



## KLÖVERN YEAR-END REPORT 2007

- Income increased to SEK 1,207 million (843)
- Net profit for the year increased to SEK 1,226 million (631), corresponding to SEK 7.36 per share (5.04)
- Profit excluding changes in value and tax increased to SEK 386 million (281), equivalent to SEK 2.32 per share (2.25)
- The occupancy rate was 88 per cent (84) and has thus increased for the fifth consecutive quarter
- The forecast for 2008 is that profit, excluding changes in value and tax, will exceed SEK 350 million
- The Board of Directors is recommending a dividend of SEK 1.50 per share (1.25).

| Profit for the year, SEK million                 | 2007         | 2006       |
|--|--------------|------------|
| Income   | 1,207        | 843        |
| Expenses   | -821         | -561       |
| <b>Profit excluding changes in value and tax</b> | <b>386</b>   | <b>282</b> |
| Changes in value                                 | 1,160        | 311        |
| Tax  | -320         | 38         |
| <b>Net profit for the year</b>                   | <b>1,226</b> | <b>631</b> |

## Statement by CEO

A record result!

*"We are proud to present Klöver's best result ever. This result, exceeding SEK 1.2 billion, is based on fantastic letting work and a buoyant economy. Our target for the year was net moving in of SEK 25 million. In fact, we achieved SEK 36 million. Our result shows that local presence and high level of commitment from staff paid off.*

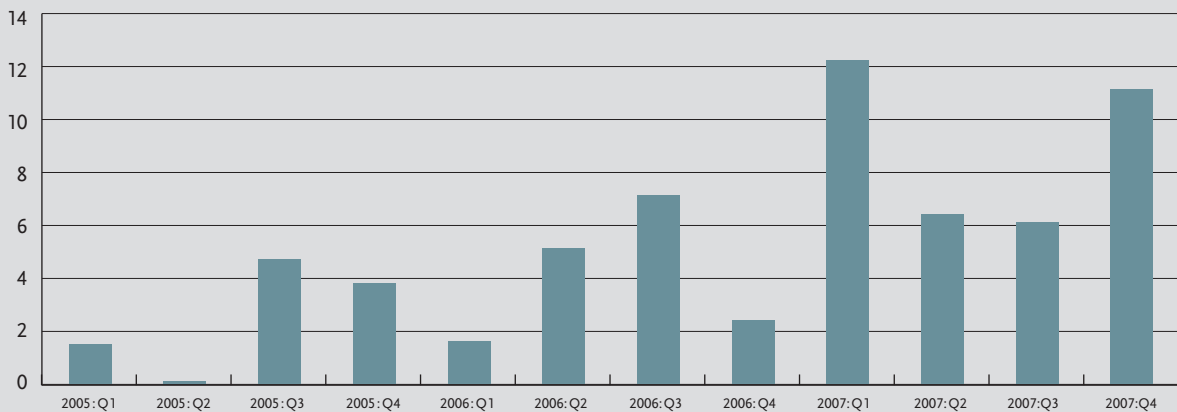
*The positive changes in the property values is mainly due to successful improvement projects leading to increased occupancy rate but also to a general rise in property prices resulting from increased rental levels and reduced required yields.*

*We now have 99 per cent of the rental income at our ten prioritised locations. With a strong organisation and a good customer base, we are better equipped for 2008 than ever. We see a continued great potential in remaining vacancies and building rights", says Klöver's CEO, Gustaf Hermelin.*



### Net moving in

SEK million



**Net moving in at a high level.** The whole of 2007 was characterised by a high level of net moving in and the fourth quarter was no exception. New moving in amounted to as much as SEK 11 million.

## Net profit for the year

Net profit for the year amounted to SEK 1,226 million (631). The improvement was mainly due to increased changes in property values but also to a larger property portfolio and a relative rise in net operating income. Profit, excluding changes in value and tax, increased to SEK 386 million (281).

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

## Income and occupancy rate

New letting has continued to be positive. During the last quarter of the year, net new leases expressed in terms of annual income exceeded SEK 11 million. This means that net moving in for the whole of 2007 totalled SEK 36 million (16). During the year, the occupancy rate has increased by four percentage points to 88 per cent. Rental levels have risen and the number of enquiries remains at a higher level than a year ago. The majority of Klöverns units are continuing to experience a high or increasing level of business activity, compared with the previous quarter.

Income increased to SEK 1,207 million (843) during the year, of which rental income accounted for SEK 1,142 million (808). The increase in income is mainly due to the net effects of acquisitions and sales, new letting and rental increases after completed projects. Notice to terminate leases for rental increases is an additional contributory factor.

Rental income includes lump sum payments for vacating tenants at SEK 33 million (11). Other income, which consists of sales of services to customers who are not tenants and income from rental guarantees amounts to SEK 65 million (35).

## Property costs and operating margin

Property costs amounted to SEK 446 million (341) during the year. The single largest items are electricity and heating costs which together total SEK 130 million (115) and property tax of SEK 45 million (32). Costs for heating and electricity were lower than expected due to the year being warmer than normal. Continued efforts to reduce consumption have also produced a positive result. The savings have been particularly great at the property Fyrislund 6:6 in Upp-

sala, where the unit has succeeded in reducing consumption of electricity, district heating and district cooling by around 20 per cent or a total of 5,600 MWh during 2007.

The operating surplus was SEK 761 million (502) in 2007, which means an operating margin of 63 per cent (60).

## Property values and changes in value

The fair value of Klöverns properties amounted as at 31 December 2007 to SEK 12,154 million (10,701). During the year, the total change in value for properties amounted to SEK 1,106 million (262). Changes in value includes realised changes in value of SEK 242 million (45) and unrealised changes in value of SEK 864 million (217).

Changes in value have primarily arisen due to good letting work during the year and reduced required yields in the market. The average yield requirement for Klöverns properties at the time of valuation was around 6.6 per cent (6.9) as at 31 December 2007.

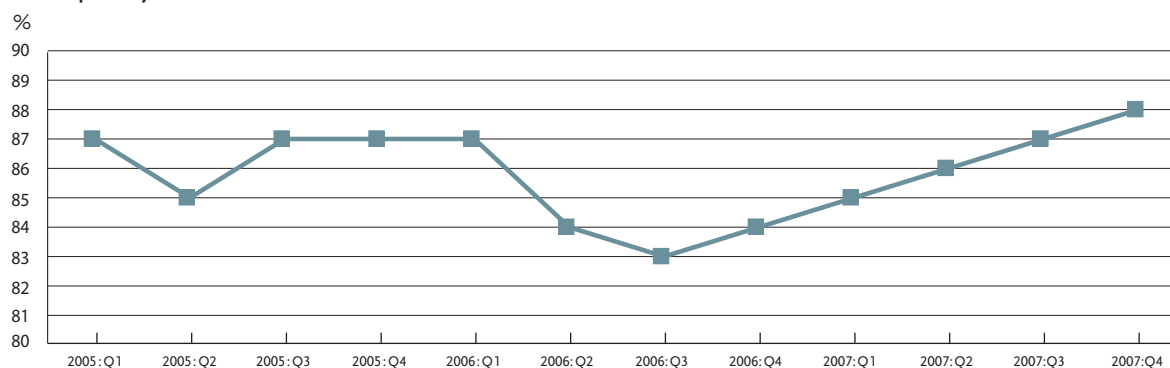
Every quarter, Klövern values 100 per cent of the property portfolio, 20-30 per cent of the valuations are carried out by an external valuation company and the remaining valuations are made internally. Accordingly, every property in the portfolio is valued externally during a rolling 12-month period. The external valuations have been carried out by DTZ Sweden. See Klöverns annual report for 2006 for a detailed description of valuation principles.

| Change in fair value                     | SEKm          |
|--|---------------|
| Fair value as at 1 January 2007          | 10,701        |
| Acquisitions                             | 989           |
| Investments                              | 594           |
| Sales                                    | -1,236        |
| Changes in value                         | 1,106         |
| <b>Fair value as at 31 December 2007</b> | <b>12,154</b> |

## Central administration

Expenses for central administration amounted during the year to SEK 65 million (50). SEK 9 million of this amount is a settlement payment to Kommanditaktieselskapet Pakhus D+E relating to a dispute concerning a guarantee undertaking from 2000 (relating to former Adcore business).

## Occupancy rate



**Positive net letting.** The occupancy rate has risen by 1 percentage point for five consecutive quarters. The reduction in 2006 was due to acquisition of properties with large vacancies.

## Financing

At the end of the year, interest-bearing liabilities amounted to SEK 7,007 million (6,878). Average interest was 4.6 per cent (4.1) and the average period of fixed interest was 1.4 years (1.8). The loans, including variable loans that mature during 2008 had an average period of fixed interest of 19 days (10). The average period of tied-up capital was 3.7 years (4.3). During the final quarter, Klöver made early redemption of fixed-interest loans, which gave rise to an early redemption charge of SEK 10 million.

### INTEREST RATE AND LOAN MATURITY

| Maturity year | Interest rate maturity structure |                     | Loan maturity structure |                |
|---------------|----------------------------------|---------------------|-------------------------|----------------|
|               | Interest maturity, SEKm          | Average interest, % | Credit agreement, SEKm  | Utilised, SEKm |
| Variable      | 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          | 0                                | —                   | 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>   |

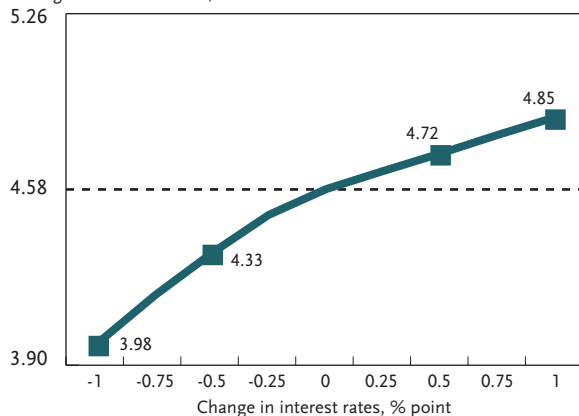
A total of SEK 3,329 million (3,329) of the variable loans has been interest capped. SEK 730 million of the interest caps mature in 2009, SEK 1,099 million in 2010, SEK 1,000 million in 2011 and the remaining SEK 500 million in 2012. The major part of the interest caps has a redemption rate of 4.5 per cent and the remainder 4.0 per cent.

Klövern's interest caps efficiently limit the effect of a potential rise in interest rates on Klöver's average borrowing rate. If short-term interest rates had been increased by +/-1 percentage point at the turn of the year, Klöver's average borrowing rate would have changed by +0.27 or -0.60 percentage points respectively.

During the year, changes in values for Klöver's financial instruments amounted to SEK 53 million (28).

## Klövern's borrowing rate in the event of changes in the market rate

Average interest rate level, %



----- Klöver's actual interest rate

## Tax situation

### This year's tax

Deferred tax totalling SEK -319 million has been charged to this year's profit. Deferred tax of SEK -42 million has been charged to profit excluding changes in value, i.e. the current operating profit, which has also reduced the value of the company's deferred tax asset by a corresponding amount. Deferred tax of SEK -277 million has been charged to this year's profit for temporary differences relating to properties and financial instruments. Reported tax differs from nominal tax, 28 per cent, since divestments of properties have taken place in corporate form and profits of around SEK 200 million are not subject to taxation. Company sales have led to deferred tax of SEK 35 million being reversed.

### Deferred tax assets

As from this report deferred tax assets and deferred tax liabilities are reported separately. These were previously accounted net. Deferred tax assets amount to SEK 474 million (516) as at 31 December 2007. With the current earning ability from the real estate business, paid tax will only be charged to Klöver's profit to a small extent in the next few years.

### Deferred tax liability

Deferred tax is calculated for temporary differences between fair values and tax residual values of assets and liabilities. As at 31 December 2007, deferred tax liability amounts to SEK 460 million (183). Temporary differences that have arisen in connection with Klöver's acquisition of properties through companies, which have all been treated as acquired assets, are not included in this calculation.

### Possible new tax loss carry forwards

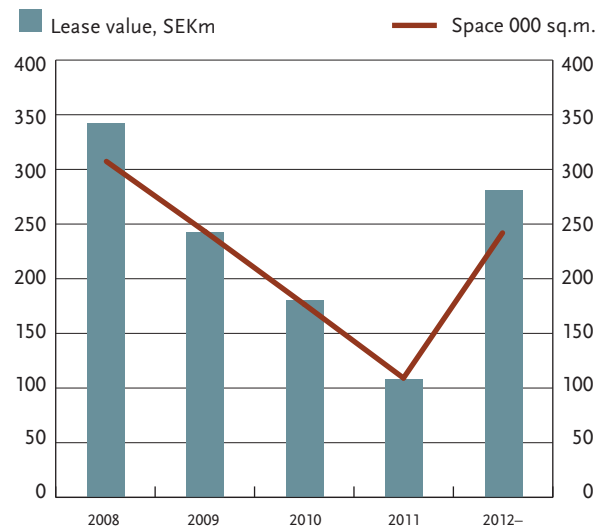
Besides the established deficits as above, in 2002 the company made a loss of around SEK 5,000 million in its previous business as an IT company. At the end of 2003, Klöver requested that tax assessment for the same year should be reconsidered with a view to having considered whether Klöver was also entitled to this tax loss carry forward. In the spring of 2006, Klöver withdrew its request for reconsideration. A tax surcharge of SEK 493 million in this matter imposed by the Swedish Tax Agency was quashed by the county administrative court in December 2007. The Tax Agency can appeal against the tax surcharge case to the Administrative Court of Appeal. During 2006, Klöver submitted a new request for this tax loss carry forward. The renewed request has been rejected by the Tax Agency and Klöver has appealed against this decision to the county administrative court.

## Property portfolio

As at 31 December 2007, Klöver's portfolio consisted of 220 properties, which is 15 properties more than at the beginning of the year. Rental value totalled SEK 1,309 million (1,276) and the fair value of the properties was SEK 12,154 million (10,701). The total lettable area amounted to 1,394 sq.m. (1,436). The largest single unit is Kista with a property value of SEK 4,072 million.

The average lease term was 2.9 years (2.6). This increase is mainly due to a number of large leases being extended during the year, which, among other things, has meant that leases maturing 2012 or later have increased to 24 per cent (10) of the lease value.

## Lease structure



### PROPERTY PORTFOLIO PER LOCATION

| Unit         | No. 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 amount of properties has decreased by five, due to property consolidation.

### PROPERTY PORTFOLIO PER TYPE OF PREMISES

| Unit                                 | No. of properties* | Area, 000 sq.m. | Rental value, SEKm | Average rent, SEK/sq.m. | Operating margin, % | Ec. occupancy rate, % |
|--------------------------------------|--------------------|-----------------|--------------------|-------------------------|---------------------|-----------------------|
| Offices                              | 105                | 678             | 741                | 1,187                   | 68                  | 88                    |
| Industry/warehouse                   | 61                 | 453             | 233                | 613                     | 61                  | 86                    |
| Education/lab/health care/recreation | 31                 | 113             | 130                | 1,165                   | 64                  | 80                    |
| Retail                               | 10                 | 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 amount of properties has decreased by five, due to property consolidation.

\*\* No. of properties refers to sites. In other columns garage, parking spaces, masts, signs and sites are included.

## Property acquisitions

During 2007, Klöver has acquired properties at our existing locations in accordance with the acquisition strategy. Klöver considers that the properties have good improvement potential and that the majority of them have a good location in their respective city. After the acquisitions, seven of ten units have a rental value exceeding SEK 75 million. The largest acquisition was properties for SEK 908 million from Kungsleden mainly located in Karlstad and Västerås.

During the year, Klöver has acquired a total of 47 properties (63) of which 38 are in Karlstad, three in Västerås, three in Nyköping and one each in Örebro, Köping and Kumla. The properties consist of around 159,000 sq.m. (450,000) and the total acquisition price, including transaction costs, amounted to SEK 989 million (4,672).

## Property sales

Klöver has worked on concentrating its property portfolio to create the organisational and financial potential for future growth. Two large sales took place during 2007. The properties in Kalmar and Eskilstuna were sold during the second quarter to Dagon at a sales price of SEK 707 million. The second transaction was with the M2 Gruppen (subsequently Corem), where Klöver sold properties for SEK 486 million. These properties are mainly located at places which are not prioritised by Klöver.

In all, Klöver has sold 27 properties (15) during 2007 for a total sales price of SEK 1,236 million (348). Of the sold properties, of around 202,000 sq.m. (56,000), eleven are located in Kalmar, four in Eskilstuna, three in Norrköping, two in Kumla and one each in Trosa, Sigtuna, Norberg, Fagersta, Katrineholm, Karlstad and Nyköping.

## Investments and projects

During 2007, SEK 594 million (147) has been invested in the existing property portfolio, of which 161 different projects (82) totalling SEK 308 million (156) have been completed during the year. There has been a sharp increase in the number of projects, both due to a larger property portfolio, but also as a consequence of the increased number of lettings leading to a larger project volume. Furthermore, a number of projects have also been carried out with the aim of reducing energy consumption. The rate of investment continues to be high and 95 projects are currently in process for a budgeted investment of SEK 711 million.

Projects carried out often affect both the net operating income and the fair value of the property. Some of Klöver's largest projects during the year are described in the table at the bottom of the page.

Apace with a reduction in 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 various stages, from not started to a completed plan. The value of the following building rights is included in fair value at SEK 332 million. A more detailed presentation of Klöver's building rights will be provided in the annual report.

| BUILDING RIGHTS |                                    |
|-----------------|------------------------------------|
| Unit            | Assessed building right, sq.m. GTA |
| Kista           | 200,000                            |
| Uppsala         | 125,000                            |
| Västerås        | 90,000                             |
| Nyköping        | 60,000                             |
| Linköping       | 40,000                             |
| Norrköping      | 35,000                             |
| Örebro          | 15,000                             |
| Karlstad        | 15,000                             |
| Täby            | 5,000                              |
| Borås           | 5,000                              |
| <b>Total</b>    | <b>590,000</b>                     |

GTA=Gross total area

| INVESTMENTS AND PROJECTS |            |                   |  |   |
|--------------------------|------------|-------------------|--|---|
| Property                 | Location   | Investments, SEKm | Estimated increase in operating income, SEKm | Change in value during project period, 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  |

## The share and shareholders

The Klöver share is listed on OMX Nordic Exchange in Stockholm, medium-sized companies. As at 31 December, the share price was SEK 25.50 kronor per share, which corresponds to a total market capitalisation of SEK 4.2 billion. As at 31 December 2007, the number of shares in Klöver was 166,544,326. The shareholders amounted to approximately 31,200.

## Repurchase of own shares

Since the annual general meeting on 28 March 2007, Klöver's board has been authorised to repurchase own shares up to a maximum of 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 average purchase price was SEK 23.82 per share.

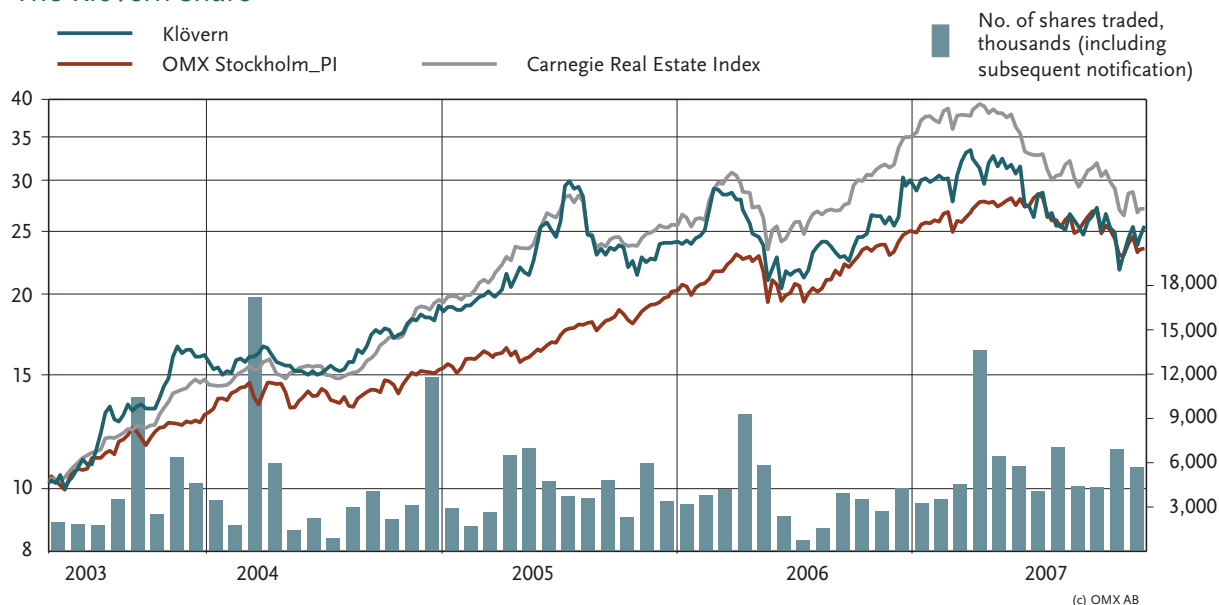
## Important risks and uncertainty factors

Klöver's important risks and uncertainty factors are described in the 2006 annual report on pages 42–45. No significant changes have subsequently taken place.

### MAJOR SHAREHOLDERS

|                                    | No. of shares, thousands | Share of votes and equity, % | Change 2007, % points |
|------------------------------------|--------------------------|------------------------------|-----------------------|
| AB Skakel                          | 17,458                   | 10.5                         | +10.5                 |
| Federation of Swedish Farmers, LRF | 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 owners</b>        | <b>99,113</b>            | <b>59.8</b>                  | <b>18.7</b>           |
| Other owners                       | 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>           |                              |                       |

## The Klöver share



## Transactions with closely-related parties

During the year, Klöveren has sold properties for SEK 707 million to Dagon. Klöveren's board member Lars Rosvall is also a member of the board of Dagon AB. Lars Rosvall did not participate in Klöveren's decision concerning the sale to Dagon.

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

In conjunction with acquisition of properties in Västerås during 2004 from Arvid Svensson AB, a lease contract was entered into where Arvid Svensson AB was tenants. The CEO of Arvid Svensson AB is Fredrik Svensson who is also a member of Klöveren's board. During the year, Arvid Svensson AB has made a lump-sum payment to Klöveren of SEK 19 million in connection with termination of the lease. The board considers that the transaction took place on commercial terms.

## Accounting principles

This year-end report has been prepared in compliance with the Annual Accounts Act and IAS 34 Interim Financial Reporting for the group and in compliance with the Annual Accounts Act for the parent company. The accounting principles applied in this year-end report are those described in Klöveren's annual report for 2006, note 1.

## Events after the end of the reporting period

### Property acquisitions and property sales

As at 15 January 2008, Klöveren vacated its part of the site leasehold Färöarna 3 which had been sold to AREIM Fond 1 during the fourth quarter. The sales price was SEK 270 million and the realised change in value of approximately SEK 32 million will be reported in conjunction with the result for changes in value during the first quarter of 2008.

As per 15 January, Klöveren has acquired the site leasehold Lidarände 1 from the City of Stockholm at a price of SEK 45 million. The site consists of around 15,000 sq.m. with an equally large building right. The new Kista Expo Center is being built on the property with moving-in in August 2008.

### New business plan

Klöveren has adopted a new business plan which describes the goals of the company for the next five years as follows:

Vision: "Klöveren is creating the communities of tomorrow"

Business

concept: "Klöveren shall with commitment be close to the customer and meet the customer's needs of premises and services in Swedish growth regions"

Motto: "To make the customer's day easier every day"

*The goals include the following among others:*

- Klöveren should be market leader at the locations where the company is represented.
- Net growth through acquisition, development, or new construction of at least SEK 1 billion per year. The long-term aim is to double the size of the portfolio.

- Return on equity shall amount at least to the risk-free interest rate plus seven percentage points.
- Dividend shall in the long term exceed 50 per cent of net profit excluding changes in value and deferred tax.
- The occupancy rate shall be at least 90 per cent from 2008.
- Heating consumption shall be reduced by an additional 20 per cent by 2012.

## The Board's recommended dividend

The Board recommends a dividend of SEK 1.50 share (1.25) for the 2007 financial year, equivalent to SEK 249 million (208). This proposal means that 65 per cent (74) of the profit, excluding changes in value and tax, will be paid to shareholders. It is proposed that the record date for dividend should be 8 April.

## Outlook for the full-year 2008

During 2008, letting work will be further intensified. Continued success in reducing vacancies in the existing portfolio will make it possible to start our new production and thus be able to offer customers new, modern, flexible and energy-efficient premises. The focus will be on reducing the current operating costs. Klöveren's financial expenses are expected to be higher for 2008 than for 2007. The result for the whole year of 2008, excluding changes in value and tax, is expected to exceed SEK 350 million. The corresponding result for 2007 was SEK 386 million. The result for 2007 included non-recurring income of SEK 33 million.

## Annual Report and Annual General Meeting

The annual report for 2007 will be available at the company's head office in Nyköping and on Klöveren's website [www.klovern.se](http://www.klovern.se) from March 2008. Klöveren AB's annual general meeting will take place on Thursday, 3 April 2008 at 4 pm at Qvarnen konferens, Västra Kvarngatan 64, Nyköping.

## Calendar 2008

|                        |                           |
|------------------------|---------------------------|
| Annual Report 2007     | March 2008                |
| AGM 2008               | Thursday, 3 April 2008    |
| Interim Report         |                           |
| January–March 2008     | Thursday, 24 April 2008   |
| Interim Report         |                           |
| January–June 2008      | Thursday, 10 July 2008    |
| Interim Report         |                           |
| January–September 2008 | Thursday, 23 October 2008 |

Reports are available on Klöveren's website [www.klovern.se](http://www.klovern.se), where it is also possible to subscribe to annual reports, interim reports and press releases.

Nyköping, 5 February 2008

Klöveren AB

The Board of Directors

## Review report

We have reviewed the year-end report for Klöver AB (publ) for the period 1 January to 31 December 2007. The Board of Directors and the CEO are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

We have performed this review in accordance with the standard for review SÖG 2410 *Review of financial interim report information performed by the auditor appointed by the company*. A review consists of making enquiries, in the first place to persons who are responsible for financial issues and accounting matters, performing an analytical review and undertaking other general review measures. A review has a different focus and a considerably reduced scope compared with the focus and scope of an audit in accordance with Auditing Standards in Sweden RS [*in Swedish*] and generally accepted auditing standards otherwise. The review measures undertaken in general review have not made it possible for us to acquire such certainty as to be aware of all important circumstances that could have been identified in the performance of an audit. The conclusion stated is based on a general review and does not therefore have the same degree of certainty as a statement based on an audit.

On the basis of our general review, no circumstances have emerged which would lead us to consider that the interim report is not, in all substantials, prepared in the case of the group, in accordance with IAS 34 and the Annual Accounts Act and, in the case of the parent company, with the Annual Accounting Act.

Stockholm, 5 February 2008

Mikael Ikonen  
Authorised public accountant  
Ernst & Young AB

## Groups' Income of Statement

| SEK m  | 2007<br>3 months<br>Oct–Dec | 2006<br>3 months<br>Oct–Dec | 2007<br>12 months<br>Jan–Dec | 2006<br>12 months<br>Jan–Dec |
|--|-----------------------------|-----------------------------|------------------------------|------------------------------|
| Rental income  | 289.6                       | 238.0                       | 1,141.9                      | 807.6                        |
| Other income <sup>1)</sup>                                   | 15.0                        | 15.9                        | 65.2                         | 35.4                         |
| <b>Total income</b>  | <b>304.6</b>                | <b>253.9</b>                | <b>1,207.1</b>               | <b>843.0</b>                 |
| Property costs   | –121.0                      | –108.1                      | –446.1                       | –340.6                       |
| <b>Operating surplus</b>                                     | <b>183.6</b>                | <b>145.8</b>                | <b>761.0</b>                 | <b>502.4</b>                 |
| Change in value properties                                   | 245.4                       | 58.3                        | 1,106.5                      | 262.0                        |
| Central administration                                       | –19.8                       | –14.6                       | –65.1                        | –50.2                        |
| <b>Operating profit</b>                                      | <b>409.2</b>                | <b>189.5</b>                | <b>1,802.4</b>               | <b>714.2</b>                 |
| Financial income   | 1.1                         | 1.1                         | 3.5                          | 2.3                          |
| Financial costs  | –94.0                       | –56.1                       | –313.9                       | –173.2                       |
| Changes in value financial items                             | –1.8                        | 25.4                        | 53.3                         | 27.6                         |
| Changes in value securities                                  | —                           | 5.2                         | —                            | 21.6                         |
| <b>Profit after financial items</b>                          | <b>314.5</b>                | <b>165.1</b>                | <b>1,545.3</b>               | <b>592.5</b>                 |
| Current tax <sup>2)</sup>                                    | –0.2                        | –15.8                       | –0.2                         | –15.8                        |
| Deferred tax   | –22.4                       | 54.0                        | –319.3                       | 54.0                         |
| <b>Net profit for the year</b>                               | <b>291.9</b>                | <b>203.3</b>                | <b>1,225.8</b>               | <b>630.7</b>                 |
| Earnings per share, SEK                                      | 1.75                        | 1.45                        | 7.36                         | 5.04                         |
| Number of shares outstanding at the end of the year, million | 165.8                       | 166.5                       | 165.8                        | 166.5                        |
| Average number of shares, million                            | 166.4                       | 139.9                       | 166.5                        | 125.2                        |

There are no outstanding warrants or convertibles.

<sup>1)</sup> Other income consists of income from customers who are not tenants and income from rental guarantees.

<sup>2)</sup> Current tax refers to tax in subsidiaries, which was prohibited to equalise by group contributions.

## Groups' Balance Sheet

| SEK m   | 31.12.2007      | 31.12.2006      |
|---|-----------------|-----------------|
| <b>Assets</b>                                     |                 |                 |
| Properties  | 12,154.0        | 10,700.9        |
| Machinery and equipment                           | 13.3            | 14.0            |
| Derivatives                                       | 96.2            | 49.3            |
| Deferred tax asset <sup>1)</sup>                  | 474.0           | 516.0           |
| Short-term receivables                            | 184.3           | 95.3            |
| Liquid funds                                      | 87.1            | 95.4            |
| <b>Total assets</b>                               | <b>13,008.9</b> | <b>11,470.9</b> |
| <b>Shareholder's equity and liabilities</b>       |                 |                 |
| Shareholders equity                               | 4,867.4         | 3,868.2         |
| Deferred tax liability <sup>1)</sup>              | 460.3           | 183.0           |
| Interest-bearing liabilities                      | 7,006.9         | 6,877.8         |
| Accounts payable                                  | 155.8           | 113.1           |
| Other liabilities                                 | 220.2           | 189.8           |
| Accrued expenses and prepaid income               | 298.3           | 239.0           |
| <b>Total shareholder's equity and liabilities</b> | <b>13,008.9</b> | <b>11,470.9</b> |

<sup>1)</sup> Deferred tax claim and deferred tax liability has previously been net reported, but are gross reported from this financial statement.

## Groups' changes in shareholder's equity

| SEK m                                  | Shareholder's equity |
|--|----------------------|
| <b>Shareholder's equity 01.01.2006</b> | <b>2,264.4</b>       |
| Dividend                               | -120.4               |
| New issue                              | 1,093.5              |
| Net profit for the year                | 630.7                |
| <b>Shareholder's equity 31.12.2006</b> | <b>3,868.2</b>       |
| Dividend                               | -208.2               |
| Repurchase of shares                   | -18.4                |
| Net profit for the year                | 1,225.8              |
| <b>Shareholder's equity 31.12.2007</b> | <b>4,867.4</b>       |

## Groups' Statements of Cash Flow

| SEK m  | 2007<br>3 months<br>Oct–Dec | 2006<br>3 months<br>Oct–Dec | 2007<br>12 months<br>Jan–Dec | 2006<br>12 months<br>Jan–Dec |
|--|-----------------------------|-----------------------------|------------------------------|------------------------------|
| <b>Current operations</b>  |                             |                             |                              |                              |
| Profit after financial items excluding depreciation and changes in value | 71.8                        | 76.8                        | 388.7                        | 284.0                        |
| Income tax paid  | –0.1                        | –0.3                        | –0.3                         | –0.3                         |
| Cash flow from current operations before change in working capital       | 71.7                        | 76.5                        | 388.4                        | 283.7                        |
| Change in operating receivables  | –91.5                       | 73.0                        | –35.7                        | 55.5                         |
| Change in operating liabilities  | 288.0                       | 104.6                       | 295.1                        | 111.8                        |
| Total change in working capital  | 196.5                       | 177.6                       | 259.4                        | 167.3                        |
| <b>Cash flow from current operations</b>                                 | <b>268.2</b>                | <b>254.1</b>                | <b>647.8</b>                 | <b>451.0</b>                 |
| <b>Investment operations</b>   |                             |                             |                              |                              |
| Divestment of properties   | 507.1                       | 91.8                        | 1,225.1                      | 347.6                        |
| Acquisition of and investment in properties <sup>1)</sup>                | –261.6                      | –3,045.0                    | –1,571.8                     | –3,725.2                     |
| Acquisition of machinery and equipment                                   | –1.1                        | –1.1                        | –2.4                         | –11.8                        |
| Investment in financial assets   | 3.3                         | –27.2                       | –46.9                        | –37.3                        |
| <b>Cash flow from investment operations</b>                              | <b>247.7</b>                | <b>–2,981.5</b>             | <b>–396.0</b>                | <b>–3,426.7</b>              |
| <b>Financing operations</b>  |                             |                             |                              |                              |
| Change in long-term liabilities  | –160.0                      | 159.2                       | –162.6                       | 159.8                        |
| Change in interest-bearing liabilities                                   | –356.3                      | 2,539.0                     | 129.1                        | 2,890.5                      |
| Repurchase of own shares   | –18.4                       | —                           | –18.4                        | —                            |
| Dividend   | —                           | —                           | –208.2                       | –120.4                       |
| <b>Cash flow from financing operations</b>                               | <b>–534.7</b>               | <b>2,698.2</b>              | <b>–260.1</b>                | <b>2,929.9</b>               |
| <b>Cash flow for the period</b>  | <b>–18.8</b>                | <b>–29.2</b>                | <b>–8.3</b>                  | <b>–45.8</b>                 |
| Liquid funds at the beginning of the period                              | 105.9                       | 124.6                       | 95.4                         | 141.2                        |
| <b>Liquid funds at the end of the period</b>                             | <b>87.1</b>                 | <b>95.4</b>                 | <b>87.1</b>                  | <b>95.4</b>                  |

<sup>1)</sup> The property acquisitions during the fourth quarter of 2006 were partly financed by non-cash issues of SEK 1,094 million. The amount is not included in the cash-flow.

## Groups' Key financial indicators

|  | 2007<br>3 months<br>Oct–Dec | 2006<br>3 months<br>Oct–Dec | 2007<br>12 months<br>Jan–Dec | 2006 <sup>1)</sup><br>12 months<br>Jan–Dec |
|--|-----------------------------|-----------------------------|------------------------------|--|
| Return on equity, %                          | 6.2                         | 6.3                         | 28.1                         | 20.6                                       |
| Return on total capital, %                   | 3.2                         | 2.1                         | 14.7                         | 7.9  |
| Equity ratio, %                              | 37.4                        | 34.3                        | 37.4                         | 33.7                                       |
| Interest coverage ratio, times <sup>2)</sup> | 1.8                         | 2.4                         | 2.2                          | 2.6  |
| Equity per share, SEK                        | 29.4                        | 23.2                        | 29.4                         | 23.2                                       |
| Debt-equity ratio, times                     | 1.4                         | 1.8                         | 1.4                          | 1.8  |
| Economic occupancy rate, %                   | 88                          | 84                          | 88                           | 84   |
| Operating margin, %                          | 60                          | 58                          | 63                           | 60   |

<sup>1)</sup> Key financial indicators for full-year 2006 are changed due to gross accounting of tax claim and tax liability.

<sup>2)</sup> Key financial indicators are changed due to new definition of interest coverage ratio.

## Parent Company Statements of Income

| SEK m                                   | 2007<br>3 months<br>Oct–Dec | 2006<br>3 months<br>Oct–Dec | 2007<br>12 months<br>Jan–Dec | 2006<br>12 months<br>Jan–Dec |
|---|-----------------------------|-----------------------------|------------------------------|------------------------------|
| Net sales                               | 34.9                        | 26.6                        | 116.6                        | 79.1                         |
| Cost of services sold                   | –22.1                       | –15.7                       | –74.8                        | –50.0                        |
| <b>Gross profit</b>                     | <b>12.8</b>                 | <b>10.9</b>                 | <b>41.8</b>                  | <b>29.1</b>                  |
| Central administration                  | –19.4                       | –14.7                       | –65.1                        | –50.2                        |
| <b>Operating profit</b>                 | <b>–6.6</b>                 | <b>–3.8</b>                 | <b>–23.3</b>                 | <b>–21.1</b>                 |
| Result from other securities            | –79.4                       | 21.6                        | 225.9                        | 21.6                         |
| Interest income                         | 0.1                         | 3.6                         | 1.3                          | 4.1                          |
| Interest expense                        | –0.3                        | –0.1                        | –0.9                         | –0.5                         |
| <b>Profit after financial items</b>     | <b>–86.2</b>                | <b>21.3</b>                 | <b>203.0</b>                 | <b>4.1</b>                   |
| Tax attributable to group contributions | 46.9                        | 48.3                        | 46.9                         | 48.3                         |
| Deferred tax <sup>1)</sup>              | 437.9                       | 54.0                        | 141.0                        | 54.0                         |
| <b>Net profit for the year</b>          | <b>398.6</b>                | <b>123.6</b>                | <b>390.9</b>                 | <b>106.4</b>                 |

<sup>1)</sup> Including changed accounting of deferred tax.

## Parent Company Balance Sheets

| SEK m   | 31.12.2007     | 31.12.2006     |
|---|----------------|----------------|
| <b>Assets</b>                                     |                |                |
| Machinery and equipment                           | 4.6            | 3.6            |
| Participations in group companies                 | 319.9          | 212.3          |
| Receivables from group companies                  | 3,325.0        | 3,180.5        |
| Deferred tax assets                               | 474.0          | 333.0          |
| Current receivables                               | 8.0            | 12.7           |
| Liquid funds                                      | 13.9           | 9.0            |
| <b>Total assets</b>                               | <b>4,145.4</b> | <b>3,751.1</b> |
| <b>Shareholders' equity and liabilities</b>       |                |                |
| Share capital                                     | 3,370.1        | 3,085.3        |
| Liabilities to group companies                    | 723.5          | 623.1          |
| Accounts payable                                  | 16.0           | 9.2            |
| Other liabilities                                 | 16.2           | 13.8           |
| Accrued expenses and prepaid income               | 19.6           | 19.7           |
| <b>Total shareholders' equity and liabilities</b> | <b>4,145.4</b> | <b>3,751.1</b> |

# Definitions

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

## **Debt to 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 value, after net financial items plus financial costs in relation to financial costs.

## **Occupancy ratio – economic**

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

## **Operating margin**

Operating surplus as a percentage of total income.

## **Operating surplus**

Rental income plus other income minus rent discounts, rent losses, operating and maintenance expenses, site leasehold charges and property tax.

## **Realised change in value of properties**

Property sales during the period after deduction for the fair value of the properties and sales costs.

## **Rental value**

Rental income plus assessed market value for unlet areas.

## **Return on equity**

Net profit in relation to average equity.

## **Return on total capital**

Operating profit in relation to average total balance sheet.

## **Unrealised change in value, properties**

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

For further information,  
please contact:

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

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

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

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# KLÖVERN

Klövern AB (publ), Box 1024, SE-611 29 Nyköping, Sweden • Tel +46 155-44 33 00 • Fax + 46 155-44 33 22  
Registration no. 556482-5833 • Registered office: Nyköping • Website: [www.klovern.se](http://www.klovern.se)