



INTERIM REPORT JANUARY–JUNE 2008

- Income totalled SEK 603 million (614)
- Net profit for the period amounted to SEK 100 million (659), corresponding to SEK 0.61 per share (3.96)
- Unrealised changes in value of properties amounted to SEK –138 million (438), equivalent to –1.1 per cent
- Equity per share was SEK 28.50 (29.40)
- The forecast that Klöver's profit for 2008, excluding changes in value and tax, will exceed SEK 350 million (SEK 2.13 per share) is unchanged.

	2008 Jan–Jun	2007 Jan–Jun
Net profit for the period, SEKm		
Rental income	572	547
Other income	31	67
Operating and central costs	–254	–258
Net financial income	–166	–141
Profit excluding changes in value and tax	183	215
Changes in value, properties and derivatives	–37	634
Deferred tax	–46	–190
Net profit	100	659

President's statement

Increased required yield, rising rental levels and a continued high level of net moving in

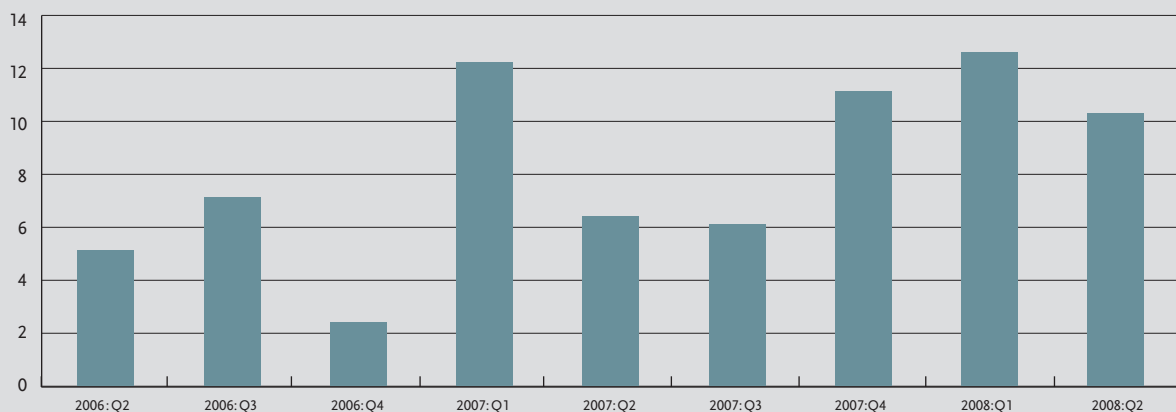
"During the quarter, we have seen how inflation and higher interest rates have led to higher required yield for our property portfolio. At the same time, we can note a continued high level of demand for premises, rising rental levels and positive net moving in.

The largest increases in rents are in our Business and Science Parks. Despite the overall positive development of operations, property value has fallen by over one per cent", says Klöver's President & CEO Gustaf Hermelin.



Net moving in

SEKm



A continued high level of net moving in. During the first half of 2008, net moving in amounted to almost SEK 23 million.

Net profit for the period

Net profit for the period was SEK 100 million (659). The negative change compared with the corresponding period last year, is mainly due to the large positive change in value of properties in 2007 becoming a decrease in value in 2008. The result for the first half of 2007 also included one-off payments from vacating tenants of SEK 33 million, which had no equivalent in 2008. Profit excluding changes in value and tax amounted to SEK 183 million (215). Equity decreased to SEK 4,668 million (4,867) and the equity ratio was 35.8 per cent (37.4) at the end of the period.

Income and occupancy rate

New letting has continued to be positive and net moving in during the first six months of the year amounted to around SEK 23 million in terms of annual income. The occupancy rate was 89 per cent at the end of the period. Rental levels are continuing to rise and the number of enquiries is at the same level as a year ago. The majority of Klöver's units are experiencing a continued high level of commercial activity, although some slackening-off can be discerned.

Income during the period totalled SEK 603 million (614), of which rental income accounted for SEK 573 million (547). Other income, which consists of income from rental guarantees, redemption of leases and sales of services to customers who are not tenants, totalled SEK 31 million (67).

Property costs and operating margin

Property costs amounted to SEK 224 million (224) during the period. The operating surplus was SEK 379 million (390), equivalent to an operating margin of 63 per cent (64).

Value of properties and changes in value

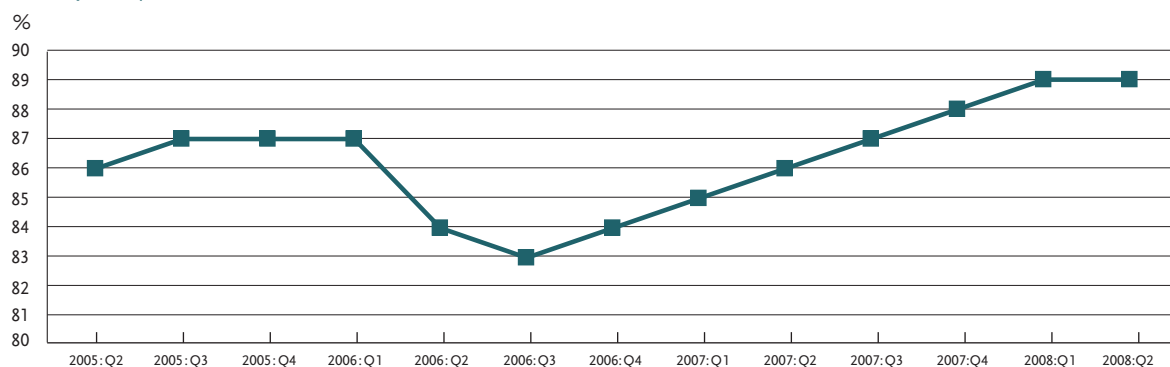
The fair value of Klöver's properties amounted as at 30 June 2008 to SEK 12,227 million (12,154). During the period, the total change in value of properties was SEK -106 million (564). The changes in value included realised changes in value of SEK 32 million (126) and unrealised changes in value of SEK -138 million (438).

In principle, slightly higher yield requirements has been used in the valuation as at 30 June 2008 than as at 31 March 2008, which has had a negative effect on the property value. At the same time, higher market rents and net moving in have affected property value positively. Overall, the value of the existing property portfolio has been adjusted by -1.1 per cent.

Every quarter Klöver values 100 per cent of the property portfolio. 20-30 per cent of the valuations are carried out by an external valuation company and the remaining valuations are made internally. The external valuations have been carried out by DTZ Sweden, which have also acted in an advisory capacity when the required yields have been set in the internal valuations. Accordingly, every property in the portfolio is valued externally during a rolling 12-month period. See Klöver's annual report for 2007 for a detailed description of the valuation principles.

Change in fair value	SEKm
Fair value as at 1 January 2008	12,154
Acquisitions	135
Investments etc.	314
Sales	-270
Changes in value	-106
Fair value as at 30 June 2008	12,227

Occupancy rate



Strong letting result. The occupancy rate has risen by three percentage points in a year. The decline during 2006 was due to acquisition of properties with considerable vacancies.

Financing

At the end of the period, interest-bearing liabilities amounted to SEK 7,358 million (7,007). The average interest rate was 4.7 per cent (4.6) and the average fixed interest term was 1.2 years (1.4). The average period of tied-up capital was 3.1 years (3.7).

MATURITY STRUCTURE AS AT 30 JUNE 2008

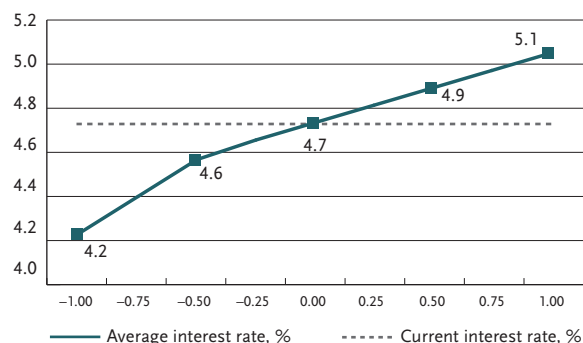
Year due	Interest rate maturity		Loan maturity	
	Loan volume, SEKm	Average interest rate, %	Credit agreements, SEKm	Utilised, SEKm
Floating	5,697	4.8	—	—
2008	318	4.9	374	200
2009	254	4.4	479	479
2010	32	3.8	2,623	2,367
2011	57	6.4	1,673	1,623
2012	—	—	2,261	1,628
2013–	1,000	4.4	1,061	1,061
Total	7,358	4.7	8,471	7,358

To reduce the possible effect of a rise in interest rates on Klöver's interest expense, the company has interest caps totalling SEK 3,329 million (3,329). SEK 730 million of the interest caps mature in 2009, SEK 1,099 million in 2010, SEK 1,000 million in 2011 and the remaining SEK 500 million in 2012. The majority of the interest caps have a redemption rate of 4.5 per cent and the remainder 4.0 per cent.

If short-term interest rates had changed by ± 1 percentage point at the turn of the period, Klöver's average borrowing rate would have changed by just over +0.3 and just over -0.5 percentage points respectively.

During the period, changes in value of Klöver's financial instruments amounted to SEK 70 million (70).

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



Tax situation

Tax for the period

Deferred tax totalling SEK -46 million has been charged to profit for the period. No current tax has been charged to the profit (0). Deferred tax of SEK -31 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 a corresponding amount. Profit for the period has also been charged by deferred tax of SEK -15 million for temporary differences relating to properties and financial instruments, which increases the company's provision for deferred tax liability by a corresponding amount.

Possible new tax loss carryforwards

Besides Klöver's established tax loss carryforwards, 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, Klöver requested that tax assessment for that year should be reconsidered with a view to considering whether Klöver was also entitled to this tax loss carryforward. In spring 2006, Klöver 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. The Tax Agency has appealed against this decision in tax surcharge case to the Administrative Court of Appeal in February 2008. In 2006, Klöver submitted a new request for the tax loss carryforward. The Tax Agency has rejected this new request and Klöver has appealed against this decision to the County Administrative Court.

Property acquisitions

During the period, Klöver has acquired the site Stockholm Lidarände 1 from the City of Stockholm for SEK 46 million. The site consists of around 15,000 sq.m. with an equally large building right. Kista Expo Center is being built on the site, with the tenant moving in in August 2008. Furthermore the site leaseholds Kista Borg 3 and 6, with an acquisition price of SEK 89 million, have been taken possession of during the period.

Property sales

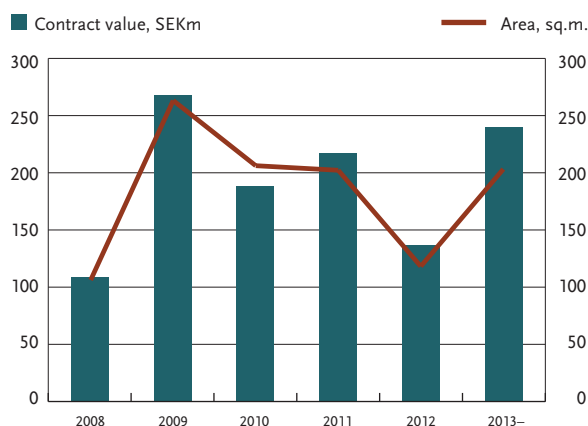
During the period, Klöver has vacated its part of the site leasehold Kista Färöarna 3, which was sold to AREIM Fond 1 during the fourth quarter of 2007. The sales price was SEK 270 million, which produced a realised change in value of SEK 32 million.

Property portfolio

On 30 June 2008, Klöver's property portfolio consisted of 221 properties (220). The total rental value was SEK 1,304 million (1 309) and the fair value of the properties was SEK 12,227 million (12,154). The total lettable area was 1,382 thousand sq.m. (1,394).

The average lease period was 3.2 years (2.9).

Contract structure



Investments and projects

During the period, SEK 308 million were invested in various projects, of which a number of smaller projects with a total investment of SEK 78 million were completed. At the end of the period, 140 projects were in process with a total investment volume of SEK 865 million, of which SEK 472 million had been implemented.

Apace with decreasing vacancies, Klöver's assets in the form of building rights will become even more important. The units have identified possible building rights, where planning is at different stages, from not started to completely planned. In all, building rights are estimated at around 590,000 sq.m. gross area. A more detailed presentation of Klöver's building rights is contained in the 2007 annual report.

PROPERTY PORTFOLIO PER LOCATION

Unit	No. of properties	Area, 000 sq.m.	Rental value, SEKm	Average rent, SEK/sq.m.	Operating margin, %	Economic occupancy rate, %
Kista	23	237	331	1,540	71	94
Karlstad	48	209	190	941	66	94
Linköping	24	179	161	1,066	66	85
Västerås	29	216	146	797	59	88
Nyköping	31	127	102	831	64	94
Norrköping	14	145	101	921	44	80
Uppsala	3	66	97	2,039	40	66
Täby	25	67	67	1,030	64	94
Örebro	10	62	63	1,086	60	93
Borås	14	74	46	636	61	95
Total	221	1,382	1,304	1,056	63	89

PROPERTY PORTFOLIO BY TYPE OF PREMISES

Unit	No. of properties	Area, 000 sq.m.	Rental value, SEKm	Average rent, SEK/sq.m.	Operating margin, %	Economic occupancy rate, %
Office	102	650	723	1,197	67	91
Industry/warehouse	63	468	242	622	59	85
Education/laboratory/health care/recreation	11	112	134	1,267	50	80
Retail	31	88	112	1,363	63	93
Restaurant/hotel	5	45	38	892	41	97
Residential	1	19	17	923	34	99
Other*	8	—	38	—	—	89
Total	221	1,382	1,304	1,056	63	89

* Consists of garages, parking spaces, signs, masts and sites.

The share and shareholders

The Klöver share is listed on OMX Nordic Exchange in Stockholm, medium-sized companies. The closing price on 30 June was SEK 18.70 per share, which corresponds to a market capitalisation of around SEK 3.1 billion. As at 30 June, the number of shares in Klöver was 166,544,326. The number of shareholders was around 31,000.

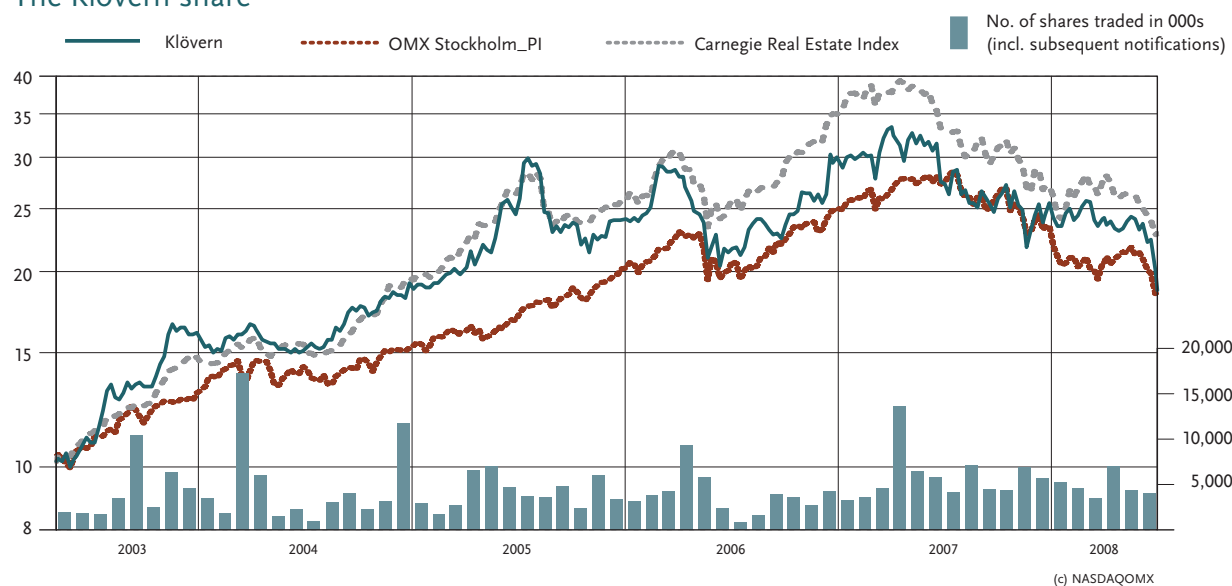
Repurchase of Klöver's shares

The Annual General Meeting for 2008 has renewed the authorisation for Klöver's board to repurchase Klöver's shares up to an amount corresponding to at most 10 per cent of the total number of registered shares. In accordance with the decisions taken, Klöver has repurchased 2,932,000 shares, corresponding to 1.8 per cent of the total number of registered shares. The shares have been acquired at an average price of SEK 24 per share.

MAJOR SHAREHOLDERS			
Shareholders as at 30 June 2008	No. of shares, thousands	Holdings and voting rights,%	Change 2008, % points
AB Styttingen*	17,458	10.7	10.7
Lantbrukarnas Riksförbund	17,117	10.5	0.0
Arvid Svensson Invest AB	17,017	10.4	0.1
Investment AB Öresund	12,176	7.4	0.6
Skandia Liv	6,967	4.3	-0.1
HQ Fonder	6,752	4.1	0.0
Brinova Inter AB	6,211	3.8	0.1
Länsförsäkringar Fonder	5,888	3.6	-0.9
Länsförsäkringar Södermanland	3,895	2.4	0.2
Swedbank Robur fonder	3,653	2.2	0.9
Total major shareholders	97,134	59.4	11.6
Other shareholders	66,478	40.6	
Total outstanding shares	163,612	100.0	
Own shares repurchased	2,932		
Total registered shares	166,544		

* AB Styttingen is part of the same group as AB Skadel which was previously owner of 10.6 per cent of the shares in Klöver.

The Klöver share



Substantial risks and uncertainty factors

Klövern's substantial risks and uncertainty factors are described on pages 43–45 in the Annual Report for 2007. No substantial risks have arisen subsequently.

Accounting principles

This interim report has for the group been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting and, in the case of the parent company, the Annual Accounts Act. The accounting principles applied in this interim report are those described in Klövern's annual report for 2007, note 1.

Prospects for the full year 2008

The full-year forecast that Klövern's profit for 2008, excluding changes in value and tax, will exceed SEK 350 million is unchanged. This would be equivalent to at least 2.13 per share (outstanding shares totalled 163,612,326 on 30 June 2008).

Presentation of interim report

The report for the first six months of 2008 will be presented in Båstad at 2.30 pm on 9 July. Information about remote participation in this presentation may be obtained on telephone +46 8 505 202 70, +44 20 881 793 01, or at [http://www.financialhearings.com/hearing/financia1.nsf/\(recordednew\)/EBEC8CCF107CB883C125744700233601?OpenDocument](http://www.financialhearings.com/hearing/financia1.nsf/(recordednew)/EBEC8CCF107CB883C125744700233601?OpenDocument)

Calendar 2008

Interim Report

January–September 2008 Thursday, 23 October 2008

Reports are available on Klövern's website www.klovern.se, where it is also possible to subscribe to annual reports, interim reports and press releases.

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

The Board of Directors and the President & CEO certify that the six-month interim report provides a fair overview of the operations, position and result of the company and the group, and describes the significant risks and uncertainty factors facing the company and the companies belonging to the group.

Nyköping, 9 July 2008

Klövern AB
Board of Directors

Group's Income of Statement

SEKm	2008 3 months Apr–Jun	2007 3 months Apr–Jun	2008 6 months Jan–Jun	2007 6 months Jan–Jun	2007 12 months Jan–Dec	Rolling 12 months Jul–Jun
Rental income	287.2	265.8	572.6	546.5	1,108.9	1,135.0
Other income ¹⁾	17.7	18.0	30.7	67.3	98.2	61.6
Total income	304.9	283.8	603.3	613.8	1,207.1	1,196.6
Property costs	–107.0	–99.3	–224.2	–224.0	–446.1	–446.3
Operating surplus	197.9	184.5	379.1	389.8	761.0	750.3
Change in value properties	–150.1	270.0	–106.2	564.3	1,106.5	436.0
Central administration	–16.4	–20.4	–30.2	–34.4	–65.1	–60.9
Operating profit	31.4	434.1	242.7	919.7	1,802.4	1,125.4
Financial income	1.1	0.8	2.2	1.6	3.5	4.1
Financial costs	–86.6	–69.8	–168.4	–142.2	–313.9	–340.1
Change in value financial items	95.1	67.7	69.7	70.1	53.3	52.9
Change in value securities	0.0	0.0	0.0	0.0	0.0	0.0
Profit after financial items	41.0	432.8	146.2	849.2	1,545.3	842.3
Current tax	0.0	0.0	0.0	0.0	–0.2	–0.2
Deferred tax	–12.6	–73.5	–45.7	–190.1	–319.3	–174.9
Net profit for the period	28.4	359.3	100.5	659.1	1,225.8	667.2
Earnings per share, SEK	0.17	2.16	0.61	3.96	7.36	4.03
Number of shares outstanding at the end of the period, million	163.6	166.5	163.6	166.5	165.8	163.6
Average number of shares, million	164.4	166.5	164.9	166.5	166.5	165.7

There are no outstanding warrants or convertibles

¹⁾ Income from rental guarantees, payments from vacating tenants and sales of services to customers who are not tenants.

Group's Balance Sheet

SEKm	30.06.2008	30.06.2007	31.12.2007
Assets			
Properties	12,227.3	10,841.3	12,154.0
Machinery and equipment	12.4	13.6	13.3
Derivatives	162.7	116.2	96.2
Deferred tax assets ¹⁾	443.0	142.9	474.0
Short-term receivables	197.2	111.5	184.3
Liquid funds	15.2	133.6	87.1
Total assets	13,057.8	11,359.1	13,008.9
Shareholder's equity and liabilities			
Shareholder's equity	4,668.5	4,319.1	4,867.4
Deferred tax liabilities ¹⁾	474.9	0.0	460.3
Interest-bearing liabilities	7,357.5	6,429.3	7,006.9
Accounts payable	90.1	70.0	155.8
Other liabilities	181.5	189.9	220.2
Accrued expenses and prepaid income	285.3	350.8	298.3
Total shareholder's equity and liabilities	13,057.8	11,359.1	13,008.9

¹⁾ Deferred tax claim and deferred tax liability has previously been net reported, but are gross reported from 31.12.2007.

Groups' changes in shareholder's equity

SEKm	Shareholder's equity
Shareholder's equity 01.01.2007	3,868.2
Dividend	-208.2
Repurchase of own shares	-18.4
Net profit for the year	1,225.8
Shareholder's equity 31.12.2007	4,867.4
Dividend	-247.6
Repurchase of own shares	-51.8
Net profit for the period	100.5
Shareholder's equity 30.06.2008	4,668.5

Groups' Statement of Cash Flow

SEKm	2008 3 months Apr–Jun	2007 3 months Apr–Jun	2008 6 months Jan–Jun	2007 6 months Jan–Jun	2007 12 months Jan–Dec
Current operations					
Profit before tax	41.0	432.8	146.2	849.2	1,545.3
Adjustment for items not included in the cash-flow	55.7	-210.8	70.0	-506.8	-1,156.6
Income tax paid	0.0	—	-0.2	-0.2	-0.3
Cash flow from current operations before change in working capital	96.7	222.0	216.0	342.2	388.4
Change in operating receivables	-5.9	28.7	-12.9	-16.2	-35.7
Change in operating liabilities	-11.6	88.2	-277.3	71.6	295.1
Total change in working capital	-17.5	116.9	-290.2	55.4	259.4
Cash flow from current operations	79.2	338.9	-74.2	397.6	647.8
Investment operations					
Divestment of properties	0.0	590.5	238.0	590.5	1,225.1
Acquisition of and investment in properties	-270.4	-222.4	-446.2	-292.8	-1,571.8
Acquisition of machinery and equipment	-0.5	-0.4	-0.6	-1.1	-2.4
Change in financial assets	—	3.2	—	3.2	-46.9
Cash flow from investment operations	-270.9	370.9	-208.8	299.8	-396.0
Financing operations					
Change in long-term liabilities	—	-2.5	—	-2.5	-162.6
Change in interest-bearing liabilities	449.4	-389.1	510.6	-448.5	129.1
Repurchase of own shares	-35.6	—	-51.8	—	-18.4
Dividend	-247.7	-208.2	-247.7	-208.2	-208.2
Cash flow from financing operations	166.1	-599.8	211.1	-659.2	-260.1
Cash flow for the period	-25.6	110.0	-71.9	38.2	-8.3
Liquid funds at the beginning of the period	40.8	23.6	87.1	95.4	95.4
Liquid funds at the end of the period	15.2	133.6	15.2	133.6	87.1

Groups' Key financial indicators

	2008 3 months Apr–Jun	2007 3 months Apr–Jun	2008 6 months Jan–Jun	2007 6 months Jan–Jun	2007 12 months Jan–Dec	Rolling 12 months Jul–Jun
Return on equity, %	0.6	8.5	2.1	16.1	28.1	14.8
Return on total capital, %	0.2	3.8	1.9	8.1	14.7	9.2
Equity ratio, %	35.8	38.0	35.8	38.0	37.4	35.8
Interest coverage ratio, times	2.1	2.4	2.1	2.5	2.2	2.0
Equity per share, SEK	28.5	25.9	28.5	25.9	29.4	28.5
Debt-equity ratio, times	1.6	1.5	1.6	1.5	1.4	1.6
Economic occupancy rate, %	89	86	88	86	88	88
Operating margin, %	65	65	63	64	63	63

Parent Company Statements of Income

SEKm	2008 3 months Apr–Jun	2007 3 months Apr–Jun	2008 6 months Jan–Jun	2007 6 months Jan–Jun	2007 12 months Jan–Dec
Net sales	33.0	28.0	63.9	55.2	116.6
Cost of services sold	-20.7	-18.9	-39.8	-36.0	-74.8
Gross profit	12.3	9.1	24.1	19.2	41.8
Central administration	-16.4	-20.4	-30.2	-34.4	-65.1
Operating profit	-4.1	-11.3	-6.1	-15.2	-23.3
Result from other securities	—	305.3	—	305.3	225.9
Interest income	0.1	0.5	0.2	1.0	1.3
Interest expense	-0.8	-0.1	-2.3	-0.5	-0.9
Profit after financial items	-4.8	294.4	-8.2	290.6	203.0
Current tax	—	—	—	—	—
Tax attributable to group contributions	—	—	—	—	46.9
Deferred tax ¹⁾	14.8	-73.5	-31.0	-190.1	141.0
Net profit for the period	10.0	220.9	-39.2	100.5	390.9

¹⁾ Including changed accounting of deferred tax.

Parent Company Balance Sheet

SEKm	30.06.2008	30.06.2007	31.12.2007
Assets			
Machinery and equipment	4.1	4.1	4.6
Participation in group companies	319.9	319.9	319.9
Receivables from group companies	3,279.8	3,352.9	3,325.0
Deferred tax assets	443.0	142.9	474.0
Short-term receivables	2.7	4.2	8.0
Liquid funds	15.1	68.2	13.9
Total assets	4,064.6	3,892.2	4,145.4
Shareholder's equity and liabilities			
Shareholder's equity	3,031.5	2,977.7	3,370.1
Liabilities to group companies	977.3	857.3	723.5
Accounts payable	3.0	3.0	16.0
Other liabilities	15.9	15.2	16.2
Accrued expenses and prepaid income	36.9	39.0	19.6
Total shareholder's equity and liabilities	4,064.6	3,892.2	4,145.4

Definitions

Key ratios based on the average number of shares have been calculated on the basis of weighted averages.

Debt/equity ratio

Interest-bearing liabilities in relation to equity at the end of the period.

Earnings per share

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

Equity per share

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

Equity ratio

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

Interest coverage ratio

Profit, excluding changes in fair value, after net financial items plus financial costs in relation to financial costs.

Occupancy rate – economic

Rental income in relation to rental value at the end of the period.

Operating margin

Operating surplus as a percentage of total income.

Operating surplus

Total income minus rent losses, operating and maintenance expenses, site leasehold charges and property tax.

Other income

Income from rental guarantees, payments from vacating tenants and income from sale of services to customers who are not tenants.

Realised change in value of properties

Property sales during the period after deduction for the latest reported fair value of the properties and selling expenses.

Rental value

Rental income plus assessed market value for unlet areas.

Return on equity

Net profit for the period in relation to average equity.

Return on total capital

Operating profit in relation to average balance sheet total.

Unrealised change in value, properties

Change in fair value for the property holding after deduction for investments made at the end of each quarter.

For further information, please contact:

Gustaf Hermelin,
CEO,
tel +46 155-44 33 10, +46 70-560 00 00,
gustaf.hermelin@klovern.se

Caesar Åfors,
CFO and vice-President,
tel +46 155-44 33 02, +46 70-662 48 48,
caesar.afors@klovern.se

Britt-Marie Einar,
Finance and Information Manager,
tel +46 155-44 33 12, +46 70-224 29 35,
britt-marie.einar@klovern.se

KLÖVERN