular year deviates by  $\pm 10$  per cent, Klöver's profit before tax will be affected by around SEK  $\pm$  4 million.

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 contract value in the beginning of 2007 amounted to 9 per cent.

## Environment

Property development and property exploitation have 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 acquisition, knew of or should have detected the pollution, is responsible. This means that demands can, in certain conditions, be directed at Klöver 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. At present, however, there is no knowledge of any significant environmental demands which can be directed at Klöver.

## Financing

Besides equity, Klöver's activities are financed to the largest extent by borrowing from banks and credit institutions. Consequently, Klöver is exposed to financing and interest rate risks. The financing risk is managed by maturities of interest-bearing liabilities having to amount to at least three years and there being long-term loan facilities with unutilized facilities.

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. A cyclical upswing increases demand for capital and inflationary pressure increases, which in turn leads the Riksbank to react and raise the repo rate to limit the inflation rate. Monetary policy in Sweden aims at maintaining inflation at two per cent plus/minus one percentage point by adjustment of the repo rate.

Rising short-term interest rates mean increased interest expense and falling interest rates the opposite. The effect of an upswing will, however, be marginal in the present situation since Klöver has obtained interest caps that greatly limit the effect on Klöver's borrowing cost. A fall will, however, have its full impact as soon as the redemption levels for the interest rate cap at 4.5 and 4.0 respectively are passed. A change in long-term market interest rates affects Klöver first when the loans concerned are to be renegotiated. See the section "Financing" for further information.

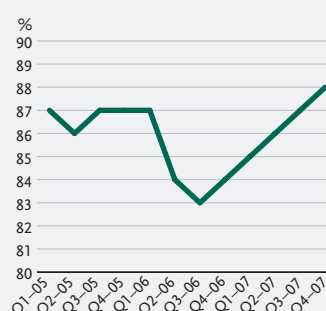
During 2007, Klöver has decided to shorten the fixed-interest period and place a large part, SEK 5,235 million (4,685) of the loans with a floating interest rate. The interest cap amounts to SEK 3,329 million (3,329). A change in the floating interest rate on 31 December 2007 with +/-1 percentage point would have affected Klöver's interest expense by +0.27 and -0.60 percentage points respectively.

Klöver has decided to use interest rate derivatives in order to optimise risk management in a flexible way. For short term borrowings supplemented by derivatives, the risk in the original loan decreases at the same time as the

### CHANGE IN VALUE PROPERTIES

	-10 %	-5 %	0	+5 %	+10 %
Profit before tax, SEKm	-1,215	-608	-	+608	+1,215
Equity ratio, %	27	32	37	42	47
Leverage, %	64	61	58	55	52

### Occupancy rate



The occupancy rate has increased by 1 percentage point for five consecutive quarters. The fall during 2006 was due to acquisition of properties with large vacancies.

risk in the change of value of the derivative increases. When the agreed interest rate for the derivative deviates from the market rate, a change in value arises that affects the company's result.

## Senior management and other key personnel

Klövern'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 employees 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 control and external control by auditors, administrative systems that are appropriate for their purpose, competence development and access to reliable valuation models are methods to reduce the operating risks. Klöver works continuously to monitor the company's administrative security and control.

## Taxes

At the end of 2003, Klöver requested that the tax assessment for the same year should be reconsidered. The intention was to determine 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 as an IT company.

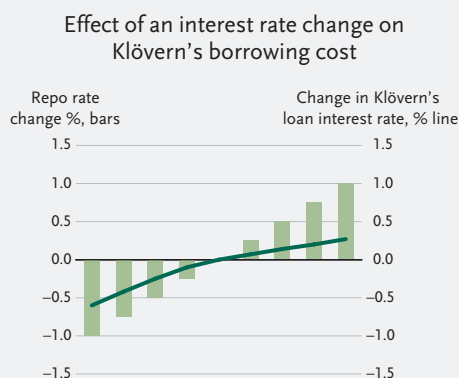
In spring 2006, Klöver recalled its request for reconsideration. A tax surcharge of SEK 493 million imposed by the Tax Agency in this case was quashed, however, by the County Administrative Court in December 2007. The Tax Agency has appealed against the judgment to the Administrative Court of Appeal.

Klövern subsequently submitted a new request for this loss carry forward in 2006. This request has been rejected by the Tax Agency and Klöver has appealed against the decision to the County Administrative Court.

Klövern has moreover tax proceedings from the 1999–2003 tax assessment years, where the Tax Agency wishes to reduce the tax loss carryforwards by SEK 21 million net. The amounts are not yet paid (respite) and tax surcharges are reported as a contingent liability. Klöver has appealed these cases to the County Administrative Court.

## Sensitivity analysis

The sensitivity analysis is based on the Group's earning capacity and balance sheet as at 31 December, 2007. 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 – CASH FLOW

	Change	Yearly effect on profit, SEK
Economic occupancy rate	+/- one % point	+/- 13.0
Rental income	+/- 1 %	+/- 11.5
Property expenses	+/- 1 %	-/+ 4.6
Klövern's average borrowing rate	+/- one % point	-/+ 70.1

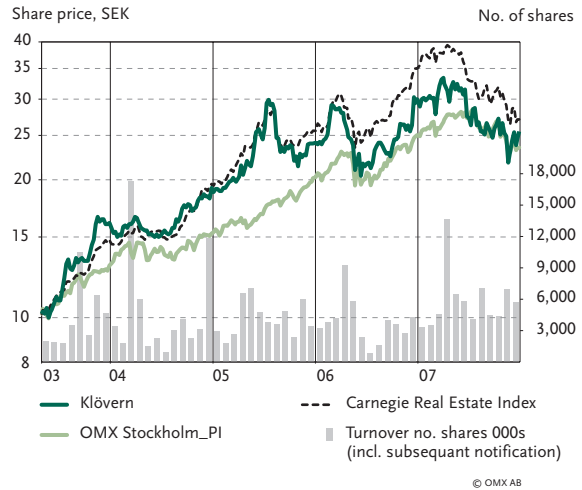
# The Klöver share and shareholders

## Price movements

The Klöver share, which is listed on OMX Nordic Exchange, for medium-sized companies, was priced at SEK 25.50 (30.00) at the end of the year. During the year, the value of the Klöver share had decreased by SEK 4.50, which corresponds to a fall of 15 per cent. Carnegie's property index (CREX) fell during the same period by 23 per cent and the OMX Nordic Exchange All-share index (OMXSPI) by 7 per cent.

The highest price paid during the year was SEK 33.40 and the lowest SEK 21.40. During 2007, 69.5 million Klöver shares were traded for a total of SEK 1,950 million, which is an indication of high liquidity. Klöver's capitalization at the end of 2007 was SEK 4,227 million, compared with SEK 4,996 million at the end of 2006.

Klöver's share price



## Dividend and yield

According to Klöver'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.

The Board of Directors proposes that dividend on 2007's result should total SEK 1.50 per share (1.25). This is equivalent to an increase of 20 per cent compared with 2006. If the Annual General Meeting decides in accordance with the Board's proposal, dividend is expected to be paid on 11 April, the record date being 8 April 2007.

This year's proposal means that 65 per cent of the earnings, excluding changes in value and taxes, are

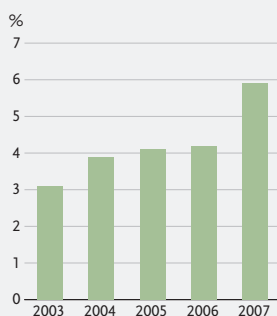
distributed to shareholders. The proposed dividend is equivalent to a direct yield of 5.9 per cent calculated on the basis of the share price on 31 December 2007.

During the year, the total yield of the share, including dividend of SEK 1.25, has been -10.8 per cent (26.5).

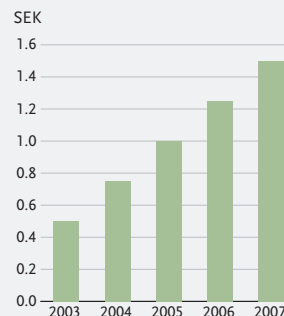
## Equity and net worth

Assets and liabilities are valued at fair value and net worth can accordingly be calculated on the basis of equity in the balance sheet. Equity per share amounted at year-end to SEK 29.36, after an increase of SEK 6.13 during the year.

Direct yield of the share



Dividend per share



## Shareholders

At year-end, the number of shareholders in Klöver was 31,250 (19,058). The increase in the number of shareholders is mainly due to Fabège, the largest shareholder in Klöver as at 31 December 2006, redeeming its own shares in exchange for Klöver shares.

The ten largest shareholders represented 59.8 per cent of the total share capital at the end of the year. Of the total number of shares, almost 83 per cent were owned by Swedish owners and 17 per cent by foreign owners.

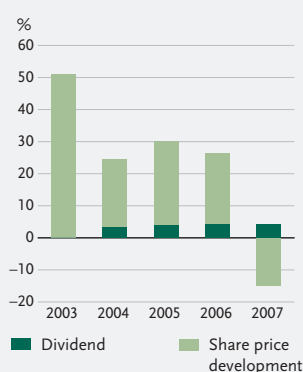
SHAREHOLDERS			
	No. of shares, 000s	Proportion of votes and capital, %	Change, 2007, % point
AB Skakel	17,458	10.5	+10.5
Lantbrukarnas Riksförbund	17,341	10.5	+0.3
Arvid Svensson Invest AB	17,017	10.3	+0.1
Investment AB Öresund	11,345	6.8	+1.3
Länsförsäkringar fonder	7,550	4.5	+0.7
Skandia Liv	7,220	4.4	-0.3
HQ Fonder	6,741	4.1	+2.0
Brinova Inter AB	6,211	3.7	+3.7
Fortis Banque Luxemburg SA	4,565	2.8	+0.4
Länsförsäkringar Södermanland	3,665	2.2	0.0
<b>Total largest shareholders</b>	<b>99,113</b>	<b>59.8</b>	<b>+18.7</b>
Other shareholders	66,656	40.2	
<b>Total outstanding shares</b>	<b>165,769</b>	<b>100.0</b>	
Repurchased own shares	775		
<b>Total registered shares</b>	<b>166,544</b>		

## Contact with investors

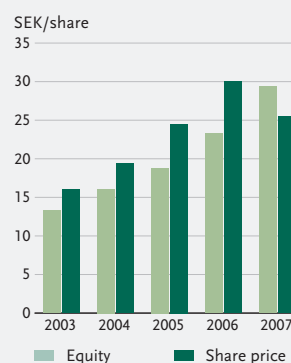
Klöver regularly meets shareholders, potential investors and analysts, both in Sweden and in other countries, to present the company. During the year, Klöver has participated in a capital market day in Kista, participated in Stora Aktiedagen (The Big Share Day) in Uppsala and Örebro and made a number of trips to the England and the Netherlands for meetings with investors.

DISTRIBUTION OF THE SHARES			
No. of shares	No. of shareholders	No. of shares	Proportion, %
10,000,001–	4	63,161,481	37.9
5,000,001–10,000,000	3	19,213,178	11.5
1,000,001–5,000,000	15	33,329,055	20.0
100,001–1,000,000	82	29,185,587	17.5
50,001–100,000	53	4,018,336	2.4
10,001–50,000	285	6,113,313	3.7
2,001–10,000	1,068	4,931,984	3.0
1,001–2,000	1,133	1,777,249	1.1
501–1,000	1,803	1,468,649	0.9
500 or less	26,803	2,569,994	1.5
<b>Total outstanding shares</b>	<b>31,249</b>	<b>165,768,826</b>	<b>99.5</b>
Repurchased own shares	1	775,500	0.5
<b>Total registered shares</b>	<b>31,250</b>	<b>166,544,326</b>	<b>100.0</b>

Total yield



Equity and share price



## Share capital, number of shares and repurchases

On 31 December 2007, the share capital of Klöver AB amounted to SEK 832,721,630. The total number of outstanding shares was 166,544,326 with a quota value of SEK 5 per share. Each share except repurchased shares entitles to one vote. A trading lot consists of 500 shares. The share's ID on OMX Nordic Exchange is SSE19459 and the ISIN code is SE0000331225.

Since the Annual General Meeting on 28 March 2007, Klöver's Board has been authorised to repurchase Klöver's shares to at most 10 per cent of the value of the total number of registered shares. In accordance with this decision, Klöver has repurchased a total of 775,500 shares, corresponding to 0.5 per cent of the total number of registered shares. The acquisition price averaged SEK 23.82 per share.

## Tax assessment value and acquisition value

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

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

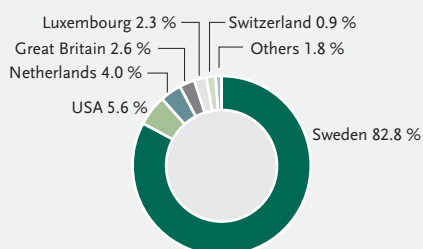
During 2003, Wihlborg distributed Klöver shares to its shareholders. The acquisition value for tax purposes of these Klöver shares was SEK 10.50.

In 2007, Fabege redeemed its own shares in exchange for Klöver shares. The acquisition value for tax purposes of these Klöver shares was SEK 30.55 per share.

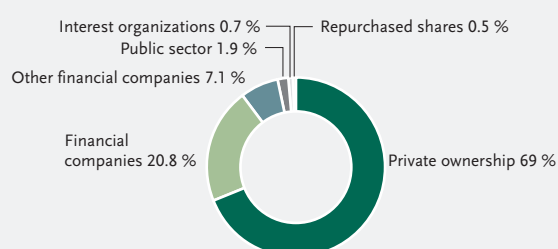
### IMPORTANT EVENTS IN 2007

21.12.2007	Tax surcharge of SEK 493 million quashed by the County Administrative Court.
20.12.2007	Klövern buys and sells
29.11.2007	Klövern sells property in Kista
20.11.2007	Klövern acquires properties in Kista
20.11.2007	Klövern repurchases shares
23.10.2007	Interim report January – September 2007
20.09.2007	Klövern acquires property in Nyköping
29.08.2007	Klövern concentrates – sells nine properties
07.08.2007	Klövern acquires properties in Karlstad and Västerås
13.07.2007	Interim report January – June 2007
02.07.2007	Changes in Klöver's executive management
25.04.2007	Interim report January – March 2007
28.03.2007	Annual General Meeting of Klöver AB (publ)
09.03.2007	Klövern sells properties in Kalmar and Eskilstuna
07.03.2007	Klövern signs a lease in Kista
06.03.2007	Klövern continues to develop Kista
26.02.2007	Notice of Klöver (publ)'s Annual General Meeting
23.02.2007	Klövern's annual report for 2006
09.02.2007	Klövern creates an exhibition centre in Kista
06.02.2007	Year-end report for 2006

Distribution of shares by different countries



Distribution of shares by category of owner





Klövern staff member

*"Klövern creates the communities of tomorrow."*



Nyköping – Ana 13 – building rights

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# Administration Report

## Overview of operations

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

The property portfolio is continuously adapted by acquisitions and sales. As at 31 December 2007, the value of the properties is SEK 12,154 million and the rental income on an annual basis around SEK 1,200 million. The Klöver share is listed on OMX Nordic Exchange for medium-sized companies. As at 31 December 2007, the number of shares in Klöver totalled 166,544,326. The Annual General Meeting on 28 March 2007 authorised Klöver's Board to repurchase at most 10 per cent of the total number of registered shares. In accordance with this decision, Klöver has repurchased a total of 775,500 shares, corresponding to 0.5 per cent of the total number of registered shares. The number of shareholders amounted to around 31,250. The division of ownership is shown in the section on "The Klöver share and shareholders", pages 46–48.

## Earnings

The year's net profit amounted to SEK 1,226 million (631). This improvement is primarily due to positive changes in value of properties of SEK 1,106 million (262) but also a larger property portfolio and relative improvement in net operating income. Profit excluding changes in value and tax increased to SEK 386 million (281).

## Cash flow and financial position

The cash flow was SEK –8 million (–46). The equity ratio was 37.4 per cent at the year-end, compared with 33.7 per cent at the beginning of the year. Shareholders' equity increased to SEK 4,867 million, compared with SEK 3,868 million at the beginning of the year. Liquid funds amounted to SEK 87 million (95) and interest-bearing liabilities were SEK 7,007 million (6,878). See Note 22 concerning financial risks. A more detailed description is contained in the "Financing" section on pages 40–42.

## Portfolio of properties

At the end of 2007, Klöver owned 220 properties (205) distributed over 14 municipalities (21) with a total value of SEK 12,154 million (10,701). During the year, Klöver acquired 47 properties (63), of which 38 were in Karlstad, three in Västerås, three in Nyköping and one each in Kumla, Köping and Örebro. The properties consist of around 159,000 sq.m. (450,000) and the total acquisition price, including transaction expenses amounted to SEK 989 million (4,672).

During the year, Klöver sold 27 properties (15) for a total price of SEK 1,236 million (348). Of the properties sold of around 202,000 sq.m. (56,000), eleven were located in Kalmar, four in Eskilstuna, three in Norrköping, two in Kumla and one in Fagersta, Karlstad, Katrineholm, Norberg, Nyköping, Sigtuna and Trosa.

## Personnel

The total number of employees was 121 (110) at year-end, an increase of 10 per cent during the year. 49 (39) of the employees were women and 72 (71) men. Just over a fifth of the employees worked at the head office. The average age was 43 (43).

## 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 391 million (106). The Parent Company has received group contributions of SEK 168 million (172) from subsidiaries in the Group. The Parent Company's liquid funds amounted to SEK 14 million on 31 December compared with SEK 9 million at the beginning of the year.

## Transactions with related parties

During the year, Klöver sold properties for SEK 707 million to Dagon. Klöver's board member Lars Rosvall is also a director of Dagon AB. Lars Rosvall did not participate in Klöver's decision on property sales to Dagon. Klöver's board member Fredrik Svensson is also a director of Dagon, although not at the time of the sale.

During the year, Klöver purchased one property for SEK 36 million, from Länsförsäkringar Södermanland where Klöver's board member Anna-Greta Lundh is President. Anna-Greta Lundh did not participate in Klöver's decision concerning this acquisition.

In conjunction with the acquisition of properties in Västerås in 2004 from Arvid Svensson AB, lease contracts were included where Arvid Svensson AB are tenants. Fredrik Svensson is President of Arvid Svensson AB and also a member of Klöver's board. During the year, Arvid Svensson AB has made a lump-sum payment to Klöver of SEK 19 million in connection with redemption of the lease. The Board considers that the contracts were made on commercial terms.

## Environment and risks

Klövern does not engage in any activity that requires a special environmental licence. See pages 10–11 for further information. Klöver's risks are described on pages 43–45 and in Note 22.

## 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 provided information to owners and the capital market must be good. The design of the corporate governance depends on legislation and self-regulation.

The Swedish Code for Corporate Governance, which applies to all companies listed on the OMX Nordic Exchange with a capitalization of at least SEK 3,000,000 as at 31 May 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. Klöver has applied the Swedish Code for Corporate Governance since 1 July 2007.

## Articles of association

The name of the Company is Klöver AB, the company is a public limited company (publ) and the company registration number is 556482-5833. The registered office of the Company shall be in Nyköping, County of Södermanland. An annual general meeting of shareholders and extraordinary shareholders' meetings may 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 (SEKm 300) and a maximum of one billion, two hundred million Swedish kronor (SEKm 1,200). The Company's financial year is the calendar year. See [www.klovern.se/Om Klöver/Bolagsstyrning](http://www.klovern.se/Om_Klovern/Bolagsstyrning) for the complete articles of association (in Swedish).

## Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders is the supreme decision-making body in a limited company according to the Swedish Companies Act. Klöver's annual general meeting takes place during the spring, normally in March or April. The notice of the meeting is published in the Swedish Official Gazette (Post- och Inrikes Tidning) and Svenska Dagbladet, and on the website. 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 and auditors 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. Every shareholder has the right to vote for shares owned and represented. 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 2007 Annual General Meeting, see [www.klovern.se/Investor relations/Pressmeddelanden](http://www.klovern.se/Investor%20relations/Pressmeddelanden).

## Nominations Committee

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 31 August each year and a representative of the other shareholders. The nominations committee appoints its own chairman, who may not be a member of the Board, in accordance with decisions made at the preceding Annual General Meeting.

The nominations committee consists of the following representatives, stating the owner that they represent:

*Göran Almberg*, LRF (Chairman of the Nominations Committee)  
*Stefan Dahlbo*, Klöverns Chairman of the Board  
*Klas Andersson*, representative of the other shareholders  
*Eva Gottfridsdotter-Nilsson*, Länsförsäkringar's funds  
*Peter Lindb*, AB Skakel  
*Rickard Svensson*, Arvid Svensson Invest  
*Erik Törnberg*, Investment AB Öresund

## The Board of Directors

From the Annual General Meeting of Shareholders in 2007 until the 2008 Annual General Meeting, Klöver's Board consists of seven members, of which the President & CEO is one.

From the 2007 Annual General Meeting, the Board consists of Stefan Dahlbo (Chairman), Gustaf Hermelin (President & CEO of Klöver), Lars Holmgren, Anna-Greta Lundh, Johan Pihl, Lars Rosvall and Fredrik Svensson. Of the representatives Stefan Dahlbo, Anna-Greta Lundh, Johan Pihl, Lars Rosvall can be considered as being independent. Caesar Åfors, 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 2007, besides the four ordinary meetings, six extraordinary meetings have been held.

## 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 AB complying with the rules according to the listing agreement. The President & CEO is Gustaf Hermelin.

### *Audit issues*

There is no special audit committee at Klöver AB. 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 any 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 2007 are shown in Note 3 to the accounts.

### *Incentive Programme*

In the case of the President a variable salary is to be paid at 1 per cent of the company's profit before tax, to the extent that this amount exceeds set operational goals for the property operation. The annual maximum bonus for the President & CEO may amount to the equivalent of at most six monthly basic salaries. The maximum annual bonus for other senior executives amounts to the equivalent of at most three monthly salaries. This bonus is based on outcome in relation to targets for operating surplus, profit after tax and letting. The Board has the right to depart from the guidelines in a particular case if there are special reasons for so doing.

### *Finance Committee*

Klöver AB has a Finance Committee, which shall consist of the Chairman of the Board and an additional two board members as well as the President & CEO, the financial manager and the CFO. The Chairman of the Board shall also be the chairman of the Finance Committee. The Finance Committee is an advisory forum, which deals with financial issues of a strategic nature. Matters to be taken up on the Board should have been discussed first by the Finance Committee. Furthermore, the Finance Committee is an advisory forum as regards the assessment of financial instruments and the overall interest rate structure for the loan portfolio within the risk mandate set by the Board. During 2007, the representatives of the Board on the Finance Committee were Stefan Dahlbo, Lars Holmgren and Fredrik Svensson.

### *Auditors*

Ernst & Young were appointed as auditor for Klöver AB at the 2007 Annual General Meeting until the end of the annual general meeting in 2011. Mikael Ikonen, authorized public accountant, is auditor in charge.

### *Internal control*

The Board is responsible for the company having good internal control.

The Board shall produce an annual report on how internal control is organized with respect to financial reporting. The Board's report includes the following.

### *Control environment*

The formal decision-making procedure is based on the division of responsibility between the Board and the President & CEO and includes the formal work plan for the Board, the instructions for the President & CEO, and reporting instructions. Important processes such as accounting instructions are documented and regularly updated.

### *Risk assessment*

Klöver AB has decided not to establish a special audit committee. The Board as a whole continuously reviews the extent and assessment of the company's risk management. The same applies to points of view from the company's auditor.

### *Control activities*

The Finance Department and the Property Department carry out regular follow-ups of activities. The Group's activities and management are reviewed annually by the company's external auditors. The financial statements for the third quarter have been subject to scrutiny by the company's external auditors who also audit the annual accounts. The principles for accounting, reporting and points of view from auditors are reviewed in connection with the ordinary audit of the annual accounts. A limited number of persons are authorized to sign for the company.

### *Information and communication*

The executive management's internal communication mainly takes place at meetings of the executive management group and regular conferences with unit managers.

### *Control and follow-up*

Financial follow-up takes place quarterly of all units and companies and at group level. This follow-up is made in relation to the budget and forecast. The result is analysed by both the Property Department, the Finance Department and the person responsible for the result. A report is made to the President & CEO and the Board.

### *Events after closing date*

As at 15 January 2008, Klöver AB vacated its site leasehold Färöarna 3, which was sold to AREIM Fond 1 during the fourth

quarter of 2007. The sales price was SEK 270 million and the realised change in value of around SEK 32 million will be reported in the result for the first quarter of 2008.

As at 15 January, Klöver AB has acquired the site Lidarände 1 from the City of Stockholm for a price of SEK 45 million. The site consists of around 15,000 sq.m. The Kista Expo Center will be constructed on the site and is expected to be completed in August 2008.

During 2008, Klöver AB has continued repurchase of its own shares and as at 29 February 2008, the total number of own shares repurchased was 1,140,500, corresponding to 0.7 per cent of the total number of registered shares.

At the end of 2003, Klöver AB requested reconsideration of tax assessment for the same year with a view to determine whether Klöver AB was entitled to a tax loss carryforward of around SEK 5,000 million. In spring 2006, the Tax Agency imposed a surcharge of SEK 493 million in this case which was quashed by the County Administrative Court in December 2007. In spring 2006, the Tax Agency has appealed against this decision to the Administrative Court of Appeal in February 2008.

### Outlook for 2008

Letting work will be further intensified in 2008. Continued success in reducing vacancies in the existing portfolio enables to start new production and thus also to be able to offer customers new, modern, flexible and energy efficient premises. The focus will likewise be on reducing current maintenance costs. It is expected that Klöver AB's average interest rate level will be higher for 2008 than 2007. Profit for the whole year of 2008, excluding changes in value and tax, is expected to exceed SEK 350 million. The corresponding result for 2007 amounted to SEK 386 million. The result for 2007 included income of a non-recurring nature of SEK 33 million.

### Dividend

According to Klöver AB's dividend policy, at least 50 per cent of net profit is to be distributed in the long term to its shareholders, excluding 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 2007 financial year, the Board of Directors proposes an increase in dividend to SEK 1.50 per share (1.25) corresponding to SEK 249 million (2007).

### Proposed allocation of earnings

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

Amount brought forward	SEK	406,284,345
Net profit for the year	SEK	390,893,017
Amount available for allocation	SEK	797,177,362
Dividends to the shareholders	SEK	-248,653,239
To be carried forward	SEK	548,524,123

## 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 2008 Annual General Meeting for Klöver AB that a dividend of SEK 1.50 per share be paid to shareholders for the 2007 financial year, which corresponds to a total dividend of SEK 249 million. Furthermore, the Board proposes that the shareholders at the Annual General Meeting authorise the Board to set the payment date as 11 April 2008.

### Klöver AB's financial position

Klöver AB's financial goals are:

- Return on equity is to amount to the risk-free interest rate plus seven percentage points 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 2007.

According to the annual report, Klöver AB's equity ratio was 37 per cent in the Group and 81 per cent in the parent company. After the proposed dividend, the equity ratio will be 36 per cent in the Group and 80 per cent in the parent company. The proposed dividend constitutes 5.1 per cent of shareholders' equity in the Group and 7.4 per cent of the equity in the parent company. Klöver AB's target for the equity ratio is achieved even after the proposed dividend.

### Motivation by the Board of Directors

Taking into account the statements made above, the Board considers that the proposed dividend 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

## Consolidated Statement of Income

Amount in SEK 000s	Note	2007	2006
Rental income	2,23	1,141,882	807,550
Other income	2	65,165	35,435
Property costs	3,5	-445,980	-340,560
<b>Net operating income</b>		<b>761,067</b>	<b>502,425</b>
Changes in value of properties	9	1,106,453	261,980
Central administration	3,4,5	-65,098	-50,230
<b>Operating profit</b>		<b>1,802,422</b>	<b>714,175</b>
Financial income	6	3,538	2,289
Financial expenses	6	-313,959	-173,170
Changes in value, financial instruments	22	53,325	27,580
Changes in value, securities	22	22	21,613
<b>Profit before tax</b>		<b>1,545,348</b>	<b>592,487</b>
Current tax	7	-197	-15,802
Deferred tax	7	-319,300	54,000
<b>NET PROFIT FOR THE YEAR</b>		<b>1,225,851</b>	<b>630,685</b>
Attributable to:			
Parent company shareholders	16	1,225,851	630,685
Minority interest		-	-
		<b>1,225,851</b>	<b>630,685</b>
Earnings per share before dilution and after dilution (SEK)	16	7.36	5.04

## Consolidated Balance Sheet

Amount in SEK 000s	Note	31.12.2007	31.12.2006
<b>Assets</b>			
Machinery and equipment	8	13,276	14,011
Investment properties	9	12,154,044	10,700,902
Derivatives	22	96,217	49,324
Deferred tax asset	7	474,000	516,000
<b>Total fixed assets</b>		<b>12,737,537</b>	<b>11,280,237</b>
Accounts receivable	12	36,076	31,605
Prepaid expenses and accrued income	13	26,968	21,958
Other receivables	11	121,231	41,693
Liquid funds	14	87,100	95,442
<b>Total current assets</b>		<b>271,375</b>	<b>190,698</b>
<b>TOTAL ASSETS</b>		<b>13,008,912</b>	<b>11,470,935</b>
<b>Shareholders' equity</b>			
Share capital	15	832,721	832,721
Other capital contributed		1,715,219	1,715,219
Retained profits including net profit for the year		2,319,479	1,320,299
<b>Shareholders' equity attributable to the parent company's shareholders</b>		<b>4,867,419</b>	<b>3,868,239</b>
<b>Liabilities</b>			
Long-term interest-bearing liabilities	17	6,958,181	6,796,389
Other long-term liabilities	17	–	160,000
Deferred tax liability	7	460,300	183,000
Other provisions	19	4,248	6,826
<b>Total long-term liabilities</b>		<b>7,422,729</b>	<b>7,146,215</b>
Current interest-bearing liabilities	17	48,747	81,423
Accounts payable		155,775	113,120
Income tax liability		15,880	15,984
Other liabilities	17,20	200,006	6,964
Accrued expenses and prepaid income	21	298,356	238,990
<b>Total current liabilities</b>		<b>718,764</b>	<b>456,481</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>13,008,912</b>	<b>11,470,935</b>

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

## Changes in Group's Shareholders' Equity

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

Amount in SEK 000s	Share capital	Other capital contributed	Retained earnings including net profit for the year	Total shareholders' equity
<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>
Dividend	–	–	–208,180	–208,180
Repurchase own shares	–	–	–18,491	–18,491
Net profit for the year	–	–	1,225,851	1,225,851
<b>Shareholders' equity, 31.12.2007</b>	<b>832,721</b>	<b>1,715,219</b>	<b>2,319,479</b>	<b>4,867,419</b>

## Consolidated Statement of Cash Flow

Amount in SEK 000s	Note	2007	2006
<b>Current operations</b>			
Profit before tax		1,545,348	592,487
Adjustment for items not included in the cash flow	27	-1,156,601	-308,493
Income tax paid		-300	-333
Cash flow from operations before changes in working capital		388,447	283,661
Change in operating receivables		-35,694	55,549
Change in operating liabilities		295,063	111,762
Total change in working capital		259,369	167,311
<b>Cash flow from current operations</b>		<b>647,816</b>	<b>450,972</b>
<b>Investment operations</b>			
Disposal of properties		1,225,073	347,650
Acquisition of properties	27	-1,571,762	-3,725,238
Acquisition of machinery and equipment	8	-2,464	-11,790
Investment in financial fixed assets		-46,871	-37,272
<b>Cash flow from investment operations</b>		<b>-396,024</b>	<b>-3,426,650</b>
<b>Financing operations</b>			
Loans raised		2,224,931	3,236,178
Amortization of loans		-2,095,815	-345,699
Change in other long-term liabilities		-162,578	159,754
Dividend		-208,181	-120,364
Repurchase of own shares		-18,491	-
<b>Cash flow from financing operations</b>		<b>-260,134</b>	<b>2,929,869</b>
<b>Cash flow for the period</b>		<b>-8,342</b>	<b>-45,809</b>
<b>Liquid funds at beginning of year</b>		<b>95,442</b>	<b>141,251</b>
<b>Liquid funds at end of year</b>	14	<b>87,100</b>	<b>95,442</b>

## Parent Company Statement of Income

Amounts in SEK 000s	Note	2007	2006
Net sales	2	116,572	79,135
Cost of services sold		-74,762	-50,046
<b>Gross profit</b>		<b>41,810</b>	<b>29,089</b>
Central administration	3,4,5,8	-65,098	-50,230
<b>Operating profit</b>		<b>-23,288</b>	<b>-21,141</b>
Result from other securities		225,846	21,613
Interest income	6	1,329	4,054
Interest expense	6	-894	-467
<b>Profit before tax</b>		<b>202,993</b>	<b>4,059</b>
Tax attributable to group contribution	7	46,900	48,271
Deferred tax	7	141,000	54,000
<b>NET PROFIT FOR THE YEAR</b>		<b>390,893</b>	<b>106,330</b>

## Parent Company Balance Sheet

Amount in SEK 000s	Note	31.12.2007	31.12.2006
<b>Assets</b>			
Machinery and equipment	8	4,563	3,606
Shares and participation in group companies	26	319,943	212,343
Receivables from group companies	10	3,004,917	2,712,897
Deferred tax asset	7	474,000	333,000
Total financial fixed assets		3,798,860	3,258,240
<b>Total fixed assets</b>		<b>3,803,423</b>	<b>3,261,846</b>
Accounts receivable	12	435	–
Receivables from group companies	10	320,048	467,606
Prepaid expenses and accrued income	13	5,777	5,800
Other receivables	11	1,825	6,794
Cash and bank	14	13,926	9,050
<b>Total current assets</b>		<b>342,011</b>	<b>489,250</b>
<b>TOTAL ASSETS</b>		<b>4,145,434</b>	<b>3,751,096</b>
Share capital	15	832,721	832,721
Statutory reserve		1,740,250	1,740,250
Retained earnings		406,284	406,025
Net profit for the year		390,893	106,330
<b>Total shareholders' equity</b>		<b>3,370,148</b>	<b>3,085,326</b>
Other provisions	19	4,248	6,826
<b>Total provisions</b>		<b>4,248</b>	<b>6,826</b>
Liabilities to group companies	17	388,101	172,292
<b>Total long-term liabilities</b>		<b>388,101</b>	<b>172,292</b>
Accounts payable		15,993	9,249
Liabilities to group companies		335,385	450,761
Other liabilities	20	11,878	6,963
Accrued expenses and prepaid income	21	19,681	19,679
<b>Total current liabilities</b>		<b>382,937</b>	<b>486,652</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>4,145,434</b>	<b>3,751,096</b>

See Note 24 for information about the Parent Company's pledged assets and contingent liabilities.

## Change in Parent Company's Shareholders' Equity

Amount in SEK 000s	Share capital	Statutory reserve	Retained earnings including net profit for the year	Total shareholders' equity
<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
Tax on group contribution received	–	–	–48,271	–48,271
Net profit for the year	–	–	106,330	106,330
<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>
Dividend	–	–	–208,180	–208,180
Repurchase of own shares	–	–	–18,491	–18,491
Group contribution received	–	–	167,500	167,500
Tax on group contribution received	–	–	–46,900	–46,900
Net profit for the year	–	–	390,893	390,893
<b>Shareholders' equity 31.12.2007</b>	<b>832,721</b>	<b>1,740,250</b>	<b>797,177</b>	<b>3,370,148</b>

## Parent Company Statement of Cash Flow

Amount in SEK 000s	Note	2007	2006
<b>Current operations</b>			
Profit before tax		202 993	4 059
Adjustment for items not included in the cash flow	27	168 891	173 328
Income tax paid		–	–
Cash flow from operations before changes in working capital		371,884	177,387
Change in operating receivables		152,115	–248,795
Change in operating liabilities		–103,715	342,463
Total change in working capital		48,400	93,668
<b>Cash flow from current operations</b>		<b>420,284</b>	<b>271,055</b>
<b>Investment operations</b>			
Acquisition of machinery and equipment	8	–2,348	–2,323
Investment in financial fixed assets	27	–399,620	–325,921
<b>Cash flow from investment operations</b>		<b>–401,968</b>	<b>–328,244</b>
<b>Financing operations</b>			
Dividend		–208,180	–120,364
Repurchase of own shares		–18,491	–
Change in long-term liabilities		213,231	172,046
<b>Cash flow from financing operations</b>		<b>–13,440</b>	<b>51,682</b>
<b>Cash flow for the period</b>		<b>4,876</b>	<b>–5,507</b>
Liquid funds at beginning of year		9,050	14,557
Liquid funds at end of year	14	13,926	9,050

# Notes

Amounts in SEK 000s 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 OMX Nordic Exchange list for medium-sized companies. The address of Klöverns head office is Box 1024, 611 29 Nyköping.

The consolidated accounts for 2007 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 4 March 2008. 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 3 April 2008.

## Compliance with standards and legislation

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretation statements made by the International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the 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 30:06 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 possibility of applying 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.

Investment properties are valued in accordance with IAS 40.

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 have been applied when preparing the financial reports for the 2007 financial year.

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 have entailed extensive additional information in the Group's financial reports for 2007 with respect to the company's financial instruments and capital management.

The standard has not led to any change in accounting principles but only changes in the disclosure requirements relating to financial instruments.

A number of new standards and interpretation statements come into effect from and including the financial year that commences on 1 January 2009 or later. Klöverns has decided to apply IAS 23 Borrowing

Costs in advance, according to which capitalization must be borrowing costs directly attributable to purchases, construction or production of assets which take a considerable time to complete for intended use or sale.

IFRS 8 Operating Segments defines an operating segment and the information that is to be provided about it in the financial reports. Klöverns has decided not to apply this standard ahead of time.

Revised IAS 1 Presentation of Financial Statements, the standard has been reworked to increase the value of information in the financial statements. Among other things, own capital transactions with shareholders are to be presented in a separate account while other direct transactions with equity are to be either presented as a continuation of the income statement or in a separate account. Klöverns has decided not to early adopt apply this statement ahead of time.

## 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 after more than 12 months from balance sheet date while 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 statements are included in the consolidated accounts from the date of acquisition until the date when the controlling influence ceases.

### Classification of acquisitions

On 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. All acquisitions made during the 2007 financial year have been classified as asset acquisitions.

When 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.

In cases where leases allow for a reduced rent for a particular period, which is compensated for by a higher rent during another period, the difference is accrued on the straight-line method over the lease contract term. 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 are taken into account that can affect the result of the transaction, which are outside the control of the seller and/or purchaser.

## **Reporting of segments**

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

## **Operating expenses and financial income and expense**

### *Central administration*

Consists of costs for group functions 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 accrued amounts of issue costs and similar direct transaction costs to raise loans.

Interest income is reported in the period to which it relates.

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

## **Reporting of borrowing costs**

Klövern has decided to early adopt revised IAS 23 Borrowing costs.

The Group and the Parent Company do not capitalise interest in the assets' acquisition value except in major projects, where interest is capitalized. In other cases, borrowing costs are reported 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.

The category financial assets consists of two sub-categories: financial assets valued at fair value via the income statement and loans and accounts receivable. The category financial liabilities consists of one sub-category: financial liabilities valued at accrued acquisition value.

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. 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 and financial liability is off set and reported at a net amount in the balance sheet only when there is a legal right to off set the amounts and it is intended to adjust the items with a net amount or realise the asset at the same time and settle the debt.

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.

## **Statement of Cash Flow**

The statement of cash flow has been prepared using the indirect method.

## **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. Write-down of an account receivable is made when there is a risk that the whole or part of the claim will not be received. 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**

Leases are classified either as financial or operational leases. Leases contracts where substantially all risks and benefits associated with ownership are retained by the lessor are classified as operational leasing contracts. Lease contracts relating to investment properties are to be regarded as operational leasing contracts. There are also a small number of leasing contracts where Klöver is lessee, which are also to be classified as 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, 20 to 30 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 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 capitalized. The expenses are also added to the reported value when new components are created. Repairs and maintenance are expensed as incurred.

The interest expense is capitalized during the period of production in major projects.

### **Remuneration to employees**

#### **Defined contribution pension schemes**

Undertakings concerning contributions to defined contribution schemes are reported as a cost in the income statement when they arise.

### **Provisions**

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

### **Taxes**

Income taxes 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 here.

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 participation rights 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 realised or settled. Deferred tax is calculated applying the tax rates and tax rules that have been decided or in practice are decided on balance-sheet date.

Deferred tax assets for deductible temporary differences are reported only to the extent that it is probable that they will be utilized. The value of the deferred tax assets is reduced when it is no longer regarded as probable that they can be used.

### **Contingent liabilities**

The Parent Company's financial guarantee agreements consist largely of guarantees on behalf of subsidiaries.

A contingent liabilities 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 32:06 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 32:06, 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.

#### Repurchase of own shares

Repurchase of own shares is reported as a deduction item from equity. Payments for divestment of these equity instruments are reported as an increase in equity. Any transaction expenses are reported directly against equity.

#### Dividends

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

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

#### Tangible fixed 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 by the recipient and capitalized in shares and participation rights by 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

	2007	2006
<i>Group</i>		
Rental income	1,141,882	807,550
Sale of services to external customers	15,901	20,052
Rental guarantees	49,264	15,383
Total other income	65,165	35,435
<i>Parent Company</i>		
Invoiced sales to subsidiaries	116,572	79,135

### 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. The annual maximum bonus for the President & CEO may amount to the equivalent of at most six monthly basic salaries. It is possible to set the bonus amount aside as pension instead of salary. The maximum annual bonus for other senior executives amounts to the equivalent of at most three monthly salaries. 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 35 per cent of the basic salary. 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 35 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 foundation

Klöver has a profit-sharing foundation that covers all employees. Transfers to the foundation can at most amount to one price base amount per employee (SEK 40,300) based on a combination of Klöver's profit, yield requirement and dividend to shareholders. The transfer for the year including wage taxes is SEK 8,581,000 (4,375,000). A proposed additional appropriation of SEK 20,000 per employee is included.

#### Remuneration to Board of Directors

The board received a total of SEK 875,000 (906,000) 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 received a salary of SEK 2,213,000 (1,974,000) and a company car benefit of SEK 51,000 (52,000). The President & CEO also received a variable salary amount to SEK 1,140,000 (500,000) and an additional pension provision of SEK 483,000 for 2006.

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

Salaries and benefits totalling SEK 5,764,000 (4,292,000) have been paid during the year to other senior executives (six persons of which two additional persons and two who have left during the year). Senior executives have received a result-based salary amounting to SEK 1,368,000 (657,000) for 2007.

### Costs of remuneration to employees

	2007	2006
<i>Group</i>		
Salaries and remuneration, etc.	50,278	36,252
Pension costs, defined contribution schemes	6,149	3,592
Social security contributions	18,441	13,111
<b>Group total</b>	<b>74,868</b>	<b>52,955</b>

### Average number of employees

	2007	Proportion women, %	2006	Proportion women, %
Parent Company	113	37	83	37
Subsidiaries	0	0	4	100
<b>Group total</b>	<b>113</b>	<b>37</b>	<b>87</b>	<b>39</b>

All employees are employed in Sweden.

### Gender distribution in executive management

	2007 Proportion women, %	2006 Proportion women, %
<i>Parent Company</i>		
Board	14	15
Other senior executives	17	17
<i>Group total</i>		
Board	14	15
Other senior executives	17	17

At the end of 2007, the board of the Parent Company consisted of 7 members (7), of which 1 woman (1). The number of senior executives (including the President) in the Parent Company was 6 persons (6), of which 1 woman (1).

### 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
	(250)	(–)	(–)	(–)	(–)	(–)	(250)
Board members	625	–	–	–	–	–	625
	(656)	(–)	(–)	(–)	(–)	(–)	(656)
President & CEO	2,213	1,140	58	969	–	–	4,380
	(1,974)	(500)	(64)	(511)	(–)	(–)	(3,049)
Other senior executives	5,764	2,025	310	2,423	–	–	10,522
	(4,074)	(–)	(220)	(1,266)	(–)	(–)	(5,560)
<b>Total</b>	<b>8,852</b>	<b>3,165</b>	<b>368</b>	<b>3,392</b>	<b>–</b>	<b>–</b>	<b>15,777</b>
	<b>(6,954)</b>	<b>(500)</b>	<b>(284)</b>	<b>(1,777)</b>	<b>(–)</b>	<b>(–)</b>	<b>(9,515)</b>

1) Including wage tax

Last year's remunerations and benefits are shown in brackets.

### Salaries, other remuneration and social security contributions

	2007		2006	
	Salaries and remuneration	Social security contributions	Salaries and remuneration	Social security contributions
<i>Parent Company</i>	50,278	24,590	35,776	16,385
(of which pension cost <sup>1)</sup> )		6,149		3,589

1) SEK 780 (411) 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

	2007		2006	
	Board and President	Other employees	Board and President	Other employees
<i>Parent Company</i>	12,016	38,262	7,538	27,748
(of which bonus)	3,165	–	500	–
Group	12,016	38,262	7,538	28,724
(of which bonus)	3,165	–	500	–

### Defined contribution schemes

The Group's employees are covered by defined contribution pension schemes, which are wholly paid for by the company. Payment takes place currently according to the rules.

	Group		Parent Company	
	2007	2006	2007	2006
Costs for defined-contribution scheme	5,929	3,470	5,929	3,467

Excluding Fora and wages tax

### Share-related remuneration

There are no share-related remuneration plans at Klöver

**Financial instruments, etc.**

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

**Sick leave in the Parent Company**

	2007	2006
Total sick leave as a proportion of ordinary working hours, %	2.0	1.8
of which continuous sick leave of 60 days or more, %	27	37
Sick leave as part of every group's ordinary working hours		
Sick leave by gender, %:		
Men	2.3	2.2
Women	1.6	1.1
Sick leave by age category, %:		
29 years old or younger	2.0	1.5
30 to 49	2.0	1.3
50 years old or older	2.1	3.0

**Note 4 Fees and reimbursement to auditors**

	Group		Parent Company	
	2007	2006	2007	2006
<i>Ernst &amp; Young AB</i>				
Audit assignments	1,200	1,112	1,200	1,112
Other assignments	582	2,670	582	2,670

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

Group	2007	2006
	<b>Property-related costs</b>	
Electricity, district cooling and heating	-130,148	-115,132
Purchased services administration and maintenance	-79,330	-57,985
Repairs and maintenance	-67,204	-52,915
Property tax and site leasehold charges	-65,045	-34,945
Personnel costs	-49,155	-34,575
Depreciation	-2,320	-1,749
Other property expenses	-52,778	-43,259
<b>Total</b>	<b>-445,980</b>	<b>-340,560</b>

Group	2007	2006
	<b>Central administration</b>	
Personnel costs	-24,455	-16,259
Provision, profit-sharing foundation	-8,581	-4,375
Attorney fees, tax proceeding	-3,737	-8,741
IT, advertising and cost of premises	-4,919	-7,015
Auditors' fees	-1,200	-1,112
Legal settlement payment	-9,070	-
Depreciation	-879	-931
Other costs	-12,257	-11,797
<b>Total</b>	<b>-65,098</b>	<b>-50,230</b>

**Note 6 Net financial items**

Group	2007	2006
	Interest income, other	3,538
<b>Total</b>	<b>3,538</b>	<b>2,289</b>

Parent Company	2007	2006
	Interest income, group companies	-
Interest income, other	1,329	1,072
<b>Total</b>	<b>1,329</b>	<b>4,054</b>

Group	2007	2006
	Interest expense, other	-313,959
<b>Total</b>	<b>-313,959</b>	<b>-173,170</b>

Parent Company	2007	2006
	Interest expense, group companies	-
Interest expense, other	-894	-467
<b>Total</b>	<b>-894</b>	<b>-467</b>

## Note 7 Taxes

<i>Income statement, SEK million</i>	2007		2006	
	Basis, paid tax		Basis, deferred tax	
<b>Tax calculation for Group</b>				
Profit before tax	1,545		–	
Deductible depreciation for tax purposes				
Depreciation	–146		146	
Investments	–56		56	
Changes in value of properties	–864		864	
Changes in value of derivatives	–53		53	
Tax effect, company sales	–368		–	
Non-deductible write-downs of shares in subsidiaries	80		–	
Non-deductible expenses	6		–	
Adjustment items in subsidiary, net	7		–	
<b>Taxable profit</b>	<b>151</b>		<b>1,119</b>	
Use of loss carry-forwards	–150		150	
Adjustment for effect of properties sold	–		–130	
<b>Total profit subject to tax</b>	<b>1</b>		<b>1,139</b>	
<b>Of which 28% current/deferred tax</b>	<b>0</b>		<b>319</b>	
<i>Balance sheet, SEK million</i>	2007		2006	
	Basis	Tax, 28 %	Basis	Tax, 28 %
<b>Deferred tax asset at end of year</b>				
At beginning of year	1,843	516	1,421	398
Change during the year	–150	–42	422	118
<b>Deferred tax asset at end of year</b>	<b>1,693</b>	<b>474</b>	<b>1,843</b>	<b>516</b>
<b>Deferred tax liability<sup>1)</sup></b>				
Temporary difference properties				
At beginning of year	3,526	987	1,348	377
Changes during the year	834	234	2,178	610
<b>Temporary differences at end of year</b>	<b>4,360</b>	<b>1,221</b>	<b>3,526</b>	<b>987</b>
Acquired temporary differences properties <sup>2)</sup>				
At beginning of year	–2,897	–811	–923	–258
Change during year due to acquisitions and sales	102	28	–1,974	–553
<b>At end of year</b>	<b>–2,795</b>	<b>–783</b>	<b>–2,897</b>	<b>–811</b>
Temporary differences derivatives				
At beginning of year	25	7	–	–
Changes during the year	53	15	25	7
<b>Temporary differences at end of year</b>	<b>78</b>	<b>22</b>	<b>25</b>	<b>7</b>
Total deferred tax liability				
At beginning of year	654	183	425	119
Change during the year	989	277	229	64
<b>Total deferred tax liability at end of year</b>	<b>1,643</b>	<b>460</b>	<b>654</b>	<b>183</b>
<i>Parent Company</i>	2007		2006	
Profit before tax	203		4	
Tax attributable to group contribution	47		48	
Deferred tax <sup>3)</sup>	141		54	
<b>Net profit</b>	<b>391</b>		<b>106</b>	
<b>Deffered tax asset</b>				
At beginning of year	333		279	
Change during the year	141		54	
<b>At end of year</b>	<b>474</b>		<b>333</b>	

1) Deferred tax liability is calculated on the difference between fair values and residual values for tax purposes.

2) Does not include basis for deferred tax since the acquisitions are classified as asset acquisitions.

3) Including changed reporting of deferred tax.

#### Tax for the year

Deferred tax has been charged to profit for the year totalling SEK –319 million. Deferred tax of SEK –42 million has been charged to profit excluding changes in value, i.e. current property operations, which has also reduced the value of the company's deferred tax asset by the corresponding amount. Deferred tax of SEK –277 million has been charged for temporary differences relating to properties and financial instruments. Reported tax expense differs from the nominal rate, 28 per cent, since, inter alia, divestments of property have taken place in corporate form and losses arisen on divestment of partnerships. Together, this has reduced the basis for paid tax by SEK 368 million. Moreover, the basis for deferred tax has been reduced by SEK 130 million due to properties sold.

#### Deferred tax asset

Klövern has decided to report gross deferred tax assets and deferred tax liabilities effective from this report. Previously, net amounts have been reported.

Deferred tax asset amounted as at 31 December 2007 to SEK 474 million (516). This value is based on the remaining tax loss carryforwards of SEK 1,060 million and the depreciation basis for depreciation of residual value, which exceeds book depreciation at SEK 633 million. Loss carry forwards and the depreciation basis are mainly attributable to divestments of Swedish and foreign subsidiaries and fixed assets and goodwill in the previous IT business. With the present earning capacity from the property business itself, current tax will not be charged to Klöverns profits to any substantial extent in the next few years.

#### Deferred tax liability

Deferred tax is calculated for temporary differences between fair values and residual values for tax purposes. Deferred tax liability amounted as at 31 December 2007 to SEK 460 million (183). Temporary differences which arose in connection with Klöverns acquisition of properties through companies, which have all been classified as acquisition of assets, are not included in the calculation.

#### Possible new tax loss carryforwards

Besides the tax loss carryforwards as above, the company made a loss of around SEK 5,000 million in 2002 in its previous business as an IT company. At the end of 2003, Klöverns was also entitled to this tax loss carryforward. During spring 2006, Klöverns withdrew its request for reconsideration. A tax surcharge of SEK 493 million imposed by the Tax Agency in this case was quashed by the County Administrative Court in December 2007. In February 2008, the Tax Agency has appealed against this decision in the tax surcharge case to the Administrative Court of Appeal.

#### Tax proceedings

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

### Note 8 Machinery and equipment

	2007		2006	
	Group	Parent Company	Group	Parent Company
<i>Accumulated acquisition cost</i>				
Opening balance	24,366	6,086	11,968	3,799
Purchases	2,715	2,401	10,252	2,323
Acquisition of subsidiaries	–	–	2,221	–
Sales and disposals	–1,166	–82	–75	–36
<b>Scheduled depreciation on acquisition values</b>	<b>25,915</b>	<b>8,405</b>	<b>24,366</b>	<b>6,086</b>
<i>Accumulated scheduled depreciation</i>				
Opening balance	–10,355	–2,480	–7,067	–1,585
Reclassifications	–	–	–657	–
Acquisition of subsidiaries	915	29	49	36
Sales and disposals	–3,199	–1,391	–2,680	–931
<b>Total</b>	<b>–12,639</b>	<b>–3,842</b>	<b>–10,355</b>	<b>–2,480</b>
<b>Reported value at the end of period</b>	<b>13,276</b>	<b>4,563</b>	<b>14,011</b>	<b>3,606</b>

## Note 9 Management properties

### Valuation of property portfolio

The management properties are carried at fair value method.

Every quarter, Klöver values 100 per cent of the property portfolio. 20-30 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.

As at 31 December 2007, Klöver has externally valued 172 properties. These valuations have been carried out with a yield-based method applying the cash flow method, i.e. based on forecasts of future cash flows. The yield level of the properties has been assessed on the basis of their unique risk and transactions made at the respective location according to the location price method. The external valuations have been carried out by DTZ Sweden in accordance with the international valuation standard.

#### Sensitivity analysis, Property valuation

	Change, +/-	Effect on profit, SEK million
Direct yield	0.5 percentage points	-858/+999
Rental income	SEK 100/sq.m.	+/-2 117
Operating expenses	SEK 50/sq.m.	-/+1 058
Vacancy rate	1.0 percentage points	-/+214

#### Summary

Valuation date	31 December 2007
Fair value	SEK 12,154 million
Calculation period	Five years (the calculation period has been adapted) to the length of the lease contract for longer, important contracts).
Direct yield for assessment of residual value	Between 5.50 and 10.0 per cent
Cost of capital/discount rate	Between 5.00 and 13.00 per cent
Long-term vacancy	Normally between 5 and 10 per cent
Operating and maintenance cost	Outcome for respective property and experiences of comparable properties
Inflation	Two per cent (The Riksbank's annual target)

### Property holding and valuation at fair value per location, 31 December 2007

Location (unit)	No. of properties	Rental value, SEKm <sup>1)</sup>	Occupancy rate, %	Lettable area 000 sq.m.	Cost of capital for discounting of future cash flows, %	Direct yield requirement, interval %
Kista	21	350	91	249	5.00 – 9.00	5.65 – 7.00
Karlstad	49	187	93	209	6.50 – 10.25	5.80 – 8.75
Linköping	24	160	85	179	6.00 – 11.00	5.50 – 9.00
Västerås	29	149	92	214	6.50 – 11.50	5.50 – 9.50
Nyköping	31	100	94	126	7.00 – 12.00	5.85 – 9.00
Norrköping	14	97	78	147	6.00 – 13.00	5.75 – 11.00
Uppsala	3	93	63	66	7.50 – 12.00	6.00 – 10.00
Täby	25	65	93	67	7.50 – 9.25	5.50 – 7.25
Örebro	10	63	93	62	5.50 – 9.50	6.00 – 7.50
Borås	14	45	92	75	7.50 – 10.00	6.00 – 8.00
<b>Total</b>	<b>220</b>	<b>1,309</b>	<b>88</b>	<b>1,394</b>	<b>5.00–13.00</b>	<b>5.50–11.00</b>

1) 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.

### 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 selling expenses.

#### Valuation model

- + Estimated rent payments
- Operating expense payments (including property tax, repair and maintenance of housing, and site leasehold charges) according to the cash flow method.
- = Net operating income according to the cash flow method
- Deduction for investments
- = Property's cash flow

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 capitalization whereupon the direct yield requirement is used. The residual value is then discounted to current-day value with the cost of capital.

Normal calculation period, five years.

#### Fair value of property

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 at least one year has been chosen.

The forecasts of future net operating income 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 capitalization 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 vacations. A market rent has been calculated for the vacant areas on the basis of the market knowledge of the external valuers and our administrators.

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

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

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

### Changes in value of the properties

The fair value of Klöverns properties amounted to SEK 12,154 million (10,701) as at 31 December 2007. For the full year of 2007, changes in value amounted to SEK 1,106 million (262). Unrealised changes in value totalled SEK 864 million (217) and realised changes in value SEK 242 million (45).

<i>Group, 31 December 2007, SEK million</i>	<i>Properties</i>
<b>Opening fair value</b>	<b>10,701</b>
Acquisition value of properties acquired during the year	989
Investment in properties	594
Sales income, sold properties	-1,236
Change in value	1,106
<b>Closing fair value</b>	<b>12,154</b>
<hr/>	
<i>Group, 31 December 2006, SEK million</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
Change in value	262
<b>Closing fair value</b>	<b>10,701</b>

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

<i>Group, SEKm</i>	<i>2007</i>	<i>2006</i>
Rental income	1,142	808
Direct costs for investment properties that generated rental income during the period	-446	-341
Direct costs for investment properties that did not generate rental income during the period	–	–

In 2006 and 2007 all investment properties generated rental income

### Tax assessment values – investment properties

#### Tax residual value – investment properties

<i>Group, SEKm</i>	<i>2007</i>	<i>2006</i>
Tax assessment values, buildings	5,446	4,536
Tax assessment values, land	1,409	1,345
<b>Total tax assessment value</b>	<b>6,855</b>	<b>5,881</b>

The tax residual value of the properties totalled SEK 7,794 (7,175) million on 31 December 2007.

**Note 10 Receivables from group companies**

<i>Parent company</i>	2007	2006
<b>Long-term receivables</b>		
Accumulated acquisition values		
Opening balance	2,712,897	1,322,483
Change in receivables	292,020	1,390,414
<b>Reported value at end of period</b>	<b>3,004,917</b>	<b>2,712,897</b>

**Current receivables**

Accumulated acquisition values		
Opening balance	467,606	179,247
Change in receivables	-147,558	288,359
<b>Reported value at end of period</b>	<b>320,048</b>	<b>467,606</b>

**Note 11 Other receivables**

<i>Group</i>	2007	2006
Settlement of taxes and charges	57,248	31,190
Receivable, seller promissory notes	55,100	2,488
Other current receivables	8,883	8,015
<b>Total</b>	<b>121,231</b>	<b>41,693</b>

*Parent Company*

Deduction taxes and charges	1,814	2,959
Other current receivables	11	3,835
<b>Total</b>	<b>1,825</b>	<b>6,794</b>

**Note 12 Accounts receivable**

Klövern values its accounts receivable every quarter and makes individual assessments of all accounts receivable exceeding 30 days. Provision is made for bad debt and the claim is recorded as a customer loss in the event of bankruptcies or other established losses. Our managers always perform out a creditworthiness assessment in connection with a new letting.

Accounts receivable in the Group is reported after taking into consideration customer losses amounting to SEK 3.4 million during the year deducting recovered customer losses of SEK 1.4 million.

**Accounts receivable by age**

Days	
0–29	31,295
30–89	2,667
90–	5,361
Bad dept reserve	-3,247
<b>Total</b>	<b>36,076</b>

**Note 15 Shareholders' equity****Change share capital c s**

	Date	Number of ordinary 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 ordinary 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>
Repurchase of own shares		-775,500		
<b>Closing balance</b>	<b>31.12.2007</b>	<b>165,768,826</b>	<b>5</b>	<b>832,721,630</b>

**Dividend**

The Board of Directors of Klövern AB proposes to the Annual General Meeting that a dividend of SEK 1.50 per share (1.25) shall be paid, a total of SEK 248.7 million (208.2).

**Note 13 Prepaid expenses and deferred income**

<i>Group</i>	2007	2006
Accrued supplier liabilities	2,181	3,729
Prepaid rent discounts	3,052	–
Prepaid insurance	3,425	3,280
Prepaid site leasehold charges	5,458	3,493
Prepaid project costs	3,039	3,156
Accrued income	5,157	4,784
Other prepaid expenses and accrued income	4,656	3,516
<b>Total</b>	<b>26,968</b>	<b>21,958</b>

*Parent Company*

Accrued supplier liabilities	914	965
Prepaid insurance	3,407	3,280
Acquisitions in process	200	412
Other prepaid expenses and accrued income	1,256	1,143
<b>Total</b>	<b>5,777</b>	<b>5,800</b>

**Note 14 Liquid funds**

<i>Group</i>	2007	2006
Cash and bank	87,100	95,442
<b>Total</b>	<b>87,100</b>	<b>95,442</b>

*Parent Company*

Cash and bank	13,926	9,050
<b>Total</b>	<b>13,926</b>	<b>9,050</b>

#### Note 16 Earnings per share

The calculation of earnings per share for 2007 has been based on the net profit for the year attributable to the Parent Company's ordinary shareholders amounting to SEK 1,225,851,000 (630,685,000) and to a weighted average of the number of outstanding shares in 2007 totalling 166,372,638 (125,238,822). There are no dilution effects relating to earnings per share for the full year 2007 or 2006. During December 2007, a total of 775,000 shares has been repurchased at a total price of SEK 18,491,000, equivalent to SEK 23.84 per share. The components have been calculated in the following way:

<i>Net profit attributable to the parent company's shareholders</i>		
	2007	2006
Net profit attributable to the parent company's shareholders	1,225,851	630,685
<i>Of which average number of outstanding ordinary shares</i>		
Number	2007	2006
<b>Total number of shares on 1 January</b>	<b>166,544,326</b>	<b>120,364,259</b>
Effect of new issue, 22 November 2006	–	46,180,067
Effect of repurchased shares in 2007	–775,500	–
<b>Total number of shares, 31 December</b>	<b>165,768,826</b>	<b>166,544,326</b>
<i>Weighted average number of ordinary shares during the year</i>		
	166,372,638	125,238,822
<b>Earnings per share, average no.</b>	<b>7,36</b>	<b>5,04</b>

#### Note 17 Interest-bearing and non interest-bearing liabilities

<i>Group</i>	2007	2006
<b>Long-term liabilities</b>		
Bank loans	6,958,181	6,796,389
<b>Total</b>	<b>6,958,181</b>	<b>6,796,389</b>
<b>Current liabilities</b>		
Current portion of long term debt	48,747	33,500
Promissory note liability	–	47,923
<b>Total</b>	<b>48,747</b>	<b>81,423</b>
Unused overdraft facility	135,817	95,000

Other long-term liabilities, SEK 160,000,000, refer to non-interest bearing liabilities which have arisen in connection with acquisition of properties. The loan falls due for payment on 20 November 2008. The maturity structure for interest-bearing liabilities is shown in Note 22. Long-term liabilities in the Parent Company only refer to liabilities to subsidiaries, which fall due for payment later than five years.

#### Note 18 Liabilities to credit institutions

<i>Parent Company</i>	2007	2006
<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	100,000	50,000

#### Note 19 Provisions

<i>Group</i>	2007	2006
<b>Other provisions which are long-term liabilities</b>		
Reported value at beginning of period	6,826	7,072
Amount taken into use during the period	–2,578	–246
<b>Reported value at end of period</b>	<b>4,248</b>	<b>6,826</b>
<i>Parent Company</i>		
<b>Other provisions</b>		
Reported value at beginning of period	6,826	7,072
Amount taken into use during the period	–2,578	–246
<b>Reported value at end of period</b>	<b>4,248</b>	<b>6,826</b>

Before Klöver changed its area of business activities to real estate companies in 2002, some disputes had arisen in the IT consultancy activity previously engaged in. The disputes have been successively settled and as at 31 December 2007, the provision for disputes totalled SEK 4,248,000 (6,826,000). The major part, SEK 4,248,000 (4,326,000) 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 2007 and 2006 consists of attorney fees and a settlement payment to Kommanditaktieselskapet Pakhus D+E. Due to the nature and complexity of the compulsory redemption process, the Company makes the assessment that the proceeding will not be settled during the coming 12-month period.

#### Note 20 Other liabilities

<i>Group</i>	2007	2006
<b>Övriga kortfristiga skulder</b>		
<i>Other current liabilities</i>		
Personnel's withholding tax and social security contributions	2,926	2,486
Debt to part-owner of property	6,059	2,444
Debt to previous property owner	160,450	1,307
Debt to purchaser	29,368	–
Other items	1,203	727
<b>Total</b>	<b>200,006</b>	<b>6,964</b>
<i>Parent Company</i>		
Personnel's withholding tax and social security contributions	2,926	2,486
Value-added tax	4,244	4,417
Other items	4,708	60
<b>Total</b>	<b>11,878</b>	<b>6,963</b>

#### Note 21 Accrued expenses and prepaid income

<i>Group</i>	2007	2006
Invoiced rents for the first quarter of 2008/2007	199,679	143,381
Accrued interest expense	41,215	46,605
Accrued stamp tax on properties	14,451	20,773
Accrued personnel costs	18,158	15,202
Other items	24,853	13,029
<b>Total</b>	<b>298,356</b>	<b>238,990</b>
<i>Parent Company</i>		
Accrued personnel costs	9,577	8,968
Accrued costs, profit sharing foundation	8,581	5,265
Other items	1,523	5,446
<b>Total</b>	<b>19,681</b>	<b>19,679</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. Klöver is mainly exposed to liquidity risk, financing risk, interest rate risk and credit risk. The Group's financial policy for managing financial risks has been prepared by 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 and financing risk

Liquidity risks means the risk of liquidity being insufficient to meet future payment commitments. Internal liquidity forecasts are drawn up in connection with quarterly reports for the coming twelve months where all items affecting cash flows are analysed in aggregate form. The liquidity forecast is intended to verify the need of capital in the coming year.

The financing risk also refers to the risk that financing cannot be obtained at all, or only at greatly increased costs. To manage this risk, the finance policy contains rules on the spread of maturity dates for the loan portfolio and unutilised loan facilities. According to the finance policy, the average remaining maturity, the period of capital being tied up, on the loan portfolio is to be three years, and at most 35 per cent of the loan portfolio 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.

As at 31 December 2007, the average remaining maturity of the loan portfolio was 3.7 years (4.3). At the same time, liquid assets were available totalling SEK 87 million (95) and confirmed, but not utilized, loan facilities of SEK 888 million (557). There were moreover unutilized loan undertakings of SEK 302 million (367) which can be used for new acquisitions or investments after providing collateral for mortgages up to 75 per cent of the property value.

The Company's financial due date structure as at 31 December 2007, is shown by the following table:

Capital due date year	Credit agreement, SEKm	Utilized, SEKm	Utilized, %
2008	193	193	100
2009	404	404	100
2010	2,625	2,218	84
2011	1,635	1,430	87
2012	2,268	1,690	75
2013–	1,072	1,072	100
<b>Total</b>	<b>8,197</b>	<b>7,007</b>	<b>85</b>

### Interest caps

Year maturing	2009		2010		2011		2012	
Volume, SEKm	330	400	180	419	500	1,000	500	
Reference rate, STIBOR	3M	3M	1M	3M	3M	3M	3M	
Redemption rate, %	4.0	4.5	4.0	4.0	4.5	4.5	4.5	

M = Month

### Interest rate risks

The interest rate risk can partly consist of a change in fair value due to changes in interest rates or share prices, 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 entail a higher price risk while shorter periods of fixed interest entail a higher cash flow risk. Of the total interest-bearing liabilities of SEK 7,007 million (6,878), 75 per cent (68) had variable interest and the average fixed-interest period was 1.4 years (1.8) at the end of the year, which is considered as rather short. Consequently, Klöver is mainly exposed to cash flow risk as regards interest rate risk.

Year interest due	Average interest rate, %	Interest due, SEKm	Proportion, %
Floating	4.6	5,235	75
2008	4.9	428	6
2009	4.4	254	4
2010	3.8	32	0
2011	6.4	58	1
2012	–	–	–
2013–	4.4	1,000	14
<b>Total</b>	<b>4.6</b>	<b>7,007</b>	<b>100</b>

According to the finance policy, 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.

To limit the interest rate risk for the variable loans, an interest cap for a loan volume of SEK 3,329 (3,329) million has been purchased compared with SEK 1,917 million (1,654) which was a minimum requirement according to the policy. The redemption rates for the interest caps vary between 4.0 and 4.5 per cent linked to one and three-month STIBOR respectively.

During 2007, the change in value for the interest caps was SEK 9.6 million (11.6). The fair value amounted to SEK 36.7 billion (33.3) at year-end.

At year-end, Klöver had two interest swap contracts. One contract of SEK 1,000 million runs until 2016. The other contract for SEK 200 million runs until 2009. The fair value of the swaps amounted to SEK 59.6 million (16.0) and changes in value to SEK 43.6 million (16.0) during the year. Swapped volumes are classified as corresponding fixed loans. Both interest caps and swaps increase Klöver's price risk.

No financial securities were held at the end of the year (–) and accordingly the change in value was SEK 0 (21.6) and the price risk non-existent.

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.

#### Credit risks

Credit risks mean the risk of counterparty or issuer not being able to comply with its undertakings to Klöver. Klöver is exposed to credit risk to the extent that the surplus/liquidity is to be invested and through its holdings of derivative instruments in the form of interest rate caps and interest rate swaps. With a view to limiting the credit risks on investment, the 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	At most SEKm 300 per group
Other Swedish mortgage institutions	At most SEKm 100 per company
Foreign banks with rating at least Standard & Poors A- or Moodys A3	At most SEKm 100 per group

As regards derivative instruments, there are no volume limits, although derivatives may only be acquired with a view to adjusting the interest rate risk. Permitted derivative instruments are: interest rate swaps, interest caps and floors, FRA and interest rate and currency forwards. To the extent that options are used, these should minimise risk.

There is also a certain element of credit risk in the current letting operations, i.e. a risk of a tenant not being able to pay the rent. However, this is very limited given the use of advance rents

#### Sensitivity analysis

In connection with the quarterly reports, an interest sensitivity analysis is also prepared, measuring the effects of changes in short market interest rates on the borrowing rate and the interest coverage rate. A change in short market interest rates of +/- one percentage point at year-end would have meant that Klöver's average borrowing rate would have changed by +0.27/-0.60 percentage points, which would have been equivalent to a change in interest expense of SEK +19/-42 million. The interest coverage ratio would have changed from the current 2.2 to 2.1 and 2.6 times respectively.

The calculations of the sensitivity analysis are based on the Group's earning capacity and balance sheet as at 31 December 2007. 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.

	Change	Annual effect on profit, SEKm
Financial occupancy ratio	+/- 1 %-enhet	+/- 13.0
Rental income	+/- 1 %	+/- 11.5
Property costs	+/- 1 %	-/+ 4.6
Klövern's average borrowing rate	+/- 1 %-enhet	-/+70.1

#### Fair value of financial instruments

	2007				2006			
	Financial income	Financial expense	Changes in value	Net financial items	Financial income	Financial expense	Changes in value	Net financial items
<b>Financial assets valued at fair value via the statement of income</b>								
Interest rate swaps relating to cash flow hedging	-	-	43,636	43,636	-	-	16,010	16,010
Interest caps	-	-	9,689	9,689	-	-	11,570	11,570
<b>Total</b>	-	-	<b>53,325</b>	<b>53,325</b>	-	-	<b>27,580</b>	<b>27,580</b>
<b>Loan receivables and accounts receivable</b>								
Other long-term receivables	-	-	22	22	-	-	21,613	21,613
Accounts receivable	-	-	-	-	-	-	-	-
Accrued income and other receivables	623	-	-	623	496	-	-	496
Liquid assets	2,915	-	-	2,915	1,793	-	-	1,793
<b>Total</b>	<b>3,538</b>	-	<b>22</b>	<b>3,560</b>	<b>2,289</b>	-	<b>21,613</b>	<b>23,902</b>
<b>Total financial income</b>	<b>3,538</b>	-	<b>53,347</b>	<b>56,885</b>	<b>2,289</b>	-	<b>49,193</b>	<b>51,482</b>
<b>Financial liabilities valued at accrued and acquisition value</b>								
Liabilities to credit institutions	-	-313,258	-	-313,258	-	-173,047	-	-173,047
Accounts payable	-	-101	-	-101	-	-47	-	-47
Accrued expenses and other liabilities	-	-600	-	-600	-	-76	-	-76
<b>Total financial expenses</b>	-	<b>-313,959</b>	-	<b>-313,959</b>	-	<b>-173,170</b>	-	<b>-173,170</b>

Reported values in the balance sheet do not differ from fair value.

### Note 23 Operational leasing

The Group leases its investment properties under to operational leasing agreements (see Note 9). Current rents are included at a smaller amount, SEK 3.3 million (2.9). The future rental payments for which notice to vacate cannot be given, are as follows:

	2007	2006
<i>Operational leasing – the Group as lessor, SEKm</i>		
Agreed rental income, year 1	339	261
Agreed rental income, year 2-5	641	705
Agreed rental income, later than year 5	174	103
<b>Total</b>	<b>1,154</b>	<b>1,069</b>

The Group's leased assets consist of operational leasing contracts, and only amount to SEKm 1.

### Note 24 Assets pledged and contingent liabilities

<i>Assets Pledged</i>	Group		Parent Company	
	2007	2006	2007	2006
Property mortgages	7,460,040	6,978,860	–	–
Floating charges	–	12,500	–	–
Escrow funds	–	3,862	–	3,758
<b>Total assets pledged</b>	<b>7,460,040</b>	<b>6,995,222</b>	<b>–</b>	<b>3,758</b>
<i>Contingent liabilities</i>				
Guarantees in favour of subsidiaries	–	–	5,908,628	6,200,661
Other contingencies	21,038	514,230	21,038	514,230
<b>Total contingencies</b>	<b>21,038</b>	<b>514,230</b>	<b>5,929,666</b>	<b>6,714,891</b>

### Note 25 Retail parties

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

<i>Group</i>	Year	Services	Services	Receivable	Liability
		sold	purchased		
Other retail parties	2007	32,454	–	–	1,191
Other retail parties	2006	16,443	–	5,518	–
<i>Parent Company</i>					
Subsidiary	2007	116,138	–	3,324,965	723,486
Subsidiary	2006	79,132	–	3,180,503	623,053

Transactions with related parties 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). During the year, Arvid Svensson AB has made a lump sum payment of SEK 19 million in connection with redemption of a lease. In 2007, a property was acquired from Länsförsäkringar Södermanland. The annual contract value is SEK 4 million. Fredrik Svensson is President of Arvid Svensson AB and Anna-Greta Lundh is President of Länsförsäkringar Södermanland. Both are board members of Klöver.

Payments to the President & CEO and the Board of Directors are shown by Note 3.

## Note 26 Shares and participations in group companies

	31.12.2007	31.12.2006
Accumulated acquisition values		
Opening balance	183,392	183,292
Purchase	200	100
Sales	-200	-
<b>Closing balance</b>	<b>183,392</b>	<b>183,392</b>
Accumulated write-ups		
Opening balance	28,951	-
Write-ups for the year	107,600	28,951
<b>Closing balance</b>	<b>136,551</b>	<b>28,951</b>
<b>Total</b>	<b>319,943</b>	<b>212,343</b>

Write-ups for the year refer to shareholders' contribution to subsidiaries.  
Specification of the Parent Company's directly-owned subsidiaries is shown below.  
Other group companies are included in the respective subsidiary's annual reports.

Subsidiary/Reg. No./Registered Office	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	107,700
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>Total</b>			<b>319,943</b>

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

## Note 27 Cash flow analysis

	Group		Parent company	
	2007	2006	2007	2006
<i>Interest paid</i>				
Interest received	3,538	2,289	1,329	4,054
Interest paid	-320,281	-170,031	-894	-467

### *Cash flow from investing operations*

*The property acquisitions have been partly financed by non-cash issues, amounting to SEK 0 million (1,094).*

	Group		Parent company	
	2007	2006	2007	2006
<i>Adjustment for items not included in the cash flow</i>				
Deprecation on equipment	3,199	2,680	1,391	931
Group contribution	-	-	167,500	172,397
Change in allocations	-1,159,800	-311,173	-	-
<b>Total</b>	<b>-1,156,601</b>	<b>-308,493</b>	<b>168,891</b>	<b>173,328</b>

	Parent Company	
	2007	2006
<i>Investment in financial fixed assets</i>		
Shares and participations in group companies	-107,600	-29,051
New issue	-	1,093,544
Receivables from group companies	-292,020	-1,390,414
<b>Total</b>	<b>-399,620</b>	<b>-325,921</b>

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

On 15 January 2008, Klöverv vacated its part of the site Färöarna 3 which was sold to AREIM Fond 1 during the fourth quarter of 2007. The sales price amounted to SEK 270 million and the realised change in value of around SEK 32 million will be reported as income in the first quarter of 2008.

On 15 January, Klöverv acquired the site Lidarände 1 from the City of Stockholm at a price of SEK 45 million. The site consists of around 15,000 sq.m. Kista Expo Center will be built on the site and is expected to be completed by August 2008.

At the end of 2003, Klöverv requested that tax assessment for that year should be reconsidered with a view to determine whether Klöverv was entitled to tax loss carry forward of around SEK 5,000 million. The Tax Agency imposed a surcharge of SEK 493 million in this case, which was quashed by the county administrative court in December 2007. In February 2008, the Tax Agency has appealed against this case to the Administrative Court of Appeal. During 2008, Klöverv had continued to repurchase shares and as at 28 February, a total of 1,140,500 of Klöverv's shares had been repurchased, corresponding to 0.7 per cent of the total number of registered shares.

**Note 29 Important estimates and assessments**

Preparing the final accounts in accordance with IFRS requires that the Board and the Executive Management make assessments and estimates and assumptions that affect the application of the accounting principles and the amounts reported of assets, liabilities,

income and expenses. The estimates and assumptions are based on historical experiences and a number of other factors that would appear to be reasonable in present circumstances. The result of these estimates and assumptions is then used to assess the reported values of assets and liabilities which are not otherwise clear from other sources. The actual outcome can vary from these estimates and assessments.

Estimates and assessments are regularly reviewed. Changes in estimates are reported in the period the change is made if the change has only affected this period or in the period the change is made and future periods if the changes affects both the current and future periods. Assessments made by the Board and senior executives in applying IFRS which have a significant impact on the financial reports and estimates made which can entail important adjustments in the following years financial reports concern valuation of investment properties, which is described in more detail in Note 9.

**Note 30 Information about the Parent Company**

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

The consolidated accounts for 2007 consist of the Parent Company and its subsidiaries, jointly referred to as the Group.

The undersigned hereby certify that these financial statements for the Group and annual report have been prepared in accordance with the International Financing Reporting Standards, IFRS, as adopted by the EU and with generally-accepted accounting principles. The information provides a fair picture of the Group's and the companies' position and result, and the administration report for the Group and the Parent Company provides a fair picture of the development of the Group's and the Parent Company's business activities, position and result and describes important risks and uncertainty factors that confront the companies belonging to the Group.

Nyköping, 5 March 2008

*Stefan Dahlbo*  
Chairman

*Gustaf Hermelin*  
Gustaf Hermelin, President & CEO

*Lars Holmgren*

*Anna-Greta Lundh*

*Johan Piehl*

*Lars Rosvall*

*Fredrik Svensson*

Our audit report was submitted on 6 March 2008

Ernst & Young AB

*Mikael Ikonen*  
Authorised public accountant

# Audit Report

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

We have examined the annual accounts, the consolidated accounts, the accounting records and the management by the Board of Directors and the President of Klöver AB for the 2007 financial year. The company's annual report and consolidated accounts are contained in the printed version of this document on pages 43 to 78. 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, 6 March, 2008

Ernst & Young AB

*Mikael Ikonen*

Authorized Public Accountant

## Statement by the auditor pursuant to Chapter 8, section 54, of the Companies Act (2005:551) on whether the guidelines of the Annual General Meeting on remuneration to senior executives have been complied with

To the Annual General Meeting of Klöver AB (publ)  
Registration number 556482-5833

### *Introduction*

We have examined whether the Board of Directors and the President/CEO of Klöver AB (publ) during 2007 (the financial year 2007) have complied with the guidelines for remuneration to senior executives adopted at the Annual General Meeting on 28 March, 2007. The Board of Directors and the President/CEO are responsible for compliance with the guidelines. Our responsibility is to make a statement, based on our examination, to the Annual General Meeting on whether these guidelines have been complied with.

### *The orientation and extent of the examination*

This examination has been carried out in accordance with FAR/SRS proposed recommendation RevR 8 Examination of remuneration to senior executives in limited companies. This means that we have planned and carried out this examination in order to obtain a high level but not absolute certainty as to whether the guidelines have been complied with. This examination has included the company's organization of and documentation of matters relating to remuneration for senior executives, new decisions made on remuneration and a selection of the payments made during the financial year to senior executives. We consider that our examination provides us with a reasonable basis for our statement below.

### *Conclusion*

We consider that the Board of Directors and the President/CEO of Klöver AB (publ) have during 2007 complied in all substantial with the guidelines for remuneration to senior officials which were adopted at the Annual General Meeting on 28 March, 2007.

Stockholm, 6 March, 2008

Ernst & Young AB

*Mikael Ikonen*

Authorized public accountant



Klövern staff member

“Making the customer’s day easier every day”



Linköping – Elektriciteten 2

## Miscellaneous

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## Board of Directors and Auditor



**Stefan Dahlbo**, born 1959.  
Independent board member.\*  
Chairman of the Board since 2002.

President and CEO, Investment AB Öresund.  
*Other assignments:* Director of HQ AB and Nobia AB.  
*Education:* Graduate in business administration.  
*Shareholding in Klöver:* 92,162 shares, privately and via 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:* 2,152,200 shares, privately, via family and company.



**Lars Holmgren**, born 1952.  
Director since 2003.

CFO Lantbrukarnas Riksförbund  
*Other assignments:* Among others, Chairman of among others LRF Försäkring AB. Director of, among others, Diös Fastigheter AB, Setra Group AB, LRF Media AB and Lantbrukarnas Ekonomi AB.  
*Education:* Chemical economist.  
*Shareholding in Klöver:* 0 shares.



**Anna-Greta Lundh**, born 1955,  
Independent board member.\*  
Director since 2003.

President and CEO, Länsförsäkringar Södermanland.  
*Other assignments:* Director of Läns hem Fastighetsförmedling, Länsförsäkringars ITCenter, Södermanlands Nyheter and Setra Group AB.  
*Education:* Graduate in business administration.  
*Shareholding in Klöver:* 20,000 shares, privately.

## Auditor



**Johan Piehl**, born 1955,  
Independent board member.\*  
Director since 2003.

President and CEO Förvaltnings AB Charrow.  
*Other assignments:* Chairman of Stockholms Borgerskap, Director of HQ AB and HQ Fonder Sverige AB.  
*Education:* Market economist.  
*Shareholding in Klöver:* 595,100 shares, privately, via family and company.



**Lars Rosvall**, born 1959,  
Independent board member.\*  
Director since 2005.

Chairman Frösundaviksparken AB and Gesundaberget AB.  
*Other assignments:* Chairman of Ampelia Förvaltning AB, Backahill AB and Dagon AB.  
*Education:* Graduate in business administration.  
*Shareholding in Klöver:* 645,500 shares, via company.



**Fredrik Svensson**, born 1961.  
Director since 2005.

President and CEO, AB Arvid Svensson (ASA).  
*Other assignments:* Chairman of Case Investment AB. Board member of Broström AB, Balder AB, Ramnäs Bruk AB, Dagon AB and United Logistics AB.  
*Education:* Graduate in business administration  
*Shareholding in Klöver:* 17,016,609 shares, via company .



Ernst & Young AB  
**Mikael Ikonen**, born 1963.  
Authorised public accountant since 1996, employed in the company since 1988.

Ernst & Young have been appointed by the Annual General Meeting in 2007 until the end of the Annual General Meeting in 2011.  
*Other assignments:* Ing Real Estate Nordic Holding AB, ABB Fastighet AB, Cramo Holding AB, Maxit Group AB, SFF Real Estate AB.

\* Independent according to the Swedish code and OMX Nordic Exchange's listing agreement, independent both in relation to the company and to major shareholders.

## Executive Management



**Gustaf Hermelin**, born 1956. President and Chief Executive Officer, employed since 2002.

*Previous employments:* President, StrömFastigheter in Norrköping, 2001–2002, President StrandFastigheter in Nyköping 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 Klövern:* 2,152,200 shares, privately, via family and company.



**PG Sabel**, born 1964. Unit manager Kista, employed since 2007.

*Previous employments:* Head of project development AP Fastigheter 2000–2007, Project Manager and Real Estate Manager, Skanska Fastigheter 1991–2000.

*Education:* MSc, Engineering.

*Assignment:* None.

*Shareholding in Klövern:* 0.



**Britt-Marie Einar**, born 1965. Financial and Information Manager, employed since 2004.

*Previous employments:* Information and IR Manager, Tornet 1999–2003, Financial journalist, Veckans Affärer 1997–1999 and Finanstidningen 1990–1997, Treasurer, Östgöta Enskilda Bank 1989–1990.

*Education:* Graduate in business administration.

*Assignment:* None.

*Shareholding in Klövern:* 1,000 shares, privately.



**Caesar Åfors**, born 1959. CFO and Vice-President, employed since 2002.

*Previous employments:* Consultancy assignments in StrandFastigheter 1999–2002, Self-employed 1997–1998, Estate agent, Areal 1990–1997.

*Education:* MSc in Forestry.

*Assignments:* None.

*Shareholding in Klövern:* 661,464 shares, via company.



**Thomas Nilsson**, born 1951. IT and Real Estate Manager, Vice-President, employed since 2002.

*Previous employments:* Consultancy assignments in, among others, Storheden, Wihlborgs and StrandFastigheter in Nyköping 1995–2002, President Skavsta Flygplats 1991–1995, President Nyköpings Industrihus 1982–1994.

*Education:* BSc, Business Administration.

*Assignments:* None.

*Shareholding in Klövern:* 250,991 shares, via company.



**Mattias Rickardsson**, born 1974. Transaction and Analysis Manager, employed since 2003.

*Previous employments:* Subsidiary controller Österströms rederi 1999–2003.

*Education:* University studies in Economics.

*Assignment:* None.

*Shareholding in Klövern:* 0.

# Specification of properties

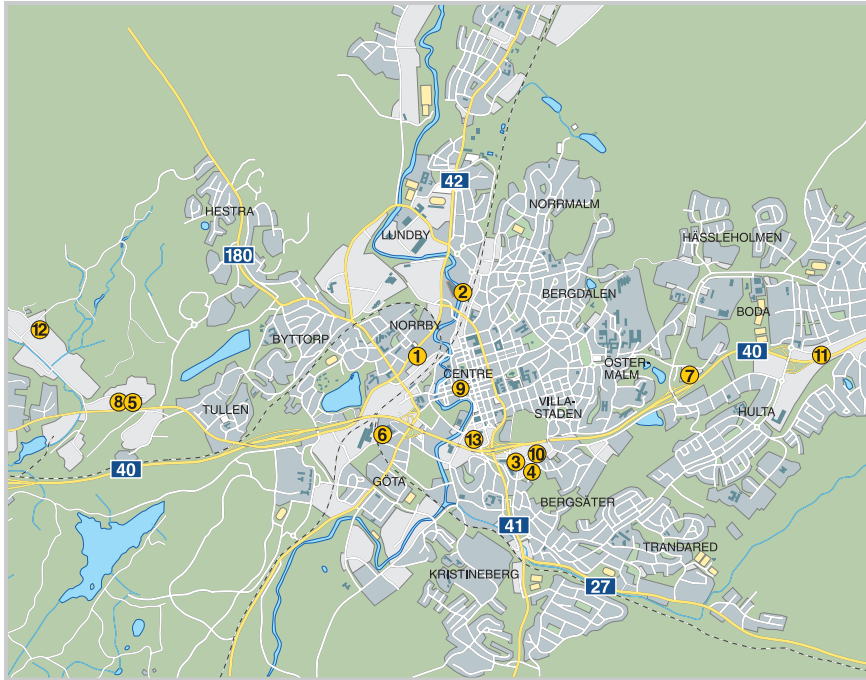
## Borås

No	Property	Address	Municipality	Site leasehold	Building year/ appraisal year	Type of property	sq.m.					Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
							Office, warehouse	Industry/ Retail	Education/ lab/health care/ physical recreation	Restaurant/ hotel	Residential				Total
1	Gjutaren 10	Norby Tvärg. 7, Norby Längg. 18	Borås		1966/1966	Industry/warehouse	1,101	7,748	–	–	–	8,849	3.8	97	14
2	Grävlingen 5	Skaraborgsv. 21	Borås		1887/1990	Office	6,740	–	613	–	–	7,353	6.5	96	34
3	Katrinedal 2	Katrinedalsg. 14, Åsboholmsg. 12	Borås		1955/1988	Industry/warehouse	2,164	2,646	1,276	2,619	280	8,985	5.8	92	32
4	Katrinehill 8	Åsboholmsg. 16	Borås		1959/1959	Office	5,263	1,187	–	–	–	6,450	4.0	92	17
5	Kuggen 1	Verkstadsq. 14	Borås		1992/1996	Industry/warehouse	–	1,872	–	–	–	1,872	1.1	100	6
–	Kyrkängen 9	Kyrkog. 2	Mark		1929/1985	Office	653	–	–	–	–	653	0.9	100	4
6	Laxöringen 1	Bockasjöq. 10	Borås		1943/1960	Industry/warehouse	1,392	1,672	–	–	–	3,064	1.5	94	8
7	Milen 7	Solvarvsg. 4, 6	Borås		1969/1989	Industry/warehouse	2,405	7,531	–	–	–	9,936	4.8	71	21
8	Muttern 2	Verkstadsq. 12	Borås		1963/1989	Industry/warehouse	442	1,842	–	–	–	2,284	1.4	87	6
9	Nestor 1	Lilla Brog. 17	Borås		1963/1963	Office	1,238	–	1,148	–	–	2,386	2.9	100	20
10	Näckrosen 3	Katrinedalsg. 1, 3, Åsboholmsg. 25	Borås		1990/1990	Office	4,026	1,242	–	–	–	5,268	5.1	90	26
11	Raklinjen 2	Källbäcksvärdsg. 6,8	Borås		1968/1970	Industry/warehouse	–	7,755	–	–	–	7,755	3.3	96	13
12	Rotorn 3	Masking. 4	Borås		1972/1975	Industry/warehouse	–	3,037	–	–	–	3,037	1.3	96	6
13	Uranus 16	Bryggareg. 18, 20	Borås		1949/1960	Industry/warehouse	–	4,456	–	2,734	–	7,190	2.9	100	12
<b>Total</b>							<b>25,424</b>	<b>40,988</b>	<b>3,037</b>	<b>5,353</b>	<b>280</b>	<b>75,082</b>	<b>45.3</b>	<b>92</b>	<b>219</b>

## Karlstad

No	Property	Address	Municipality	Site leasehold	Building year/ appraisal year	Type of property	sq.m.					Rental value, SEKm	Occupancy rate, %	Tax value, SEKm		
							Office, warehouse	Industry/ Retail	Education/ lab/health care/ physical recreation	Restaurant/ hotel	Residential				Total	
1	Barkassen 7	Lagergrens g. 2, 4	Karlstad		1990/1990	Office	11,872	8	425	–	61	12,366	14.3	83	76	
2	Barkassen 9	Lagergrens g. 8	Karlstad		1991/1991	Office	7,146	–	–	10	–	7,156	8.4	93	45	
3	Björnen 7	Järnväggsg. 7	Karlstad		1965/1965	Office	2,668	212	395	–	–	3,275	4.8	94	29	
4	Björnen 13	Fredsg. 10	Karlstad		1906/1962	Office	3,854	3,586	–	–	–	7,440	6.3	75	26	
5	Blåsten 3	Stormg. 6	Karlstad	S	1975/1975	Industry/warehouse	535	1,612	–	–	–	2,147	0.9	78	4	
6	Blåsten 4	Stormg. 8	Karlstad	S	1975/1979	Office	2,407	–	–	–	–	2,407	1.7	100	6	
7	Brisen 4	Sunnanvindsg. 8	Karlstad	S	1973/1978	Office	800	–	–	–	–	800	0.7	100	3	
8	Bromsen 1	Blockg. 6	Karlstad	S	1967/1967	Retail	729	–	861	–	–	1,590	1.0	70	4	
9	Bromsen 6	Ramg. 7	Karlstad	S	1967/1973	Industry/warehouse	1,041	2,140	200	–	–	3,381	1.9	99	7	
10	Bromsen 13	Spärrg. 12	Karlstad	S	1967/1967	Office	–	–	–	–	–	–	–	–	1	
11	Bälgen 9	Sägverksq. 33	Karlstad	S	1959/1991	Office	–	–	–	–	–	–	–	–	3	
12	Bälgen 10	Sägverksq. 35	Karlstad	S	1959/1991	Office	–	–	–	–	–	–	–	–	–	
13	Bälgen 11	Elverumsg. 7	Karlstad	S	1959/1991	Office	2,780	–	–	–	–	2,780	2.0	83	9	
14	Druvan 13	Tingvallag. 17	Karlstad		1947/1947	Retail	1,905	52	1,968	–	347	4,272	5.2	96	33	
15	Ekorren 11	Malmtoressg. 6	Karlstad		1929/1992	Office	4,732	–	–	2,150	–	1,745	8,627	8.4	85	47
16	Fjäders 14	Kolvig. 1	Karlstad	S	1966/1971	Retail	1,013	–	3,032	–	–	4,045	2.6	89	7	
17	Fjäders 16	Bromsg. 4	Karlstad	S	1991/1991	Office	2,821	–	1,536	–	–	4,357	3.2	100	17	
18	Freja 13	Drottningg. 6	Karlstad		1965/1972	Office	3,571	55	2,067	–	936	6,629	7.6	94	46	
19	Gripen 11	Herrgårdsg. 20	Karlstad		1962/1986	Education/lab/health care/physical recreation	1,508	–	162	2,262	–	366	4,298	4.6	100	24
20	Grästen 2	Stråg. 3	Karlstad	S	1990/1990	Office	2,688	–	–	–	–	2,688	2.2	90	11	
21	Gångjärret 2	Blockg. 29	Karlstad	S	1964/1974	Industry/warehouse	158	2,814	–	–	–	2,972	2.4	100	9	
22	Hammaren 21	Gjuterig. 27, 29	Karlstad		1990/1990	Industry/warehouse	774	1,172	–	–	–	1,946	1.2	100	5	
23	Herrhagen 1:10	Hammpirsg. 4	Karlstad	S	1986/1987	Education/lab/health care/physical recreation	–	475	–	1,040	–	1,515	1.2	100	1	
24	Hybelejen 17	Verkstadsq. 20	Karlstad	S	1929/1985	Office	2,914	10	–	–	–	2,924	2.5	98	14	
25	Kanoten 9	Kanikenäsbanken 12	Karlstad		1990/1990	Office	8,894	–	–	–	–	8,894	8.3	100	55	
26	Kanoten 10	Lagergrens g. 7	Karlstad		1989/1989	Office	9,031	700	–	434	–	10,165	13.9	94	78	
27	Kulingen 4	Östanvindsg. 17	Karlstad		1976/1976	Industry/warehouse	–	7,482	450	–	–	7,932	3.5	100	15	
28	Mercurius 2	V. Torrg. 10	Karlstad		1929/1961	Retail	–	12	1,059	–	–	1,071	2.4	100	12	
29	Mercurius 3	V. Torrg. 12	Karlstad		1929/1939	Retail	711	62	741	–	–	1,514	1.5	82	10	
30	Monitorn 9	Ö. Torrg. 2 A	Karlstad		1993/1993	Office	3,056	–	219	–	–	3,275	4.9	100	27	
31	Passadvinden 3	Regnvindsg. 17	Karlstad		1990/1990	Industry/warehouse	305	3,378	–	–	–	3,683	2.1	100	9	
32	Regnvinden 1	Dagvindsg. 7	Karlstad		1981/2005	Office	5,075	4,894	–	–	–	9,969	6.7	90	28	
33	Skepparen 15	Orrholmsg. 4, 6, Sjömansg. 1	Karlstad		1954/1954	Education/lab/health care/physical recreation	2,490	–	–	19,363	–	21,853	22.4	99	Spec.prop.	
34	Släggan 13	Sägverksq. 20	Karlstad	S	1981/1981	Office	1,084	133	424	–	216	1,857	0.9	95	7	
35	Spärren 7	Rattg. 6	Karlstad	S	1968/1970	Industry/warehouse	709	758	422	–	–	1,889	1.6	83	6	
36	Stolpen 1	Ventilig. 5	Karlstad		1964/1964	Office	4,019	–	–	285	–	4,304	3.9	100	8	
37	Stolpen 6	Ventilig. 1	Karlstad		1991/1991	Retail	410	50	175	–	–	635	0.7	100	2	
38	Styrmanen 5	Hammtorget 1-3	Karlstad		1991/1991	Office	6,943	185	–	–	–	7,128	7.6	100	43	
39	Sågen 1	Faktorig. 13, Industrig. 1	Karlstad	S	1986/1986	Office	3,223	–	–	–	–	3,223	1.7	84	9	
40	Sågen 2	Faktorig. 15	Karlstad		1988/1988	Office	1,611	–	–	–	–	1,611	1.1	100	6	
41	Sågen 7	Lantvärnsg. 12	Karlstad		1940/1975	Office	2,185	1,559	–	–	–	3,744	1.6	54	8	
42	Sågen 9	Lantvärnsg. 8	Karlstad		1972/1972	Industry/warehouse	978	1,462	–	–	–	2,440	1.0	79	5	
43	Sälgen 6	Älv. 39	Karlstad		1929/1949	Office	1,574	–	–	–	–	1,574	2.1	100	6	
44	Tornadon 2	Blekeq. 9	Karlstad	S	1975/1975	Industry/warehouse	303	12,232	–	–	–	12,535	6.9	85	21	
45	Trätälja 10	Fredsg. 3 A	Karlstad		1962/1962	Office	1,426	39	586	–	638	2,689	3.0	90	19	
46	Tvätten 3	Romstadsq. 2	Karlstad		1929/1986	Office	2,050	499	–	–	–	2,549	2.1	100	10	
47	Tängen 15	Gjuterig. 28	Karlstad	S	1991/1991	Retail	984	–	990	–	–	1,974	1.1	84	6	
48	Ugnen 1	Sägverksq. 32	Karlstad		1989/1989	Office	891	791	–	–	–	1,682	0.9	100	4	
–	Uroxen 14	Kungsg. 28	Kristinehamn		1954/1954	Office	1,908	1,011	84	–	–	3,003	2.5	97	Spec.prop.	
<b>Total</b>							<b>115,776</b>	<b>47,383</b>	<b>15,796</b>	<b>25,110</b>	<b>711</b>	<b>4,032 208,808</b>	<b>187.5</b>	<b>93</b>	<b>821</b>	

Borås



Nestor 1, Borås

9

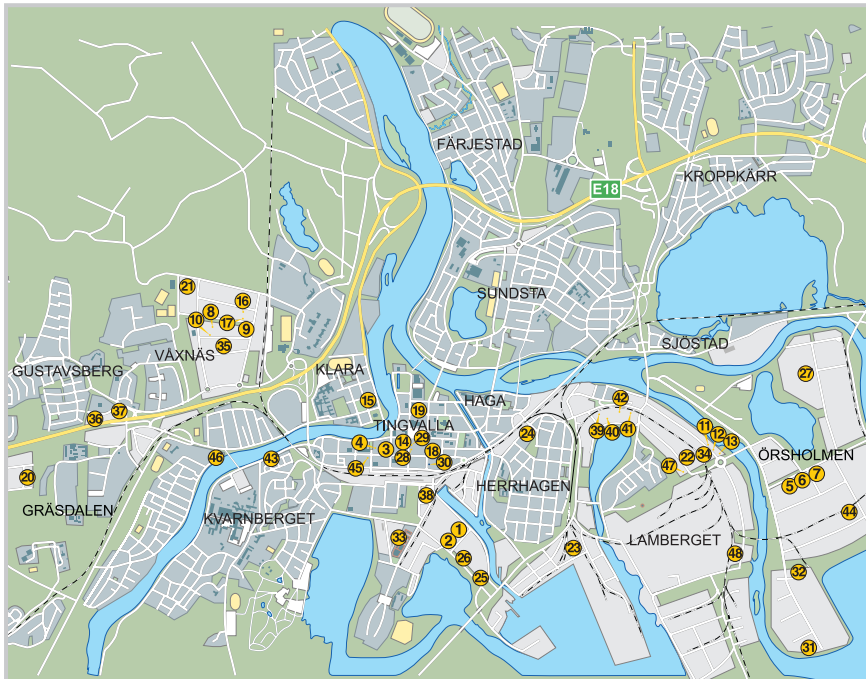


Muttern 2, Borås

8



Karlstad



Skepparen 15, Karlstad

33



Sälgen 6, Karlstad

43



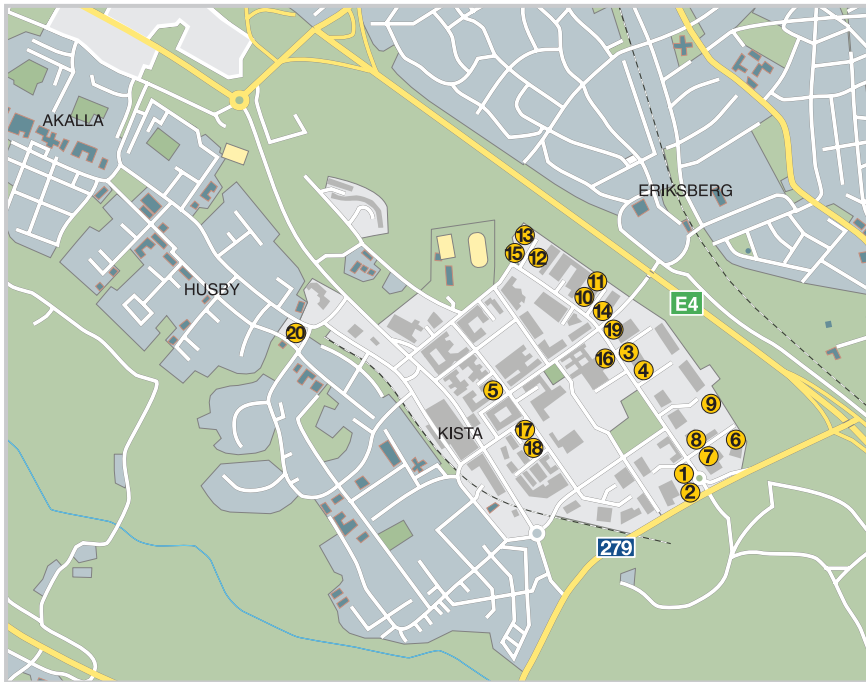
## Kista

No	Property	Address	Municipality	Site leasehold	Building year/ appraisal year	Type of property	sq,m					Rental value, SEKm	Occupancy rate, %	Tax value, SEKm		
							Office	Industry/ warehouse	Retail	Education/ lab/health care/ physical recreation	Restaurant/ hotel				Residential	Total
1	Alptanäs 2	Torshamnsg. 7, 7A, 9, Haukadalsg. 1	Stockholm	S	1981/1981	Office	3,250	–	–	–	–	–	3,250	4.3	100	16
2	Alptanäs 3	Torshamnsg. 1, 3, 5	Stockholm	S	Site	Site	–	–	–	–	–	–	–	0.2	–	1
3	Borg 1	Torshamnsg. 16	Stockholm	S	1977/1977	Office	1,411	–	–	–	–	–	1,411	2.4	100	–
4	Borg 2	Strörmög. 3	Stockholm	S	1981/1981	Industry/warehouse	–	4,655	–	–	–	–	4,655	4.7	100	23
5	Färöarna 3	Isafjordsg. 27, 31, Kistagången 20, 26	Stockholm	S	1986/1986	Office	20,068	–	–	–	–	–	20,068	28.5	100	358
6	Geysir 1	Österög. 4	Stockholm	S	1979/1979	Industry/warehouse	595	4,390	–	–	–	–	4,985	5.0	91	27
7	Geysir 2	Österög. 2	Stockholm	S	1980/1980	Industry/warehouse	2,250	4,348	–	–	165	–	6,763	6.4	63	33
8	Gullfoss 3	Österög. 1, 3	Stockholm	S	1979/1983	Office	5,745	1,635	–	–	–	–	7,380	7.2	81	35
9	Gullfoss 5	Viderög. 6	Stockholm	S	1979/1979	Industry/warehouse	1,115	2,475	–	–	–	–	3,590	3.7	70	21
10	Helgafjäll 1	Torshamnsg. 22, 24 A-D, 26 A-B	Stockholm	S	1979/1979	Office	35,266	2,996	–	–	–	–	38,262	67.5	97	64
11	Helgafjäll 2	Torshamnsg. 28 A-B, 30 A-E, 32 A-D, 34 A-B	Stockholm	S	1981/1981	Office	–	–	–	–	–	–	–	–	–	271
12	Helgafjäll 3	Torshamnsg. 36, 38, 40	Stockholm	S	1980/1980	Industry/warehouse	3,530	10,152	–	–	–	–	13,682	23.5	100	71
13	Helgafjäll 4	Torshamnsg. 42, 44, 46	Stockholm	S	1998/1998	Office	16,778	18	–	–	–	–	16,796	30.3	100	181
14	Helgafjäll 5	Kistagången 2, 4, Torshamnsg. 20	Stockholm	S	1978/1978	Office	14,248	622	428	–	1 170	–	16,468	25.4	81	130
15	Helgafjäll 7	Torshamnsg. 48, 50, 52, 54	Stockholm		2001/2001	Office	24,414	36	–	–	–	–	24,450	41.2	71	305
16	Isafjord 1	Grönlandsgången 6, Torshamnsg. 21, 23	Stockholm		1976/1993	Office	54,968	2,154	–	–	–	–	57,122	68.1	100	466
17	Knarrarnäs 4	Färög. 3, Isafjordsg. 19, 21	Stockholm	S	1985/1985	Office	7,457	134	–	–	488	–	8,079	13.8	80	68
18	Knarrarnäs 9	Knarrarnäs. 15	Stockholm	S	1984/1986	Office	4,793	73	–	–	–	–	4,866	9.1	86	54
19	Lidarände 1	Torshamnsg. 18	Stockholm	S	1979/1979	Industry/warehouse	–	12,102	–	–	–	–	12,102	3.2	–	41
20	Röros 1	Norgeg. 1	Stockholm	S	1985/1985	Office	2,701	–	–	–	–	–	2,701	3.5	93	20
–	Slagtteglet 2	Voltav. 4	Stockholm		1929/1975	Office	1,916	168	–	–	–	–	2,084	2.0	44	12
<b>Total</b>							<b>200,505</b>	<b>45,958</b>	<b>428</b>	<b>–</b>	<b>1 823</b>	<b>–</b>	<b>248,714</b>	<b>350.0</b>	<b>91</b>	<b>2,197</b>

## Linköping

No	Property	Address	Municipality	Site leasehold	Building year/ appraisal year	Type of property	sq,m					Rental value, SEKm	Occupancy rate, %	Tax value, SEKm		
							Office	Industry/ warehouse	Retail	Education/ lab/health care/ physical recreation	Restaurant/ hotel				Residential	Total
1	Brevduvan 17	Kungsg. 20	Linköping		1918/1970	Office	7,220	126	–	–	–	257	7,603	9.7	100	62
2	Brevduvan 21	Åg. 33	Linköping		1991/1991	Office	8,934	350	58	–	290	–	9,632	9.9	31	115
3	Bävörn 13	Hertig Karlsg. 2A-C, 4A-B	Linköping		1981/1981	Office	5,596	255	–	–	–	–	5,851	6.2	92	37
4	Dahlia 18	Sit Larsg. 30	Linköping		1963/1963	Retail	1,668	319	2,164	–	493	–	4,644	6.6	97	44
5	Dahlia 20	Tanneforsg. 20	Linköping		1962/1962	Retail	576	459	1,501	–	377	168	3,081	5.8	97	51
6	Dalmasen 2	Storg. 46	Linköping		1973/1973	Office	780	–	246	267	–	–	1,293	1.9	100	12
7	Decimalen 16	Repslagareg. 25, Nyg. 15	Linköping		1968/1968	Office	2,247	754	1,661	–	–	–	4,662	8.1	98	68
8	Domaren 13	Tanneforsg. 8	Linköping		1966/1971	Retail	705	424	869	790	87	–	2,875	5.4	67	45
9	Doppingen 15	Drottningg. 23, 25	Linköping		1965/1965	Restaurant/Hotel	1,255	266	900	–	1,595	1,314	5,330	5.6	92	38
10	Däckeln 3	Klosterg. 35	Linköping		1977/1977	Retail	177	196	1,765	–	–	660	2,798	5.5	100	47
11	Elefanten 17	Barnhemsg. 2	Linköping		1978/1985	Office	6,098	70	–	–	–	–	6,168	8.6	99	49
12	Elektriciteten 2	Stora Torget 3	Linköping		1929/1985	Office	2,299	399	878	–	–	–	3,576	5.3	95	38
13	Fonden 1	Junkersg. 1	Linköping		1987/1987	Office	3,687	–	–	–	–	–	3,687	4.6	92	27
14	Ganymeden 7	Roxeng. 9, 11	Linköping		1963/1973	Industry/warehouse	1,666	12,819	–	–	440	–	14,925	7.2	69	33
15	Glasberget 1	Attorpsg. 5	Linköping		1989/1992	Office	7,274	675	–	1,270	–	–	9,219	7.7	85	31
16	Glasbiten 1	Attorpsg. 2	Linköping		1977/1977	Industry/warehouse	–	3,760	–	–	–	–	3,760	2.9	100	11
17	Guvernören 13	N. Oskarsg. 18	Linköping		1968/1968	Industry/warehouse	625	2,500	–	–	–	–	3,125	1.3	81	7
18	Gymnasten 2	Roxeng. 7	Linköping		1977/1977	Office	1,772	–	–	–	310	–	2,082	1.9	97	9
19	Idéskissen 1	Teknikringen 3	Linköping		1984/1984	Education/lab/health care/physical recreation	–	–	–	4,726	–	–	4,726	5.5	100	Spec. prop.
20	Idétävlingen 4	Wallenbergsg. 4	Linköping		1990/2001	Office	20,502	1,082	–	385	620	–	22,589	24.1	81	116
21	Kättaren 7	Läskolvsg. 4	Linköping		1971/1972	Industry/warehouse	1,255	17,958	–	–	–	–	19,213	4.4	48	26
22	Mekanikerna 22	Gamla Tanneforsv. 17A	Linköping		1947/1998	Industry/warehouse	4,350	13,686	–	2,962	–	–	20,998	12.1	89	35
23	Navbössan 1	Läsblecksg. 7, 9	Linköping		1980/1983	Industry/warehouse	–	11,151	–	–	–	–	11,151	5.2	94	26
24	Paletten 1	Gumpekullav. 8	Linköping		1980/1980	Office	5,339	349	–	–	–	–	5,688	4.4	83	22
<b>Total</b>							<b>84,025</b>	<b>67,598</b>	<b>10,042</b>	<b>10,400</b>	<b>4,212</b>	<b>2,399</b>	<b>178,676</b>	<b>159.9</b>	<b>85</b>	<b>949</b>

Kista



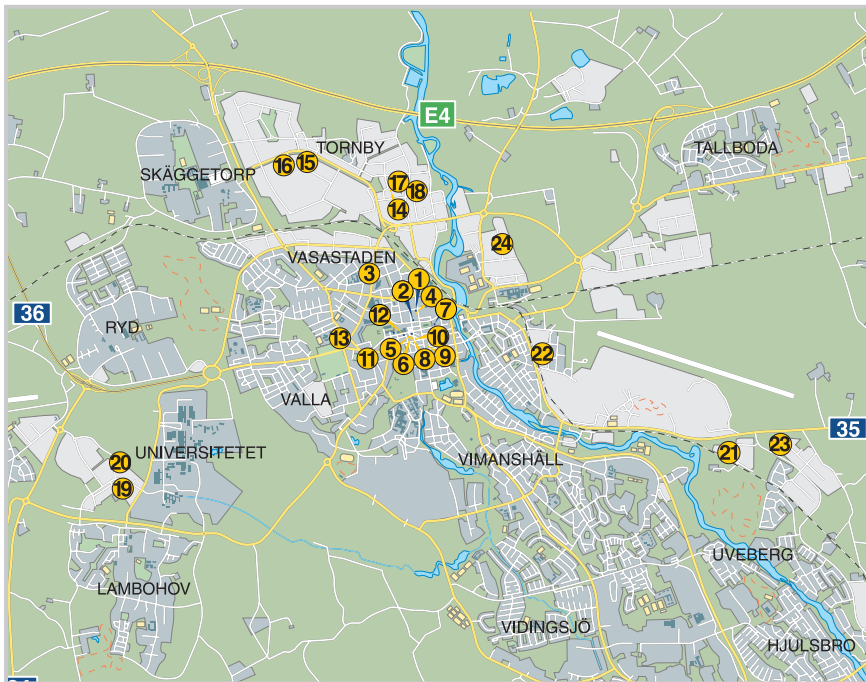
Gullfoss 3, Kista (8)



Helgafjäll 5, Kista (14)



Linköping



Idétävlingen 4, Linköping (20)



Ganymeden 7, Linköping (14)



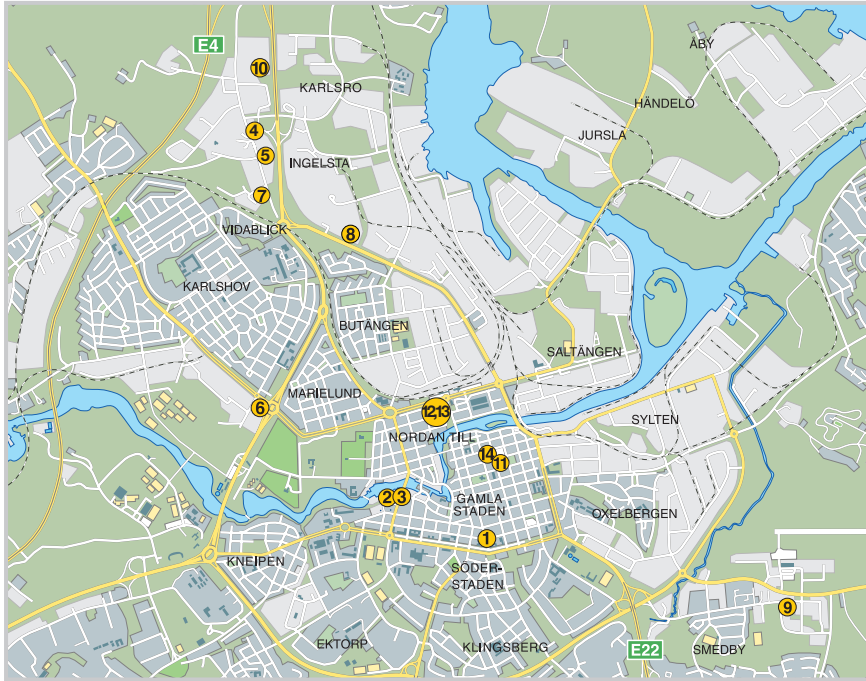
## Norrköping

No	Property	Address	Municipality	Site leasehold	Building year/ appraisal year	Type of property	sq.m					Rental value, SEKm	Occupancy rate, %	Tax value, SEKm		
							Office	Industry/ warehouse	Retail	Education/ lab/health care/ physical recreation	Restaurant/ hotel				Residential	Total
1	Diket 10	Drottningg. 66, Nyg. 93	Norrköping		1968/1968	Office	3,384	111	1,365	–	–	–	4,860	7.3	100	55
2	Kopparhammaren 2	N. Grytsg. 8, 10, 14	Norrköping		1929/1991	Office	26,158	3,816	–	2,777	4,279	–	37,030	33.0	73	156
3	Kopparhammaren 7	Kungsg. 56 / N. Grytsg. 2,4,6	Norrköping		1929/1929	Industry/warehouse	–	7,940	–	–	–	–	7,940	0.8	–	5
4	Malmen 5	Kopparg. 18	Norrköping		1969/1982	Industry/warehouse	761	2,690	425	–	–	–	3,876	2.1	43	10
5	Malmen 6	Kopparg. 10	Norrköping		1963/1963	Industry/warehouse	–	6,900	–	–	–	–	6,900	2.1	–	14
6	Omformaren 7	Hagag. 10	Norrköping		1951/1968	Industry/warehouse	85	5,102	4,178	3,065	–	–	12,430	5.9	99	16
7	Platinan 1	Platinag. 1	Norrköping		1988/1988	Retail	–	–	3,875	–	–	–	3,875	2.8	100	10
8	Reläet 9	Ståthögav. 48	Norrköping		1960/1993	Industry/warehouse	2,193	31,100	1,321	–	600	–	35,214	13.7	62	41
9	Rotfjärilen 1	Svärmareg. 1, 3	Norrköping		1992/1993	Office	4,381	1,365	–	–	–	–	5,746	5.0	88	20
10	Silvret 2	Kopparg. 28	Norrköping		1988/1988	Industry/warehouse	–	6,866	–	–	–	–	6,866	2.9	100	25
11	Skeppet 13	Hospitalsg. 26	Norrköping		1929/1993	Retail	–	–	1,817	90	676	976	3,559	4.0	96	27
12	Stjärnan 15	Slottsg. 114, 116	Norrköping		1958/1958	Office	4,979	92	–	3,295	2,528	271	11,165	8.0	71	29
13	Stjärnan 16	Slottsg. 114, 116	Norrköping		1958/1958	Office	–	–	–	–	–	–	–	–	–	16
14	Svärdet 8	Hospitalsg. 17	Norrköping		1967/1976	Office	7,693	40	–	–	365	–	8,098	9.7	100	55
<b>Total</b>							<b>49,634</b>	<b>66,022</b>	<b>12,981</b>	<b>9,227</b>	<b>8,448</b>	<b>1,247</b>	<b>147,559</b>	<b>97.3</b>	<b>78</b>	<b>479</b>

## Nyköping

No	Property	Address	Municipality	Site leasehold	Building year/ appraisal year	Type of property	sq.m					Rental value, SEKm	Occupancy rate, %	Tax value, SEKm		
							Office	Industry/ warehouse	Retail	Education/ lab/health care/ physical recreation	Restaurant/ hotel				Residential	Total
1	Ana,11	Gästabudsv. 2, Spelhagsv. 3	Nyköping		1940/1978	Industry/warehouse	12,081	25,690	–	4,795	–	–	42,566	26.5	97	98
2	Ana 13	Hamng. 7	Nyköping		Site	Site	–	–	–	–	–	–	–	–	–	–
3	Bagaren 20	Ö. Storg. 5, St Anneg. 6	Nyköping		1962/1962	Bostad	400	–	450	–	352	681	1,883	1.9	100	13
4	Biografen 19	V. Storg. 18, 20	Nyköping		1929/1987	Retail	250	–	1,011	–	440	856	2,557	2.9	100	22
5	Brandholmen 1:9	Pontong. 11	Nyköping		1962/1970	Industry/warehouse	1,417	6,286	–	–	–	97	7,800	3.4	77	15
6	Brädgården 3	Folkkungav. 1	Nyköping		Site	Site	–	–	–	–	–	–	–	–	–	–
7	Fabrikatet 1	Materialv. 3	Nyköping		1980/1980	Education/lab/health care/physical recreation	555	2,002	–	2,162	–	–	4,719	2.9	79	8
8	Fabrikatet 4	Materialv. 3	Nyköping		Site	Site	–	–	–	–	–	–	–	–	–	–
9	Fabrikatet 5	Materialv. 3	Nyköping		Site	Site	–	–	–	–	–	–	–	–	–	–
10	Fors 11	Repslagareg. 43	Nyköping		1929/1987	Office	8,260	2,400	270	–	236	–	11,166	11.0	94	58
11	Furan 2	Domänv. 11	Nyköping		2001/2001	Education/lab/health care/physical recreation	–	17	–	3,788	–	–	3,805	3.6	95	Spec. prop.
12	Gripen 1	V. Storg. 25	Nyköping		1929/1986	Retail	475	–	691	–	–	–	1,166	1.4	100	10
13	Hermelinen 7	Ö. Storg. 36	Nyköping		1929/1981	Office	1,919	–	–	95	–	665	2,679	2.3	87	14
14	Hotellet 18	Brunnsg. 35	Nyköping		1940/1940	Restaurant/hotel	–	–	62	–	425	325	812	0.4	94	3
15	Hotellet 26	V. Storg. 19	Nyköping		1981/1981	Restaurant/hotel	–	–	1,394	–	3,430	–	4,824	5.7	100	34
16	Jarlen 1	Nyckelv. 14	Nyköping		1899/2003	Office	680	–	–	–	–	–	680	0.8	100	5
17	Järnhandlaren 3	V. Storg. 7	Nyköping		1929/1990	Retail	115	478	352	–	–	–	945	0.7	89	11
18	Kompaniet 29	Folkkungav. 1	Nyköping		1986/1986	Office	1,006	13	–	305	742	–	2,066	2.2	100	11
19	Kungshagen 1:6	Ö. Skeppsbron 1, Ö. Längdg. 4-6	Nyköping		1929/1989	Education/lab/health care/physical recreation	464	–	–	608	360	–	1,432	1.5	100	7
20	Lansen 13	Gasverksv. 2, Ö. Längdg. 5, 7	Nyköping		1977/1991	Office	4,229	1,027	907	–	–	–	6,163	5.8	99	31
21	Nyköpings Bruk 1	V Kvarng. 64	Nyköping		1929/1983	Office	2,044	–	–	–	–	–	2,044	2.1	100	15
22	Nyköpings Bruk 7	V Kvarng. 62	Nyköping		1910/1991	Office	1,678	65	–	–	–	–	1,743	1.6	81	12
23	Riksbanken 5	Ö. Storg. 3	Nyköping		1907/1991	Office	2,115	178	–	–	–	–	2,293	2.7	90	16
24	Skölden 2	Gasverksv. 15	Nyköping		1989/1989	Office	1,962	73	–	–	–	–	2,035	1.6	97	7
25	Spelhagen 1:7	V. Skeppsbron 6	Nyköping		1929/1929	Industry/warehouse	91	5,326	–	–	–	–	5,417	2.1	100	7
26	Spinnerskan 2	Periodgården 11	Nyköping		1929/1969	Industry/warehouse	–	4,210	–	–	–	–	4,210	2.2	100	6
27	Spänten 7	Spelhagsv. 4, 6, 8	Nyköping		Site	Site	–	–	–	–	–	–	–	–	–	1
28	Standard 16	V. Storg. 2-6	Nyköping		1969/1970	Office	2,899	–	–	–	299	–	3,198	3.6	100	18
29	Standard 17	V. Storg. 8, 10, Bagareg. 29	Nyköping		1970/1988	Retail	158	39	3,066	–	99	–	3,362	5.1	68	36
30	Stensötan 5	Idbäcksv. 8B	Nyköping		1971/1985	Retail	599	1,839	2,420	–	–	–	4,858	3.3	100	8
31	Säven 4	Norrköpingsv. 9	Nyköping		1987/1987	Industry/warehouse	–	1,853	–	–	–	–	1,853	2.3	100	Spec. prop.
<b>Total</b>							<b>43,397</b>	<b>51,496</b>	<b>10,623</b>	<b>11,753</b>	<b>6,383</b>	<b>2,624</b>	<b>126,276</b>	<b>99.6</b>	<b>94</b>	<b>466</b>

Norrköping



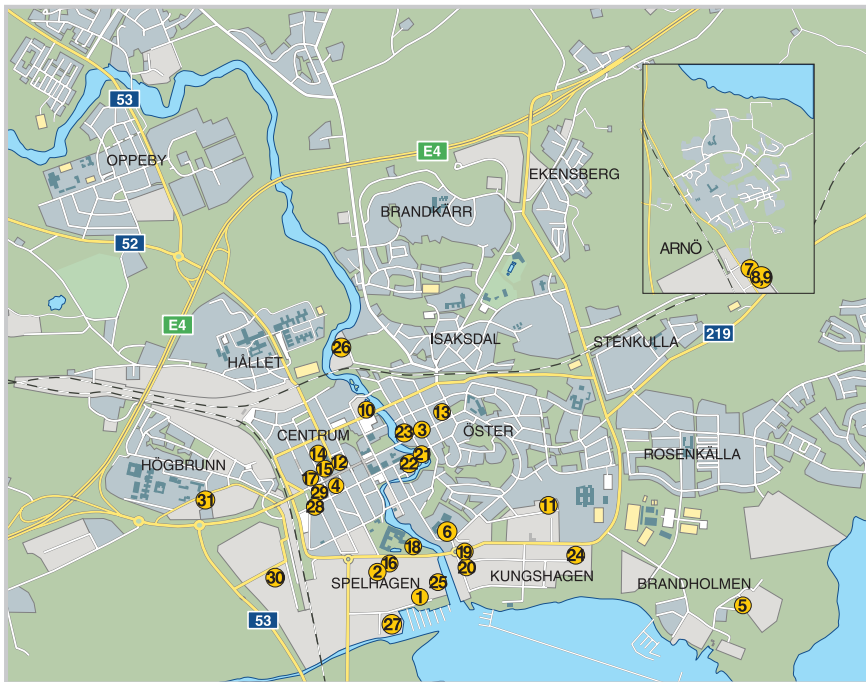
Skeppet 13, Norrköping (11)



Diket 10, Norrköping (1)



Nyköping



Gripen 1, Nyköping (12)



Kompaniet 29, Nyköping (18)



## Täby

No	Property	Address	Municipality	Site leasehold	Building year/ appraisal year	Type of property	sq,m					Rental value, SEKm	Occupancy rate, %	Tax value, SEKm		
							Office	Industry/ warehouse	Retail	Education/ lab/health care/ physical recreation	Restaurant/ hotel				Residential	Total
1	Kannringen,1	Enhagssligan,2,4	Täby		1988/1988	Office	4,091						4,091	4.8	100	28
2	Kannringen 2	Enhagssligan 6	Täby		1991/1991	Office	1,983	18					2,001	2.2	100	12
3	Karborren 13	Kanalv. 15, 17	Täby		1981/1981	Office	12,330	222		1,081			13,633	14.8	91	91
4	Kälroten 4	Vallatorpsv. 2, 6	Täby		1980/1980	Retail			855				855	1.0	100	6
5	Kälroten 5	Vallatorpsv. 2, 6	Täby		Mark	Retail										
6	Linjalen 7	Mättbandsv. 4	Täby		1989/1989	Industry/warehouse		800					800	0.5	100	4
7	Linjalen 8	Mättbandsv. 6	Täby		1989/1989	Industry/warehouse		600					600	0.5	100	3
8	Linjalen 60	Mättbandsv. 12	Täby		1991/1991	Office	3,010	638					3,648	3.7	95	23
9	Linjalen 61	Tillverkarv. 9	Täby		1990/1990	Industry/warehouse		778					778	0.7	100	6
10	Linjalen 65	Mättbandsv. 8, 10	Täby		1989/1989	Industry/warehouse		1,325					1,325	1.2	100	6
11	Linjalen 66	Linjalv. 9, 11	Täby		1990/1990	Industry/warehouse		3,801			108		3,909	3.5	94	20
12	Lodet 2	Turnstocksv. 9 A, B, 11 A, B	Täby		1990/1990	Office	4,821	3,520					8,341	7.6	93	48
13	Mätstängen 2	Linjalv. 6 A-B	Täby		1991/1991	Office	3,747						3,747	3.4	81	23
14	Roslags-Näsby 24:44	Stockholmsv. 100, 102	Täby		1965/1965	Retail		530	2,181				2,711	1.6	100	11
15	Roslags-Näsby 24:45	Stockholmsv. 100, 102	Täby		1965/1965	Retail										*
16	Roslags-Näsby 25:7	Stockholmsv. 100, 102	Täby		1965/1965	Retail										*
17	Roslags-Näsby 25:8	Stockholmsv. 100, 102	Täby		1965/1965	Retail										*
18	Smygvinkeln 9	Ritarslingan 22	Täby		1991/1991	Industry/warehouse		960					960	0.5	100	5
19	Smygvinkeln 10	Ritarslingan 20	Täby		1991/1991	Industry/warehouse	197	620					817	0.7	100	5
20	Smygvinkeln 11	Ritarslingan 18	Täby		1991/1991	Office	1,648			258			1,906	1.7	100	11
21	Smygvinkeln 12	Ritarslingan 16	Täby		1992/1992	Office	1,010	554					1,564	1.4	94	14
22	Svänghjulet 1	Enhagssligan 23, 25	Täby		1990/1990	Education/lab/health care/physical recreation	1,710	215		1,715	445		4,085	4.2	96	28
23	Svänghjulet 2	Enhagssligan 5	Täby		1989/1989	Office	2,577			410			2,987	2.5	63	19
24	Svänghjulet 3	Enhagssligan 15, 17, 19, 21, 21B	Täby		1991/1991	Office	4,129	426	289				4,844	5.0	98	31
25	Tryckaren 3	Reprov. 6, Viggbyholmsv. 81	Täby		1945/1992	Industry/warehouse	1,655	1,321		585			3,561	3.0	98	16
<b>Total</b>							<b>42,908</b>	<b>16,328</b>	<b>3,325</b>	<b>4,049</b>	<b>553</b>	<b>-</b>	<b>67,163</b>	<b>64.5</b>	<b>93</b>	<b>410</b>

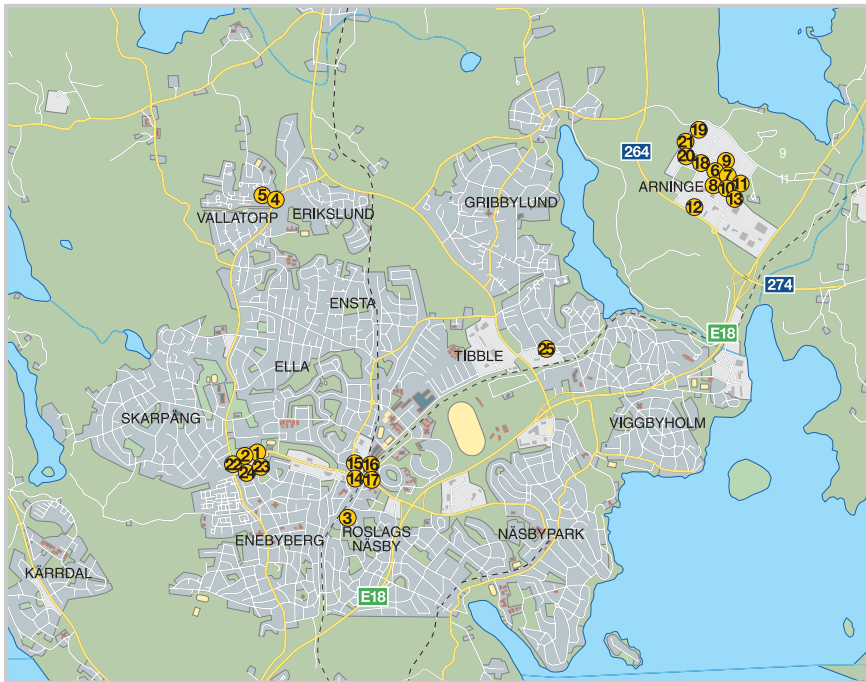
\* Cotaxed with Roslags-Näsby 24/44

## Uppsala

No	Property	Address	Municipality	Site leasehold	Building year/ appraisal year	Type of property	sq,m					Rental value, SEKm	Occupancy rate, %	Tax value, SEKm		
							Office	Industry/ warehouse	Retail	Education/ lab/health care/ physical recreation	Restaurant/ hotel				Residential	Total
1	Fyrislund 6:6	Rapsg. 7	Uppsala		1921/2003	Education/lab/health care/physical recreation	18,583	6,064		30,702	1,312	160	56,821	81.1	59	327
2	Kungsängen 10:1	Bävernsgränd 17, 19, 21, Kungsg. 48, 50	Uppsala		1920/1966	Office	5,365	1,666	781			952	8,764	12.2	91	82
3	Kungsängen 10:2*	Bävernsgränd 17, 19, 21, Kungsg. 48, 50	Uppsala		1920/1966	Office										*
<b>Total</b>							<b>23,948</b>	<b>7,730</b>	<b>781</b>	<b>30,702</b>	<b>1,312</b>	<b>1,112</b>	<b>65,585</b>	<b>93.3</b>	<b>63</b>	<b>409</b>

\* Cotaxed with Kungsängen 10:1

Täby



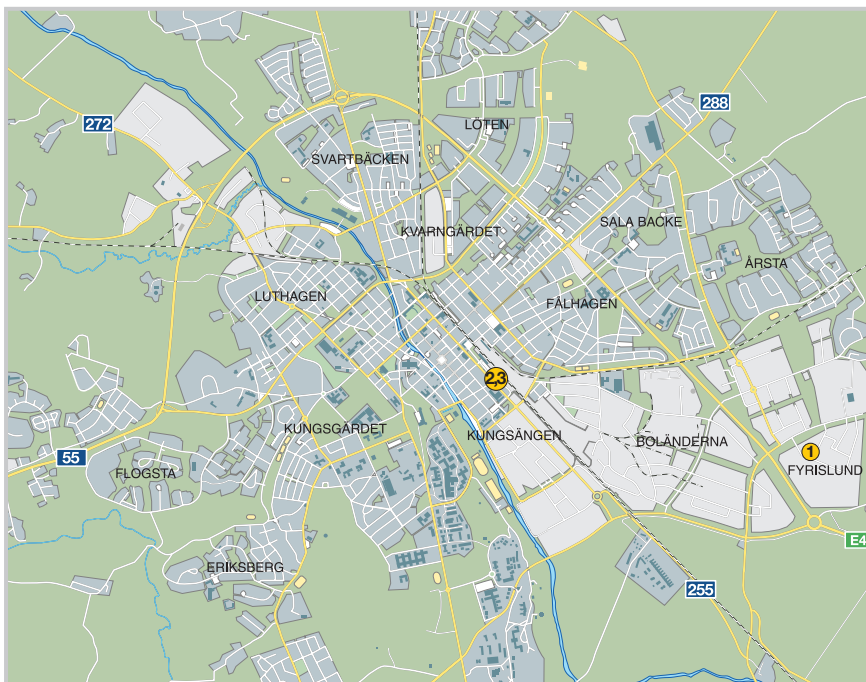
Kannringen 2, Täby ②



Kardborren 13, Täby ③



Uppsala



Fyrislund 6:6, Uppsala ①



Kungsängen 10:1, Uppsala ②



## Västerås

No	Property	Address	Municipality	Site leasehold	Building year/ appraisal year	Type of property	sq.m					Rental value, SEKm	Occupancy rate, %	Tax value, SEKm		
							Office	Industry/ warehouse	Retail	Education/ lab/health care/ physical recreation	Restaurant/ hotel				Residential	Total
1	Allmogekulturen 5	Svalgången	Västerås		1966/1991	Restaurant/hotel	4,986	2,083	–	2,775	5,501	–	15,345	9.6	72	46
2	Bogserbåten 1	Saltängsv. 22	Västerås		Site	Site	–	–	–	–	–	–	–	–	–	–
3	Briggen 3	Saltängsv. 14, 16	Västerås		1963/1973	Industry/warehouse	–	4,894	–	–	–	–	4,894	4.0	100	12
–	Drotten 2	V. Långg. 6	Köping		1988/1988	Office	2,397	1,196	8	–	–	–	3,601	3.2	75	13
4	Friledningen 18	Elledningsg. 5B	Västerås		1988/1988	Industry/warehouse	–	940	–	–	–	–	940	0.4	100	3
5	Gastuben 5	Björnövs. 8	Västerås		1943/1943	Retail	–	1,080	2,442	–	–	–	3,522	2.8	99	2
6	Gustavsvik 13	Sjöhagsv. 3, 5, 7, Stensborgsg. 2	Västerås		1957/1962	Industry/warehouse	7,893	20,847	–	–	450	–	29,190	14.8	90	52
7	Icander 1	Stensborgsg. 1	Västerås		1987/1987	Restaurant/hotel	–	8	–	–	2,992	–	3,000	1.3	100	10
8	Inge 10	Smedjeg. 8	Västerås		1939/1960	Retail	272	265	2,696	351	1,185	1,103	5,872	5.5	94	33
9	Klas 8	Smedjeg. 13	Västerås		1956/1956	Retail	1,038	25	2,417	1,027	533	250	5,290	5.0	96	33
10	Knut 26	Vasag. 20	Västerås		1953/1953	Retail	–	600	800	85	–	733	2,218	3.1	93	14
11	Kol 13	Kopparbergsg. 25	Västerås		1955/1955	Industry/warehouse	541	3,575	223	–	–	95	4,434	3.8	59	Spec.prop.
12	Kryssen 3	Regattag. 33–53	Västerås		1940/1940	Education/lab/health care/physical recreation	2,357	980	–	3,056	–	–	6,393	3.8	97	2
13	Kryssen 4	Regattag. 7–31	Västerås		1940/1980	Industry/warehouse	2,197	10,811	215	–	–	–	13,223	7.0	98	34
14	Leif 19	Hantverkarg. 2	Västerås		1919/1964	Retail	5,602	616	9,043	315	3,992	1,375	20,943	31.0	98	169
15	Manfred 6	Erik Hahrs g. 2	Västerås		1929/1987	Office	2,728	180	–	–	–	1,369	4,277	4.5	99	26
–	Nifelhem 6	Stora G. 12	Köping		1967/1967	Retail	1,287	–	804	592	–	–	2,683	1.8	74	8
16	Omformaren 5	Betongg. 1, Wijkmansg. 7	Västerås		1962/1985	Office	7,358	2,502	–	–	–	–	9,860	6.7	100	21
17	Omformaren 6	Wijkmansg. 5	Västerås		1962/1985	Office	–	–	–	–	–	–	–	–	–	4
18	Regattan 46	Regattag. 8-28	Västerås		1940/1970	Industry/warehouse	1,953	11,000	–	–	–	–	12,953	6.5	100	31
19	Ringborren 13	Tallmätarg. 7	Västerås	S	1930/1962	Office	1,843	1,727	–	–	–	–	3,570	1.9	100	8
20	Ringborren 15	Tallmätarg. 8, Ringborreg. 1	Västerås		1961/1990	Industry/warehouse	3,921	9,413	110	4,051	337	–	17,832	9.0	88	43
21	Sigurd 3	Sigurdsg. 27, 29, 31, 33, 35, 37	Västerås		1932/1989	Industry/warehouse	2,377	5,036	2,547	–	–	–	9,960	7.4	93	27
22	Sjöhagen 12	Sjöhagsv. 14	Västerås		1952/1980	Retail	464	2,631	4,263	–	–	–	7,358	5.7	95	13
23	Skonerten 2	Saltängsv. 18	Västerås	S	1966/1986	Industry/warehouse	–	4,720	–	–	–	–	4,720	4.1	100	14
24	Stensborg 2	Sjöhagsv. 2	Västerås		1957/1977	Office	1,271	–	–	–	–	–	1,271	0.8	–	2
25	Stensborg 4	Sjöhagsv. 4	Västerås		1989/1989	Education/lab/health care/physical recreation	–	18	–	1,526	–	–	1,544	1.3	99	Spec.prop.
26	Verkstaden 11	Metallverksg. 19, 21, Pressverksg. 4	Västerås		1929/1977	Industry/warehouse	1,650	15,844	–	–	–	–	17,494	2.4	97	13
27	Västerås 2.5	Stensborgsg. 4	Västerås		1982/1989	Office	1,450	–	–	–	–	–	1,450	1.2	55	5
<b>Total</b>							<b>53,585</b>	<b>100,991</b>	<b>25,568</b>	<b>13,778</b>	<b>14,990</b>	<b>4,925</b>	<b>213,837</b>	<b>148.6</b>	<b>92</b>	<b>638</b>

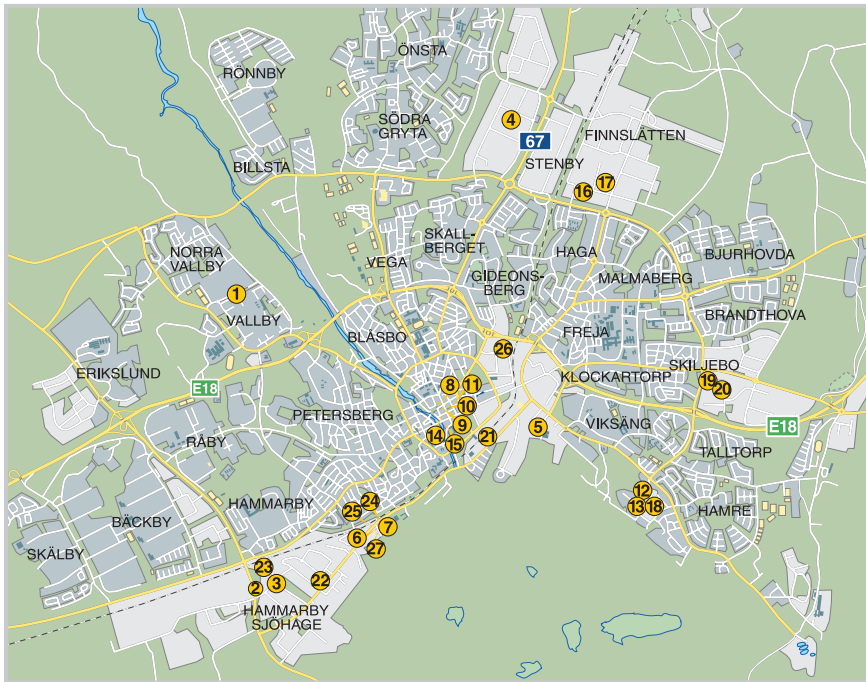
## Örebro

No	Property	Address	Municipality	Site leasehold	Building year/ appraisal year	Type of property	sq.m					Rental value, SEKm	Occupancy rate, %	Tax value, SEKm		
							Office	Industry/ warehouse	Retail	Education/ lab/health care/ physical recreation	Restaurant/ hotel				Residential	Total
1	Barkenlund 11	Vasastrand 11	Örebro	S	1934/1989	Office	2,427	404	–	–	–	–	2,831	3.3	100	19
2	Forskarbyn 2	Forskarv. 1, 3	Örebro		1998/1998	Office	4,948	119	–	–	136	–	5,203	6.3	100	32
3	Färaherden 1	Riag. 1,3	Örebro		1992/1992	Office	1,632	146	–	–	–	752	2,530	1.9	55	16
4	Importören 2	Skvadronv. 5	Örebro		1970/1970	Industry/warehouse	1,055	1,580	570	–	–	–	3,205	1.6	–	9
5	Kitteln 11	Storg. 7-9, Engelbrektsg. 8, Kungsg. 6, Köpmang. 3	Örebro		1890/1984	Retail	4,344	996	4,622	1,626	832	596	13,016	16.7	95	92
–	Nejlikan 13	Fredsg. 30, 32	Katrineholm		1951/1951	Industry/warehouse	19	1,685	–	–	–	861	2,565	1.9	98	Spec.prop.
6	Olaus Petri 3:234	Ö. Bang. 7	Örebro		1979/1979	Office	3,598	2,415	–	–	3,045	–	9,058	9.8	100	Spec.prop.
7	Oxbacken 7	Krontorpsg. 1	Örebro		1981/1988	Office	2,682	–	–	–	–	–	2,682	2.2	93	12
8	Rådhuset 1	Drottningg. 3, Engelbrektsg. 2	Örebro		1929/1950	Office	1,480	100	–	–	800	–	2,380	2.8	99	17
9	Vindhjulet 3	Tunnlandsg. 1, 3, 5	Örebro		1970/1970	Office	17,066	550	–	1,356	–	–	18,972	16.2	96	70
<b>Total</b>							<b>39,251</b>	<b>7,995</b>	<b>5,192</b>	<b>2,982</b>	<b>4,813</b>	<b>2,209</b>	<b>62,442</b>	<b>62.7</b>	<b>93</b>	<b>267</b>

## Total Klövern

<b>TOTAL PROPERTIES</b>	<b>678,453</b>	<b>452,489</b>	<b>87,773</b>	<b>113,354</b>	<b>43,525</b>	<b>18,548</b>	<b>1,394,142</b>	<b>1,309</b>	<b>88</b>	<b>6,855</b>
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Västerås



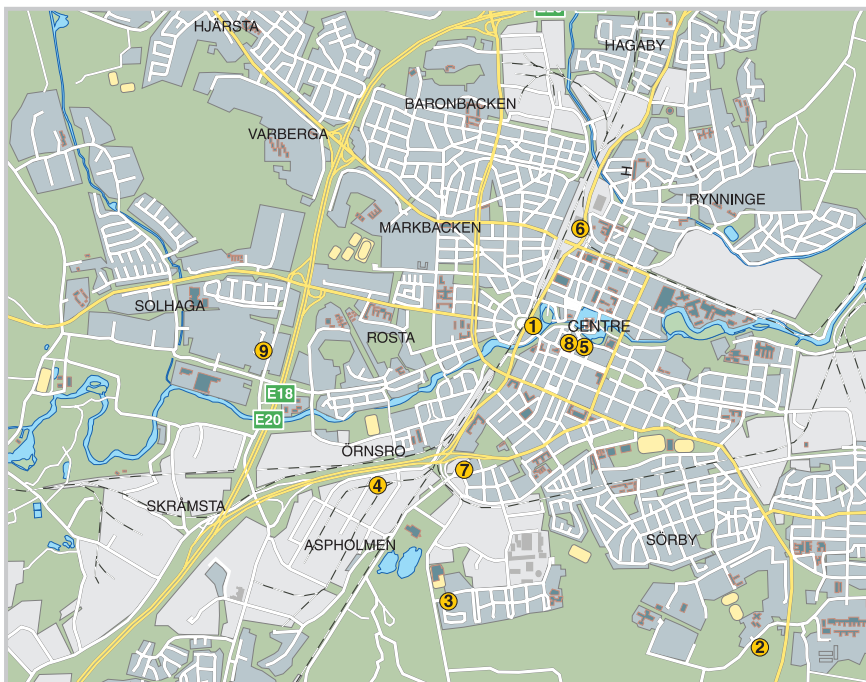
Icander 1, Västerås 7



Leif 19, Västerås 14



Örebro



Barkenlund 11, Örebro 1



Vindhjulet 3, Örebro 9



## Properties sold

Property	Address	Municipality	Site leasehold	Building year/ appr. year	Type of property	sq.m.					Rental value, SEKm		
						Office	Industry/ warehouse	Retail	Education/lab/ health care/ physical recreation	Restaurant/ hotel		Residential	Total
Nötknäpparen 24	Gustafsv. 5 A	Eskilstuna		1956	Retail	185	180	1,899	–	–	–	2,264	0.8
Valpen 3	Björkslg. 5, 7	Eskilstuna		1993	Industry/warehouse	–	4,134	–	–	–	–	4,134	5.3
Vampyren 9	Kribsenslg. 8, Kungsg. 25	Eskilstuna		1937/1979	Office	7,218	1,464	6,237	160	109	1,643	16,831	21.7
Vägsålen 24	Kribsenslg. 5	Eskilstuna		1936	Education/lab/ health care/physical recreation	100	–	77	2,310	–	1,040	3,527	4.4
Ratten 9	Kristiansbergsv. 10	Fagersta		1975	Retail	–	380	423	–	–	–	803	0.7
Apotekaren 20	Storg. 28, 30, V. Sjölg. 13	Kalmar		1965	Retail	771	101	817	182	–	–	1,871	2.5
Fredriksdal 1	Smedjeg. 2	Kalmar		1982	Industry/warehouse	750	2,748	–	–	–	–	3,498	2.3
Guldfisken 2	Esplanaden 30	Kalmar		1947	Office	2,855	93	–	81	–	–	3,029	2.7
Gumsen 31	Verkstadsg. 5	Kalmar		1963	Industry/warehouse	3,875	14,518	526	6,341	1,007	159	26,426	11.6
Koljan 24	Esplanaden 29, N. vägen 16, 18, 20	Kalmar		1929/1992	Office	4,981	2,665	243	960	280	–	9,129	4.7
Korpen 18	Fabriksg. 31	Kalmar		1976	Office	3,258	50	–	398	–	–	3,706	3.4
Korpen 20	Fabriksg. 29, Nyg. 30	Kalmar		1979	Education/lab/ health care/physical recreation	2,831	666	–	2,885	–	–	6,382	6.6
Lärlingen 5	Kaggenslg. 40 B-D, 42, 44, Strömg. 7B, C	Kalmar		1960	Office	3,273	149	714	436	–	–	4,572	4.6
Matrosen 1	Tjärhovsg. 1	Kalmar		1995	Office	1,293	–	–	889	–	–	2,182	2.7
Mästaren 28	Fiskareg. 20, Kaggenslg. 30	Kalmar		1962	Retail	567	21	748	–	–	–	1,336	1.8
Tenngiutaren 1	Larmg. 40, Strömg. 2	Kalmar		1979	Office	1,354	–	–	–	–	297	1,651	1.5
Härden 3	Sågverksg. 5	Karlstad	T	1952/1980	Retail	–	449	501	–	–	–	950	0.5
Rådmanen 3	Västgöttag. 16	Katrineholm		1955/1978	Industry/warehouse	–	18,298	–	–	180	–	18,478	11.7
Oxen 17	Västra Drottningg. 38	Kumla		1981/1960	Industry/warehouse	–	6,645	–	–	–	–	6,645	1.8
Transistorn 2	Montörög. 2, Radiog. 9	Kumla		1972/1998	Industry/warehouse	–	35,521	–	–	–	–	35,521	21.3
Norbergsby 10:66	Nyg. 2	Norberg		1988	Retail	–	–	2,668	–	–	–	2,668	2.0
Bronsen 2	Tennng. 4	Norrköping		1971	Industry/warehouse	3,829	4,330	–	890	–	–	9,049	5.5
Pelikanen 14	Hospitalslg. 20	Norrköping		1972	Office	1,670	–	–	191	–	–	1,861	1.5
Stålet 3	Malmg. 18	Norrköping		1969	Industry/warehouse	1,525	8,691	–	–	–	–	10,216	3.9
Järnhandlaren 2	V. Storg. 9	Nyköping		1929/1990	Retail	–	–	562	–	–	–	562	0.9
Märsta 15:7	Bristag. 13	Sigtuna		1970/1993	Industry/warehouse	–	11,993	–	–	322	–	12,315	7.6
Verktiget 4	Industrig. 4, 6, 8 A-C, Verktygsg. 3	Trosa		1980/1990	Industry/warehouse	2,729	7,659	524	–	1,000	–	11,912	6.5
<b>Total</b>						<b>43,064</b>	<b>120,755</b>	<b>15,939</b>	<b>15,723</b>	<b>2,898</b>	<b>3,139</b>	<b>201,518</b>	<b>141.0</b>

# Definitions

## Calculation of key ratios

Ratios based on the average number of shares outstanding have been calculated on weighted averages. 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 15 August, 2002 to 18 June, 2004.

*Before dilution:* Outstanding convertible debenture loans are not 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 cost.

*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 cost 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 per share

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

## Equity ratio

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

## Economic occupancy rate

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

## Interest coverage ratio

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

## Leverage, real estate

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

## Operating margin

Operating margin as a percentage of total income

## Operating surplus

Total income, 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 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 improvements, site lease rents and property taxes.

## Realised changes in value, properties

Property sales for the period after deduction of the properties' most recent reported fair value.

## Rental income

Rental income plus billed 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.

## Staff turnover

The number of permanent employees that were employed at the beginning and and quitted during the year in relation to the number of permanent employees at the beginning of the year.

## Total income

Total of rental and other income.

## Total yield per share

The share development and paid dividend divided by the share price at the beginning of the year.

## 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 after deduction of investments at the end of the year.

## Value added from improvement

Sales price less invested capital.

## Value added per employee

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

## Five-year review

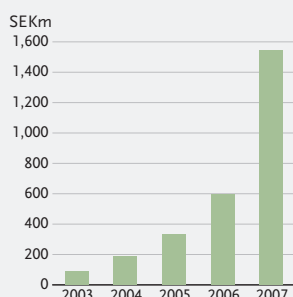
SEKm

Statement of Income	2007	2006	2005	2004	2003**
Rental income	1,142	808	635	485	322
Other income	65	35	4	–	–
Property costs	–446	–341	–248	–199	–133
<b>Operating surplus</b>	<b>761</b>	<b>502</b>	<b>391</b>	<b>286</b>	<b>189</b>
Change in value properties	1,106	262	158	60	–
Profit from sale of properties	–	–	–	–	19
Depreciation of equipment	–	–	–2	–2	–1
Central administration	–65	–50	–35	–30	–17
<b>Operating profit</b>	<b>1,802</b>	<b>714</b>	<b>512</b>	<b>314</b>	<b>190</b>
Profit from financial items	–310	–171	–178	–129	–103
Changes in value, financial instruments	53	28	–3	–	–
Changes in value, securities	–	22	–	–	–
<b>Profit before tax</b>	<b>1,545</b>	<b>593</b>	<b>331</b>	<b>185</b>	<b>87</b>
Taxes on the year's profit	–319	38	48	28	–
<b>NET PROFIT FOR THE YEAR</b>	<b>1,226</b>	<b>631</b>	<b>379</b>	<b>213</b>	<b>87</b>

Balance Sheet	2007	2006	2005	2004	2003**
Machinery and equipment	13	14	5	6	6
Investment properties	12,154	10,701	5,968	4,193	2,890
Derivatives	96	49	7	–	–
Deferred tax liability	474	516	279	231	200
Other assets	185	96	107	64	135
Liquid funds	87	95	141	110	135
<b>ASSETS</b>	<b>13,009</b>	<b>11,471</b>	<b>6,507</b>	<b>4,604</b>	<b>3,366</b>
Shareholders' equity	4,867	3,868	2,264	1,701	908
Deferred tax liability	460	183	–	–	–
Interest-bearing liabilities	7,007	6,878	3,987	2,703	2,316
Other liabilities	675	542	256	200	141
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>13,009</b>	<b>11,471</b>	<b>6,507</b>	<b>4,604</b>	<b>3,365</b>

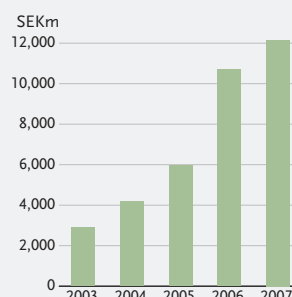
\*\* Not recalculated according to IFRS. To comply with IFRS requirements, properties and financial investments must be recalculated at fair value.

Profit before tax



Profit before tax has increased mainly due to strong letting work and a buoyant economy.

Property portfolio



The value of the properties increased by SEK 1,453 million during 2007 as an effect of successful development projects and thereby an increased occupancy rate.

## SEKm

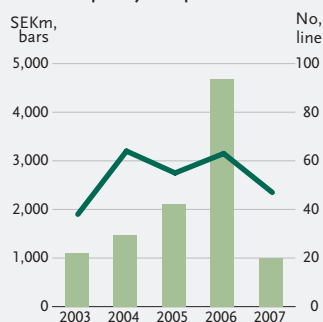
Statements of Cash Flow	2007	2006	2005	2004	2003**
Cash flow from current operations	648	451	220	207	10
Cash flow from investment operations	-396	-3,427	-1,384	-815	-717
Cash flow from financing operations	-260	2,930	1,195	583	779
Cash flow for the year	-8	-46	31	-25	72
Liquid funds at the beginning of the year	95	141	110	135	63
<b>Liquid funds at the end of the year</b>	<b>87</b>	<b>95</b>	<b>141</b>	<b>110</b>	<b>135</b>

Property-related ratios, end of the year	2007	2006	2005	2004	2003**
Lettable space, thousand sq.m.	1,394	1,436	1,042	808	588
Rental value, SEKm	1,309	1,276	798	596	434
Book value, properties, SEKm	12,154	10,701	5,968	4,193	2,890
Occupancy rate economic, SEKm	88	84	87	87	88
Profit ratio, %	63	60	61	59	59

Financial ratios	2007	2006	2005	2004	2003**
Equity ratio after dilution, %	37.4	33.7	34.8	36.9	28.4
Interest coverage ratio, times	5.9	4.4	2.8	2.4	1.8
Debt equity ratio, %	1.4	1.8	1.8	1.6	2.5
Leverage, real estate, %	58	64	67	64	78
Return on equity after dilution, %	28.1	20.6	19.1	16.1	11.7
Operating margin, %	149.3	84.7	80.2	64.7	59.0
Average interest on interest-bearing liabilities, %	4.6	4.1	3.5	5.1	5.6
Interest-bearing liabilities, SEKm	7,007	6,878	3,987	2,703	2,316

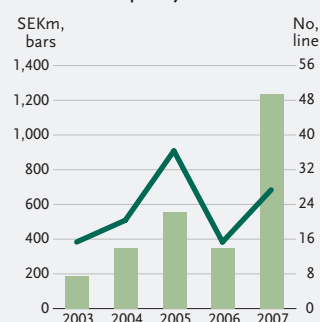
\*\* Not recalculated according to IFRS. To comply with IFRS requirements, properties and financial investments must be recalculated at fair value.

### Property acquisitions



The major part of acquired properties during 2007 were located in Karlstad, Nyköping and Västerås.

### Property sales



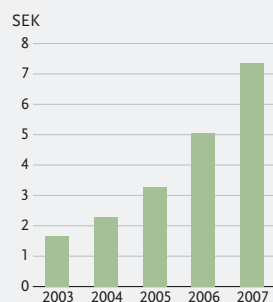
During 2007, the properties Eskilstuna and Kalmar and another twelve properties in particular at non-prioritized locations were divested.

<b>Data per share and share data</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003**</b>
Market capitalization, SEKm	4,227	4,996	2,949	2,052	1,079
Outstanding shares at the end of the period after dilution, million	165,8	166,5	120,4	105,8	71,9
Average no. of shares after dilution, million	166,4	125,2	115,8	92,9	54,5
Total registered shares at the end of the period, million	166,5	166,5	120,4	105,8	71,9
No. of shareholders	31,249	19,058	27,945	31,285	34,920
Foreign ownership share, %	17	15	15	14	0
Share price at the end of the year, SEK	25.50	30.00	24.50	19.40	16.00
Highest price during the year, SEK	33.40	30.30	30.00	19.40	16.70
Lowest price during the year, SEK	21.40	19.60	18.70	15.00	9.80
No. of shares traded per year, thousands	69,513	44,969	49,418	57,200	35,134
Ditto average per day, thousands	279	181	195	226	141
Turnover rate per year, times	0.42	0.36	0.43	0.62	0.49
Dividend, SEK	1.50*	1.25	1.00	0.75	0.50
Direct yield of share, %	5.9	4.2	4.1	3.9	3.1
Dividend in relation to profit excluding changes in value and tax, %	65	56	67	56	63
Total yield of shares	-10.8	26.5	30.2	24.4	50.9
Carnegie's property index (CREX)	-22.5	35.6	32.1	32.8	32.5
OMX Nordic Exchange all-share index (OMXSPI)	-6.7	23.8	32.8	17.2	25.5
Total earnings per share after dilution, SEK	7.36	5.04	3.27	2.30	1.65
Price/total earnings per share (P/E ratio)	3.5	6.0	7.5	8.4	9.7
Earnings excluding changes in value and tax per share, SEK	2.32	2.25	1.49	1.40	0.80
Equity per share, SEK	29.36	23.23	18.81	16.08	13.32
Price/equity per share, SEK	0.87	1.29	1.30	1.21	1.20
Cash flow per share, SEK	-0.05	-0.37	0.27	-0.27	1.32
Properties' book value per share, SEK	73.31	64.25	49.60	39.60	40.20

\* Recommendation by the Board

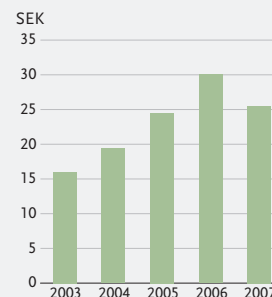
\*\* Not recalculated according to IFRS. To comply with IFRS requirements, properties and financial investments must be recalculated at fair value.

Earnings per share after dilution



Increased occupancy rate and rising property values due, among other things, to investments, has led to a sharp increase in earnings per share in 2007.

Share price at the end of the year



The share price rose by 15 per cent during 2007, to be compared with an increase of 24 per cent in 2006.

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# Annual General Meeting 2008

Klövern's Annual General Meeting of Shareholders will take place at 4 pm on Thursday, 3 April 2008 at Qvarnen Konferens, Västra Kvarngatan 64 in Nyköping.

Shareholders wishing to participate in the Annual General Meeting of Shareholders must

- be registered as owner in the print-out of the share register made by VPC AB on Friday, 28 March 2008
- and notify their attendance to Klöver AB at the latest by 4 pm on Friday, 28 March 2008 at the address: Klöver AB, Box 1024, 611 29 Nyköping, by telephone to +46 155-44 33 00 or via Klöver AB's website, [www.klovern.se](http://www.klovern.se)

When making notification, shareholders must state their name, date of birth/ Swedish personal ID no./company registration no., address and telephone number and shareholding, as well as any assistant they may wish to accompany them to the meeting. Shareholders whose shares are nominee registered, must request that their shares be temporarily registered in their own name at VPC AB before 28 March to be able to participate in the meeting. In order for this to be possible, requests for such registration must have been made to the bank or securities institution administering the shares in good time before this date. In cases where representatives participate in the meeting, a power of attorney in the original should be sent to the company at the time of notification of attendance. If the provider of the power of attorney is a legal entity, a certified registration certificate is also to be presented.

The Board recommends that a dividend of SEK 1.50 per share be paid to shareholders. It is proposed that Tuesday, 8 April 2008 be record date, i.e. the date conferring entitlement to dividend. If the Annual General Meeting decides in accordance with the proposal, it is expected that cash dividend will be paid by VPC on Friday, 11 April 2008.

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