



ANNUAL REPORT 08





Uppsala Fyrislund 6:6

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Pages 50–78 have been audited by Klöver's auditors.

Cover: The concept building Klöver,  
Uppsala Fyrislund 6:6 and Klöver staff members.



Klövern staff member in Karlstad.

## ANNUAL GENERAL MEETING 2009

The shareholders of Klöver AB are warmly welcomed to the Annual General Meeting at 4 pm on Monday, 30 March 2009 at Kistamässan, Torshamnsgatan 18A in Kista.

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 Euroclear Sweden AB (previously VPC AB) on Tuesday, 24 March 2009 and notify their attendance to Klöver in writing at the latest by 4 pm on Tuesday, 24 March 2009.

Shareholders whose shares are nominee registered, must request that their shares be temporarily registered in their own name before 24 March to be able to participate in the meeting.

Notification of participation may be made at the address: Klöver AB, Box 1024, 611 29 Nyköping, by telephone to +46 155-44 33 00 or via Klöver's website, [www.klovern.se](http://www.klovern.se)

## CALENDAR

Interim Report for January – March published on Thursday, 23 April 2009.

Interim Report for January – June published on Thursday, 9 July 2009.

Interim Report for January – September published on Thursday, 22 October 2009.

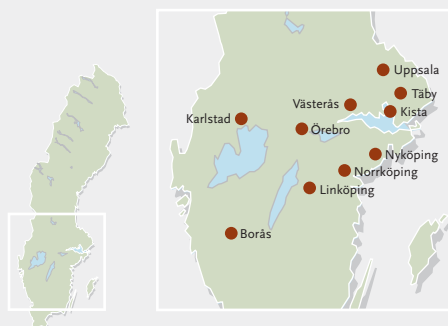
Year-end report 2009 published on Thursday, 18 February 2010.

# KLÖVERN

Over the years, Klöver has developed into one of the major real estate companies in Sweden focusing on commercial premises.

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

Klövern's operations take place locally with offices and administration at the respective location. The head office, which is located in Nyköping provides service and business support. The company had 121 employees at year-end 2008.



Klövern's ten locations: Borås, Karlstad, Kista, Linköping, Norrköping, Nyköping, Täby, Uppsala, Västerås and Örebro.

## Important events in 2008

- 15.12.2008 Klöver's report dates 2009–2010
- 05.12.2008 Klöver contributes to settlement in the old Adcore dispute.
- 23.10.2008 Interim report January – September 2008
- 09.09.2008 The exhibition and conference facility Kistamässan opens
- 07.09.2008 Interim report January – June 2008
- 24.04.2008 Interim report January – March 2008
- 03.04.2008 Decisions at 2008 Annual General Meeting of Klöver (AB) publ
- 07.03.2008 Klöver's annual report for 2007
- 03.03.2008 Notice of 2008 Annual General Meeting of Klöver AB
- 12.02.2008 The Tax Agency appeals against the County Administrative Court's judgment
- 05.02.2008 Year-end Report 2007

## 2002

The 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 acquired its first holding consisting mainly of post properties for SEK 1.3 billion. During the year, properties were also acquired in Nyköping and Norrköping for SEK 620m. In December, Gustaf Hermelin became CEO.

## 2003

Klövern was listed on the stock exchange again. Properties in Kalmar, Karlstad, Linköping, Norrköping and Örebro/Kumla were acquired for SEK 1,107 million. During the year, 15 properties at non-prioritized locations were sold for SEK 185 million.

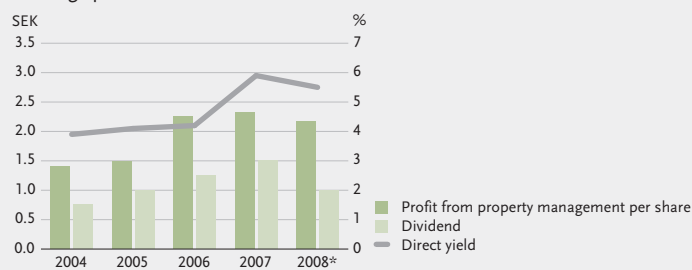
# IN BRIEF

As per 31 December 2008, Klöver had 217 properties with a total lettable area of 1.4 million sq.m. The value of the properties totalled SEK 12 billion and the rental value on an annual basis was SEK 1.4 billion.

The Klöver share is listed on Nasdaq OMX Stockholm's list for medium-sized companies. The ten major owners represented over 57 per cent of the share capital. At year-end 2008, the market capitalization was SEK 2.9 billion and the share's total yield for 2008, including dividend of SEK 1.50, was -22.7 per cent.

The Board is proposing to the 2009 Annual General Meeting that a dividend of SEK 1.00 be paid, corresponding to a direct yield of 5.5 per cent.

## Earnings per share



\* Proposed dividend

The goal is for dividend to exceed 50 per cent of profit from property management in the long term.

Five-year review	2008	2007	2006	2005	2004
Net profit, SEKm	-476	1,226	631	379	213
Profit from property management, SEKm	355	386	281	176	125
Change in value, properties, SEKm	-759	1,106	262	158	60
Change in value, derivatives, SEKm	-155	53	28	-3	-
Equity after dilution, %	32.3	37.4	33.7	34.8	36.9
Lettable area, 000 sq.m	1,382	1,394	1,436	1,042	808
Fair value, properties, SEKm	11,895	12,154	10,701	5,968	4,193
Operatin margin, %	62	63	60	61	59
Economic occupancy rate, %	90	88	84	87	87
Earnings per share, SEK	-2.92	7.36	5.04	3.27	2.30
Equity per share, SEK	25.09	29.36	23.23	18.81	16.08
Dividend, SEK	1.00*	1.50	1.25	1.00	0.75
Dividend yield, %	-22.7	-10.8	26.5	30.2	24.4

\* Proposed dividend

During 2007, decisions were made on a new business plan and goals for the period 2008–2012

## Vision

*Klöver is creating the communities of tomorrow.*

Klöver takes part in the development of the community by working closely with the municipality, the business sector and organizations. With the vision of creating the communities of tomorrow, Klöver is a committed and driving partner in development at prioritized locations.

## Business concept

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

Klöver shall continue to work to further reinforce the company's position at prioritized locations. Having an open and close relationship with the customer is important, as is meeting the customer with own personnel and being responsive to the new conditions for customers in a changed economic situation.

## Motto

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

Klöver's motto is an integral part of the everyday work.

## 2004

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

PROPERTY VALUE 4 193 SEKm

## 2005

A total of 36 properties were sold at unprioritized locations for SEK 557 million. Klöver acquires properties, mainly in Linköping for SEK 1,350 million. In December, six properties were acquired in Norrköping for SEK 355 million, the majority of properties being in the industrial landscape Pronova Science Park.

PROPERTY VALUE 5 968 SEKm

## 2006

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

PROPERTY VALUE 10 701 SEKm

# THE YEAR 2008

Rental income increased by SEK 54 million which was attributable to strong net moving in. Profit from property management amounted to SEK 355 million (386) and net profit for the year was SEK -476 million (1,226). The negative change, compared with the year before is mainly due to the positive change in value of properties for 2007 becoming a large fall in value in 2008. The result for 2007 included one-off payments from vacating tenants of SEK 33 million, which has no equivalent in 2008.

Net profit for the year, SEKm	2008	2007
Rental income	1,178	1,124
Other income	42	82
Operating and central costs	-519	-511
Net financial income	-346	-310
<b>Profit from property management</b>	<b>355</b>	<b>386</b>
Changes in value, properties and derivatives	-915	1,160
Deferred tax	84	-320
<b>Net profit</b>	<b>-476</b>	<b>1,226</b>

Equity decreased to SEK 4,035 million (4,867) and the equity ratio was 32 per cent (37) at year-end.

## Net moving in and occupancy rate

Net moving in amounted to SEK 47 million (35) during the year, measured in annual rents. The occupancy rate increased by two percentage points to 90 per cent (88) at year-end.

## Property portfolio

At year-end, Klöver had a property portfolio of 99 per cent of the rental income at the ten prioritized locations. The properties consist totally of 1,382,000 sq.m. (1,394,000) at a value of SEK 11.9 billion (12.2).

Change in fair value	SEKm
Fair value as at 1 January 2008	12,154
Acquisitions	135
Investments	692
Sales	-327
Changes in value	-759
<b>Fair value as at 31 December 2008</b>	<b>11,895</b>

## The share and dividend

The value of the Klöver share has decreased by 29 per cent (-15) during the year. Carnegie's property index (CREX) fell during the same period by 27 per cent (22.5) and Stockholmsbörsen's all-share index (OMXSPI) by 42 per cent (-6.7).

The board proposes a dividend of SEK 1.00 per share (1.50) equivalent to a direct yield of 5.5 per cent (5.9).

## Forecast 2009

Low interest rates, a high occupancy rate and a potential in vacant spaces means good prospects for an improvement in profit during 2009. The forecast for 2009 is that the profit from property management for 2009 will clearly exceed the result for 2008 of SEK 355 million.

### 2007

Klöver entered into agreements to construct the new Kista exhibition and conference facility Kistamässan 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. Acquisitions of a total of 47 properties took place in, among other places, Karlstad, Västerås and Nyköping for a value of SEK 989 million.

### 2008

Kista exhibition and conference facility, Kistamässan, opened at the beginning of September. Phase 2 of the facility will be completed during 2009. Three properties in Karlstad, Kista and Nyköping were sold at a price of SEK 327 million. Three properties, of which one is the purchase of the freehold of a site leasehold, were acquired in Kista for a total of SEK 135 million.

# Statement by the CEO



Xenia and Klöver's CEO Gustaf Hermelin.

## Stable profit from property management despite a turbulent year

*In these times, it is gratifying to note that we have had a stable income from property management for the past year, which exceeded the forecast of SEK 350 million and that net moving in during the year amounted to as much as SEK 47 million.*

*The dramatic turbulence that affected the finance market during the second half of the year has mainly affected the valuation of our properties. For Klöver, this means that a large part of the increase in value we had during 2007 has been wiped out.*

Growing up on a farm makes a lasting impression. In my case, I have adopted many of the values that governed daily work for generations. Many of these ideas and values can be put to good use in today's business world. To cope with poor years, a farmer should, for instance, have the equivalent of one harvest in the bank, one in the store room and one on the fields. How many companies have this kind of liquidity and sustainability today? Hopefully, at Klöver, we have built up the reserve capital and confidence needed, together with good footwork, to retain our customers and cope with a downturn. The future will tell.

During the year, Klöver has attracted more attention than before for its simple, customer-focused business model with in-house administration. As we see it, this is essential to create a good dialogue with our customers and thus a chance to understand the customer's needs big or small. Together, we have achieved our high annual targets for letting even since they were first set in 2002. We also achieved the letting target for 2008 with a final occupancy rate of 90 per cent. We have continued our successful environmental and energy work, which has enabled us to reduce our energy consumption for heating by an additional 5 per cent, accordingly by over 40 per cent since 2002. For the second year running, we have succeeded in trimming and reducing the variable costs we can influence.

During the autumn of 2008, we experienced a rapid rise in loan rates. We managed to counter this by increased rental income and by successful new letting. For Klöver, the current considerably lower interest rate levels will enable us to achieve fine results and cash flows as long as we succeed in keeping our customers. Financially, we feel secure and have a relatively small proportion of loans that mature during 2009.

A number of articles in the media in the past year have taken up the value of property assets in listed companies. It has to be admitted that the absence of a functioning bank system means that there is no functioning transaction market. Based on the valuations made by external parties, we have adjusted the value of properties down by around SEK 800 million during the year. At the same time, I can note that we now have a very high margin between the long borrowing rate and direct yield on our

properties. With a long-term borrowing rate of around 3.5 per cent and a return on properties of around 7 per cent, our margin is 3.5 per cent, which is very high in a historical perspective. Provided that we can keep our customers, we will also be able to maintain our good return and justify the value of our properties. The value currently amounts to an average of SEK 8,500 per square metre compared with new production which probably costs at least twice and perhaps even three times as much. As I have noted on many occasions during the past year, it has not been possible so far to find good properties at "sales prices".

The rental market at our locations seems to be stable until now, with low vacancies and normal market rents. These facts in combination with, in principle, non-existent new production mean that we do not see any great risk of a general fall in market rents during 2009. Our single largest market segment Kista seems to be faring well. This is also the market segment where we have by far and away the longest remaining average lease term. Our own exciting vision of strengthening Kista by development of the new neighbourhood Kista Gardens, improvement and construction of around 150,000 sq.m. building rights on our own land, remains a good asset for the day when there is demand.

We can be optimistic about 2009. Thanks to a good tenant structure, stable locations, low interest rates, a strong cash flow and not least a dedicated organisation we will clearly exceed, the profit from property management achieved in 2008. However, as we have said, it looks like we have some tough years ahead so it is important to take care with money, take care of customers and, of course, take care to keep our dreams alive. A company that loses its ability to dream stops growing. A company that stops growing dies. We have an exciting year ahead of us. As always, the most attractive business opportunities are available in a downturn when there is less competition for properties.

Nyköping, 20 February 2009

*Gustaf Hermelin*  
CEO

# Business plan and goals

During 2007, a new business plan and goals was adopted for the period 2008–2012.

## Vision

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## Business concept

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

Klövern shall continue to work to further reinforce the company's position at prioritized locations. Having an open and close relationship with the customer is important, as is meeting the customer with own personnel and being responsive to the new conditions for customers in a changed economic situation.

## Motto

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

Klövern's motto is an integral part of the everyday work.

Much of Klöver'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 Klöver's present executive management group was engaged. The positive experiences from these companies have been integrated into Klöver's business model; closeness to the customer, participating in local networks developing together with the rest of the community. Klöver wants to be perceived and act as a "local" property company at every location.

In the coming downturn, Klöver's closeness to the customer and commitment, with its own staff at the customer, will be an even more important as a business model. Klöver exists alongside its customers and follows their development by direct contact.

## Growth and finances

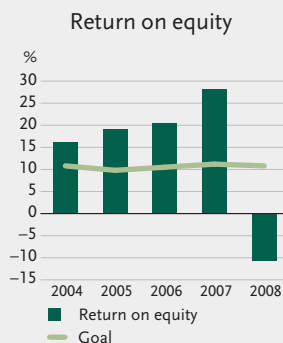
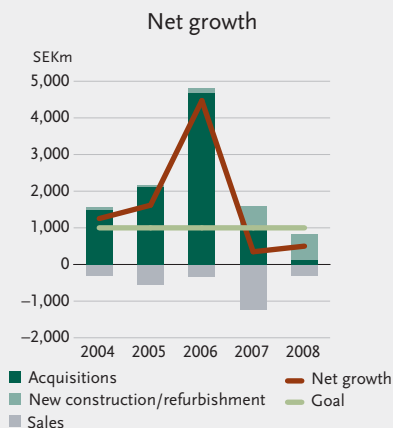
- *Klövern should have a net growth through acquisition, improvement and new construction of at least SEK 1 billion per year.*

In previous years, Klöver has mainly grown through acquisitions. In recent years, however, the volume of projects has increased, especially due to many small projects in new letting. The market will in future also require newly built and more flexible working environments.

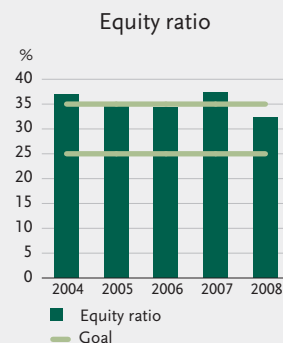
- *Return on equity shall amount to at least the risk-free interest rate plus seven percentage points.*

The required return is partly affected by factors over which Klöver has no control. The goal should therefore be viewed as an average over a number of years.

Goals and outcome 2004–2008 according to the goals of 2008



Return on equity amounted to -10.7 per cent in 2008. During the past five years, the average return has been 14.2 per cent, which exceeds the long-term goal.



The equity ratio has not been below the lower limit in any year.

- *The equity ratio shall be in the interval 25 to 35 per cent.*  
At the same time as making optimal use of equity, it is important to secure long-term survival and make attractive investments possible.
- *The interest coverage ratio shall be at least 1.5 multiples.*  
Interest expense is the single largest cost item for Klöver, 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 profit from property management in the long term.*  
When assessing the size of the dividend, consideration shall be given to the company's investment alternatives, financial position and capital structure.

### Goals of the property business

The requirements on Klöver as a tenant will increase in the future, especially during the downturn we now see ahead of us. 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 the long term.*

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. The long-term occupancy rate should not be less than 90 per cent in the future although it has to be permitted to drop below that in the short term as part of business development.

*Goal fulfilment 2008: The occupancy ratio at the year-end was 90 per cent (88).*

- *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 operating margin, the share of income attributable to the operating surplus, which is calculated continuously for every property.  
*Goal fulfilment in 2008: 62 per cent (62) excluding one-off effects. It did not increase mainly because of higher energy prices.*
- *Heat consumption shall be reduced by 20 per cent for the period 2008-2012*

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

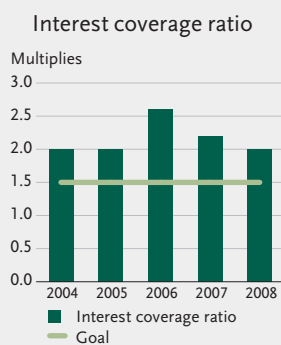
*Goal fulfilment in 2008: A reduction of 5.4 per cent.*

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

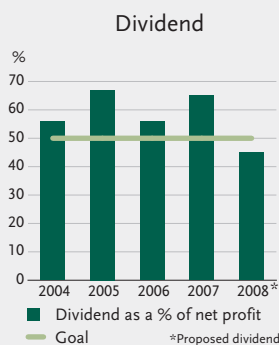
Klöver shall be strong in the respective market. With a rental value of over SEK 100 million per location, Klöver will have the ability to have a broad and strong organisation. Klöver will then be "the local property company".

*Goal fulfilment in 2008: Six out of ten locations have a rental value exceeding SEK 100 million.*

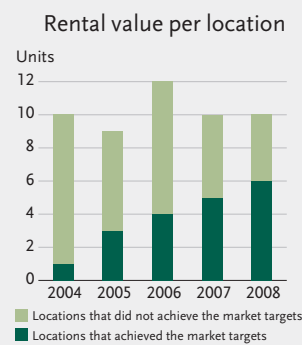
- *Klöver aims for further specialisation of its products.*
  - Offices and services in technology parks (Business and Science Parks)
  - Small business parks ("gated buildings")
  - City properties with offices and retail.



The interest coverage ratio has exceeded the target for every year. During 2008, it amounted to 2.0 multiples.



During the past five years, Klöver has distributed an average of 57 per cent of profit from property management.



Prioritized locations shall have a rental value of at least SEK 100 million. During 2007, the market goal for locations was raised from SEK 75 million to SEK 100 million.

# Responsible entrepreneurship

*Klövern works for a sustainable development to the benefit of its shareholders, customers and coworkers as well as of the environment and the community. Klövern's personnel manage and develop properties where 45,000 people have their place of work.*

*Participating in the development of the community by working closely with the municipality, the business sector and organizations and with the vision of creating the communities of tomorrow, Klövern is a committed and driving partner at prioritized locations.*

*In co-operation with the City of Stockholm, Kista is being developed into one of Sweden's most central meeting places including the exhibition and conference centre Kistamässan, hotels and squares. The municipality of Nyköping and Klövern are continuing the work of linking the city with the waterfront at Nyköping Strand. Plans are being developed for a new neighbourhood in Karlstad at Kanikenäset, an area of natural beauty close to the city.*

## PERSONNEL

***Klövern shall be an attractive employer with competent and committed staff.***

Klövern works for a secure and stable working environment where personnel feel satisfaction and togetherness. Personnel shall be able to influence their work tasks and feel that they are participating in the business and the development of the company.

### Organization

Klövern's local ties are of crucial importance to the relationship with the customer at the respective location. The staff know their customers, they are accessible and able to respond quickly to customer needs. A decentralized organization and committed staff who take good care of their customers and strive for mutually awarding relations is one of Klövern's factors for success.

The Klövern Group is organised in a service office, which is also the head office, situated in Nyköping, and offices at each location. The service office is responsible for management functions, economy and financing, acquisitions and sales, rental administration, information and investor relations, as well as for providing business support to the units. The local units handle operation of the properties and the day-to-day contacts with the tenants. Each location has a manager in charge who, working closely together with Klövern's management, sets guidelines for the operations of the unit.



Klövern staff members in Norrköping.

## Working environment

The motto for the work of Klövern's personnel is "to make the customer's day easier every day". Work is based on guiding words such as availability and commitment. Every member of staff has a defined area of responsibility with the ability to influence everyday work.

During the year, Klövern has adopted an working environment policy and appointed a safety committee. Together with the safety representative, this committee has carried out systematic work with the working environment, where, among other things, safety inspections have taken place at all properties. Procedures for crisis management are implemented on an ongoing basis through training. All employees are offered a subsidized lunch, which provides opportunities for spontaneous meetings and good collaboration, at the same time as it provides important breaks.

Health profile and staff surveys have been offered to all staff for the fourth consecutive year. The 2008 survey showed a continued high level of well-being and a good feeling of community. All employees are covered by health insurance with attractive terms and receive an annual grant for keep-fit activities of SEK 2,000 per employee. An action programme for weight reduction and for stopping smoking is offered to employees.

In order for employees to feel even greater participation in the business and the development of the company, all personnel received units in Klövern's profit-sharing

foundation. Transfers to the foundation are based on a combination of Klöver's result, required return and dividend to shareholders. The allocation may amount to at most one price base amount per employee per year.

### Personnel development

To be able to retain staff, it is important to make available development opportunities in the company. Klöver therefore carries out a personal development programme with a follow-up for every member of staff. All staff continuously undergo personal profile analyses to increase insight into their own personal qualities as well as improving collaboration between them and the various departments at the company.

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 which also gives a personal presentation of service office staff.

The company has an internal training programme – the Klöver academy – where staff have the opportunity of education, competence development and opportunities to share knowledge and experience. During 2008, the Klöver academy has, among other activities, arranged courses in law relating to leases, operating office hotels and additional services, management development, investment VAT, intranet and energy saving systems.

### IT environment

Maintaining a high level of security and accessibility in the IT environment is an important factor. Effective and simple use is also a priority area. During 2008, further virtualization of Klöver's IT environment has taken place in order to make optimal use of capacity in the technical platform. The steering documents and policies relating to the IT area have been adapted to the activity and risks of

disruption from outside. Continuous work is in process to develop and expand IT as a business support, both within Klöver and for tenants

### The future

In 2009, personnel work will be directed at further increasing the competence of personnel. There will also be a focus on further development of management, additional measures for health and continued working with environment work.



Klöver staff member in Norrköping.

Personnel	2008	2007
No. of employees as at 31 December	121	121
Number of women	51	49
Number of men	70	72
Average age	44	43
Average age, men	46	45
Average age, women	41	40
Personnel turnover, %	9	14
Added value per employee, SEKm	6.4	6.8
Competence development cost per employee, SEK thousand	18	20

Sick leave, %	2008	2007
Total sick leave	2.9	2.0
of which short-term sick leave	65	73
of which long-term sick leave	35	27
Sick leave, for men	3.6	2.3
Sick leave, for women	1.8	1.6

## ENVIRONMENT

Properties consume large amounts of energy and more efficient use of energy makes a big difference both in the effect on the climate and on the financial result.

During the year, environmental work has therefore partly focused on energy consumption, where a new system for energy follow-up has been introduced. The aim has been to optimize operating cost and energy consumption on the basis of conditions at each property, and to produce an operating strategy. This has resulted in a reduction in average consumption of district heating at properties of 5kWh per sq.m., which corresponds to a reduced carbon dioxide load of 95.6 tonnes per year.

An environmental group has been appointed during the year to continuously pursue Klöverns environmental work in a structured way. Many properties have been equipped with new automatic control equipment, operating times have been optimized, light sources have been replaced by energy lamps and lighting in stairways is controlled by light relays. Sorting at source takes place at all properties. This work takes place in accordance with the respective municipality's guidelines for sorting, working closely together with our tenants.

The property Fyrislund 6:6 in Uppsala has reduced its heat consumption also this year, most of all properties in Klöverns portfolio. The property consists of around 57,000 sq.m. of lettable area, and has, among other things, reduced media consumption, optimized ventilation

operation, and thereby reduced its use of heating by 12 per cent compared with 2008. Since Klöverns acquired the property in 2006, heating consumption has been reduced by 30 per cent.

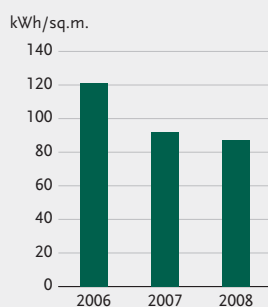
### Green IT at Klöverns

Klöverns is engaged in reduce the burdens on the environment by:

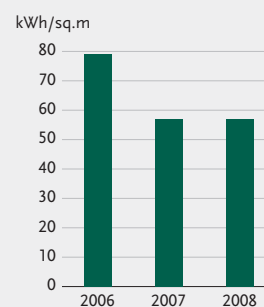
- Using telephone and web meetings for information and training which reduces travel and makes meetings more efficient.
- Maintaining secure connection to all systems makes possible distance work and reduce the need for travel.
- Automatic control technology is used for optimal energy use at properties and to reduce energy consumption.
- Virtualization of servers enables us to use capacity optimally as well as to reduce energy consumption.
- The server environment is dealt with remotely making for more efficient actions and reducing travel.
- The energy saving function is used on all computers to reduce unnecessary use of electricity.
- Staff are encouraged to avoid unnecessary print outs and to print on both sides of the paper to reduce paper consumption.
- Obsolete computer and telecommunications equipment is taken care of by experts for correct recycling.

*Klöverns works for sustainable growth in the society by managing, developing and constructing with long-term consideration for people and the environment.*

Consumption of district heating\*



Electricity consumption including tenant electricity\*



\* New for 2008 is that consumption is measured in total heated area according to the accounting requirements in energy declarations (EU Directive on Energy End-use Efficiency)



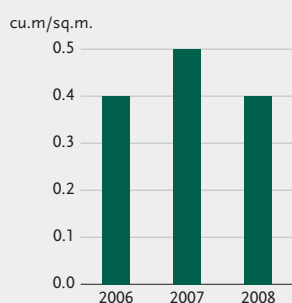
Concept building Klövern.

## The year in brief

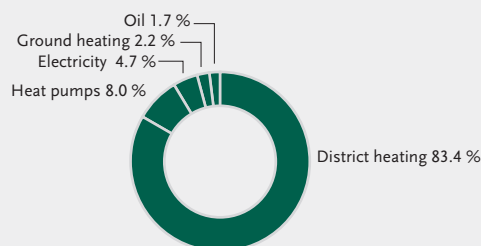
During the year, environmental work resulted in e.g.:

- A reduction in consumption of district heating by over 5 per cent.
- 25 per cent of Klövern's properties with district heating now have a heating consumption below 75 kWh/000 sq.m. and year.
- Introduction of a new system for energy follow-up which has led to more reliable follow-ups and faster checks on energy measures.
- Introduction of green IT including new technology for telephone and web meetings which has led to a large reduction in the number of journeys.
- Klövern's employees have reduced their car travel considerably by taking the train instead.
- Environmental programmes for construction including both the preliminary design and contract phases.
- Sorting at source of waste at all properties.
- Energy declarations carried out or initiated at all properties.
- PCB inventory carried out at all properties.
- During 2008, Klövern has created a concept for construction and refurbishment which complies with the Green Building requirements (see footnote, p.10) for energy efficiency. The concept also contributes to reduced resource use by great flexibility, choice of materials and surface efficiency.

Water consumption\*



Type of heating



\* New for 2008 is that consumption is measured in total heated area according to the accounting requirements in energy declarations (EU Directive on Energy End-use Efficiency)



Kista Gardens – Future development and construction of the block Isafjord.

### Environmental goals 2008–2012

The following goals have been set based on Klöverns environmental policy:

- Reduce heating by 20 per cent
- Environmental inventory of all properties
- New construction in accordance with Klöverns environmentally friendly concept building
- New construction and refurbishment in accordance with the Green Building requirement\*
- Environmental report with the annual report
- Continued green IT efforts
- Stop using oil for heating of properties
- Continued reduction in water consumption
- Continued efficiency improvements in handling waste
- Plan for phasing out PCB.

Work on achieving these goals started in 2008 and continues.

### The Future

Klöverns is continuing of its efforts to optimize operating costs and energy consumption.

Environmental work will be broadened by investment in training of personnel in energy optimization specifically but also by increasing knowledge about the environment in general.

Klöverns views environmental work in a long-term perspective and will continue its strategy of careful use of common resources by developing existing properties with a minimum input to create stimulating environments for new tenants. The aim for new construction and refurbishment is to have a minimal impact on the environment and to comply with the requirements corresponding to a Green Building Partner\*.

One example of Klöverns future investments is Kista Gardens adjacent to the exhibition and conference centre Kistamässan. Construction is taking place there with a clear focus on the interaction between human beings and the environment – from choice of building material, to design, content and energy use. An area where growth, balance and harmony is a natural part of a new Kista.

\* Green Building, EU’s programme to reduce the energy consumption of premises with the aim of encouraging construction of more energy efficient office and industrial buildings by information and good examples. To be certified, new buildings must use 25 per cent less energy than that stated in the National Board of Residential, Building and Planning’s standards for new construction. In refurbishment, consumption shall decrease by at least 25 per cent. A property owner with a portfolio where at least 30 per cent of the buildings comply with the requirements can become a certified partner.

# Customers

## Closeness to customers

A good relationship with the customer is a crucial success factor for virtually all companies. For Klöver, this means that we work with own staff who are locally based and continuously work actively with customers in both big and small matters. This may involve everything from adaptation of the size of the premises in connection with changing customer needs, to assisting them with simpler things.

Active partnership in the local business community and organizations is important in order to become a known actor at the location and to be a natural partner for the customers. This may extend from the local football club to business organizations.

Good communications and customer satisfaction are safeguarded not only through personal meetings but also via the website, newsletters, newsletters and customer activities. It is important that the customer is able to quickly reach the right person at Klöver, regardless of whether it involves contract renegotiation or some practical problem at the leased premises. Customers can notify faults by the website, telephone and directly at the office's.

Klöver's customer losses are marginal and amounted in 2008 to 0.3 per cent (0.2) or SEK 4.2 million (2) of the total income. Part of the explanation for the low customer losses lies in the relationship with the tenants where Klöver closely monitor their activities.

## Customer structure

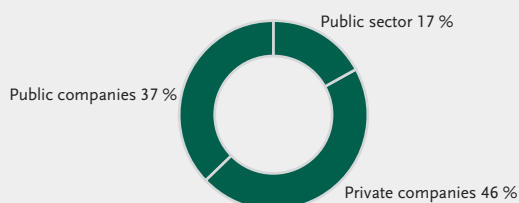
Klöver's business orientation means that 99 per cent of the contract value consists of commercial leases. At year-end 2008, public sector activity accounted for 17 per cent (15) of the contract value, private companies for 46 per cent (45) and public limited companies for 37 per cent (40).

The share of the ten largest customers amounts as last year to 28 per cent (28) of Klöver's contract value. Ericsson is Klöver's largest tenant and their leases include their head office, R&D and the management of the Network segment. All of Ericsson's leases are at properties in Kista. The second largest tenant is Saab which provides the global market with world-leading products, services and solutions from its facility at Kista. The average lease period for the ten largest tenants is 4.0 years (3.9). Klöver's overall average lease period is 3.1 years (2.9).

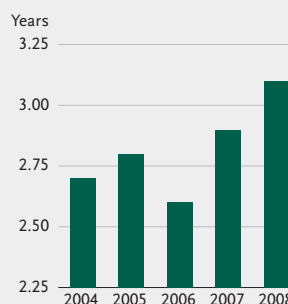
### Klöver's major tenants

Tenant	Contract value, SEKm	Proportion of total contract value, %	No. of contracts	Area, 000 sq.m.	Average contract term, years
Ericsson	175	14	32	103	4.9
Saab	34	3	6	14	1.1
Posten	23	2	29	20	4.3
Sony Ericsson	21	2	6	13	2.4
Telia Sonera	17	2	28	13	4.5
Orexo	16	1	11	6	5.9
Vägverket	16	1	33	17	3.2
Landstinget i Östergötland	13	1	9	10	3.3
Karlstad kommun	13	1	16	12	2.3
TietoEnator Sverige	12	1	5	12	1.5
<b>Total major tenants</b>	<b>340</b>	<b>28</b>	<b>175</b>	<b>220</b>	<b>4.0</b>

Contract value by customer category



Average contract term





Uppsala Fyrislund 6:6 – Uppsala Business Park – Pharmacia's former head office and laboratories were acquired by Klöver in May 2006.



Uppsala Fyga lund 6:6



Klövern staff member in Uppsala.

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Örebro	27

## Market descriptions

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



The property Fyrislund 6.6 was designed by Carl Nyrén. The commission was given by Pharmacia and consisted of its head office and laboratories of a total of 57,000 sq.m. of lettable area. Construction started in 1967 and the building was finished in the 1980s. In 1971, the property was awarded the Kasper Salin prize.

# Market overview

Klövern pursue its property business at ten locations: Borås, Karlstad, Kista, Linköping, Norrköping, Nyköping, Täby, Uppsala, Västerås and Örebro.

Klövern sees an advantage in being a big player on a small market as opposed to a small player on a big market. This gives competitive advantages 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 prioritized markets Klöver is among the three major owners of commercial premises.

Klövern's prioritized locations have many similarities. All of them have had a positive population trend and there is a university college or university at all locations, except Nyköping and Täby.

The private service sector accounts for most of the job vacancies in the majority of Klöver's markets, followed by the public sector and manufacturing industry.

The rental market at Klöver's locations, mainly regional cities in Central Sweden, has strengthened during 2008 and continues to be good. The foremost reason is that vacancies have been substantially reduced in recent years, which has led to a shortage of, in particular, modern and flexible offices. Rental levels have generally risen during the year, although with some slackening during the last quarter. In a comparison between the fourth quarter of 2008 and the corresponding quarter in 2007, higher rental levels were noted although a somewhat lower demand.

The following pages contain more detailed descriptions of each market.

Population			
Municipality	2008*	2007*	Change, 12 months, %
Borås	101,460	100,888	0.6
Karlstad	84,058	83,564	0.6
Stockholm	809,072	794,494	1.8
Linköping	141,793	140,351	1.0
Norrköping	127,941	126,489	1.2
Nyköping	50,949	50,694	0.5
Täby	62,224	61,486	1.2
Uppsala	190,311	187,348	1.6
Västerås	134,553	133,680	0.6
Örebro	132,052	130,254	1.4
All Sweden	9,256,347	9,182,927	0.8

\* Refers to 1 November

Source: Statistics Sweden

Unemployment				
Municipality	Open unemployment, %	Labour market programme measures, %	Total unemployment, %	Change compared with 2007, % points
Borås	3.7	1.4	5.1	1.1
Karlstad	3.6	1.8	5.4	1.1
Stockholm	2.6	0.8	3.4	0.4
Linköping	2.9	1.9	4.8	0.5
Norrköping	4.4	2.8	7.2	0.8
Nyköping	3.5	1.7	5.2	1.4
Täby	1.1	0.3	1.4	0.3
Uppsala	2.3	1.0	3.3	0.5
Västerås	3.7	1.9	5.6	0.5
Örebro	4.0	2.0	6.0	-0.1
All Sweden	3.2	1.4	4.6	0.8

National Labour Market Board (AMS) as at 31 December 2008

## Borås

Borås is situated in the southern part of the county of Västra Götaland, along main road 40, which joins highway E4 in Jönköping and the E6/20 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 railway link to the main line network to Alvesta and Gothenburg.

The number of employment opportunities in the municipality of Borås was 45,200 at year-end 2008, mainly within the private services (43 per cent), public services (33 per cent) and the manufacturing industry (14 per cent).

Unemployment in Borås in December 2008 was 5.1 per cent, which is an increase of 1.1 per cent compared with the previous year and above the national average (4.6) and the county of Västra Götaland as a whole (4.3).

Population trend in the municipality of Borås	
November 2008	101,460
November 2007	100,888
Change 12 months	0.6 %
Change 6 years	3.4 %

Source: Statistics Sweden

### Investor market

The total premises area in Borås is approximately 4,780,000 sq.m., of which 916,000 sq.m. are commercial premises, 1,954,000 sq.m. industrial premises and 1,910,000 sq.m. residential premises.

No major property transactions have taken place during 2008. Only a few separate properties and one small portfolio of properties have changed hands.

Redevco Sweden acquired the property Spindeln 10 in Knalleland just outside central Borås. The property is fully let and consists of 1,500 sq.m. of retail space. The purchase price was SEK 40 million and the direct yield 6 per cent.

Hellers sold its property portfolio in central Borås to three local buyers at the end of the year. These properties consist of 4,800 sq.m. of residential premises and 4,900 sq.m. of commercial premises. The purchase price totalled SEK 45 million.

Klövern entered into an agreement on the acquisition of the property Ekholma 7 taking up possession in January 2009. The vendor was Hööks Hästsport and the property consists of 1,200 sq.m. of offices and 3,800 sq.m. of high store/warehouse. The purchase price was SEK 27 million, which is equivalent to SEK 5,400 per sq.m.

### Rental market

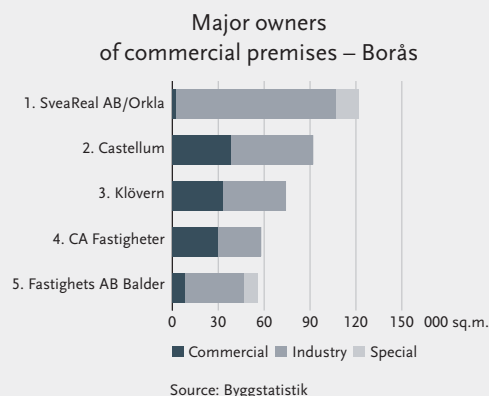
A slight increase can be noted for office rentals although the market is stable otherwise. The vacancy rate has decreased slightly in comparison with last year.

	Normal rent, SEK/sq.m.	Vacancy rate, %
Offices	800 – 1 200	3 – 7
Retail	1,000 – 1,500	1 – 3
Industry	350 – 650	5 – 10

Source: DTZ

Klövern's portfolio in Borås, 31 December 2008					
	Office	Industry/ warehouse	Retail	Education/ Care/Other*	Total
Area, 000 sq.m.	25	41	3	5	74
Rental value, SEKm	21	19	3	5	48
Economic occupancy rate, %	94	96	96	98	95
Average rent/sq.m.	880	481	1,024	770	659

\* Consists of residential, signs, masts, garages, parking spaces, laboratories and gym facilities.



## Karlstad

Karlstad, the county town of the county of Värmland, is located in the southern part of the county. Highway E18 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

The number of employment opportunities in the municipality of Karlstad was around 43,500 at year-end 2008, mainly within trade and communications (21 per cent), health care (18 per cent), financial and corporate services (16 per cent), and education and research (10 per cent).

Unemployment was 5.4 per cent in December 2008 after an increase of 1.1 percentage points compared with December 2007. Unemployment is at the same level as for the county of Värmland (5.5 per cent) but above the national average as a whole (4.6).

Population trend in the municipality of Karlstad	
November 2008	84,058
November 2007	83,564
Change 12 months	0.6 %
Change 6 years	3.9 %

Source: Statistics Sweden

### Investor market

The total premises area in Karlstad is approximately 3,878,000 sq.m., of which 970,000 sq.m. are commercial premises, 1,081,000 sq.m. industrial premises and 1,827,000 sq.m. residential premises.

Activity in the investor market has been very low during 2008 and only a few office and industrial properties have been sold.

The central property Trätälja 10 was sold during the autumn by Klöver to Wermlandsinvest. The price was SEK 25 million for a lettable area of 2,700 sq.m. equivalent to SEK 9,300 per sq.m. The property consists of offices, retail and residential space and the standardized direct yield was 6 per cent.

At the end of the year, the sale of the conference and office facility Carlstads Conference Center to Storebrand/SPP was announced. This facility is about to undergo very extensive refurbishment and extension which is expected to be completed in autumn 2010. The purchase price amounted to SEK 420 million, equivalent to SEK 26,000 per sq.m.

### Rental market

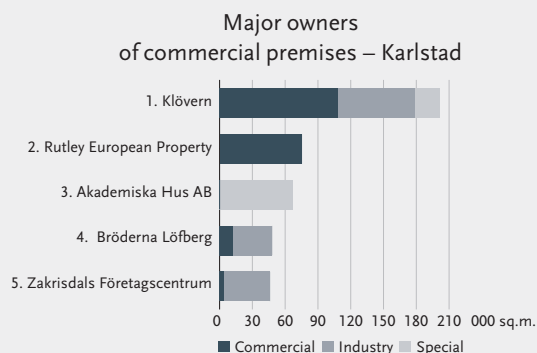
The rental market for offices has developed positively both during 2007 and 2008. Vacancies have decreased and rents have increased, in particular due to several companies expanding in the wake of the long upswing. Demand for premises continued to be good at the end of 2008.

	Normal rent, SEK/sq.m.	Vacancy rate, %
Offices	1,100 – 1,200	6 – 10
Retail	1,300 – 2,000	3 – 4
Industry	450 – 600	8 – 12

Source: DTZ

Klöver's portfolio in Karlstad, 31 December 2008					
	Office	Industry/ warehouse	Retail	Education/ Care/Other*	Total
Area, 000 sq.m.	113	50	16	28	207
Rental value, SEKm	114	30	17	32	193
Economic occupancy rate, %	93	95	99	98	95
Average rent/sq.m.	1,052	620	1,111	1,060	953

\* Consists of residential, signs, masts, garages, parking spaces, laboratories and gym facilities.



Source: Byggstatistik

## Kista

Kista is just over 10 km north-west of central Stockholm and 30 km south of Arlanda airport. There are good communications to Kista by the E4 highway to the east, the E18 highway to the south and by metro, buses and a commuter train station in the area.

In the past 20 years, Kista has developed into a prominent area for the IT business. Many large IT and telecom companies have their offices in Kista Science Park, such as Ericsson, Nokia and IBM. There is also an IT university at Kista, collaboration between the Royal Institute of Technology and Stockholm University.

The number of employment opportunities in Kista was 28,000 in 2008, mainly within manufacturing and construction (29 per cent), financial activities (27 per cent) and retail and communication (23 per cent).

Unemployment in Stockholm was 3.4 per cent at year-end 2008, which is an increase of 0.4 per cent compared with last year although lower than Sweden as a whole (4.6 per cent).

Population trend in the city of Stockholm	
November 2008	809,072
November 2007	794,494
Change 12 months	1.8 %
Change 6 years	6.7 %

Source: Statistics Sweden

### Investor market

The total premises area in Kista is approximately 1,700,000 sq.m., of which 700,000 sq.m. are commercial premises, 200,000 sq.m. industrial premises and 800,000 sq.m. residential premises.

The transaction market during the year has been dominated by AP Fastigheter's acquisition of Vasakronan and SEB Trygg Liv's sale of its property portfolio in Kista.

AP Fastigheter acquired the properties Katla 1 (Kista Science Tower) and Knarrarnäs 2, 6 and 10 from Vasakronan. The total lettable area of the properties was

103,000 sq.m. The properties Knarrarnäs 6 and 10, with a lettable area of 10,000 sq.m. were included in the package of properties resold directly to NIAM. The purchase price for the properties in Kista is not known.

The properties Borgarfjord 3 and 5, which consist of 25,000 sq.m. of offices of normal standard were purchased by AREIM Fond 1. The vendor was SEB Trygg Liv and the purchase price was SEK 300 million or SEK 12,000 per sq.m. Direct yield is estimated at 5.3 per cent.

Hornafjord 1 which was also owned by SEB Trygg Liv was purchased by Genesta Nordic Baltic Real Estate for SEK 135 million. The property, which has a high vacancy rate consists of 23,000 sq.m. of commercial space, mainly offices.

### Rental market

The vacancy rate for offices increased slightly compared with 2007 while rental levels are mainly unchanged. Only marginal changes occurred in rental levels and vacancies for retail and industrial premises.

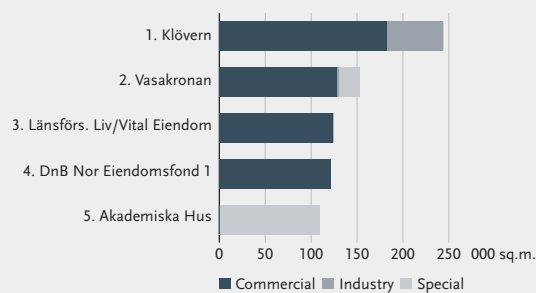
	Normal rent, SEK/sq.m.	Vacancy rate, %
Offices	1,600 – 1,700	12
Retail	1,800 – 2,200	3
Industry	800 – 1,000	4

Source: DTZ

	Industry/		Education/		Total
	Office	warehouse	Retail	Care/Other*	
Area, 000 sq.m.	180	62	3	–	245
Rental value, SEKm	271	54	3	25	353
Economic occupancy rate, %	95	96	82	94	95
Average rent/sq.m.	1,613	936	1,084	–	1,435

\* Consists of residential, signs, masts, garages, parking spaces, laboratories and gym facilities.

### Major owners of commercial premises – Kista



Source: Byggstatistik



Kista – The Isafjord block.

During 2008, Ericsson's head office has been refurbished as modern premises adapted to Ericsson's activities.

## Linköping

Linköping, the seat of county government, is situated in the central part of Östergötland. Highway E4 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.

The number of employment opportunities in the municipality of Linköping was 66,000 at year-end 2008, 32 per cent being in the public sector. The highest proportions were financial and corporate services (19 per cent), health care (18 per cent), manufacturing industry (15 per cent) and trade and communications (15 per cent).

Unemployment was 4.8 per cent in December 2008 an increase of 0.5 per cent from last year. The level is on a par with Sweden as a whole (4.6) but lower than in the county of Östergötland (5.7).

### Population trend in the municipality of Linköping

November 2008	141,793
November 2007	140,351
Change 12 months	1.0 %
Change 6 years	5.0 %

Source: Statistics Sweden

### Investor market

The premises and residential property area in Linköping is 6,105,000 sq.m., of which 1,539,000 sq.m. is commercial premises, 1,414,000 sq.m. industrial premises and 3,151,000 sq.m. residential premises.

During 2008, there has been a high level of activity in the transaction market in Linköping despite a turbulent autumn. Lundbergs acquired Bokbindaren 27 and 28 in central Linköping. Bokbindaren 27 consists of 2,000 sq.m. of offices while Bokbindaren 28 consists of parking area

where Lundbergs is planning to build an office building. The purchase price was SEK 56 million.

BryggVesa sold Apoteket 9 to Aberdeen Property Nordic Fund for SEK 385 million. This property is better known as Filbytergallerian and consists of 9,500 sq.m. of shops and 9,000 sq.m. of offices and warehouse space. The direct yield is estimated at 6 per cent.

At the end of the year, Ståhls Fastigheter purchased a portfolio of five properties from Valad Property Group. Two of these properties are located in Linköping, while the others are located in Norrköping. The total lettable area amounts to 31,000 sq.m. and a third is residential and two-thirds offices and retail. The purchase price was just over SEK 300 million and the estimated direct yield 6.25 per cent.

### Rental market

Rental levels for modern offices have risen slightly during the past year, while they are unchanged for retail and industrial premises. A reduction of vacancies applies for all types of premises.

	Normal rent, SEK/sq.m.	Vacancy rate, %
Offices	1,200 – 1,300	appr. 10
Retail	1,500 – 2,000	2 – 4
Industry	400 – 700	5 – 10

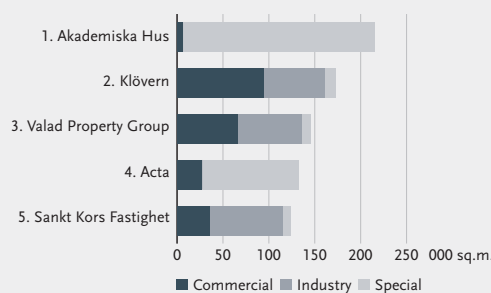
Källa: DTZ

### Klövern's portfolio in Linköping, 31 December 2008

	Industry/		Education/		Total
	Office	warehouse	Retail	Care/Other*	
Area, 000 sq.m.	83	64	15	13	175
Rental value, SEKm	94	29	32	15	170
Economic occupancy rate, %	90	80	95	96	90
Average rent/sq.m.	1,209	487	2,249	1,020	1,055

\* Consists of residential, signs, masts, garages, parking spaces, laboratories and gym facilities.

### Major owners of commercial premises – Linköping



Source: Byggstatistik

## Norrköping

Norrköping is situated on Bråviken, a bay in north-eastern part of the county of Östergötland. Highways E4 and E66 both pass through the city. The distance to Stockholm is 160 km and to Linköping 40 km. The city is on the southern railway line and the airport is approximately 4 km from Norrköping. The port of Norrköping is one of the most important ports on the east coast of Sweden.

The number of employment opportunities in the municipality of Norrköping was 52,600 at the end of 2008. The largest proportions were in trade and communications (22 per cent), health care (16 per cent), financial and corporate services (14 per cent) and manufacturing industry (14 per cent).

Unemployment was 7.2 per cent in December 2008, which is an increase of 0.8 per cent in relation to 2007 and clearly higher than both in the county of Östergötland (5.7) and Sweden as a whole (4.6).

Population trend in the municipality of Norrköping	
November 2008	127,941
November 2007	126,489
Change 12 months	1.2 %
Change 6 years	3.8 %

Source: Statistics Sweden

### Investor market

The total premises and residential space in Norrköping amounts to 6,023,000 sq.m., of which commercial premises account for 1,177,000 sq.m., industrial premises to 2,085,000 sq.m. and residential premises 2,761,000 sq.m.

The out-of-town retail area Ingelsta has continued its rapid growth during the year with a number of new properties and retail. City centre trade has also developed during the year and an expansion is planned at Hageby centre, which will make it Östergötland's largest shopping centre with a lettable area of 40,000 sq.m.

During the spring, Kungsleden purchased four properties from GE Capital. These properties were part of a package of six properties, the other two being in Nyköping. The tenants are mainly government agencies with long contracts. The purchase price for the whole package was SEK 955 million and the lettable area was 89,300 sq.m. The estimated direct yield was 6.50 per cent.

At the end of the year, Stahls Fastigheter purchased a portfolio of five properties from Valad Property Group. Three properties are in Norrköping and two in Linköping. The total lettable area amounts to 31,000 sq.m., a third being residential premises residential and two-thirds offices and retail. The purchase price was just over SEK 300 million and the estimated direct yield 6.25 per cent.

At the same time, Valad Property Group also sold the central property Kronan 8 to Magnetus. The lettable area was 11,600 sq.m. and the purchase price was SEK 68.5 million.

### Rental market

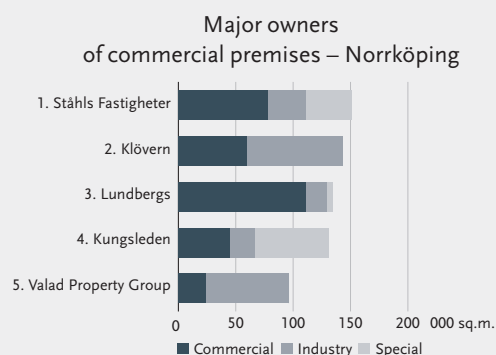
Norrköping has an extensive offering of office premises. There is a large potential for improvement through refurbishment and/or new construction. Supply and demand are more balanced for retail and industrial premises. Rental levels and the vacancy rate are stable.

	Normal rent, SEK/sq.m.	Vacancy rate, %
Offices	1,100 – 1,200	8 – 10
Retail	1,200 – 1,800	1 – 3
Industry	375 – 600	5 – 10

Källa: DTZ

Klövern's portfolio in Norrköping, 31 december 2008					
	Office	Industry/ warehouse	Retail	Education/ Care/Other*	Total
Area, 000 sq.m.	51	62	22	10	145
Rental value, SEKm	56	24	17	9	106
Economic occupancy rate, %	87	64	96	80	82
Average rent/sq.m.	1,269	590	881	834	956

\* Consists of residential, signs, masts, garages, parking spaces, laboratories and gym facilities.



Source: Byggstatistik

## Nyköping

Nyköping is situated in the southern part of the county of Södermanland on highway E4 and a railway line passes through the city. The distance to Stockholm is 100 km and to Norrköping 60 km. Skavsta Airport is 10 km from central Nyköping. One of Sweden's largest deep harbours is located in the neighbouring municipality of Oxelösund.

The number of employment opportunities in the municipality of Nyköping was 20,700 at the year-end, mainly in trade and communications (31 per cent), financial and corporate services (17 per cent), health care (14 per cent) and education and research (13 per cent).

Unemployment was 5.2 per cent in December 2008, which is an increase of 1.4 per cent compared with last year although lower than for the county of Södermanland (5.8) and higher than for Sweden as a whole (4.6).

Population trend in the municipality of Nyköping	
November 2008	50,949
November 2007	50,694
Change 12 months	0.5 %
Change 6 years	3.3 %

Source: Statistics Sweden

### Investor market

The total premises and residential space in Nyköping amounted to 1,945,000 sq.m., of which commercial premises account for 422,000 sq.m., industrial premises 577,000 sq.m. and residential premises 945,000 sq.m.

Invensis' development of the new retail area Pål Jungshage has dominated the investor market in Nyköping during the year. The company is developing 35,000 sq.m. of commercial space, of which 10,000 sq.m. is a shopping mall. The investment is calculated at SEK 500 million.

During the year, Skandrenting acquired three hangars at Skavsta airport. The vendor was Skanska and the premises are fully let to Saab and the Swedish Coast Guard with long leases. The purchase price was SEK 115 million.

During September, Klöver sold the property Riksbanken 5 to Sörmlands Sparbank which was also a tenant at the property. The lettable area totalled 2,300 sq.m. and the purchase price was SEK 32 million, which gave an initial direct yield of 5.5 per cent.

### Rental market

Vacancies for offices have decreased in the past year. Retail rents vary greatly depending on the location. Demand for industrial premises increased initially during 2008 to fall back during the latter half of the year. Rental levels for offices and retail have risen slightly compared with last year. Rental levels are stable for industrial premises.

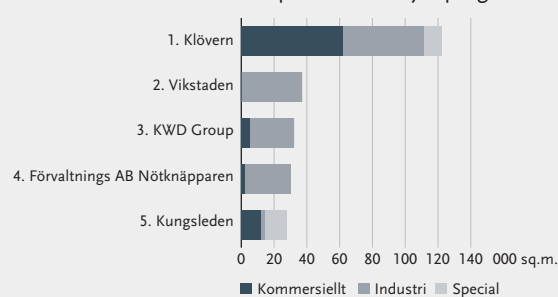
	Normal rent, SEK/sq.m.	Vacancy rate, %
Offices	900 – 1,200	5 – 10
Retail	1,300 – 2,000	2 – 3
Industry	350 – 700	8 – 10

Source: DTZ

Klöver's portfolio in Nyköping, 31 December 2008					
	Office	Industry/ warehouse	Retail	Education/ Care/Other*	Total
Area, 000 sq.m.	44	47	18	15	124
Rental value, SEKm	44	23	22	14	103
Economic occupancy rate, %	98	91	93	94	95
Average rent/sq.m.	997	508	1,260	952	853

\* Consists of residential, signs, masts, garages, parking spaces, laboratories and gym facilities.

### Major owners of commercial premises – Nyköping



Source: Byggstatistik

## Täby

Täby is located in the county of Stockholm. Highway E18 and main roads 264 and 265 pass through the municipality, as well as the Roslagbanan railway line with commuter services to Stockholm. The distance to central Stockholm is 18 km and to Arlanda airport 15 km.

The number of employment opportunities in the municipality of Täby totalled 20,700 at the end of 2008, mainly in trade and communications (31 per cent), financial and corporate services (17 per cent), health care (14 per cent) and education and research (13 per cent).

Unemployment in the municipality was 1.4 per cent in December 2008, which is an increase of 0.3 per cent compared with the previous year although considerably lower than in both the county of Stockholm (3.1 per cent) and Sweden as a whole (4.6 per cent).

Population trend in the municipality of Täby	
November 2008	62,224
November 2007	61,486
Change 12 months	1.2 %
Change 6 years	3.4 %

Source: Statistics Sweden

### Investor market

The total area of premises in Täby is 1,697,000 sq.m., of which commercial premises account for 503,000 sq.m., industrial premises 302,000 sq.m., and residential premises 892,000 sq.m.

One large and a number of smaller transactions have taken place in the market during 2008. Many of the smaller transactions have concerned properties which were smaller than 500 sq.m. There are a lot of small private companies in Täby, which is also reflected in the property market.

In May 2008, Akelius acquired a portfolio of 17 residential properties from Diligentia. These properties contain a total of 2,300 apartments with a lettable area of 162,500 sq.m. The purchase price was SEK 2.3 billion, which corresponds to SEK 14,200 per sq.m.

GPT Halverton acquired an industrial property in February with a lettable area of 6,000 sq.m. The purchase price was SEK 50 million, which corresponds to SEK 8,300 per sq.m.

### Rental market

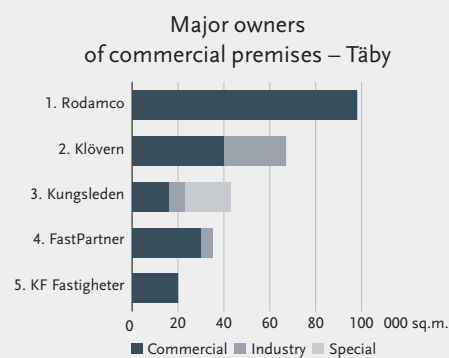
The rental market has increased slightly during the past year; the vacancy rate is largely unchanged compared with the previous year.

	Normal rent, SEK/sq.m.	Vacancy rate, %
Offices	1,600 – 1,900	5 – 10
Retail	3,000 – 4,000	1 – 5
Industry	750 – 1,100	6 – 9

Source: DTZ

Klövern's portfolio in Täby, 31 December 2008					
	Office	Industry/ warehouse	Retail	Education/ Care/Other*	Total
Area, 000 sq.m.	42	17	4	4	67
Rental value, SEKm	46	15	3	5	69
Economic occupancy rate, %	93	99	93	99	95
Average rent/sq.m.	1,141	883	745	1,265	1,055

\* Consists of residential, signs, masts, garages, parking spaces, laboratories and gym facilities.



Source: Byggstatistik

# Uppsala

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

The number of employment opportunities in the municipality of Uppsala totalled 83,700 at the year-end, mainly health care (21 per cent), education and research (18 per cent), trade and communications (16 per cent) and financial and corporate services (14 per cent).

Unemployment in the municipality was 3.3 per cent in December 2008 after an increase of 0.5 per cent compared with the previous year. Unemployment is at the same level as the rest of the county (3.4) although lower than for Sweden as a whole (4.6).

Population trend in the municipality of Uppsala	
November 2008	190,311
November 2007	187,348
Change 12 months	1.6 %
Change 6 years	5.9 %

Source: Statistics Sweden

## Investor market

The total area of premises and residential in the municipality of Uppsala is 6,883,000 sq.m., of which commercial premises account for 1,437,000 sq.m., industrial premises 1,192,000 sq.m., and residential premises 4,254,000 sq.m.

The transaction market in the municipality of Uppsala has been dominated by AP Fastigheter's acquisition of 140,000 sq.m. from Vasakronan's portfolio. AP Fastigheter has subsequently sold a number of properties to Niam, including one of the properties acquired in Uppsala.

In September, Aspholmen entered into an agreement with the municipally-owned Industrihus concerning an exchange transaction where Aspholmen acquires three properties and Industrihus one property. The majority of the area of the premises consists of warehouse space and the price was SEK 10,400 per sq.m. The initial direct yield was estimated at 6.75 per cent.

## Rental market

The rental market has increased slightly during the year. Vacancies are expected to remain at the same low levels.

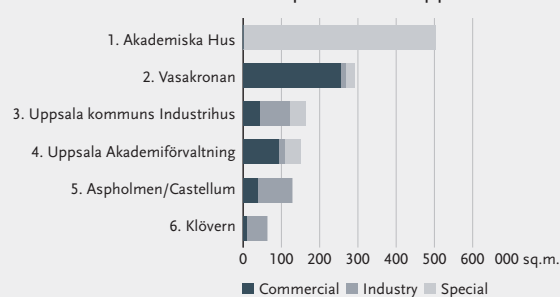
	Normal rent, SEK/sq.m.	Vacancy rate, %
Offices	1,700 – 1,900	3 – 5
Retail	2,000 – 4,500	1 – 3
Industry	500 – 700	5 – 8

Source: DTZ

Klövern's portfolio in Uppsala, 31 December 2008					
	Office	Industry/ warehouse	Retail	Education/ Care/Other*	Total
Area, 000 sq.m.	24	8	2	32	66
Rental value, SEKm	26	7	2	59	94
Economic occupancy rate, %	63	62	100	56	59
Average rent/sq.m.	1,549	1,428	837	2,555	1,928

\* Consists of residential, signs, masts, garages, parking spaces, laboratories and gym facilities.

## Major owners of commercial premises – Uppsala



Source: Byggstatistik

## Västerås

Västerås is situated on Lake Mälaren in the south-eastern Västmanland. Highway E18 and the Mälardalen railway line both pass through the city. The distance to Stockholm is 110 km and to Gothenburg 380 km. Västerås airport with international flights is 6 km from central Västerås. The port of Västerås is the largest inland port in the Nordic countries.

The number of employment opportunities in the municipality of Västerås was 61,500 at year-end 2008, mainly in trade and communications (19 per cent), manufacturing (19 per cent), health care (16 per cent) and financial and corporate services (15 per cent).

Unemployment amounted to 5.6 per cent in December 2008, which is an increase of 0.5 per cent from the previous year and slightly higher than in the county of Västmanland (5.2) and clearly higher than in Sweden as a whole (4.6).

Population trend in the municipality of Västerås	
November 2008	134,553
November 2007	133,680
Change 12 months	0.6 %
Change 6 years	4.4 %

Source: Statistics Sweden

### Investor market

The total premises space in Västerås amounts to 5,842,000 sq.m. of which commercial premises accounted for 1,584,000, industrial premises 1,406,000 sq.m. and residential premises 2,852,000 sq.m.

The investment market in Västerås has been dominated by Kungsleden's acquisition from the City of Västerås as well as by IKEA's investment in a new store at Erikslund.

At the beginning of the year, Kungsleden acquired a package of 13 properties from the City of Västerås consisting of Mälardalen University and nine residential facilities for the elderly. The standardised direct yield was 6.25 per cent. The lettable area totals 63,000 sq.m. and the purchase price was SEK 1,050 million.

The out-of-town retail trade is on the threshold of major changes. IKEA is going to move its store from Hälla to Erikslund. The new store will have an area of 30,000 sq.m. and Ikano plans to build a mall of 20,000 sq.m. adjacent to it. The property owners at Hälla are at the same time planning measures to maintain the attractiveness of the area.

### Rental market

The rental market has increased slightly compared with last year. Rental levels are unchanged for retail outlets and industrial premises. The vacancy rate is unchanged for all types of premises.

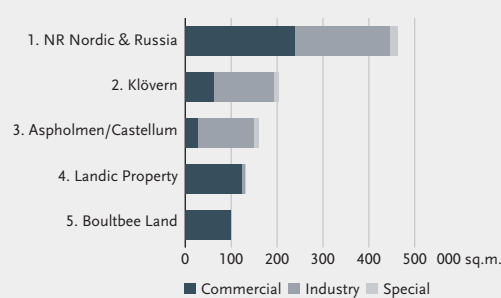
	Normal rent, SEK/sq.m.	Vacancy rate, %
Offices	1,100 – 1,200	5 – 10
Retail	1,000 – 2,000	2 – 5
Industry	500 – 900	5 – 10

Source: DTZ

Klövern's portfolio in Västerås, 31 December 2008					
	Office	Industry/ warehouse	Retail	Education/ Care/Other*	Total
Area, 000 sq.m.	50	108	38	21	217
Rental value, SEKm	44	50	46	17	157
Economic occupancy rate, %	86	80	97	84	87
Average rent/sq.m.	949	572	1,201	891	837

\* Consists of residential, signs, masts, garages, parking spaces, laboratories and gym facilities.

### Major owners of commercial premises – Västerås



Source: Byggstatistik



Västerås Kol 13.

A shopping mall with a covered market, a café and a number of smaller shops has been completed during the year in central Västerås.

## Örebro

Örebro is situated in the centre of the county of Örebro. Highways E18 and E20 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.

The number of employment opportunities in the municipality of Örebro was 63,900 at year-end 2008, mainly in trade and communications (20 per cent), health care (20 per cent), financial and corporate services (15 per cent), and education and research (12 per cent).

Unemployment totalled 6.0 per cent in December 2008 a decrease of 0.1 per cent in comparison with the previous year. The level is on a par with the county of Örebro (5.9 per cent) and clearly higher than in Sweden as a whole (4.6 per cent).

Population trend in the municipality of Örebro	
November 2008	132,052
November 2007	130,254
Change 12 months	1.4 %
Change 6 years	5.2 %

Source: Statistics Sweden

### Investor market

The total premises space in Örebro amounts to 5,714,000 sq.m. of which commercial premises account for 1,305,000 sq.m, industrial premises 1,567,000 sq.m. and residential premises 2,843,000 sq.m.

During the first half of the year, Asplunds Fastigheter AB was sold. The portfolio of 126,000 sq.m. mainly consisting of residential premises and offices, was sold to three local actors, Melins Fastighetsförvaltning Fastighet

AB, Umato and Byggnadsfirma Lund AB. The majority of the commercial properties were resold in a separate company to Aspholmen. The sale consisted of 50,000 sq.m. with a purchase price of SEK 562 million. The standardised direct yield is estimated at just below 6 per cent.

During the summer, Kungsleden purchased a portfolio of properties from the Stampen group which is one of Sweden's largest newspaper owners. Two of the portfolio's properties are in Örebro and the purchase price for these is assessed at SEK 100 million. The property that contains the newspaper Nerikes Allehanda was resold to Kungsleden on 1 October.

### Rental market

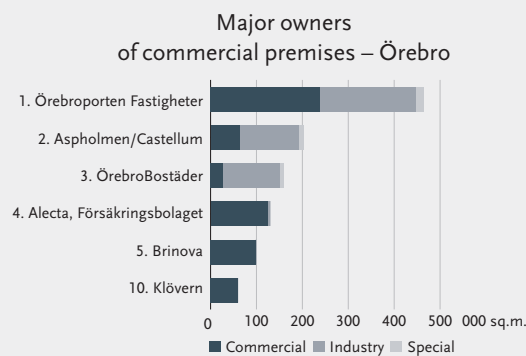
Rental levels for offices have risen during the past year. The supply of good offices in central Örebro is limited. Rental levels and vacancies for retail and industrial premises are stable and no greater change has taken place in relation to the previous year.

	Normal rent, SEK/sq.m.	Vacancy rate, %
Offices	1,100 – 1,200	3 – 5
Retail	1,000 – 2,000	2 – 5
Industry	450 – 800	5 – 10

Source: DTZ

Klövern's portfolio in Örebro, 31 December 2008					
	Office	Industry/ warehouse	Retail	Education/ Care/Other*	Total
Area, 000 sq.m.	39	6	12	5	62
Rental value, SEKm	43	2	15	7	67
Economic occupancy rate, %	97	93	95	99	97
Average rent/sq.m.	1,097	381	1,342	975	1,066

\* Consists of residential, signs, masts, garages, parking spaces, laboratories and gym facilities.



Source: Byggstatistik



Örebro Rådhuset 1 – A building originally from the 1920s, acquired by Klöver 2003 and today consists mainly of offices.



Örebro Rådhuset 1



Klövern staff member in Kista

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## Real estate operations and finance

*“Net growth through acquisition, improvement and construction for at least SEK 1 billion a year and, in the long-term aim for redoubling of the property portfolio.”*

# Property portfolio

At year-end 2008, Klöver had a total of 217 properties (220) located in 14 municipalities (14) from Uppsala in the north to Borås in the south. Ninety-nine per cent of the portfolio of properties is concentrated at ten locations: Kista, Karlstad, Linköping, Västerås, Nyköping, Norrköping, Uppsala, Täby, Örebro and Borås.

The total property value was SEK 11,895 million (12,154) and the lettable area was 1,382,000 sq.m. (1,394,000). The number of properties decreased during the year by 3 (+15) while the lettable area decreased by 12,000 sq.m. (-42,000). The economic occupancy rate was 90 per cent (88), an increase of two percentage points compared with the previous year-end. The increase in the occupancy rate is mainly due to very good letting work during the year and net moving in amounted to SEK 47 million (36) measured on an annual basis. Six of Klöver's ten locations have achieved the goal of a rental value exceeding SEK 100 million.

## Location reporting

The result shows the operating activities for the respective location, including properties acquired during the year and investments made.

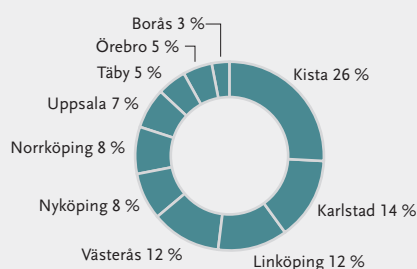
The key ratios per location show the situation at the respective year-end, however, and the figures in the two parts of the table are therefore not wholly comparable. Earnings from properties sold during the year and items that are not directly attributable to normal property operations are shown under the heading "Other".

This summary shows that the reduction of other income is well compensated for by the strong level of net moving in.

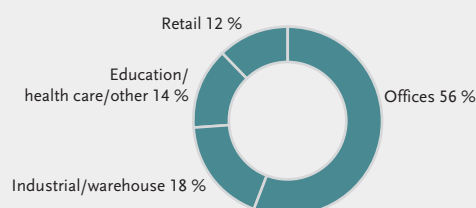
### Profit and key ratios per location

Property portfolio	Profit for the respective year								Key ratios, 31 December of respective year									
	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, %		Fair value, SEKm		Required return, %		Area, 000 sq.m.		Rental value, SEKm		Occupancy rate, %	
Location	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Kista	314	288	-100	-100	214	188	68	65	3,965	4,072	6.5	5.9	245	249	353	350	95	91
Karlstad	175	113	-65	-43	110	70	63	62	1,501	1,569	7.4	6.8	207	209	193	187	95	93
Linköping	137	136	-49	-45	88	91	64	67	1,459	1,465	7.2	6.8	175	179	170	160	90	85
Västerås	130	127	-55	-45	75	82	57	64	1,270	1,307	7.3	6.8	217	214	157	149	87	92
Norrköping	85	77	-47	-42	38	35	45	45	854	855	7.3	6.9	145	147	106	97	82	78
Nyköping	94	86	-33	-32	61	54	65	63	887	907	7.7	6.8	124	126	103	100	95	94
Uppsala	73	77	-50	-49	23	28	31	36	514	466	8.8	7.5	66	66	94	93	59	63
Täby	62	57	-24	-23	38	34	62	60	528	574	7.5	6.6	67	67	69	65	95	93
Örebro	61	59	-26	-24	35	35	57	60	546	544	7.0	6.5	62	62	67	63	97	93
Borås	44	39	-18	-17	26	22	59	57	371	395	7.7	7.3	74	75	48	45	95	92
Other	45	148	5	-26	50	122	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,220</b>	<b>1,207</b>	<b>-462</b>	<b>-446</b>	<b>758</b>	<b>761</b>	<b>62</b>	<b>63</b>	<b>11,895</b>	<b>12,154</b>	<b>7.1</b>	<b>6.6</b>	<b>1,382</b>	<b>1,394</b>	<b>1,360</b>	<b>1,309</b>	<b>90</b>	<b>88</b>

### Rental value per location



### Rental value per type of premises



## Lease contract structure

In all, Klöver'n has 3,800 leases (3,900). Of the commercial leases, measured as a proportion of lease value, 24 per cent (26) fall due for renegotiation during 2009. The average lease term has increased to 3.1 years (2.9). A large part of this increase is attributable to a number of major leases being re-negotiated and extended during the year.

The average rent for let premises amounted to SEK 1,050/sq.m. The average rent varies between the different locations depending on the type of properties, the location of properties and the local rental market.

Sixty-nine per cent (66) of the total contract value, including supplements, was indexed in relation to the consumer price index (CPI), which provides protection against potential future inflation.

## Operating margin

Klöver'n's operating margin including one-off effects was 62 per cent (63) in 2008. This reduction is mainly due to lower one-off income from redemption of leases at SEK 5 million (33). The operating margin is measured as the 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. The change in the operating margin at the different locations is also greatly affected by changes in the property portfolio and the investments made in the properties.

### Area and average rent per type of premises

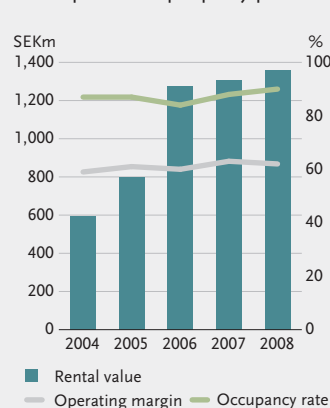
Location	Offices		Industrial/warehouse		Retail		Education/ health care/other*		Total	
	Area, 000 sq.m.	Average rent** SEK/sq.m.	Area, 000 sq.m.	Average rent** SEK/sq.m.	Area, 000 sq.m.	Average rent** SEK/sq.m.	Area, 000 sq.m.	Average rent** SEK/sq.m.	Area, 000 sq.m.	Average rent** SEK/sq.m.
Kista	180	1,613	62	936	3	1,084	–	–	245	1,435
Karlstad	113	1,052	50	620	16	1,111	28	1,060	207	953
Linköping	83	1,209	64	487	15	2,249	13	1,020	175	1,055
Västerås	50	949	108	572	38	1,201	21	891	217	837
Norrköping	51	1,269	62	590	22	881	10	834	145	956
Nyköping	44	997	47	508	18	1,260	15	952	124	853
Uppsala	24	1,549	8	1,428	2	837	32	2,555	66	1,928
Täby	42	1,141	17	883	4	745	4	1,265	67	1,055
Örebro	39	1,097	6	381	12	1,342	5	975	62	1,066
Borås	25	880	41	481	3	1,024	5	770	74	659
<b>Total</b>	<b>651</b>	<b>1,247</b>	<b>465</b>	<b>628</b>	<b>133</b>	<b>1,253</b>	<b>133</b>	<b>1,178</b>	<b>1,382</b>	<b>1,050</b>

\* Consists of residential, laboratories and recreation.

\*\* Calculated on the basis of contract value and let area.



### Development of property portfolio





# Acquisitions and sales

Transactions with properties are an important part of Klöver's aim of continuously developing and improving the property portfolio. The company's strategy is to acquire properties with a great improvement potential, for example, due to high vacancies or a high direct yield. Properties sold have often been residential properties, properties which have been located at locations not prioritized by Klöver and completely developed properties. Of Klöver's property portfolio, ninety-nine per cent are at the ten prioritized locations. Six of ten locations have reached the goal of a rental value of over SEK 100 million.

The year 2008 started hopefully in the belief that the downturn would be short with limited consequences. Unfortunately, the financial crisis broke out in earnest during the autumn, which has also been reflected in the property market where the number of transactions has fallen sharply. Klöver has therefore focused on developing existing properties and equipping itself for the expected downturn. This has meant that Klöver carried out very few transactions during the year.

## Acquisitions

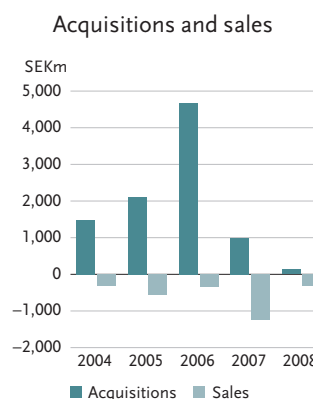
The number of acquired properties was three (47) during the year with an acquisition price of SEK 135 million (989) and a lettable area of 8,000 sq.m. (159,000). The site leasehold Lidarände 1, where the exhibition and conference centre Kistamässan was built during 2008, has been purchased from the City of Stockholm for SEK 46 million. Adjacent to Lidarände 1, the properties Borg 3 and 6 have been acquired for SEK 89 million from Sagax. Klöver already owns further properties in the Borg block and considers there to be very great development potential there. Through the acquired properties, Klöver has strengthened its position in the area around Kistamässan.

## Sales

In 2008, Klöver sold three properties (27) at a sales price of SEK 327 million (1,236) with a lettable area of 25,000 sq.m. (202,000). The property Färöarna 3 was jointly owned with SEB Trygg Liv and Klöver's share was sold for SEK 270 million to AREIM Fond 1. Notice had been given to terminate the lease contract at the property for vacation and Klöver therefore chose to divest the property to concentrate on the company's other projects at Kista.

The property Trätälja 10 in Karlstad was sold for SEK 25 million to a local property owner. Riksbanken 5 in Nyköping was also sold to a local property owner. The sales price was SEK 32 million. The properties were fully let with limited potential for further development by Klöver.

The properties sold during the year are listed on page 98.



## Refinement gain from properties sold

The real change in value for properties sold is based on the difference between the fair value of the properties in the latest financial statements and the price the property was sold for. The worked up unrealised changes in value from previous years are included in the properties' fair value and are therefore not visible in the realised change in value.

During its period of possession, Klöver invested a total of SEK 315 million (877) in the properties sold this year. The sales price for properties amounted to a total of SEK 327 million (1,236), which produces a refinement gain of SEK 12 million (359).

# Business Parks and Science Parks

The concept Business Parks and Science Parks characterizes an area where companies active in research, education, high technology and IT are offered attractive premises at a good price in a creative and dynamic environment.

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 niche, which gives a good image since every park has a clear vision and specialisation. In recent years, Klöver has deliberately increased the property portfolio in the parks and also participated in their development. The value for Klöver lies 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 advanced technology can be developed and tested in a "technology-wise" environment to be then spread to Klöver's other tenants.

The parks also offer a broad range of services which simplify the customer's daily work. All parks have "office hotels" where expanding companies operate and grow. Klöver regards office hotels as a development and support for local business, and a possibility to meet new customers. The office hotels are developing very positively at certain locations and will expand further.

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



Norrköping Science Park.

## *Klövern 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. Klöverns has 39,000 sq.m. at the park. Among Klöverns largest tenants in the area may be mentioned Telia, the Swedish Consumer Agency and Tieto Enator. Karlstad Business Park is still expanding and new residential has been built alongside the commercial properties. Klöverns has made a deliberate endeavour to lead the development of Karlstad Business Park. At present, work is in process to develop further building rights for commercial use.

### *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. Klöverns is the largest property owner in Kista with 21 properties and 245,000 sq.m. of lettable area, which corresponds to a market share of 29 per cent.

Klöverns is working actively to further increase Kista's attractiveness, among ways by the new exhibition and conference centre, Kistamässan, 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 in the park are active in a number of world-class areas of competence - telecommunications, electronics, home communications, vehicle safety as well as software and systems development. Klöverns 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 environment. Within the area there are about a hundred companies with over 800 employees. Among the major tenants may be mentioned the IT department of the municipality of Norrköping, TP Group, Gaia System AB, Logica and Leon AB. Klöverns operates a conference facility and has 45,000 sq.m. of premises in Norrköping Science Park.

There is a special focus on three profile areas within media technology: printed electronics, visualization and interactive services. During 2008, Acreo AB established a test bed for printed electronics at the park. The first sod has also been cut for the visualization centre, which is to be completed in the park during the first half of 2010.

### *Uppsala Business Park*

Uppsala Business Park has a special position in Life Science in Sweden. Today, AMO, Biovitrium, Fresenius Kabi, GE, Kemwell, Medeca Pharma, Orexo, Phadia, Pharma Control and Visionar are active in the area. There is a wide range of services in the area including company health care, a gym, a day care centre, restaurants, conference facilities, a laboratory desk, laboratory cleaning, graphic services and security services.

There are also various laboratories in the area for chemical and microbiological analyses. There is climate rooms, clean rooms and facilities for pharmaceutical production. The area also has high-quality data rooms with a complete range of services. For companies needing smaller premises, Klöverns offers premises in office hotel, for, for example, technical consultants in Life Science. Our newly started laboratory hotel contains, among others, Aprox Laboratories and Athera Biotechnologies. There are collaboration agreements with the business incubator Uppsala Innovation Center to support and develop new Life Science undertakings.

Today, Klöverns is responsible for some 25 different high quality types of media for its tenants at Uppsala Business Park. Around 2,000 employees work in the area and Klöverns has 57,000 sq.m. of lettable area and a further large building right in the park.

### *Örebro Science Park*

NetCity is the first part of Örebro Science Park which is located in the vicinity of Örebro University.

Precio, Bilock Innovation and ABB Automation are good examples of some of the development-intensive companies located here. The regional association, Inkubera and the Dahmén Institute are other examples of organisations which work with collaboration between the university and the business sector.

Collaboration has been initiated between Örebro University, the Regional Association, the municipality of Örebro and Klöverns to develop the area. The intention is to create a regional centre with the best possible conditions to develop innovations, promote entrepreneurship, and increase collaboration between the university and the business sector.

# Projects and property development

Improvement of Klöverns own property portfolio is of particular interest at times with few properties available for acquisition. Project development can take place through development of unutilized building rights, individual properties or by transformation of entire areas. In all cases, active collaboration is required with tenants and municipal authorities.

Through Klöverns deliberately acquiring properties with a high vacancy rate, the company has developed a broad and sound expertise in property and project development. A large number of projects in existing properties were carried out during 2008. In all, SEK 692 million (594) was invested. In the projects completed during 2008 and in some cases started in earlier years, the total investments amounted to SEK 294 million (308).

The largest single investment during 2008 was at Lidarände 1 where premises for the exhibition and conference centre Kistamässan were completed. Kistamässan provides flexible premises for meetings with a capacity to arrange its own and external fairs, congresses and conferences for 1,400 people and events and concerts for 4,500 persons. At the end of 2008 and the beginning of 2009, a new entrance hall and entry from Kistagången

were completed as well as additional parking. The total investment for the project is estimated at around SEK 400 million. In parallel with this process, Klöverns is investigating the possibility of erecting a hotel of around 30 floors directly adjacent to Kistamässan. A new detailed development plan is expected to be adopted in connection with the start of construction.

In addition to the projects completed during 2008, a great number of large and small investments are in process. In all, 120 projects (95) are in process with calculated expenditure totalling SEK 862 million (711).

## Kista – the Isafjord block

During the year, reconstruction and renewal of the Isafjord block has continued. The reconstruction mainly involves the areas let to the Ericsson group. In all, SEK 240 million has been invested in a first stage which entails upgrading the office space to modern standard. The reconstruction for Ericsson is expected to be completed during the autumn of 2009.

A change of the current detailed development plan has also been initiated at the Isafjord block in the part which is otherwise undeveloped. This part is at present mainly used

### Projects in progress in excess of SEK 50 million as at 31 December 2008

Property	Location	Type of property	Estimated completion date, year	Lettable area, sq.m.	Fair value, excluding building rights, SEKm	Remaining investment, SEKm	Rental value after project*, SEKm
Stjärnan 15&16	Norrköping	Office	2010	11,415	100	22	14.4
Verkstaden 11	Västerås	Industry/warehouse	2009	19,771	138	32	14.9
Lidarände 1	Kista	Office/exhibition	2010	19,062	297	123	23.2
Isafjord 1	Kista	Office	2011	57,122	948	154	91.0

\* According to external valuation



Kista Lidarände 1 – The entrance to Kistamässan.



Kista Lidarände 1 – Future hotel.



Kista – Future Isafjord block.

for parking. The intention of changing the detailed development plan is to make possible at least an additional 150,000 sq.m. of office space. The office development within the Isafjord block will be marketed as Kista Gardens and provide over 5,000 new office workplaces in central Kista. Letting work at Kista Gardens has started.

### Linköping – Domaren 13

Domaren 13 was a “typical” building from the 1970s with a very central location, consisting of shops on the ground floor, and offices on the other floors. A new attractive retail building was created by converting vacant office spaces on the first floor to retail space and removing the old brick façade and replacing it with a modern glass façade. At the same time creating 1,200 sq.m. of retail space on two floors linked by new escalators, old technology was replaced and district cooling installed. During the project, Klöver worked with the new retail tenant, Gina Tricot, who actively participated in the design of their new premises. The project of financially and technically developing a dormant property into an attractive retail property is an example of Klöver’s work on property improvement. This investment consisted of just under SEK 17 million.

### Concept building Klöver

A concept building for offices has been produced during the year. The concept building consists of 4,000–6,000 sq.m. and the intention is that Klöver could construct this building at a number of the locations where there is a demand for modern offices.

The concept building has been produced on the basis of the demands of presumed tenants for, among other things, flexibility as well as environmental and cost efficiency. Environmental and energy requirements are set at a high level for Klöver’s concept building, and the building will accordingly be designed for lower energy consumption than that required by the EU energy classification “Green building” (see footnote on page 10), among other ways, by tried and tested long-term energy solutions.

### Building rights

Apace with falling vacancies, Klöver’s available building rights become increasingly important. There is a potential of almost 600,000 sq.m. of building rights at different stages of the planning process. In some cases, planning work has not even started. However, after initial contacts with the municipalities, Klöver has assessed the possibility of carrying out the respective project as good.

Building rights	
Location	Assessed building right, 000 sq.m. GA*
Kista	200
Uppsala	125
Västerås	90
Nyköping	60
Linköping	50
Norrköping	35
Örebro	15
Karlstad	15
Täby	5
Borås	5
<b>Total</b>	<b>600</b>

\* Gross area



Linköping – Domaren 13.



Concept building Klöver.

# Property valuation

Klövern reports 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 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. In the third quarter, Klövern made an exception from this principle and valued all properties externally because of the uncertainty in the market about the fair value of the properties.

Internal valuation is carried out using the same method as external valuation. During 2008, a total of 390 external valuations have been made, which means that the majority of the properties have been externally valued more than once. The yield-based valuations have been carried out using the cash flow method, i.e. based on forecasts of future cash flows. The level of return from the properties has been assessed on the basis of their unique risks as well as transactions made at the respective location according to the location price method.

External valuations were carried out by DTZ Sweden in accordance with international valuation standard.

## Validation model

- + 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>Value date</i>	31 December 2008
<i>Fair value</i>	SEK 11,895 million
<i>Calculation period</i>	Five years (the calculation period has been adapted to the length of the lease contract for longer, important contracts)
<i>Direct yield for assessment of residual value</i>	Between 6.00 and 10.25 per cent
<i>Cost of capital/discount rate</i>	Between 6.25 and 12.25 per cent
<i>Long-term vacancy</i>	Normally between 5 and 10 per cent
<i>Operating and maintenance costs</i>	Outcome for respective property and experiences of comparable properties
<i>Inflation</i>	Two per cent (The Riksbank's inflation target)

## Calculation of fair value

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

The calculation periods are mainly five years with the exception of properties where there is important lease contracts with 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 costs 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

Location	Fair value, SEKm	No. of properties	Rental value, SEKm*	Occupancy ratio, %	Lettable area 000 sq.m.	Cost of capital discounting of future cash flow, %	Direct yield requirement, %
Kista	3,965	23	353	95	245	6.25 – 9.00	6.25 – 8.00
Karlstad	1,501	47	193	95	207	7.50 – 11.25	6.50 – 10.00
Linköping	1,459	24	170	90	175	6.75 – 11.50	6.00 – 10.00
Västerås	1,270	28	157	87	217	8.00 – 10.60	6.25 – 9.00
Nyköping	887	29	103	95	124	6.75 – 11.25	6.25 – 9.75
Norrköping	854	14	106	82	145	6.50 – 12.00	6.40 – 10.00
Örebro	546	10	67	97	62	7.25 – 10.00	6.50 – 8.75
Täby	528	25	69	95	67	8.25 – 9.80	6.25 – 7.90
Uppsala	514	3	94	59	66	8.75 – 12.25	7.00 – 10.25
Borås	371	14	48	95	74	8.25 – 10.00	6.50 – 8.25
<b>Total</b>	<b>11,895</b>	<b>217</b>	<b>1,360</b>	<b>90</b>	<b>1,382</b>	<b>6.25 – 12.25</b>	<b>6.00 – 10.25</b>

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

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

Operating costs have been assessed on the basis of the properties' budget and the outcomes for the respective property 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 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 capitalization of the estimated market net operating surplus 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 in the internal valuations have been set after a review with the external valuers. The development of the yield requirements of the internal valuations thus comply with the external valuations. The internal valuations have been made in the same evaluation program (FIA) as that used in the external valuations.

All properties have been inspected by the external valuers 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 Klöver's properties amounted to SEK 11,895 million (12,154) on 31 December 2008. Changes in value amounted to SEK -759 million (1,106), of which realised changes in value accounted for SEK 36 million (242) and unrealised changes in value SEK -795 million (864). The change in value corresponds to a reduction in value of 6.3 per cent of Klöver's property portfolio.

Changes in value have mainly arisen through high required returns during the year. Properties in good locations with a strong rental market have had marginally increased required returns, while properties in poorer locations and properties with extensive projects have had a proportionally higher required return.

The average direct yield requirement was 7.1 per cent (6.6) at year-end 2008. The direct yield requirement has been only marginally affected by changes in the property portfolio carried out during the year.

Change in fair value	SEKm
Reported value on 1 January 2008	12,154
Acquisitions	135
Investments	692
Sales	-327
Changes in value	-759
<b>Fair value as at 31 December 2008</b>	<b>11,895</b>

Fair value of properties



Sensitivity analysis, property valuation

	Change +/-	Effect on earnings, SEKm
Direct yield	0.5 % point	-779/+895
Rental income	SEK 100/sq.m.	+/-1,935
Operating costs	SEK 50/sq.m.	-/+968
Vacancy rate	1.0 % point	-/+190

# Financing

Financial management in Klöver shall support the company's core activities by keeping the long-term cost of borrowed capital at a minimum. Financial operations are centralized to the Parent Company's finance function which consists of two people. The finance function is responsible for management of borrowing, administration of existing debt, improving the efficiency of cash management and limiting the financial risks. The assets in the balance sheet, the largest part being the property portfolio, are financed mainly by own or borrowed 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.

## Financial policy

Financial policy establishes the allocation of responsibility in financial matters and rules relating to reporting, follow-up and control. Klöver has a finance committee, consisting of the chairman of the board as well as two members of the board, the CEO, the CFO and the financial manager. The committee is an advisory body, which deals with matters of strategic importance.

## Covenants and risk-taking

The financial risk taking and position of real estate companies can be seen by, among other things, the key ratios equity ratio, interest coverage ratio and loan to value. There are set limit values, known as covenants, in credit agreements with banks and credit institutions specifically for these three key ratios. Klöver's own goals comply well with the bank's requirements. Klöver's goal is for the equity ratio to be between 25 and 35 per cent. The banks usually have 25 per cent as a lower limit. Klöver's goal is

for the interest coverage ratio to amount to at least 1.5 multiples, which complies with the banks' requirements. Klöver has no goal of its own for loan to value but the banks normally have a limit of 75 per cent.

At year-end 2008, the equity ratio was 32.3 per cent (37.4) and the interest coverage ratio was 2.0 multiples (2.2). A comparison of corresponding key ratios among listed real estate companies shows that Klöver has an equity ratio and interest coverage ratio that is close to the median value among the companies compared.

## Interest-bearing liabilities

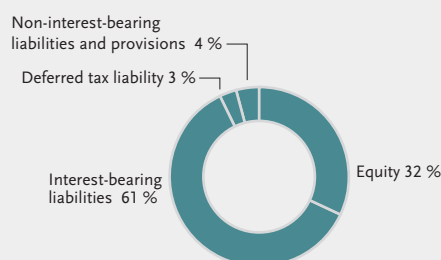
Klöver's financing of assets, which totalled SEK 12,497 million (13,009) on 31 December 2008, consisted of equity of SEK 4,035 million (4,867), interest-bearing liabilities of SEK 7,645 million (7,007) and, among other items, deferred tax liability and other liabilities of SEK 817 million (1,135).

Klöver has chosen to finance the major part, SEK 6,302 million (5,235) of the interest-bearing loans at variable interest, and only SEK 1,343 million (1,772) at fixed interest. In addition to existing interest-bearing loans, Klöver had unutilised credit facilities of SEK 937 million (1,190), of which SEK 320 million (888) was immediately available for use with existing collateral. In addition, there were unused overdraft facilities of SEK 200 million (136). The increase in volume of the loan stock is primarily attributable to large investments in existing properties due to new letting. All financing takes place in Swedish kronor. As at year-end 2008, liquid funds amounted to SEK 67 million (87).

## Creditors and collateral

The loan portfolio is distributed among six lenders of which the largest are Swedbank, SBAB, Den Danske

Liabilities and equity



Financial key ratios

31 December 2008	Equity ratio, %	Interest coverage ratio, multiples	Loan to value, %
Atrium Ljungberg	42	2,5	44
Balder	23	1,5	72
Castellum	34	2,6	50
Catena	33	2,5	58
Diös	26	1,7	71
Fabege	32	1,7	64
Fastpartner	33	2,7	66
Heba	61	3,7	18
Hufvudstaden	56	5,5	18
Klöver	32	2,0	64
Kungsleden	23	1,6	73
Sagax	19	1,8	78
Wallenstam	40	1,5	55
Wihlborgs	29	2,2	61

Klöver's definition of each key-ratio has been used in the calculations. In those cases where interest costs have not been reported, net interest has been used.

Bank, Handelsbanken and SEB. Property mortgages of SEK 7,972 million (7,460) have been provided as collateral for interest-bearing securities. In addition, Klöver has provided a pledge in the form of shares in property-owning group companies and parent company guarantees.

### Tied-up capital

At the end of 2008, the average tied-up capital was 2.6 years (3.7), which is shorter than the desired level of at least three years. The difficult situation in the financial market during 2008 has led to difficulties in extending capital tied up at acceptable interest rate levels. The intention of an average period of tied-up capital of at least three years remains. During 2009, loans mature totalling SEK 497 million, excluding overdraft facilities, of which SEK 132 million, with tied-up capital of two to five years, has already been negotiated in early 2009.

### Average interest rate and fixed interest

The year has been characterized by large interest rate movements, with a sharp rise around the turn of the month September/October and a sharp decrease at the end of the year. Klöver's average borrowing rate amounted to 4.2 per cent (4.6) on 31 December 2008. Excluding derivatives, Klöver's average borrowing rate was just under 4.0 per cent at the year-end. During 2008, derivatives have contributed to a reduction of interest expense.

The average period of tied-up capital was 1.1 years (1.4) at the end of 2008. In the cases where a variable rate has been swapped to a lower fixed rate, interest and the period of tied-up capital have been calculated in accordance with the swap conditions.

### Derivatives

Klöver uses derivatives in order to reduce the interest rate risk and achieve the desired fixed interest. Derivatives totalled SEK 5,029 million, corresponding to 66 per cent of the interest-bearing liabilities. At year-end 2008, Klöver had two swap agreements totalling SEK 1,200 million (1,200) and interest caps of SEK 3,829 million (3,329), maturing between 2009 and 2013. A premium was paid to the bank for the interest caps, which was expensed during the period to maturity of the caps and which increases Klöver's average borrowing rate. No premium is paid for swaps. The counterparties for the agreements are Swedbank, Handelsbanken and SEB.

The value of the interest caps and swaps change when market rates change and when the period to maturity decreases. On maturity, the value is always zero. During 2008, the change in value of the interest caps amounted to SEK -29 million (10) and the value of the swap agreements was SEK -126 million (43). The fair value at the end of 2008 amounted to SEK 5 million (37) and SEK -67 million (60) respectively.

#### Derivatives 2008, 31 December 2008

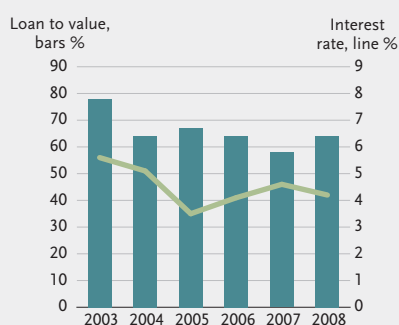
Maturity year	2009	2010	2011	2012	2013	2014	2015	2016
Interest caps, SEKm	730	1,099	1,000	500	500	0	0	0
Swaps, SEKm	200	0	0	0	0	0	0	1,000

### Events after the end of the period

After the end of the year variable market rates, and thus also Klöver's borrowing rate, have continued to fall. During February 2009, Klöver decided, due to the historically low long-term interest rates, to further hedge interest on the debt portfolio by entering into new interest swap agreements for SEK 2,800 million.

Klöver's average borrowing rate was 3.5 per cent, including new swap agreements.

### Loan to value and average interest rate



### Maturity structure

Maturity year	Interest maturity		Credit maturity	
	Loan volume, SEKm	Average interest, %	Contract volume, SEKm	Utilized, SEKm
Floating	6,302	4.2	-	-
2009	254	3.0	697	497
2010	32	3.8	2,621	2,489
2011	57	6.4	2,553	2,298
2012	-	-	1,700	1,350
2013-	1,000	4.4	1,011	1,011
<b>Total</b>	<b>7,645</b>	<b>4.2</b>	<b>8,582</b>	<b>7,645</b>

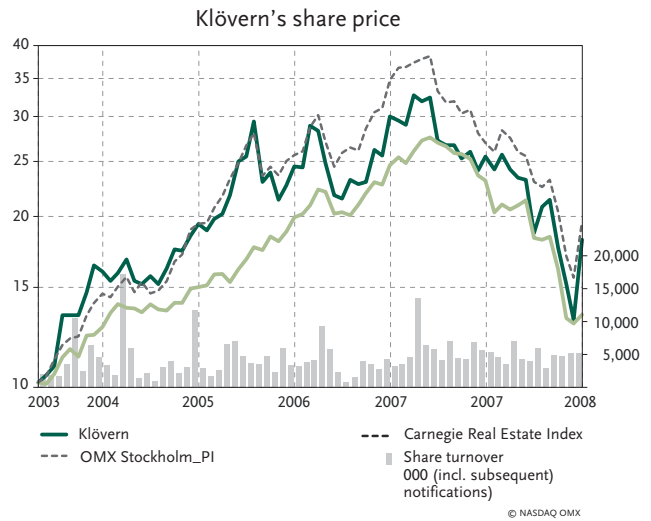
### Interest maturity structure including new swap agreements

Maturity year	Loan volume, SEKm
Floating	3,502
2009	254
2010	32
2011	57
2012	-
2013	-
2014	-
2015	1,400
2016	1,400
2017	1,000
<b>Total</b>	<b>7,645</b>

# The Klöver share and the shareholders

## Price movement

The Klöver share, which is listed on Nasdaq OMX Stockholm list for medium-sized companies, was priced at SEK 18.20 (25.50) at the end of the year. During the year, the value of the Klöver share decreased by SEK 7.30, which corresponds to a fall of 29 per cent. Carnegie's property index (CREX) fell in the same period by 27 per cent and Nasdaq OMX Stockholm's all-share index (OMXSPI) by 42 per cent. The highest price paid during the year was SEK 26.70 and the lowest SEK 10.10. During 2008, 75.7 million Klöver shares were traded for a total of SEK 1,449 million, which is an indication of high liquidity. Klöver's capitalization at the end of 2008 was SEK 2,927 million, compared with SEK 4,227 million at the end of 2007.



## Dividend and yield

According to Klöver's policy, dividend shall amount in the long term to at least 50 per cent of profit from property management.

The Board of Directors proposes that dividend on 2008's result shall be SEK 1.00 per share (1.50). If the Annual General Meeting on March 30, 2009 decides in accordance with the Board's proposal, the dividend is expected to be paid on 7 April, the record date being 2 April. This proposal would mean that 46 per cent (64) of profit from property management would be distributed to shareholders. The proposed dividend is equivalent to a direct yield of 5.5 per cent, calculated on the basis of the share price on 31 December 2008. During the year, the total yield of the share, including a dividend of SEK 1.50, has been -22.7 per cent (-10.8).

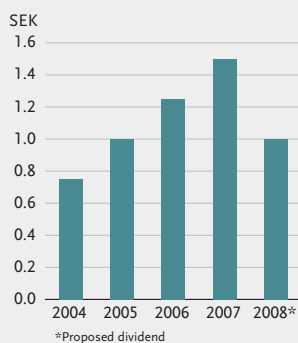
## Equity and net worth

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 25.09 (29.36) after an increase of SEK 4.27 during the year.

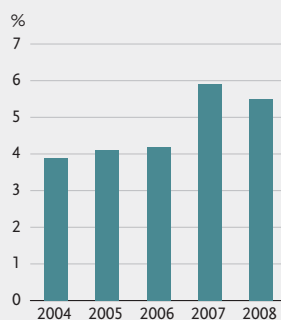
## Share capital and number of shares

Klöver's share capital amounted on 31 December 2008 to SEK 832,721,630. The total number of registered shares was 166,544,326 with a quota value of SEK 5 per share. Every share, except repurchased shares, confers one vote. The ID of the share on Nasdaq OMX Stockholm is SSE19459 and the ISIN code is SE0000331225.

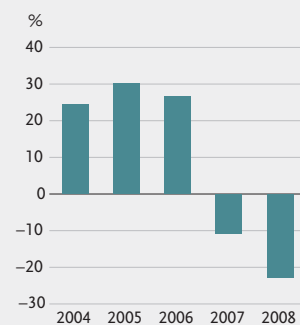
Dividend per share



Direct yield of the share



Total yield



## Repurchase

The board of directors of Klöver has been authorised to repurchase Klöver's shares up to maximum of ten per cent of the total number of registered shares. Accordingly, a total of 5,741,463 shares have been repurchased during 2007 and 2008, corresponding to 3.4 per cent. The purchase price amounted on average to SEK 22.15 per share. Of the repurchased shares, 4,965,963 were acquired during 2008, at an average price of SEK 21.90 per share, which corresponds to 2.9 per cent of the total number of registered shares.

## Contact with investors and analysts

Regular meetings are arranged with shareholders, potential investors and analysts both in Sweden and other countries to present the company. During the year, Klöver has, among other activities, arranged a capital market day in Kista and met with investors in the UK and the Netherlands.

During the year, the following analysts have monitored the company:

- Jonas Andersson – ABG
- Bengt Claesson – SEB Enskilda
- Tobias Kaj – Handelsbanken
- Simen Mortensen – DnB Nor
- Erik Nyman – Kaupthing Bank
- Olof Nyström – HQ Bank

## Shareholders

At the end of 2008, there were 30,372 shareholders (31,250) in Klöver. The ten major shareholders represented 57 per cent (60) of the total share capital at the end of the year. Just over 84 per cent of the total number of shares were held by Swedish shareholders.

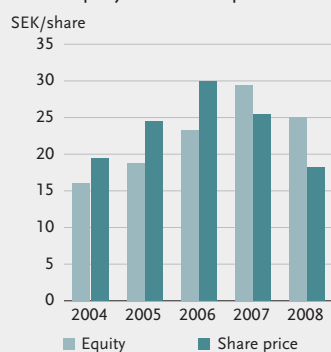
Klöver has a profit-sharing foundation which includes all personnel. At year-end 2008, the foundation held 530,000 shares in Klöver.

### Major shareholders

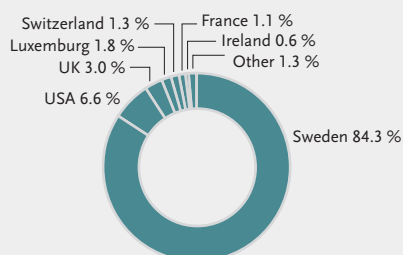
	Number of shares, thousands	Share of votes and equity, %	Change 2008, % points
Corem Property Group	17,458	10.5	10.5
Lantbrukarnas Riksförbund*	17,117	10.3	-0.1
Arvid Svensson Invest	17,017	10.2	0.0
Investment AB Öresund	12,542	7.5	0.7
Brinova	6,211	3.7	-0.6
HQ fonder*	5,795	3.5	-0.6
Skandia Liv	5,648	3.4	-0.9
Länsförsäkringar fonder*	5,469	3.3	-1.2
Swedbank Robur fonder*	4,406	2.7	0.8
Länsförsäkringar Södermanland	3,895	2.3	0.1
<b>Total major shareholders</b>	<b>95,558</b>	<b>57.4</b>	<b>8.7</b>
Other shareholders	65,245	42.6	
<b>Total outstanding shares</b>	<b>160,803</b>	<b>100.0</b>	
Repurchased own shares	5,741		
<b>Total registered shares</b>	<b>166,544</b>		

\* Owner group

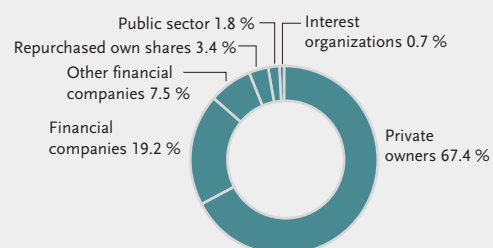
Equity and share price



Distribution of shares by country



Distribution of shares by owner category

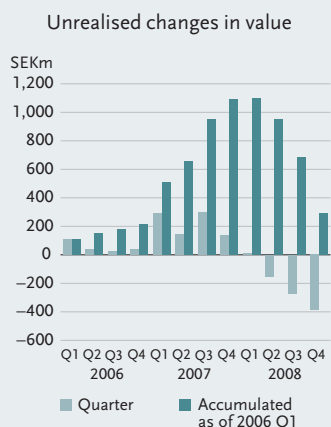


# Risk and sensitivity

## CHANGE IN VALUE, PROPERTIES

### Risk

A great risk and opportunity for Klöver's properties lie in changes in value. Changes in value are greatly affected by how well 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 possibilities for loan financing and the required return. The required return is affected to a great extent by the risk-free interest rate and the properties' unique risk. In general, values are less volatile for concentrated portfolios in good locations.



### Management

Over the years, Klöver has acquired properties with a high vacancy rate in order to develop and improve them. Klöver has good competence in property and project development. Acquired project properties have been improved, which has resulted in a positive development of value. Due to Klöver's local organisation, which is close to the customer, long-term relationships have been established with tenants, which reduce the risk of new vacancies. Klöver has a concentrated portfolio with 99 per cent of the rental income at the ten prioritized cities. The properties are in very good locations in the respective city.

### Exposure

Change in value, properties	-10 %	-5 %	0	+5 %	+10 %
Profit before tax, SEKm	-1,189	-595	-	+595	+1,189
Equity ratio, %	24	28	32	36	40
Loan to value, %	71	68	64	61	58

## ENVIRONMENT

### Risk

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.

### Management

A thorough analysis of any environmental risks is carried out in connection with every acquisition.

### Exposure

Klöver does not carry out any activity that requires a special environmental licence, although property administration and property development can have an impact on the environment.

At present, however, there is no knowledge of any important environmental demands which can be directed at Klöver.



Future Kista Gardens.

## FINANCING

### Risk

Klövern'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. Through Klöver using various derivatives to manage its interest rate risks, the company is also exposed to the risk of change in value of these derivatives.

### Management

The financing risk is managed by goals in the financial policy for maturities on tied-up capital, loan maturity volumes in particular years and loan volumes in relation to counterpart.

The goal is for the average period of tied-up capital for the interest-bearing liabilities to amount to at least three years. The goal was not met at year-end 2008. The turbulence in the financial market during 2008 would have meant that an extension of tied-up capital would have made Klöver's borrowing significantly more expensive. However, the goal remains in effect. Tied-up capital for the various loans shall also be distributed over several years, to reduce the refinancing risk on loan maturity. There should not be a maturity exceeding 35 per cent of the total interest-bearing securities in any single year. This goal was met.

A spread of borrowing among many creditors reduces the financing risk. Klöver has six different creditors and the goal of at maximum 50 per cent of Klöver interest-bearing liabilities is not exceeded for any counterpart.

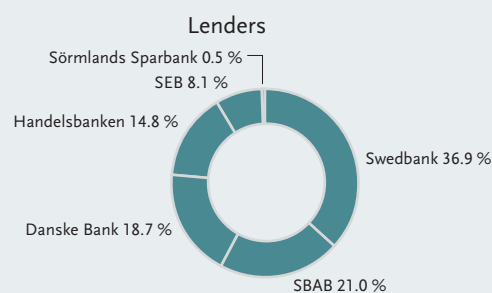
Klövern has chosen to protect itself against a sharp increase in interest by entering into interest caps which state a set maximum level for the variable base rate for the chosen volume. Klöver pays a premium for these caps. Part of the variable loans has been swapped to fixed interest, which means that Klöver has the benefit of a variable loan of avoiding a charge in the event of early redemption at the same time as the interest paid is fixed and the cost thus known in advance. In early 2009, Klöver decided to further hedge interest on the debt portfolio by entering into new interest swap agreements totalling SEK 2.8 billion. The swaps mature in 2015, 2016 and 2017.

When the agreed interest for derivatives deviates from the market rate, there is a change in value that affects the company's result. The change in value does not have an effect on the cash flow. On maturity, however, the value of the derivatives used by Klöver, interest swaps and caps, is always zero.

### Exposure

Maturity structure				
Maturity year	Interest maturity		Loan maturity	
	Loan volume, SEKm	Average interest rate, %	Contract volume, SEKm	Utilized, SEKm
Floating	6,302	4.2	–	–
2009	254	3.0	697	497
2010	32	3.8	2,621	2,489
2011	57	6.4	2,553	2,298
2012	–	–	1,700	1,350
2013–	1,000	4.4	1,011	1,011
<b>Total</b>	<b>7,645</b>	<b>4.2</b>	<b>8,582</b>	<b>7,645</b>

Interest maturity structure including new swap agreements	
Maturity year	Loan volume, SEKm
Floating	3,502
2009	254
2010	32
2011	57
2012	–
2013	–
2014	–
2015	1,400
2016	1,400
2017	1,000
<b>Total</b>	<b>7,645</b>



Financial targets and outcome		
	Goal	Outcome
Interest coverage ratio	Shall, excluding changes in value, amount to at least 1.5 multiples	2.0 multiples
Equity ratio	Should be between 25 and 35 per cent.	32 %
Interest rate risk	Loans with an initial interest coverage ratio of 90 days or less and which exceed 20 per cent of the total loan volume are to be 50 per cent covered by the interest cap.	80 %
Base 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>	2.6 year Major maturity 2011, 33 %
Refinancing risk	At most 50 per cent of the capital requirement in relation to one and the same lender	Major lender 37 %

## RENTAL INCOME AND OCCUPANCY RATE

### Risk

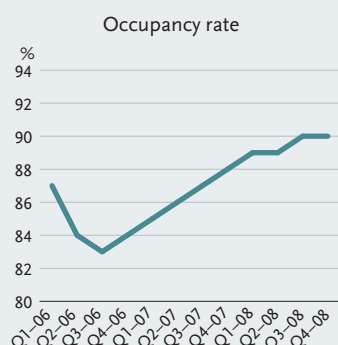
There is a risk of vacating tenants in all real estate activities. When tenants change, there are costs for adaptation and vacancy periods.



### Management

Klövern has a total of 3,800 lease contracts with 3,100 different companies in different branches of business activity.

Thanks to a locally based organization and close contact with customers, Klövern has had a low turnover rate in its premises. The turnover rate during 2008, measured as vacation in SEK during the year in relation to lease contract value at the beginning of 2008, amounted to 8 per cent.



At the end of 2008, Klövern had an occupancy rate of 90 per cent (88). During 2006, Klövern acquired a number of properties with substantial vacancies. The occupancy rate has improved by seven percentage points from the third quarter of 2006.

Klövern makes a credit rating in connection with all new letting. On basis of a credit rating, certain leases are complemented with guarantees, a deposit or a bank guarantee. All rents are paid in advance. Despite this, there is a risk of tenants suspending payments or otherwise not performing their obligations, which has a negative impact on Klövern's result. Customer losses amounted to 0.3 per cent during 2008 or SEK 4.2 million of Klövern's total income.

### Exposure

The largest tenant is Ericsson, which mainly leases large office areas in Kista. Ericsson has located the group executive management, R&D and management of the Networks business segment in Kista, among other functions.

Second largest tenant is Saab, which provide the global market with world leading products, services and solutions in the range from military defense to civil security, via its facility in Kista.

### Klövern's ten major tenants

Tenant	Contract value, SEKm	Proportion of total contract value, %	Number of contracts	Area, 000 sq.m.	Average contract period, years
Ericsson	175	14	32	103	4.9
Saab (Avitronics)	34	3	6	14	1.1
Posten	23	2	29	20	4.3
Sony Ericsson	21	2	6	13	2.4
Telia Sonera	17	2	28	13	4.5
Orexo	16	1	11	6	5.9
Vägverket	16	1	33	17	3.2
Landstinget i Östergötland	13	1	9	10	3.3
Karlstad kommun	13	1	16	12	2.3
TietoEnator Sverige	12	1	5	12	1.5
<b>Total</b>	<b>340</b>	<b>28</b>	<b>175</b>	<b>220</b>	<b>4.0</b>

## OTHER RISKS

### *Operating risks*

Operating risks means the risk of incurring losses due to deficient routines, insufficient control, and/or improper actions. Good internal checks and external checks 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. In this connection, Klöver works continuously to monitor the company's administrative security and control.

### *Taxes*

At the end of 2003, Klöver requested that tax assessment for the same year should be reconsidered. The intention was to have considered whether Klöver was entitled to an additional loss carry forward of SEK 5 billion due to a loss which the company, and indirectly the shareholders, had made in its previous activity as 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, by the County Administrative Court in December 2007. The Tax Agency has appealed against the judgment to the Administrative Court of Appeal.

Klöver 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. Klöver has moreover tax proceedings from the 1999–2003 tax assessment years, where the Tax Agency wishes to impose supplementary tax totalling SEK 21 million. 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 on 31 December 2008. The sensitivity analysis shows the effects on the Group's earnings for the year after full impact of each of the parameters in the table below. Interest-bearing liabilities and rental contracts run over several years, which means that changes do not have full impact during a single year but only in a longer perspective.

Sensitivity analysis		
	Change	Annual effect on result, SEKm
Economic occupancy rate	+/- 1 % point	+/- 13.6
Rental income	+/- 1 %	+/- 11.8
Property costs	+/- 1 %	-/+ 4.6
Klöver's average borrowing rate	+/- 1 % point	-39/+ 62



Future Kista Gardens.



Kista Helgafjäll S – The property was included in acquisitions from Fabege in November 2006. The exterior was given a facelift in 2007, among other improvements.



Kista Helgafrjall 5



Klövern staff member at the head office.

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# Financial Reports

*"Klövern creates the communities of tomorrow."*

# Administration Report

*The Board and the CEO of Klöver AB (publ.), company reg. no. 556482-5833, hereby submit the annual report and the financial statements for the Group for the 2008 financial year.*

## The past year

During 2008, Klöver's activity has been characterized by stable property management. During the year, properties for SEK 135 million have been acquired and properties for SEK 327 million have been sold. In comparison with previous years, these are marginal changes in the property portfolio. During 2008, a large number of projects were carried out at existing properties. A total of, SEK 692 million was invested. Profit from property management, earnings excluding changes in value and tax, amounted to SEK 335 million and exceeded the forecast of SEK 350 million. Net moving in for the year amounted to SEK 47 million and the occupancy rate increased by two percentage points to 90 per cent at the end of the year.

The latter half of the year was marked by dramatic turbulence in the financial market. This has had a negative impact on Klöver's property values and a large part of the increase in value from 2007 has been wiped out. The interest rate cuts in recent months have made the difference between the yield levels of the properties and the long interest rate extremely large in a historical perspective.

## Operations

Klöver shall with availability and commitment meet the customer's needs of premises and services in Swedish growth regions. As at 31 December 2008, the number of properties totalled 217 (220) with a total area of 1,382,000 sq.m. (1,394,000). The properties had a fair value of SEK 11,895 million (12,154) and income amounts on an annual basis to SEK 1,220 million (1,207).

## Organization

Activity takes place at ten locations mainly with own staff. The number of personnel amounted to 121 (121) at year-end 2008. Over a fifth of the employees worked at the head office. Operation of the properties and contacts with customers are mainly dealt with by the local units. The head office is responsible, among other things, for management, finance and property administration, as well as business support to the units. The organisation and personnel are described on pages 6–7 as well as in Note 3.

## The share

The Klöver share is listed on Nasdaq OMX Stockholm's list for medium-sized companies. As at 31 December 2008, the number of registered shares in Klöver was 166,544,326. During the year, 75.7 million Klöver shares were traded for a total of SEK 1,449 million, which is an indication of high liquidity. Klöver's capitalization at the end of 2008 was SEK 2,927 million compared with SEK 4,227 million at the end of 2007.

More information about the share can be found in the section The Klöver share and the shareholders on pages 42–43.

## Repurchase

Since the annual general meeting on 3 April 2008, the board of directors of Klöver has been authorized to repurchase Klöver's shares up to a maximum of 10 per cent of the total number of registered shares. In accordance with this and previous decisions, Klöver has repurchased a total of 5,741,463 shares, corresponding to 3.4 per cent of the total number of registered shares. The average acquisition price has been SEK 22.15 per share. Of the repurchased shares, 4,965,963 were repurchased during 2008, at an average price of SEK 21.90 per share, which corresponds to 2.9 per cent of the total number of registered shares.

## Ownership

At year-end 2008, there were 30,372 shareholders (31,250) in Klöver. The ten largest shareholders represented 57.4 per cent (59.8) of the total share capital at year-end. Of the total number of shares, 84.3 per cent (82.8) was held by Swedish shareholders.

## Earnings

Net profit for the year amounted to SEK –476 million (1,226), corresponding to SEK –2.92 per share (7.36). This deterioration is above all due to the negative changes in value of properties and financial instruments totalling SEK 915 million (1,160). Profit, excluding changes in value and tax, the profit from property management, decreased to SEK 355 million (386).

## Parent Company

The parent company, Klöver AB (reg. no. 556482-5833) consists of common functions for the Group and ownership of the Group's subsidiaries. Net profit in the Parent Company was SEK -53 million (391). The Parent Company has received group contributions of SEK 174 million (168) from subsidiaries in the Group. The Parent Company's liquid funds amounted to SEK 13 million on 31 December 2008, compared with SEK 14 million at the beginning of the year.

## Cash flow and financial position

The cash flow for the year was SEK -20 million (-8). The equity ratio was 32.3 per cent at the year-end, compared with 37.4 per cent at the beginning of the year. Shareholders' equity decreased to SEK 4,035 million, compared with SEK 4,867 million at the beginning of the year. Liquid funds amounted to SEK 67 million (87) and interest-bearing liabilities were SEK 7,645 million (7,007). Financial risks are described in the section Risk and sensitivity on pages 44-47 and in Note 23.

## Corporate governance

Corporate governance defines 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 information provided to owners and the capital market must be good. The design of corporate governance depends on legislation, Nasdaq OMX Stockholm's regulations, self-regulation in accordance with the Swedish Code of Corporate Governance and other external and internal steering documents.

Klövern's corporate governance is described in the Corporate governance report on pages 82-89.

## The Board of Directors

According to the articles of association, the board of directors of Klöver shall consist of at least four and at most eight members. At the Annual General Meeting in 2008, board members Stefan Dahlbo (Chairman), Gustaf Hermelin (CEO, Klöver), Lars Holmgren, Anna-Greta Lundh, Lars Rosvall and Fredrik Svensson were re-elected. Helen Olausson replaced Johan Piehl who declined re-election. Caesar Åfors, Klöver's CFO and Vice-President acts as secretary at Klöver's board meetings.

## Remuneration to senior executives

The board of directors presents proposals in the Notice of the Annual General Meeting on the principles for remuneration of the CEO and the executive management, which are then decided upon by the meeting.

The following guidelines are proposed to the Annual General Meeting:

The basic salary is to be at the market level and competitive, taking into account the areas of responsibility and experience of the individual. The basic salary is reviewed every year. The CEO's variable 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 CEO may amount to the equivalent of at most six monthly basic salaries. The pension premium for the CEO is 35 per cent of the basic salary and the retirement age is 65. The period of notice for the CEO is 12 months if notice is given by the company and six months if given by the CEO. No severance pay is payable.

The maximum bonus for other senior executives may amount to at most six months' basic salary per year. The pension premium may be at most 35 per cent of the basic salary and the retirement age is 65. The period of notice for other senior executives is 12 months if notice is given by the company and six months if given by the employee. No severance pay is payable.

Benefits in addition to salary and pension for all members of the executive management are health insurance and a subsistence benefit, as well as a share in Klöver's profit-sharing foundation. Members of the executive management are entitled to a company car benefit if this is stated in the respective contract of employment. The Board has the right to depart from these principles if there is reason for so doing in a particular case.

The executive management consists of the CEO and other members of the executive management group. At present, the executive management consists of Gustaf Hermelin, CEO, Britt-Marie Einar, Finance and Information Manager, Thomas Nilsson, IT and Real Estate Manager and Vice-President, Mattias Rickardsson, Transaction and Analysis Manager, P.G. Sabel, Unit Manager of Kista and Täby, and Caesar Åfors, CFO and Vice President.

Information about the Board and its work and remuneration issues may be found in the Corporate governance report on pages 82-89 and in Note 3.

## Tax

Besides the established loss carry forward in Klöver, the company made a loss in its previous business activity as an IT company of around SEK 5,000 million. At the end of 2003, Klöver requested that tax assessment for the same year should be reconsidered. The intention was to have considered whether Klöver was entitled to this tax loss carry forward as well.

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 in February 2008.

Klöver 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.

The effects of any new loss carryforwards and tax surcharges have not been entered in the accounts.

More information about Klöver's tax situation can be found in the section on Risk and sensitivity on pages 44–47 and in Note 8.

## Environment

Klöver's environmental policy is a living document that is continuously evaluated and developed. The policy also includes an action plan which concretizes how the policy is to be achieved and the goals that Klöver works towards.

Klöver does not engage in any activity that requires an environmental licence.

A more detailed section on the environment and sustainability is contained on pages 6–10 and in the section on Risk and sensitivity on pages 44–47.

## Risks

There is always an exposure to risk in the operations of a real estate company. Good internal control and external checks by auditors, administrative systems and policies that are appropriate for their purpose, competence development and access to reliable valuation models are methods to manage and reduce the risks. Klöver works continuously to monitor the company's administrative security and control.

A description of risk-taking is contained in the section on Risk and sensitivity on pages 44–47.

## Dividend

According to Klöver's dividend policy, at least 50 per cent of profit from property management is to be distributed in the long term to shareholders. 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 financial year 2008, the Board of Directors proposes a dividend of SEK 1.00 per share (1.50), corresponding to SEK 161 million (248).

## Proposed allocation of earnings

The Board of Directors proposes that the earnings at the disposal of the Annual General Meeting be appropriated as follows:

Amount brought forward	SEK	565,786,812
Net profit for the year	SEK	–52,947,617
Total	SEK	512,839,195
Dividends to shareholders	SEK	–160,802,863
To be carried forward	SEK	352,036,332

## Outlook for 2009

The sharp deceleration of the Swedish economy together with the ongoing financial crisis are making great demands on Klöver and its personnel during 2009. A dedicated organisation which is well established at our locations provides, however, great opportunities to meet customers' changed needs. Low interest rates, a high occupancy rate and great potential in vacant space provide good prospects for an improvement in the result in 2009.

The forecast for 2009 is that profit from property management will clearly exceed the result for 2008 of SEK 355 million.

## Events after the balance sheet date

During January 2009, two properties in Kista and Borås have been acquired. The total price was SEK 116 million. The property in Kista consists of 7,100 sq.m., mainly offices, and is centrally located at what will be Jan Stenbecks square.

During February, Klöver has hedged interest on parts of the debt portfolio by entering into interest swap agreements for SEK 2.8 billion. The swaps run to 2015, 2016 and 2017.

## Statement by the Board on the Proposed allocation of earnings

### *The Board's proposal*

In the proposed allocation of profits for the 2008 financial year, the Board of Directors proposes to the shareholders at the Annual General Meeting on 30 March 2009 that a dividend of SEK 1.00 per share be paid, which entails a total dividend of SEK 161 million. In addition, the Board proposes that the shareholders at the Annual General Meeting authorize the Board to set the record date at 2 April 2009 with 7 April 2009 as payment day.

The following earnings are available for disposition:

Amount brought forward	SEK 565,786,812
Net profit for the year	SEK -52,947,617
Total	SEK 512,839,195

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

Dividends to the shareholders	
SEK 1.00 per share, total	SEK 160,802,863
To be carried forward	SEK 352,036,332
Total	SEK 512,839,195

### *Klövern AB's financial position*

Klövern's financial goals are:

- Return on equity is to be at least equal 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 for the equity ratio and the interest coverage ratio were achieved in 2008, although not for the return on equity.

According to the annual report, Klöverns equity ratio was 32 per cent in the Group and 75 per cent in the Parent Company. After the proposed dividend, the equity ratio will be 31 per cent in the Group and 71 per cent in the Parent Company. The proposed dividend constitutes 4.0 per cent of shareholders' equity in the Group and 5.2 per cent of the equity in the Parent Company. Klöverns goal for the equity ratio is achieved even after the proposed dividend.

### *Motivation by the Board of Directors*

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

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

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

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

Nyköping, 27 February 2009

Klövern AB (publ)

Company registration no. 556482-5833

## Consolidated Statement of Income

Amount in SEK thousand	Note	2008	2007
Rental income	2,4,24	1,178,255	1,123,719
Other income	2	42,227	83,328
Property costs	3,4,6	-462,314	-445,980
<b>Operating surplus</b>		<b>758,168</b>	<b>761,067</b>
Central administration	3,5,6	-56,965	-65,098
Financial income	7	5,384	3,538
Financial expenses	7	-351,723	-313,959
<b>Profit from property management</b>		<b>354,864</b>	<b>385,548</b>
Changes in value, properties	10	-759,555	1,106,453
Changes in value, financial instruments	23	-155,180	53,325
Changes in value, securities	23	-	22
<b>Profit before tax</b>		<b>-559,871</b>	<b>1,545,348</b>
Current tax		-202	-197
Deferred tax	8	84,283	-319,300
<b>NET PROFIT FOR THE YEAR</b>		<b>-475,790</b>	<b>1,225,851</b>
Attributable to:			
Parent company shareholders	17	-475,790	1,225,851
Minority interest		-	-
		<b>-475,790</b>	<b>1,225,851</b>
Earnings per share before and after dilution (SEK)	17	-2.92	7.36
Dividend per share (SEK)		1.00*	1.50

\*Proposed dividend

## Consolidated Balance Sheet

Amount in SEK thousand	Note	31.12.2008	31.12.2007
<b>ASSETS</b>			
<b>Non-current assets</b>			
Machinery and equipment	9	11,768	13,276
Investment properties	10	11,894,878	12,154,044
Derivatives	23	–	96,217
Deferred tax asset	8	407,000	474,000
<b>Total non-current assets</b>		<b>12,313,646</b>	<b>12,737,537</b>
<b>Current assets</b>			
Accounts receivable	13	26,811	36,076
Prepaid expenses and accrued income	14	26,960	26,968
Other receivables	12	62,574	121,231
Liquid funds	15	67,137	87,100
<b>Total current assets</b>		<b>183,482</b>	<b>271,375</b>
<b>TOTAL ASSETS</b>		<b>12,497,128</b>	<b>13,008,912</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	832,721	832,721
Other capital contributed		1,715,219	1,715,219
Retained profits including net profit for the year		1,487,261	2,319,479
<b>Shareholders' equity attributable to the parent company's shareholders</b>		<b>4,035,201</b>	<b>4,867,419</b>
<b>Long-term liabilities</b>			
Long-term interest-bearing liabilities	18	7,608,746	6,958,181
Deferred tax liability	8	309,017	460,300
Derivatives	23	62,102	–
Other provisions	20	–	4,248
<b>Total long-term liabilities</b>		<b>7,979,865</b>	<b>7,422,729</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	18	35,871	48,747
Accounts payable		131,940	155,775
Income tax liability		14,876	36,220
Other liabilities	21	17,272	200,006
Accrued expenses and prepaid income	22	282,103	278,016
<b>Total current liabilities</b>		<b>482,062</b>	<b>718,764</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>12,497,128</b>	<b>13,008,912</b>

See Note 25 for information about the Group's pledged assets and contingencies.

## Change in Group's Shareholders' Equity

Shareholders' equity attributable to the Parent Company's shareholders.

Amount in SEK thousand	Share capital	Other capital contributed	Retained earnings including net profit for the year	Total shareholders' equity
<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>
Net profit for the year	–	–	1,225,851	1,225,851
<b>Total changes in assets, excluding transactions with the company's owners</b>	<b>–</b>	<b>–</b>	<b>1,225,851</b>	<b>1,225,851</b>
Dividend	–	–	–208,180	–208,180
Repurchase of own shares	–	–	–18,491	–18,491
<b>Total transactions with the company's owners</b>	<b>–</b>	<b>–</b>	<b>–226,671</b>	<b>–226,671</b>
<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>
Net profit for the year	–	–	–475,790	–475,790
<b>Total changes in assets, excluding transactions with the company's owners</b>	<b>–</b>	<b>–</b>	<b>–475,790</b>	<b>–475,790</b>
Dividend	–	–	–247,667	–247,667
Repurchase of own shares	–	–	–108,761	–108,761
<b>Total transactions with the company's owners</b>	<b>–</b>	<b>–</b>	<b>–356,428</b>	<b>–356,428</b>
<b>Shareholders' equity 31.12.2008</b>	<b>832,721</b>	<b>1,715,219</b>	<b>1,487,261</b>	<b>4,035,201</b>

## Consolidated Statement of Cash flow

Amount in SEK thousand	Note	2008	2007
<b>Current operations</b>			
Profit before tax		-559,871	1,545,348
Adjustment for items not included in the cash flow	28	956,877	-1,156,601
Income tax paid		-15,859	-300
<b>Cash flow from operations before changes in working capital</b>		<b>381,147</b>	<b>388,447</b>
Change in operating receivables		67,930	-35,694
Change in operating liabilities		-208,169	295,063
<b>Total change in working capital</b>		<b>-140,239</b>	<b>259,369</b>
<b>Cash flow from current operations</b>		<b>240,908</b>	<b>647,816</b>
<b>Investment operations</b>			
Disposal of properties	10	290,654	1,225,073
Acquisition of properties	10	-827,006	-1,571,762
Acquisition of machinery and equipment	9	-1,532	-2,464
Investment in financial assets		-	-46,871
<b>Cash flow from investment operations</b>		<b>-537,884</b>	<b>-396,024</b>
<b>Financing operations</b>			
Change in interest-bearing liabilities		637,689	129,116
Change in other long-term liabilities		-4,248	-162,579
Dividend		-247,667	-208,180
Repurchase of own shares		-108,761	-18,491
<b>Cash flow from financing operations</b>		<b>277,013</b>	<b>-260,134</b>
<b>Cash flow for the period</b>		<b>-19,963</b>	<b>-8,342</b>
<b>Liquid funds at beginning of year</b>		<b>87,100</b>	<b>95,442</b>
<b>Liquid funds at year-end</b>	15	<b>67,137</b>	<b>87,100</b>

## Parent Company Statement of Income

Amount in SEK thousand	Note	2008	2007
Net sales	2	102,247	116,572
Cost of services sold		-78,327	-74,762
<b>Gross profit</b>		<b>23,920</b>	<b>41,810</b>
Central administration	3,5,6,9	-56,965	-65,098
<b>Operating profit</b>		<b>-33,045</b>	<b>-23,288</b>
Result from other securities		525	225,846
Interest income	7	880	1,329
Interest expense	7	-2,933	-894
<b>Profit before tax</b>		<b>-34,573</b>	<b>202,993</b>
Tax attributable to group contribution	8	48,626	46,900
Deferred tax	8	-67,000	141,000
<b>NET PROFIT FOR THE YEAR</b>		<b>-52,947</b>	<b>390,893</b>

## Parent Company Balance Sheet

Amount in SEK thousand	Note	31.12.2008	31.12.2007
<b>ASSETS</b>			
<b>Non-current assets</b>			
Machinery and equipment	9	3,522	4,563
Participation rights in group companies	27	319,943	319,943
Receivables from group companies	11	2,761,889	3,004,917
Deferred tax asset	8	407,000	474,000
<b>Total financial assets</b>		<b>3,488,832</b>	<b>3,798,860</b>
<b>Total non-current assets</b>		<b>3,492,354</b>	<b>3,803,423</b>
<b>Current assets</b>			
Accounts receivable	13	10	435
Receivables from group companies	11	578,953	320,048
Prepaid expenses and accrued income	14	5,523	5,777
Other receivables	12	3,054	1,825
Cash and bank	15	13,111	13,926
<b>Total current assets</b>		<b>600,651</b>	<b>342,011</b>
<b>TOTAL ASSETS</b>		<b>4,093,005</b>	<b>4,145,434</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	832,721	832,721
Statutory reserve		1,740,250	1,740,250
Retained earnings		565,786	406,284
Net profit for the year		-52,947	390,893
<b>Total shareholders' equity</b>		<b>3,085,810</b>	<b>3,370,148</b>
<b>Provisions</b>			
Other provisions	20	-	4,248
<b>Total provisions</b>		<b>-</b>	<b>4,248</b>
<b>Long-term liabilities</b>			
Liabilities to group companies	19	618,101	388,101
<b>Total long-term liabilities</b>		<b>618,101</b>	<b>388,101</b>
<b>Current liabilities</b>			
Accounts payable	19	7,228	15,993
Liabilities to group companies		354,429	335,385
Other liabilities	21	15,692	11,878
Accrued expenses and prepaid income	22	11,745	19,681
<b>Total current liabilities</b>		<b>389,094</b>	<b>382,937</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>4,093,005</b>	<b>4,145,434</b>

See Note 25 for information about the Parent Company's pledged assets and contingencies.

## Change in Parent Company's Shareholders' Equity

Shareholders' equity attributable to the Parent Company's shareholders.

Amount in SEK thousand	Share capital	Statutory reserve	Retained earnings including net profit for the year	Total shareholders' equity
<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>
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>Total change in assets, excluding transactions with the company's owners</b>	<b>–</b>	<b>–</b>	<b>511,493</b>	<b>511,493</b>
Dividend	–	–	–208,180	–208,180
Repurchase of own shares	–	–	–18,491	–18,491
<b>Total transactions with the company's owners</b>	<b>–</b>	<b>–</b>	<b>–226,671</b>	<b>–226,671</b>
<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>
Group contribution received	–	–	173,663	173,663
Tax on group contribution received	–	–	–48,626	–48,626
Net profit for the year	–	–	–52,947	–52,947
<b>Total change in assets, excluding transactions with the company's owners</b>	<b>–</b>	<b>–</b>	<b>72,090</b>	<b>72,090</b>
Dividend	–	–	–247,667	–247,667
Repurchase of own shares	–	–	–108,761	–108,761
<b>Total transactions with the company's owners</b>	<b>–</b>	<b>–</b>	<b>–356,428</b>	<b>–356,428</b>
<b>Shareholders' equity 31.12.2008</b>	<b>832,721</b>	<b>1,740,250</b>	<b>512,839</b>	<b>3,085,810</b>

## Parent Company Statement of Cash flow

Amount in SEK thousand	Note	2008	2007
<b>Current operations</b>			
Profit before tax		-34,573	202,993
Adjustment for items not included in the cash flow	28	174,973	168,891
Income tax paid		-	-
<b>Cash flow from operations before changes in working capital</b>		<b>140,400</b>	<b>371,884</b>
Change in operating receivables		-259,455	152,115
Change in operating liabilities		6,157	-103,715
<b>Total change in working capital</b>		<b>-253,298</b>	<b>48,400</b>
<b>Cash flow from current operations</b>		<b>-112,898</b>	<b>420,284</b>
<b>Investment operations</b>			
Acquisition of machinery and equipment	9	-269	-2,348
Investment in financial assets	28	-	-399,620
Reduction of financial assets	28	243,028	-
<b>Cash flow from investment operations</b>		<b>242,759</b>	<b>-401,968</b>
<b>Financing operations</b>			
Dividend		-247,667	-208,180
Repurchase of own shares		-108,761	-18,491
Change in long-term liabilities		225,752	213,231
<b>Cash flow from financing operations</b>		<b>-130,676</b>	<b>-13,440</b>
<b>Cash flow for the period</b>		<b>-815</b>	<b>4,876</b>
<b>Liquid funds at beginning of year</b>		<b>13,926</b>	<b>9,050</b>
<b>Liquid funds at year-end</b>	15	<b>13,111</b>	<b>13,926</b>

# Notes

Amount in SEK thousand unless otherwise stated

## NOTE 1 Accounting policies

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

The consolidated accounts for 2008 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 27 February 2009. The Group's statement of income and balance sheet and the Parent Company's statement of income and balance sheet will be presented for adoption by the Annual General Meeting on 30 March 2009.

### 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 Reporting Board's recommendation RFR 1 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 to 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 statement of 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 to standards and interpretation statements come into effect before from and including the financial year starting 1 January 2009 or later. The following new standards have been adopted when preparing the financial statements for 2008.

Klövern has chosen to apply IAS 23 Borrowing Costs in advance, according to which borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets shall be capitalized (a qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale).

IFRS 8, Operating Segments, defines operating segments and specifies the information to be disclosed about these segments in the financial reports. Klöverns has decided to apply this standard, which comes into effect on 1 January 2009, in advance.

The following standards, which come into effect on 1 January 2009 and later have not been applied when preparing these financial reports.

IAS 1 Presentation of Financial Statements has been amended and comes into effect on 1 January 2009. This mainly entails changes in forms of presentation and the titles of the financial reports, which will affect the financial reports in the future.

IFRS 3 Business Combinations has been amended and will be applied to financial years beginning from 1 July 2009 or later. It may affect Klöverns future acquisitions of companies since the definition of business has now been expanded. Furthermore, transaction costs are to be expensed and the fair value of a supplementary purchase price established at the time of acquisition.

The amendments to IAS 27 Consolidated and Separate Financial Statements are intended to indicate how minority shares of losses are to be reported. According to these amendments, the result attributable to minorities is always to be reported. Accordingly, the share of the minority is to be reported in full even if there is no agreement that entails that the minority covers its share of negative equity. This change comes into effect on 1 July 2009. Since Klöverns does not have any minority owners, the company is not affected.

### Classification and related matters

Non-current 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 2008 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 statement of income 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.

##### **Other income**

Other income consists of income from early termination of leases, which is recognised as income at the time that the payment is received 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 may 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. The realised change in value of properties sold is based on the difference between the fair value of the properties in the most recent financial statements and the price that the property has been sold for. Worked-up unrealised changes in value from previous years are included in the properties' fair value and are therefore not visible in the realised change in value.

#### **Reporting of segments**

Klövern applies IFRS 8, Operating Segments. An operating segment is part of a Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available.

The operations of the Group are divided into operating segments that are followed up by the executive management, which are ten geographical locations. Each segment has a manager who is responsible for the day-to-day operations and who make regular reports to the executive management. The executive management follow up the operating profit and the value of the properties on the assets side. Financing takes place centrally and is not divided up by segment.

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

##### **Property costs**

Consist of costs for operation, caretaking, letting, administration and maintenance of the property portfolio.

##### **Central administration**

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

#### **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.

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

#### **Taxes**

Income taxes comprise current taxes and deferred taxes. Taxes are reported in the statement of income 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 cancelled in the foreseeable future. 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.

#### **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 statement of income excluding transaction expenses. Reporting hereafter takes place depending how they have been classified below.

The category financial assets consists of three sub-categories: financial assets valued at fair value via the statement of income 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 set off and reported at a net amount in the balance sheet only when there is a legal right to set off 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 them. 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 impairment.

Derivative instruments are valued in the consolidated accounts at their fair value with changes in value reported in the statement of income. 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 and are reported as other receivables.

#### 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. Impairment of the account receivable takes place when there is a risk of the whole or part of the claim not being received. The expected duration of the account receivable is short, so that the value is reported at the nominal amount without discounting. Impairment 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.

#### Property, plant and equipment

##### Assets owned

Property, plant and equipment is reported in the Group at acquisition value after deduction for accumulated depreciation and any impairment. 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.

#### Leasing

Leasing is classified as either financial or operational leasing. Lease contracts where all significant risks and benefits associated with ownership pass to the licensor are classified as operational lease contracts. Tenancy contracts pertaining to investment properties are to be treated as operational lease contracts. There is also a smaller number of lease contracts where Klöver is the licensee and these lease contracts are also classified as operational lease contracts, which means that the leasing fee is expensed over the term of the lease starting from taking 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.

#### Management properties

Management properties are properties held with a view to obtaining rental income or an increase in value or a combination of these purposes. Initially, the management property is entered in the balance sheet at its fair value, which includes expenses directly attributable to the acquisition.

Management properties are reported in consolidated balance sheet at their fair value, see Note 10. Every quarter, Klöver values 100 per cent of the property portfolio, 25 per cent externally and the rest internally. This means that every property in the portfolio is valued externally during a rolling 12-month period. The valuation model used by both the external valuers and Klöver is yield valuation according to the cash flow model. From the outcome of the cash flow model, the fair value of the property is assessed before deduction for selling expenses. Both realised and unrealised changes in value are reported in the statement of income. Rental income and income from property sales are reported in accordance with the principles described in the section on reporting of income.

Additional expenses, which increase value, are capitalized. 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 in connection with the expense arising.

The interest expense is capitalized during the period of production in major projects (SEK 50 million and above).

#### Reporting of borrowing costs

Klöver has decided to apply IAS 23 Borrowing costs.

The Group and the Parent Company do not capitalize 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.

#### Repurchase of own shares

Acquisition of shares is reported as a deductible item from equity.

Payments for divestments of these equity instruments are reported as an increase in equity. Any transactions expenses are reported directly against equity.

### Dividends

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

### Remuneration to employees

Pensions may be classified as defined contribution or defined benefit schemes. Klöverns pensions may be regarded as defined contribution. Undertakings concerning contributions to defined contribution pension 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.

### The Parent Company's accounting policies

The Parent Company has drawn up its annual accounts according to the Annual Accounts Act (1995:1554) and the recommendation of the Swedish Financial Reporting Board RFR 2.1, Reporting of a legal entity. The statements of the Swedish Financial Reporting Board on listed companies are also applied. According to RFR 2.1, 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 policies stated below for the Parent Company have been consistently applied to all periods presented in the Parent Company's financial reports.

### Invoiced sales to subsidiaries

In the capacity of Parent Company, Klöverns 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.

### Equipment

Equipment in the Parent Company are reported at acquisition value after deduction for accumulated depreciation and any impairment 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 Swedish Financial Reporting Board (UFR 2). Group contributions are reported directly against equity at the recipient and capitalized in shares and participation rights at the donor, to the extent that impairment is not required. Group contributions are reported according to their financial implication. This means that group contributions provided and received with a view to minimizing the Group's total tax are reported directly in relation to profits brought forward after deduction for the current tax effect.

### Contingencies

The Parent Company's financial guarantee agreements consist largely of guarantees in favour of subsidiaries.

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

### NOTE 2 Distribution of income

	2008	2007
<i>Group</i>		
Rental income	1,178,255	1,123,719
Rental guarantees	37,002	50,288
Redemption of lease contracts	5,225	33,040
<b>Total other income</b>	<b>42,227</b>	<b>83,328</b>
<b>Total</b>	<b>1,220,482</b>	<b>1 207,047</b>
<i>Parent Company</i>		
Invoiced sales to subsidiaries	102,247	116,572

### NOTE 3 Employees, the Board and remuneration

#### Employees and the Board

Average number of employees	2008	Proportion, women, %	2007	Proportion, women, %
Parent Company	121	41	113	37
Subsidiaries	0	0	0	0
<b>Group total</b>	<b>121</b>	<b>41</b>	<b>113</b>	<b>37</b>

All employees are employed in Sweden.

#### Gender distribution in executive management

	2008 Proportion, women, %	2007 Proportion, women, %
<i>Parent Company</i>		
Board	29	14
Other senior executives	17	17
<i>Group total</i>		
Board	29	14
Other senior executives	17	17

The number of senior executives (including the CEO) in the Parent Company was six (6), of which one (1) woman. Gustaf Hermelin is CEO. A change of Vice-President took place in October 2007. Caesar Afors, CFO, and Thomas Nilsson, IT and Real Estate Manager, were appointed as Vice-Presidents. Other senior executives are Britt-Marie Einar, Finance and Information Manager, Mattias Rickardsson, Transaction and Analysis Manager, and P.G. Sabel, Unit Managers for Täby and Kista. Two of the senior executives took up their appointment in July 2007.

At the end of 2008, the Board of the Parent Company (including the CEO) consisted of seven (7) members, of which two (1) women. The chairman of the board is Stefan Dahlbo. Members are Gustaf Hermelin (CEO of Klöver), Lars Holmgren, Anna-Greta Lundh, Lars Rosvall and Fredrik Svensson. Helen Olausson replaced Johan Piehl, who declined re-election.

#### Sick leave in the Parent Company

	2008	2007
Total sick leave as a proportion of ordinary working hours, %	2.9	2.0
of which continuous sick leave of 60 days or more, %	35	27
Sick leave as part of every group's ordinary working hours Sick leave by sex, %:		
Men	3.6	2.3
Women	1.8	1.6
Sick leave by age category, %:		
29 years old or younger (less than 10 people)	–	–
30 to 49	2.5	2.0
50 years old or older	3.2	2.1

#### Remuneration

Principles for remuneration to the CEO and senior executives are decided upon by the Annual General Meeting. Remuneration and benefits to Vice-Presidents and other senior executives are decided upon by the CEO after consultation with the Chairman of the Board on the basis of principles adopted by the Annual General Meeting.

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 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 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 CEO has the right to a company car as well as a subsistence benefit and health insurance. While in the employment of the Company, the pension premium may amount to at most 35 per cent of the basic salary. The retirement age of the CEO is 65. The following periods of notice apply to the 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 CEO's initiative, the period of notice is six 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 salary paid to the Vice-Presidents and other senior executives is to be at a market level and competitive. The maximum annual bonus may amount to the equivalent of three months' basic salary. The pension premium for the Vice-Presidents and other senior executives amounts to 35 per cent of the basic salary during the period of employment with the company. The retirement age of the Vice-Presidents and 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 six months. Two senior executives have a right to a company car and all senior executives have a right to a subsistence benefit and health insurance.

No provision for a performance-based salary for the CEO, the Vice-Presidents or other senior executives for 2008.

There is no remuneration in the form of share-related remuneration programmes, options or other financial instruments.

	Group		Parent Company	
	2008	2007	2008	2007
<b>Salaries, remuneration and benefits</b>				
<i>Chairman of the Board</i>				
Stefan Dahlbo	250	250	250	250
<i>Other members of the board</i>				
Lars Holmgren	125	125	125	125
Anna-Greta Lundh	125	125	125	125
Helen Olausson	125	–	125	–
Johan Piehl	–	125	–	125
Lars Rosvall	125	125	125	125
Fredrik Svensson	125	125	125	125
<i>CEO</i>				
Basic salary	2,482	2,213	2,482	2,213
Variable salary	–	1,140	–	1,140
Benefits	82	58	82	58
<i>Vice-Presidents (two persons)</i>				
Basic salary	2,693	2,150	2,693	2,150
Variable salary	–	638	–	638
Benefits	119	87	119	87
<i>Other senior executives (three persons)</i>				
Basic salary	3,367	3,614	3,367	3,614
Variable salary	–	1,387	–	1,387
Benefits	129	223	129	223
<i>Other employees</i>				
Basic salary	44,577	38,262	44,577	38,262
Variable salary	253	–	253	–
Benefits	2,255	1,846	2,255	1,846
<b>Total</b>	<b>56,832</b>	<b>52,493</b>	<b>56,832</b>	<b>52,493</b>
<b>Contractual pension costs</b>				
CEO	841	780	841	780
Vice-Presidents (two persons)	922	491	922	491
Other senior executives (three persons)	1,087	1,459	1,087	1,459
Other employees	3,990	3,419	3,990	3,419
<b>Total</b>	<b>6,840</b>	<b>6,149</b>	<b>6,840</b>	<b>6,149</b>
<b>Statutory social security contributions, including wages tax</b>				
Chairman of the Board	81	81	81	81
Other members of the board	203	203	203	203
CEO	1,035	1,295	1,035	1,295
Vice-Presidents (two persons)	1,132	1,249	1,132	1,249
Other senior executives (three persons)	1,392	3,092	1,392	3,092
Other employees	16,063	13,770	16,063	13,770
<b>Total</b>	<b>19,906</b>	<b>19,690</b>	<b>19,906</b>	<b>19,690</b>
<b>Grand total</b>	<b>83,578</b>	<b>78,332</b>	<b>83,578</b>	<b>78,332</b>

#### **Profit-sharing foundation**

Klövern has a profit-sharing foundation that covers all employees. Transfers to the foundation can at most amount to one price base amount per employee based on a combination of Klövern's profit, yield requirement and dividend to shareholders. No provision for appropriation to the profit-sharing foundation was made as at 31 December 2008. During February the Board made a decision on an appropriation for 2008 of a half base amount per employee, totalling SEK 2.8 million, including wages tax, which will be charged to income in 2009. Due to a too large appropriation in 2007, a negative appropriation was reported including wages tax of SEK –1,175,000 (8,581,000).

#### **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	
	2008	2007	2008	2007
Costs for defined-contribution scheme	6,563	5,929	6,563	5,929
Excluding Fora and wages tax.				

## NOTE 4 Segment Reporting

Earnings per segment shows the operating activities for the respective location, including properties acquired and investments made during the year.

The key ratios per segment refer to the situation at the respective year-end and the figures in the two parts of the table are accordingly not wholly comparable. Earnings from properties sold during the year and items not directly attributable to normal property operations are shown under the heading Other.

Property portfolio Location	Earnings for respective year								Key ratios as at 31 December in the respective year									
	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, %		Fair value, SEKm		Required return, %		Area, 000 sq.m.		Rental value, SEKm		Occupancy rate, %	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Kista	314	288	-100	-100	214	188	68	65	3,965	4,072	6.5	5.9	245	249	353	350	95	91
Karlstad	175	113	-65	-43	110	70	63	62	1,501	1,569	7.4	6.8	207	209	193	187	95	93
Linköping	137	136	-49	-45	88	91	64	67	1,459	1,465	7.2	6.8	175	179	170	160	90	85
Västerås	130	127	-55	-45	75	82	57	64	1,270	1,307	7.3	6.8	217	214	157	149	87	92
Norrköping	85	77	-47	-42	38	35	45	45	854	855	7.3	6.9	145	147	106	97	82	78
Nyköping	94	86	-33	-32	61	54	65	63	887	907	7.7	6.8	124	126	103	100	95	94
Uppsala	73	77	-50	-49	23	28	31	36	514	466	8.8	7.5	66	66	94	93	59	63
Täby	62	57	-24	-23	38	34	62	60	528	574	7.5	6.6	67	67	69	65	95	93
Örebro	61	59	-26	-24	35	35	57	60	546	544	7.0	6.5	62	62	67	63	97	93
Borås	44	39	-18	-17	26	22	59	57	371	395	7.7	7.3	74	75	48	45	95	92
Other	45	148	5	-26	50	122	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,220</b>	<b>1,207</b>	<b>-462</b>	<b>-446</b>	<b>758</b>	<b>761</b>	<b>62</b>	<b>63</b>	<b>11,895</b>	<b>12,154</b>	<b>7.1</b>	<b>6.6</b>	<b>1,382</b>	<b>1,394</b>	<b>1,360</b>	<b>1,309</b>	<b>90</b>	<b>88</b>

## NOTE 5 Fees and reimbursement to auditors

	Group		Parent Company	
	2008	2007	2008	2007
<i>Ernst &amp; Young AB</i>				
Audit assignments	1,524	1,200	1,524	1,200
Other assignments	152	582	152	582
<b>Total</b>	<b>1,676</b>	<b>1,782</b>	<b>1,676</b>	<b>1,782</b>

## NOTE 6 Operating expenses broken down by type of cost

	2008	2007
<i>Group</i>		
<b>Property-related costs</b>		
Electricity, district cooling and heating	-150,932	-130,148
Purchased services administration and maintenance	-76,995	-79,330
Repairs and maintenance	-61,238	-67,204
Property tax and site leasehold charges	-66,559	-65,045
Personnel costs	-57,443	-49,155
Depreciation	-2,342	-2,320
Other property expenses	-46,805	-52,778
<b>Total</b>	<b>-462,314</b>	<b>-445,980</b>
<b>Central administration</b>		
Personnel costs	-28,431	-24,455
Provision, profit-sharing foundation	1,175	-8,581
Attorney fees, tax proceeding	-4,524	-3,737
IT, advertising and cost of premises	-7,127	-7,130
Auditors' fees	-1,524	-1,200
Settlement payment	-	-9,070
Depreciation	-698	-879
Other costs	-15,836	-10,046
<b>Total</b>	<b>-56,965</b>	<b>-65,098</b>

## NOTE 7 Net financial items

	2008	2007
<i>Group</i>		
Interest income, other	5,384	3,538
<b>Total</b>	<b>5,384</b>	<b>3,538</b>
<i>Parent Company</i>		
Interest income, group companies	-	-
Interest income, other	880	1,329
<b>Total</b>	<b>880</b>	<b>1,329</b>
	2008	2007
<i>Group</i>		
Interest expense, other	-339,750	-294,409
Other financial expenses	-11,973	-19,550
<b>Total</b>	<b>-351,723</b>	<b>-313,959</b>
<i>Parent Company</i>		
Interest expense, group companies	-	-
Interest expense, other	-1,727	-573
Other financial expenses	-1,206	-321
<b>Total</b>	<b>-2,933</b>	<b>-894</b>

## NOTE 8 Taxes

<b>Consolidated Statement of Income, SEK million</b>				
	2008	2008	2007	2007
	Basis, paid tax	Basis, deferred tax	Basis, paid tax	Basis, deferred tax
<b>Tax calculation for Group</b>				
Profit before tax	-560	-	1,545	-
Deductible depreciation for tax purposes				
Depreciation	-195	195	-146	146
Investments	-69	69	-56	56
Direct deductions, previous years	-	35	-	-
Changes in value of properties not subject to tax	796	-796	-864	864
Changes in value of derivatives not subject to tax	155	-155	-53	53
Tax effect of company and property sales	1	-	-368	-
Non-deductible impairment of shares in subsidiaries	-	-	80	-
Non-deductible expenses	11	-	6	-
Adjustment items in subsidiaries, net	6	-	7	-
<b>Total operating profit</b>	<b>145</b>	<b>-652</b>	<b>151</b>	<b>1,119</b>
Use of loss carry-forwards	-145	145	-150	150
Adjustment for effect of properties sold	-	27	-	-130
Adjustment for acquired temporary differences	-	158	-	-
<b>Total taxable profit</b>	<b>0</b>	<b>-322</b>	<b>1</b>	<b>1,139</b>
Of which 28% current/deferred tax		-90		319
Revaluation deferred tax to 26.3%		6		-
<b>Deferred tax</b>		<b>-84</b>		<b>319</b>
<b>Consolidated Balance Sheet, SEK million</b>				
	2008	2008	2007	2007
	Basis	Tax	Basis	Tax, 28%
<b>Deferred tax asset</b>				
At beginning of year	1,693	474	1,843	516
Change during the year	-145	-41	-150	-42
Revaluation deferred tax to 26.3%		-26		
<b>Deferred tax liability at year-end</b>	<b>1,548</b>	<b>407</b>	<b>1,693</b>	<b>474</b>
<b>Deferred tax liability <sup>1)</sup></b>				
Temporary difference properties				
At beginning of year	4,360	1,221	3,526	987
Changes during the year	-614	-172	834	234
Temporary differences at year-end	3,746	1,049	4,360	1,221
Acquired temporary differences properties <sup>2)</sup>				
At beginning of year	-2,795	-783	-2,897	-811
Change during year due to acquisitions and sales	301	84	102	28
At year-end	-2,494	-699	-2,795	-783
Temporary differences derivatives				
At beginning of year	78	22	25	7
Changes during the year	-155	-43	53	15
Temporary differences at year-end	-77	-21	78	22
Total deferred tax liability				
At beginning of year	1,643	460	654	183
Change during the year	-468	-131	989	277
Revaluation of deferred tax liability to 26.3%		-20		
<b>Total deferred tax liability at year-end</b>	<b>1,175</b>	<b>309</b>	<b>1,643</b>	<b>460</b>
<b>Parent Company</b>				
		2008		2007
Profit before tax		-35		203
Tax attributable to group contribution		49		47
Deferred tax		-67		141
<b>Net profit after tax</b>		<b>-53</b>		<b>391</b>
<b>Deferred tax assets</b>				
At beginning of year		474		333
Change during the year		-67		141
<b>At year-end</b>		<b>407</b>		<b>474</b>

1) Deferred tax liability is calculated 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

On 10 December 2008, the Swedish parliament, the Riksdag decided to reduce corporate tax from 28 to 26.3 per cent. The new tax rate is applied starting from the 2009 income year/2010 tax assessment year and will affect the valuation as at 31 December 2009 of deferred tax assets and deferred tax liabilities. Deferred tax assets and deferred tax liabilities have been revalued in the accounts for the 2008 financial year at the new tax rate. Additional information is contained in the Administration Report on page 52 and in the section on Risk and sensitivity on pages 44–47.

## NOTE 9 Machinery and equipment

	2008		2007	
	Group	Parent Company	Group	Parent Company
Accumulated acquisition cost				
Opening balance	25,915	8,405	24,366	6,086
Purchases	1,570	289	2,715	2,401
Sales and disposals	-1,758	-251	-1,166	-82
<b>Total</b>	<b>25,727</b>	<b>8,443</b>	<b>25,915</b>	<b>8,405</b>
Accumulated scheduled depreciation				
Opening balance	-12,639	-3,842	-10,355	-2,480
Sales and disposals	1,720	231	915	29
Scheduled depreciation on acquisition values for the year	-3,040	-1,310	-3,199	-1,391
<b>Total</b>	<b>-13,959</b>	<b>-4,921</b>	<b>-12,639</b>	<b>-3,842</b>
<b>Reported value at the end of period</b>	<b>11,768</b>	<b>3,522</b>	<b>13,276</b>	<b>4,563</b>

## NOTE 10 Management properties

### Valuation of property portfolio

The management properties are valued in accordance with the fair value method.

Every quarter, Klöver values 100 per cent of the property portfolio. 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. During the third quarter, an exception was made from this principle and 100 per cent of the property portfolio was externally valued. The reason for this was because of the uncertainty in the market about the fair value of the properties.

During 2008, 390 external valuations have been carried out. 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 determined 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.

Further information about valuation of the property portfolio can be found on pages 38–39 in the section on Risk and sensitivity on pages 44–47.

Sensitivity analysis, property valuation		
	Change +/-	Effect on profit, SEKm
Direct yield	0.5 % point	-779/+895
Rental income	SEK 100/sq.m.	+/-1,935
Operating costs	SEK 50/sq.m.	-/+968
Vacancy rate	1.0 % point	-/+190

### Summary

Value date	31 December 2008
Fair value	SEK 11,895 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 av restvärde assessment of residual value	Between 6.00 and 10.25 per cent
Cost of capital/discount rate	Between 6.25 and 12.25 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)

### Valuation method

Klöver 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 cost payments (including property tax, repair and maintenance of residential, and site leasehold charges) according to the cash flow method.
- = Operating surplus according to the cash flow method
- Deduction for investments
- = Property's cash flow

## Property holding and valuation at fair value per location, 31 December 2008

Location	No. of properties	Fair value, SEKm	Rental value, SEKm*	Occupancy rate, %	Lettable area, 000 sq.m.	Cost of capital for discounting of future cash flows, %	Direct yield requirement, interval %
Kista	23	3,965	353	95	245	6.25 – 9.00	6.25 – 8.00
Karlstad	47	1,501	193	95	207	7.50 – 11.25	6.50 – 10.00
Linköping	24	1,459	170	90	175	6.75 – 11.50	6.00 – 10.00
Västerås	28	1,270	157	87	217	8.00 – 10.60	6.25 – 9.00
Nyköping	29	887	103	95	124	6.75 – 11.25	6.25 – 9.75
Norrköping	14	854	106	82	145	6.50 – 12.00	6.40 – 10.00
Örebro	10	546	67	97	62	7.25 – 10.00	6.50 – 8.75
Täby	25	528	69	95	67	8.25 – 9.80	6.25 – 7.90
Uppsala	3	514	94	59	66	8.75 – 12.25	7.00 – 10.25
Borås	14	371	48	95	74	8.25 – 10.00	6.50 – 8.25
<b>Total</b>	<b>217</b>	<b>11,895</b>	<b>1,360</b>	<b>90</b>	<b>1,382</b>	<b>6.25 – 12.25</b>	<b>6.00 – 10.25</b>

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

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 operating surpluses are based on an analysis of each market and every property's future rental income, operating expenses and investments. Every lease contract at the properties has undergone an individual assessment of its market rent after the end of the lease. In the calculations, an assessed inflation trend for rents, operating and maintenance costs has been calculated at 2 per cent (The Riksbank's inflation target). The assessment of market rents, future operating costs, 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 have been determined after a review with the external valuers. The development of the yield requirements for the internal valuations thus complies with the external valuations. 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 11,895 million (12,154) as at 31 December 2008. For the full year of 2008, changes in value amounted to SEK –759 million (1,106 million). Unrealised changes in value totalled SEK –795 million (864) and realised changes in value SEK 36 million (242). Klöverns property portfolio has been valued at an average required return of 7.1 per cent (6.6) on 31 December 2008.

Group, 31 December 2008, SEKm	Properties
<b>Opening fair value</b>	<b>12,154</b>
Acquisition value of properties acquired during the year	135
Investment in properties	692
Sales income, sold properties	–327
Change in value	–759
<b>Closing fair value</b>	<b>11,895</b>
Group, 31 December 2007, SEKm	Properties,
<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>

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

Group, SEKm	2008	2007
Rental income	1,178	1,142
Direct costs for investment properties that generated rental income during the period	–462	–446
Direct costs for investment properties that did not generate rental income during the period	–	–

In 2007 and 2008 all investment properties generated rental income

#### Tax assessment values – investment properties

Group, SEKm	2008	2007
Tax assessment values, buildings	5,074	5,446
Tax assessment values, land	1,333	1,409
<b>Total tax assessment value</b>	<b>6,407</b>	<b>6,855</b>

#### Tax residual value

The tax residual value of the properties totalled SEK 8,149 (7,794) million on 31 December 2008.

#### NOTE 11 Receivables from group companies

Parent Company	2008	2007
<b>Long-term receivables</b>		
Accumulated acquisition values		
Opening balance	3,004,917	2,712,897
Change in receivables	–243,028	292,020
<b>Reported value at end of period</b>	<b>2,761,889</b>	<b>3,004,917</b>
<b>Current receivables</b>		
Accumulated acquisition values		
Opening balance	320,048	467,606
Change in receivables	258,905	–147,558
<b>Reported value at end of period</b>	<b>578,953</b>	<b>320,048</b>

#### NOTE 12 Other receivables

Group	2008	2007
Deduction taxes and charges	40,296	57,248
Receivable, seller promissory notes	20,414	55,100
Other current receivables	1,864	8,883
<b>Total</b>	<b>62,574</b>	<b>121,231</b>
<b>Parent Company</b>		
Deduction taxes and charges	2,934	1,814
Other current receivables	120	11
<b>Total</b>	<b>3,054</b>	<b>1,825</b>

#### NOTE 13 Accounts receivable

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

Accounts receivable in the Group is reported after taking into consideration customer losses arising during the year totalled SEK 5 million with a deduction of SEK 0.8 million for reversed customer losses. The actual customer losses amounted to 0.3 per cent (0.2) of sales for 2008. The Parent Company has no customer losses.

#### Accounts receivable by age

Days	2008	2007
0–29	24,410	31 295
30–89	2,411	2 667
90–	6,766	5 361
Doubtful claims	–6,776	–3 247
<b>Total</b>	<b>26,811</b>	<b>36 076</b>

#### Doubtful claims

	2008	2007
Doubtful claims at beginning of year	3,247	3,581
Provisions for anticipated customer losses	4,902	3,380
Claims collected	–726	–1,392
Established losses	–647	–2,322
<b>Doubtful claims at year-end</b>	<b>6,776</b>	<b>3,247</b>

#### NOTE 14 Prepaid expenses and accrued income

Group	2008	2007
Accrued supplier liabilities	3,660	2,181
Prepaid rent discounts	7,467	3,052
Prepaid insurance	3,366	3,425
Prepaid site leasehold charges	4,121	5,458
Prepaid project costs	–	3,039
Accrued income	3,952	5,157
Other prepaid expenses and accrued income	4,394	4,656
<b>Total</b>	<b>26,960</b>	<b>26,968</b>
<b>Parent Company</b>		
Accrued supplier liabilities	1,268	914
Prepaid insurance	3,366	3,407
Acquisitions in progress	103	200
Other prepaid expenses and accrued income	786	1,256
<b>Total</b>	<b>5,523</b>	<b>5,777</b>

#### NOTE 15 Liquid funds

Group	2008	2007
Cash and bank	67,137	87,100
<b>Total</b>	<b>67,137</b>	<b>87,100</b>
<b>Parent Company</b>		
Cash and bank	13,111	13,926
<b>Total</b>	<b>13,111</b>	<b>13,926</b>

## NOTE 16 Shareholders' equity

Return on equity amounted to -10.7 per cent in 2008. During the past five years, the average return has been 14.2 per cent, which exceeds the long-term goal to at least the risk-free interest rate plus seven percentage points.

### Change in share capital

	Date	Number of shares	Nom SEK/share	Share capital, SEK
<b>Opening balance</b>	<b>01.01.2006</b>	<b>120,364,259</b>	<b>5</b>	<b>601,821,295</b>
New issue of 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>
Repurchase of own shares		-4,965,963		
<b>Closing balance</b>	<b>31.12.2008</b>	<b>160,802,863</b>	<b>5</b>	<b>832,721,630</b>

### Dividend

The Board of Directors of Klöver AB proposes to the Annual General Meeting that a dividend of SEK 1.00 per share (1.50) shall be paid, a total of SEK 160.8 million (247.7) for the 2008 financial year.

## NOTE 17 Earnings per share

The calculation of earnings per share for 2008 has been based on the net profit for the year attributable to the Parent Company's ordinary shareholders amounting to SEK -475,790,000 (1,225,851,000) and to a weighted average of the number of outstanding shares in 2008 totalling 163,204,266 (166,372,638). There are no dilution effects relating to earnings per share for the full year 2008 or 2007. During 2008, a total of 4,965,963 shares have been repurchased at a total price of SEK 108,761,000, equivalent to SEK 21.90 per share. The components have been calculated in the following way:

<i>Net profit attributable to the Parent Company's shareholders</i>		
	2008	2007
Net profit attributable to the Parent Company's shareholders	-475,790	1,225,851
<i>Of which average number of outstanding ordinary shares</i>		
Number	2008	2007
<b>Total number of shares on 1 January</b>	<b>165,768,826</b>	<b>166,544,326</b>
Effect of repurchased shares	-4,965,963	-775,500
<b>Total number of shares, 31 December</b>	<b>160,802,863</b>	<b>165,768,826</b>
Weighted average number of ordinary shares during the year	163,204,266	166,372,638
<b>Earnings per share, SEK</b>	<b>-2,92</b>	<b>7,37</b>

## NOTE 18 Interest-bearing liabilities

<i>Group</i>		
	2008	2007
<b>Long-term liabilities</b>		
Bank loan	7,608,746	6,958,181
<b>Total</b>	<b>7,608,746</b>	<b>6,958,181</b>
<b>Current liabilities</b>		
Current portion of bank loans	35,871	48,747
<b>Total</b>	<b>35,871</b>	<b>48,747</b>
Unused overdraft facility	200,000	135,817

## NOTE 19 Liabilities to credit institutions

<i>Parent Company</i>		
	2008	2007
<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	150,000	100,000

Long-term liabilities in the Parent Company refer only to liabilities to subsidiaries, which fall due for payment in more than five years' time,

## NOTE 20 Other provisions

<i>Group</i>		
	2008	2007
<b>Other provisions which are long-term liabilities</b>		
Reported value at beginning of period	4,248	6,826
Transferred to current liability	-4,248	-
Amount taken into use during the period	-	-2,578
<b>Reported value at end of period</b>	<b>-</b>	<b>4,248</b>

<i>Parent Company</i>		
	2008	2007
<b>Other provisions</b>		
Reported value at beginning of period	4,248	6,826
Transferred to current liability	-4,248	-
Amount taken into use during the period	-	-2,578
<b>Reported value at end of period</b>	<b>-</b>	<b>4,248</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 during December 2008, a settlement has been reached of the remaining dispute relating to the compulsory redemption process of shares in the previous subsidiary Adcore Stockholm AB.

## NOTE 21 Other liabilities

	2008	2007
<i>The Group</i>		
Personnel's withholding tax and social security contributions	2,934	2,926
Debt to part-owner of property	–	6,059
Debt to previous property owner	353	160,450
Debt to purchaser	6,219	29,368
Compulsory redemption Adcore Stockholm	7,766	–
Other items	–	1,203
<b>Total</b>	<b>17,272</b>	<b>200,006</b>
<i>Parent Company</i>		
Personnel's withholding tax and social security contributions	2,934	2,926
Value-added tax	–	4,244
Compulsory redemption Adcore Stockholm	7,766	–
Other items	4,992	4,708
<b>Total</b>	<b>15,692</b>	<b>11,878</b>

## NOTE 22 Accrued expenses and prepaid income

	2008	2007
<i>Group</i>		
Invoiced rents for the first quarter 2009/2008	205,657	199,679
Accrued properties expense	18,700	20,710
Accrued interest expense	34,746	14,451
Accrued personnel costs	7,411	18,158
Other items	15,589	25,018
<b>Summa</b>	<b>282,103</b>	<b>278,016</b>
<i>Parent Company</i>		
Accrued personnel costs	7,411	9,577
Accrued costs, profit sharing foundation	–	8,581
Other items	4,334	1,523
<b>Total</b>	<b>11,745</b>	<b>19,681</b>

## NOTE 23 Financial risks and financial policy

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 formulated and decided upon by the Board. The financial policy creates a framework of guidelines and rules in the form of risk mandates and limits for financial activities.

Responsibility for the Group's financial transactions and financial risks 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 CEO, the financial manager and the CFO.

*Additional information is contained in the section on Financing on pages 40–41 and in Risk and sensitivity on pages 44–47.*

## Liquidity and financing risk

Liquidity risk 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 four quarters where all items affecting cash flows are analysed in aggregate form. The liquidity forecast is intended to verify the need of capital.

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 tied-up capital for the loan stock and the size of unutilised loan facilities and investments. According to the finance policy, the average remaining maturity, the period of capital being tied up, on the loan stock is to be three years, and at most 35 per cent of the loan stock is to fall due within one and the same year. Moreover, investments and confirmed credit facilities shall be kept within an average size that corresponds to the due date of the tied-up capital during a quarter.

As at 31 December 2008, the average remaining maturity of the loan stock was 2.6 years (3.7). The goal has not been achieved since the turbulence in the credit market meant that an extension would have made Klöver's borrowing cost significantly more expensive. However, the goal remains in effect. At the same time, liquid assets were available totalling SEK 67 million (87) and confirmed, but not utilized, loan facilities of SEK 320 million (888). There were moreover unutilized loan undertakings of SEK 417 million (302) which can be used for new acquisitions or investments after providing collateral for mortgages up to 75 per cent of the property value. The unused overdraft facility amounted to SEK 200 million.

## Structure of capital maturity

Maturity year	Credit agreement, SEKm	Utilized, SEKm	Utilized, %
2009	697	497	71
2010	2,621	2,489	95
2011	2,553	2,298	90
2012	1,700	1,350	79
2013–	1,011	1,011	100
<b>Total</b>	<b>8,582</b>	<b>7,645</b>	<b>89</b>

## 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 7,645 million (7,007), 82 per cent (75) had variable interest and the average fixed-interest period was 1.1 years (1.4) 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.

## Interest maturity structure

Maturity year	Average interest rate, %	Interest due, SEKm	Proportion, %
Floating	4.2	6,302	82
2009	3.0	254	3
2010	3.8	32	1
2011	6.4	57	1
2012	–	–	–
2013–	4.4	1,000	13
<b>Total</b>	<b>4.2</b>	<b>7,645</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. The strike level for the interest caps may be, when raised, at most the five-year bond rate + 2.0 percentage points.

To limit the interest rate risk for the variable loans, Klöver had purchased an interest cap at year-end for a loan volume of SEK 3,829 (3,329) million compared with SEK 2,386 million (1,917) 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 2008, the change in value for the interest caps was SEK –28.7 million (9.7). The fair value amounted to SEK 4.7 million (36.7) at year-end.

#### Interest caps

Maturity year	2009		2010			2011	2012	2013
Volume, SEKm	330	400	180	419	500	1,000	500	500
Reference rate, STIBOR	3M	3M	1M	3M	3M	3M	3M	3M
Redemption rate, %	4.0	4.5	4.0	4.0	4.5	4.5	4.5	4.5

M = month

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 –66.8 million (59.6) and changes in value to SEK –126.5 million (43.6) 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. 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.

Counterpart	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 & Poor A- or Moody's 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 minimize risk. The period to maturity for caps and floors may be at most ten years.

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 strongly 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 +0.51/-0.81 percentage points, which would have been equivalent to a change in interest expense of SEK +39/-62 million. The interest coverage ratio would have changed from the current 2.0 to 1.8 and 2.5 multiples respectively.

The calculations of the sensitivity analysis are based on the Group's earning capacity and balance sheet as at 31 December 2008. 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, SE
Economic occupancy ratio	+/- 1 % point	+/-13.6
Rental income	+/- 1 %	+/-11.8
Property costs	+/- 1 %	-/+4.6
Klöver's average borrowing rate	+/- 1 % point	-39/+62

## Fair value of financial instruments

	2008				2007			
	Financial income	Financial expenses	Changes in value	Net financial items	Financial income	Financial expenses	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	–	–	–126,479	–126,479	–	–	43,636	43,636
Interest caps	–	–	–28,701	–28,701	–	–	9,689	9,689
<b>Total</b>	–	–	<b>–155,180</b>	<b>–155,180</b>	–	–	<b>53,325</b>	<b>53,325</b>
<b>Loan receivables and accounts receivable</b>								
Other long-term receivables	–	–	–	–	–	–	22	22
Accounts receivable	–	–	–	–	–	–	–	–
Accrued income and other receivables	494	–	–	494	623	–	–	623
Liquid funds	4,890	–	–	4,890	2,915	–	–	2,915
<b>Total</b>	<b>5,384</b>	–	–	<b>5,384</b>	<b>3,538</b>	–	<b>22</b>	<b>3,560</b>
<b>Total financial income</b>	<b>5,384</b>	–	–	<b>–149,796</b>	<b>3,538</b>	–	<b>53,347</b>	<b>56,885</b>
<b>Financial liabilities valued at accrued and acquisition value</b>								
Liabilities to credit institutions	–	–351,415	–	–351,415	–	–313,258	–	–313,258
Accounts payable	–	–81	–	–81	–	–101	–	–101
Accrued expenses and other liabilities	–	–227	–	–227	–	–600	–	–600
<b>Total financial expenses</b>	–	<b>–351,723</b>	–	<b>–351,723</b>	–	<b>–313,959</b>	–	<b>–313,959</b>

## Fair value of financial instruments

	2008				2007			
	Revalued via the statement of income	Loans and receivables	Other	Total	Revalued via the statement of income	Loans and receivables	Other	Total
Derivatives	–	–	–	–	96 217	–	–	96 217
Accounts receivable	26,811	–	–	26,811	36,076	–	–	36,076
Accrued income and prepaid expenses	–	26,960	–	26,960	–	26,968	–	26,968
Other receivables	–	22,278	40,296	62,574	–	63,983	57,248	121,231
Liquid funds	67,137	–	–	67,137	87 100	–	–	87 100
<b>Total</b>	<b>93,948</b>	<b>49,238</b>	<b>40,296</b>	<b>183,482</b>	<b>219 393</b>	<b>90,951</b>	<b>57 248</b>	<b>367 592</b>
Long-term liabilities	–	7,608,746	–	7,608,746	–	6,958,181	–	6,958,181
Derivatives	62,102	–	–	62,102	–	–	–	–
Current interest-bearing liabilities	–	35,871	–	35,871	–	48,747	–	48,747
Other liabilities	–	14,338	2,934	17,272	–	197,080	2,926	200,006
Accrued expenses and prepaid income	–	274,692	7,411	282,103	–	259,858	18,158	278,016
<b>Total</b>	<b>62,102</b>	<b>7,933,647</b>	<b>10,345</b>	<b>8,006,094</b>	–	<b>7,463,866</b>	<b>21,084</b>	<b>7,484,950</b>

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

### NOTE 24 Operational leasing

The maturity structure of the lease contracts show how large a part of the contract value falls due per year. The contract value refers to the annual value of the leasing contracts.

The most common term of new lease contracts is 3 to 5 years with a period of notice of nine months. Klöver's average lease term is 3.1 years (2.9). Changeover rents are included in the rents at SEK 3.2 million.

#### Contract due date structure

Maturity year	Area, sq.m. 000	Contract value, SEKm	Proportion of contract value, %
2009	270	294	24
2010	216	206	17
2011	220	244	20
2012	169	183	15
2013	62	62	5
2014-	196	237	19
<b>Total</b>	<b>1,133</b>	<b>1,226</b>	<b>100</b>

The Group's leased assets consist of operational leasing contracts and amount to SEK 1.6 million (1.0).

### NOTE 25 Assets pledged and contingent liabilities

Assets Pledged	Group		Parent Company	
	2008	2007	2008	2007
Property mortgages	7,885,557	7,460,040	–	–
<b>Total</b>	<b>7,885,557</b>	<b>7,460,040</b>	–	–
<i>Contingencies</i>				
Guarantees in favour of subsidiaries	–	–	6,603,450	5,908,628
Other contingencies	21,038	21,038	21,038	21,038
<b>Total</b>	<b>21,038</b>	<b>21,038</b>	<b>6,624,488</b>	<b>5,929,666</b>

## NOTE 26 Close associates

The Parent Company has a close associate relationship with its subsidiaries, see Note 27.

	Year	Services sold	Services purchased	Receivable	Liability
<i>Group</i>					
Other close associates	2008	6,145	9,552	–	3,091
Other close associates	2007	32,454	10,107	–	3,776
<i>Parent Company</i>					
Subsidiary	2008	101,332	–	3,340,844	972,529
Subsidiary	2007	116,138	–	3,324,965	723,486
Other close associates	2008	–	9,552	–	3,091
Other close associates	2007	–	10,107	–	3,776

Transactions with close associates are priced on market conditions. In conjunction with acquisition of the property in Västerås in 2004 from Arvid Svensson AB, a lease contract was included where Arvid Svensson AB is the tenant. The total annual contract value is SEK 2 million (2). During the previous 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 (4). Fredrik Svensson is CEO of Arvid Svensson AB and Anna-Greta Lundh is CEO of Länsförsäkringar Södermanland. Both are board members of Klövern.

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

## NOTE 27 Participating interests in group companies

	31.12.2008	31.12.2007
<i>Accumulated acquisition values</i>		
Opening balance	183,392	183,392
Purchase	–	200
Sales	–	–200
<b>Closing balance</b>	<b>183,392</b>	<b>183,392</b>
<i>Accumulated write-ups</i>		
Opening balance	136,551	28,951
Write-ups for the year	–	107,600
<b>Closing balance</b>	<b>136,551</b>	<b>136,551</b>
<b>Total</b>	<b>319,943</b>	<b>319,943</b>

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

<i>Subsidiary/Reg. No./Registered Office</i>	No. of share	Share in % <sup>1)</sup>	Book value
Klövern Strand AB, 556442-0098, 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 equity, which also complies with the proportion of votes for the total number of shares.

## NOTE 28 Statement of Cash flow

	Group		Parent Company	
	2008	2007	2008	2007
<i>Interest paid</i>				
Interest received	5,384	3,538	880	1,329
Interest paid	-331,698	-320,281	2,933	-894

### Cash flow from investing operations

	Group		Parent Company	
	2008	2007	2008	2007
<i>Adjustment for items not included in the cash flow</i>				
Deprecation on equipment	3,040	3,199	1,310	1,391
Group contribution	-	-	173,663	167,500
Changes in valuation	953,837	-1,159,800	-	-
<b>Total</b>	<b>956,877</b>	<b>-1,156,601</b>	<b>174,973</b>	<b>168,891</b>

	Parent Company	
	2008	2007
<i>Change in financial assets</i>		
Participation rights in group companies	-	-107,600
Receivables from group companies	243,028	-292,020
<b>Total</b>	<b>243,028</b>	<b>-399,620</b>

## NOTE 29 Events after the end of the period covered by the report

In January 2009, two properties in Kista and Borås have been taken possession of. The total price was SEK 116 million. The property in Kista consists of 7,100 sq.m., mainly consisting of offices, and is centrally located at what will be the square, Jan Stenbecks square.

During February, Klöver AB has entered into new swap agreements for SEK 2.8 billion. The swaps mature in 2015, 2016 and 2017.

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, 27 February 2009

Board of Directors of Klöver AB (Publ), reg. no. 556482-5833

*Stefan Dahlbo*  
Chairman

*Gustaf Hermelin*  
CEO

*Lars Holmgren*

*Anna-Greta Lundh*

*Helen Olausson*

*Lars Rosvall*

*Fredrik Svensson*

Our audit report was submitted on 2 March 2009

Ernst & Young AB

*Mikael Ikonen*  
Authorized public accountant

## NOTE 30 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 10.

## NOTE 31 Information about the Parent Company

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

The consolidated accounts for 2008 consist of the Parent Company and its subsidiaries, jointly referred to as the Group.

# 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 2008 financial year. The company's annual report and consolidated accounts are contained in the printed version of this document on pages 50 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, 2 March 2009

Ernst & Young AB

*Mikael Ikonen*

Authorized Public Accountant



Nyköping Furan 2 – The property was acquired in 2002 and has been successively improved over the years into modern educational premises for a Montessori school.



Nyköping Furan 2



Klövern staff member and tenant in Örebro.

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## Miscellaneous

*“Making the customer’s day easier every day.”*

# Corporate governance report

*Klövern is a public limited real estate company which shall with availability and commitment meet the customers' needs of premises and services in Swedish growth regions.*

*The Parent Company's share is listed on Nasdaq OMX Stockholm's list for medium-sized companies. The company's registered office and head office are in Nyköping.*

*The corporate governance report reports on Klöverns corporate governance in the 2008 financial year.*

*This corporate governance report has not been examined by the company's external auditors. The report is not part of the formal annual financial statements.*

## CORPORATE GOVERNANCE

Corporate governance defines the decision-making system used by the owners, directly and indirectly, to manage the company. For the system to function optimally, clear information must be provided to the shareholders and the stock market. The design of corporate governance depends on legislation, the regulatory framework of Nasdaq OMX Stockholm, self-regulation in accordance with the Swedish Code of Corporate Governance as well as external and internal guiding documents.

### Articles of Association

The articles of association adopted by the annual general meeting of shareholders is a key document for corporate governance.

The name of the parent company is Klöver AB. It is a public limited company, which is listed on Nasdaq OMX Stockholm's list for medium-sized companies. The company's business activities consist of owning and selling real estate companies, as well as compatible activities. The registered office of the company is in Nyköping in the county of Södermanland, and shareholders' meetings may be held in Nyköping or in Stockholm. The company registration number is 556482-5833. The company's financial year is the calendar year.

*Klövern's Articles of Association is available at page 104 and on Klöverns website, [www.klovern.se/About Klöver/Corporate Governance](http://www.klovern.se/About%20Klovern/Corporate%20Governance).*

### Shareholders' meeting

The shareholders' meeting is the highest decision-making body of a limited company. All shareholders, who have notified their intention to attend and who are listed in the print-out or other presentation of the share register as valid five days prior to the meeting, are entitled to participate in the annual general meeting and vote for the shares owned and represented. Shareholders also have the right to have a matter discussed at the annual general meeting provided that the matter has been notified to the Board within the time limits specified in the notice of the annual general meeting.

Klövern's Annual General Meeting for 2008 was held on 3 April at Qvarnen Konferens in Nyköping. The meeting was

attended by 53 participants, including representatives, assistants and guests. Together, these represented 59.1 per cent of the votes in the company. No extraordinary shareholders' meetings have been held during 2008.

In addition to decisions on discharge from responsibility and adoption of the annual report and other mandatory matters stipulated in the articles of association, a decision was adopted on a new authorisation for the board to acquire and transfer own shares up to 10 per cent of the number of registered shares. The meeting decided to pay a dividend of SEK 1.50 per share, which was equivalent to SEK 247,667 million.

*The full minutes of the Annual General Meeting for 2008 is available on Klöverns website, [www.klovern.se/Investor relations/Årsstämma](http://www.klovern.se/Investor%20relations/Arsstamma) (in Swedish).*

### Nominations Committee

The Nominations Committee shall be representative of the shareholders of the company and prepare the decisions at the annual general meeting. The Nominations Committee shall make proposals for the election of a chairman at the annual general meeting, on board fees and auditors, and on the number of board members. The Nominations Committee also makes proposals, including reasons, for the election of board members, including the chairman, as well as rules on the appearance of the Nominations Committee for the period until annual general meeting.

The 2008 annual general meeting decided that the Nominations Committee should be appointed annually and consist of the chairman of the board, and a representative of every shareholder whose shareholding as at 31 August 2008 exceeds five per cent of the shares and votes in the company, as well as a representative of the other shareholders. The majority of the members of the Nomination Committee shall not be directors. The CEO or other persons from Klöverns executive management may not be members of the Nominations Committee. The Nominations Committee appoints a chairman, who may not be a board member.

*Representatives of Klöverns Nominations Committee may be contacted by e-mail, [styrelsenominering@klovern.se](mailto:styrelsenominering@klovern.se) or by telephone via Klöver, +46 155-44 33 12.*

### The composition of the Nominations Committee prior to the 2009 Annual General Meeting

Name	Owner	% of votes
Stefan Dahlbo	Chairman of the Board	–
Håkan Engstam	Corem Property Group AB	10.5
Göran Almberg	Federation of Swedish Farmers*	10.3
Rickard Svensson	Arvid Svensson Invest AB	10.2
Erik Törnberg	Investment AB Öresund	7.5
Eva Gottfridsdotter-Nilsson	Länsförsäkringar Fonder*	5.6
Svante Paulsson	Other shareholders	–

\* Owner group

## THE BOARD OF DIRECTORS

The task of the Board of Directors is to manage the company's business in the interests of the company and all of its shareholders. The Board shall have a size and composition that ensures its ability to manage the company's business with integrity and efficiency.

### The composition of the Board

According to the articles of association, Klöver's Board of Directors shall consist of at least four and at most eight members. At the 2008 Annual General Meeting, directors Stefan Dahlbo (Chairman), Gustaf Hermelin (CEO of Klöver), Lars Holmgren, Anna-Greta Lundh, Lars Rosvall and Fredrik Svensson were re-elected. Helen Olausson replaced Johan Piehl, who declined re-election. Caesar Åfors, Klöver's CFO and Vice-President, acts as secretary at Klöver's Board meetings.

### The independence of the Board

According to the Swedish Code of Corporate Governance and the regulatory framework of Nasdaq OMX Stockholm, the majority of the directors elected by the Annual General Meeting shall be independent in relation to the company and the executive management\*. At least two of these shall also be independent in relation to the company's major shareholders\*\*. With the exception of Gustaf Hermelin, all directors are to be considered as independ-

ent in relation to the company and the executive management. Lars Holmgren and Fredrik Svensson are to be considered as dependent in relation to the company's major shareholders since they represent shareholders with a shareholding exceeding 10 per cent.

A person nominated as a director of the board must provide the Nominations Committee with the necessary documentation for assessment of any position of dependency in the above respects.

\* The independence of a director of the board can be called into question if the director of the board directly or indirectly has extensive commercial links or other extensive financial transactions with the company. An overall assessment is made in each individual case on the basis of the extent and type of the board member's own and the associated company's business or financial transactions. An associated company means a company where the company, directly or indirectly, has at least ten per cent of the shares or participation rights or an economic share which includes the right to receive ten per cent or more of the return or where the company has a voting share which amounts to ten per cent or more.

\*\* A major shareholder is defined as a shareholder who, directly or indirectly, controls ten per cent or more of the shares or votes in the company.

During 2008, the Board has held a total of eleven meetings including the board meeting following election. The Finance Committee has held four meetings.

#### The composition of the Board of Directors during 2008

Name	Elected/Resigned	Independent <sup>1)</sup>	Board meetings	Finance Committee
Stefan Dahlbo, chairman	2002	Yes	11	4
Gustaf Hermelin, CEO of Klöver	2003	No	11	1
Lars Holmgren	2003	No	11	3
Anna-Greta Lundh	2003	Yes	11	Not a member
Helen Olausson <sup>2)</sup>	2008	Ja <sup>3)</sup>	8	Not a member
Johan Piehl <sup>2)</sup>	2003/2008	Yes	3	Not a member
Lars Rosvall	2005	Yes	11	Not a member
Fredrik Svensson	2005	No	11	4

1) Independent according to the Swedish Code of Corporate Governance, and the regulatory framework of Nasdaq OMX Stockholm, both in relation to the company and the executive management and to major shareholders.

2) Johan Piehl declined re-election at the Annual General Meeting and was replaced by Helen Olausson.

3) Independent of November 2008.



Future Kista Gardens.

## BOARD OF DIRECTORS AND AUDITOR



Stefan Dahlbo



Gustaf Hermelin



Lars Holmgren



Anna-Greta Lundh



Helen Olausson



Lars Rosvall



Fredrik Svensson



Mikael Ikonen

### Board of Directors

#### Stefan Dahlbo

Born 1959. Independent board member. Chairman of the Board since 2002. CEO, Investment AB Öresund. *Other assignments:* Director of the Board of HQ AB and Nobia AB. *Education:* Graduate in business administration. *Shareholding in Klöver\*:* 60,000 shares, privately and via company.

#### Gustaf Hermelin

Born 1956. Director since 2003. CEO, Klöver AB. *Other assignments:* Director of the Board of Diös Fastigheter AB. *Education:* Studies in economics, Stockholm School of Economics. *Shareholding in Klöver\*:* 2,153,700 shares, privately, via family and company.

#### Lars Holmgren

Born 1952. Director since 2003. CFO, Federation of Swedish Farmers. *Other assignments:* Chairman of among others, LRF Försäkring AB and LRF Samköp AB. Director of the Board 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. CEO, Länsförsäkringar Södermanland. *Other assignments:* Director of the Board of Länskem Fastighetsförmedling, Södermanlands Nyheter and Setra Group AB. *Education:* Graduate in business administration. *Shareholding in Klöver\*:* 29,000 shares, privately.

#### Helen Olausson

Born 1968. Director since 2008. CEO, BiessieBaenie AB. *Other assignments:* Chairman of Fabös and Norrvidden Fastigheter. Director of the Board of Wihlborgs Fastigheter, Fabege and The National Land Survey (Lantmäteriet). *Education:* MSc (Engineering), MBA. *Shareholding in Klöver\*:* 0 shares.

#### Lars Rosvall

Born 1959. Independent board member. Director since 2005. Chairman, Frösundaviksparken AB. *Other assignments:* Director of the Board of Ampelia Förvaltning AB, Backahill AB, Ateneum AB, Rotaforma AB and Dagon AB. *Education:* Graduate in business administration. *Shareholding in Klöver\*:* 645,000 shares, via company.

#### Fredrik Svensson

Born 1961. Director since 2005. CEO, Arvid Svensson Invest AB (ASA). *Other assignments:* Chairman of Case Investment AB. Director of the Board of Broström AB, Balder AB, Dagon AB and United Logistics AB. *Education:* Graduate in business administration. *Shareholding in Klöver\*:* 17,016,609 shares, via company.

### Auditor

Ernst & Young AB

#### Mikael Ikonen

Born 1963. Authorized public accountant since 1996, employed in the company since 1988. Ernst & Young was elected auditor by the 2007 Annual General Meeting until and including the 2011 Annual General Meeting. *Other assignments:* Ing Real Estate Nordic Holding AB, ABB Fastighet AB, Cramo Holding AB, Unibal Rodamco AB, SFF Real Estate AB. *Shareholding in Klöver\*:* 0 shares

\* Holding as at 2 February 2009.

## Formal work plan and work of the Board of Directors during 2008

The work of the Board are held in accordance with a formal work plan of the Board of Directors which is adopted at the first ordinary board meeting after the Annual General Meeting. The formal work plan is a complement to current legislation, Nasdaq OMX Stockholm's rules, the articles of association and the Swedish Code of Corporate Governance. The formal work plan includes instructions on the frequency of meetings, the division of duties and reporting between the Board, the Chairman of the Board and the CEO.

Klövern's board has five ordinary meetings, including a statutory meeting, per calendar year. A report on the financial position, acquisition and sales, market-related matters, and organisation are on the agenda at every ordinary meeting. Other matters such as strategy and future-related matters, risk management, common policies, audit reports, the budget, the annual accounts etc. are dealt with at specific meetings.

The members of the Board receive an agenda with the necessary documentation relating to the matters on the agenda in good time before each meeting. All meetings are minuted.

The work of the Board is evaluated annually through a systematic and structured process. The intention is to develop the forms of work and efficiency of the Board. The result of the evaluation is reported to the Nominations Committee.

During 2008, there have been five ordinary meetings, one meeting following election and five extraordinary meetings ("per capsulam", decisions circulated for approval). The extraordinary meetings have concerned decisions to publish the annual report and the respective interim reports.

## The Finance Committee

Klövern has a separate finance committee, consisting of the Chairman of the Board, who also serves as chairman of the Finance Committee, and another two board members, together with the CEO, the Finance Manager and the CFO. The Finance Committee is an advisory forum on matters of strategic importance, including assessment of derivatives as well as the overall interest rate structure for the loan portfolio, within the risk mandate established by the Board.

Klövern's Board has adopted a financial policy. This policy is reviewed annually and the allocation of responsibility established for financial matters as well as the rules for reporting, follow-up and control. Matters of this kind, which are to be taken up on the Board are to be considered first in the Finance Committee. During 2008, the representatives of the board on the finance committee have been Stefan Dahlbo, Lars Holmgren and Fredrik Svensson. The committee has had four minuted meetings during 2008.

## The Chairman of the Board

The Chairman of the Board is elected at the Annual General Meeting and is responsible for leading the work of the Board, organization and efficiency as well as acting as a discussion partner and support for the CEO.

The Chairman shall also:

- be responsible for the communication between the shareholders and the Board
- ensure that the Board complies with its obligations in accordance with current legislation, other regulatory framework, steering documents and the formal work plan
- appoint a Nominations Committee, according to the instructions from the Annual General Meeting, and also take part in the same
- ensure that board members receive the requisite training and information to be able to analyse the company's financial position, strategy, planning and development.

The Chairman of the Board of Klövern, elected by the Annual General Meeting, is Stefan Dahlbo.

## EXECUTIVE MANAGEMENT

### The CEO and the Executive Management

Gustaf Hermelin is CEO in Klövern. The CEO is appointed by the Board and reports to the Board. The most important task of the CEO is to take care of the day-to-day management of the company. The instructions in the formal work order make clear which matters and which issues are to be submitted to the Board for decision and which powers the CEO has. Furthermore, the CEO produces and presents necessary information and a basis for decision-making for board meetings. Klövern's Board evaluates the work of the CEO annually.

During 2008, the executive management consisted of, in addition to the CEO, Caesar Åfors, CFO and Vice-President, Thomas Nilsson, IT and Real Estate Manager, Britt-Marie Einar, Financial and Information Manager, Mattias Rickardsson, Transaction and Analysis Manager, and P.G. Sabel, Unit Manager for Kista and Täby. Each person in the executive management has their own area of responsibility as well as responsibility for at least one location. Operational matters are reported continuously at meetings of the executive management. The executive management has held 22 minuted meetings during 2008.



Future Kista Gardens.

## EXECUTIVE MANAGEMENT



Gustaf Hermelin



Britt-Marie Einar



Thomas Nilsson



Mattias Rickardsson



PG Sabel



Caesar Åfors

### Gustaf Hermelin

Born 1956. CEO, employed since 2002.  
*Previous employments:* CEO, StrömFastigheter in Norrköping, 2001–2002, StrandFastigheter in Nyköping 1993–2002, Regional manager, Storheden/Wihlborgs 1998–2001, CEO, etc., Oskarsborg 1994–1997.  
*Education:* Studies in economics at Stockholm School of Economics.  
*Assignments:* Director of the Board of Diös Fastigheter AB.  
*Shareholding in Klöver\*:* 2,153,700 shares, privately, via family and company.

### 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.  
*Assignments:* None  
*Shareholding in Klöver\*:* 1,000 shares, privately.

### 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, CEO, Skavsta Flygplats AB 1991–1995, CEO, Nyköpings Industrihus 1982–1994.  
*Education:* BSc, Business Administration.  
*Assignments:* None.  
*Shareholding in Klöver\*:* 275,991 shares, privately and via company.

### Mattias Rickardsson

Born 1974. Transaction and Analysis Manager, employed since 2003.  
*Previous employments:* Subsidiary controller, Österströms rederi AB, 1999–2003.  
*Education:* University studies in Economics.  
*Assignments:* None.  
*Shareholding in Klöver\*:* 0.

### PG Sabel

Born 1964. Unit Manager, Kista and Täby, employed since 2007.  
*Previous employments:* Head of project development, AP Fastigheter 2000–2007, Project manager and real estate manager, Skanska Fastigheter 1991–2000.  
*Education:* M.Sc. (Engineering)  
*Assignments:* None.  
*Shareholding in Klöver\*:* 0.

### Caesar Åfors

Born 1959. Finance Manager and Vice-President, employed since 2002.  
*Previous employments:* Consultancy assignments in StrandFastigheter in Nyköping, 1999–2002, Self-employed 1997–1998, Estate agent, Areal AB 1990–1997.  
*Education:* MSc in Forestry.  
*Assignments:* Director of the Board of Länsförsäkringar Södermanland.  
*Shareholding in Klöver:* 700,000 shares, via company.

\* Holding as at 2 February 2009.

## REMUNERATION

### Guidelines for remuneration

The Board presents its proposal on principles of remuneration and other conditions of employment for the CEO and executive management in the summons to the Annual General Meeting for the approval of the meeting. The process for establishment of these principles shall be formal and transparent and specify the relationship between fixed and variable salary as well as taking into consideration the connection between performance and remuneration. The basic salary, which is to be reviewed every year, shall be at a market level and be competitive and take into consideration the areas of responsibility and experience of the employee. The whole Board, except the CEO, takes part in deliberations and decisions on matters relating to remuneration.

### Remuneration to the Board of Directors

The fee to the Board is proposed by the Nominations Committee and adopted at the Annual General Meeting.

During 2008, the Board received a fee totalling SEK 875,000 (875,000) for distribution among the members of the Board (except the CEO). The fee for the Chairman of the Board was SEK 250,000 (250,000) and to other board members SEK 125,000 (125,000) per member.

### Remuneration to the CEO

Remuneration and benefits for the CEO are decided upon by the Annual General Meeting. The basic salary is to be at a market level and competitive and reviewed every year.

The CEO's performance-based salary amounts to one per cent of the Company's profit before tax, to the extent that this amount exceeds set operational goals for the property management operations. The maximum bonus for the 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. Bonus or performance-based salary will not be paid for 2008.

In addition to salary and a pension, the CEO's benefits include health insurance, a subsistence benefit and a company car as well as a share in Klöver's profit-sharing foundation. While in the employment of the Company, the pension premium may amount to at most 35 per cent of the basic salary. The retirement age of the CEO is 65. The following periods of notice apply to the 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 CEO'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 CEO's initiative, full salary and benefits are payable during the period of notice while the employment continues. No severance pay is to be paid and there are no share-related remuneration programmes.

### Remuneration to Vice-Presidents and other senior executives

Remuneration and benefits to Vice-Presidents and other senior executives are decided upon by the CEO after consultation with the Chairman of the Board on the basis of principles adopted by the Annual General Meeting.

Salaries paid to the Vice-Presidents and other senior executives shall be at a market level and competitive. The maximum annual bonus may amount to the equivalent of six months' basic salary. No bonus or performance-based salary will be paid for 2008. The pension premium for Vice-Presidents and other senior executives amounts to 35 per cent of the basic salary during the period of employment with the company. The retirement age of Vice-Presidents and 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. No severance pay is paid and there is no share-related remuneration programme.

Benefits in addition to salary and pension for Vice-Presidents and other senior executives include health insurance and a subsistence benefit as well as a share in Klöver's profit-sharing foundation and the right to a company car if this is stipulated in the respective contract of employment.

### Remuneration to other personnel

The principle of market level, competitive salaries also applies for other personnel. All personnel are covered by contributed-based pension schemes which are wholly paid for by the company. Benefits in addition to salary and pension are health insurance and a subsistence benefit and a share in Klöver's profit-sharing foundation.

There is a collective agreement with the Swedish Building Maintenance Workers' Union. The Group had 121 staff (121) at the end of 2008. Slightly more than a fifth of the personnel work at the head office.

### Incentive Programmes

The incentive programmes that exist are long-term and are intended to promote commitment to the company and thus also increase value for the shareholders.

For 2008, the same principles apply for the incentive programmes as were adopted at the 2007 Annual General Meeting. The annual maximum bonus, in addition to the basic salary, may, for the CEO, amount to at most an amount equivalent to six monthly basic salaries. The maximum annual bonus, in addition to the basic salary, for the Vice-Presidents and other senior executives may amount to at most an amount equivalent to six monthly basic salaries. This bonus is based on outcomes in relation to goals for operating surplus, net profit and letting. The Board of Directors has the right to depart from these principles in a particular case if there are special reasons for so doing.

No bonus or performance-based salary will be paid for 2008. There are no option- or share-related remuneration programmes.

### Profit-sharing foundation

Klöver has a profit-sharing foundation which covers all employees. The amount transferred to the foundation may be at most one price base amount per employee and year (SEK 40,300) and is based on a combination of Klöver's profit, required return and dividend to shareholders. No appropriation was made to the foundation as at 31 December 2008. In February 2009, the Board decided that an allocation would be made for 2008 at a half base amount per employee, totalling SEK 2.8 million, including wages tax, which will be charged to the result for 2009. At the end of 2008, the foundation had a total of 530,000 shares in Klöver.

Cost of remuneration and benefits		
Amount in SEK thousand	2008	2007
<b>Salaries, remuneration and benefits</b>		
<i>Chairman of the Board</i>		
Stefan Dahlbo	250	250
<i>Other board members</i>		
Lars Holmgren	125	125
Anna-Greta Lundh	125	125
Helen Olausson*	125	–
Johan Piehl*	–	125
Lars Rosvall	125	125
Fredrik Svensson	125	125
<i>CEO</i>		
Basic salary	2,482	2,213
Variable salary	0	1,140
Benefits	82	58
<i>Vice-Presidents (2 persons)</i>		
Basic salary	2,693	2,150
Variable salary	0	638
Benefits	119	87
<i>Other senior executives (3 persons)</i>		
Basic salary	3,367	3,614
Variable salary	0	1,387
Benefits	129	223
<i>Other employees</i>		
Basic salary	44,577	38,262
Variable salary	253	0
Benefits	2,255	1,846
<b>Total</b>	<b>56,832</b>	<b>52,493</b>
<b>Contractual pension costs</b>		
CEO	841	780
Vice-Presidents (2 persons)	922	491
Other senior executives (3 persons)	1,087	1,459
Other employees	3,990	3,419
<b>Total</b>	<b>6,840</b>	<b>6,149</b>
<b>Statutory social security contributions, including wages tax</b>		
Chairman of the Board	81	81
Other board members	203	203
CEO	1,035	1,295
Vice-Presidents (2 persons)	1,132	1,249
Other senior executives (3 persons)	1,392	3,092
Other employees	16,063	13,770
<b>Total</b>	<b>19,906</b>	<b>19,690</b>
<b>Grand Total</b>	<b>83,578</b>	<b>78,332</b>

\* Johan Piehl declined re-election at the 2008 Annual General Meeting and was replaced by Helen Olausson

## AUDITORS

Ernst & Young was elected as the company's auditor at the 2007 Annual General Meeting for the period until the 2011 Annual General Meeting. Authorised public accountant Mikael Ikonen, has been auditor-in-charge at Klöver since 2007.

The commission includes examination of the company's accounts and annual financial statements, as well as the management of the company by the executive management and the board. The auditors shall, unless specifically decided otherwise, examine the company's corporate governance report, the Board's report in internal control and review the company's six-monthly or nine-monthly report. This examination is compiled in a report which is considered annually by the Board. The report shall state, among others, whether Klöver is organised in such a way as to enable the accounts, financial management and financial circumstances otherwise to be checked in a satisfactory way.

## Fees to auditors

Fees to auditors are set, after a proposal from the Nominations Committee, at the Annual General Meeting. The 2008 Annual General Meeting decided to pay the fee as invoiced.

Cost of fees and compensation for costs to auditors		
Amount in SEK thousand	2008	2007
<i>Ernst &amp; Young AB</i>		
Auditing assignments	1,524	1,200
Other assignments	152	582
<b>Total</b>	<b>1,676</b>	<b>1,782</b>

## SWEDISH CODE OF CORPORATE GOVERNANCE

The Swedish Code of Corporate Governance is a complement to legislation and other regulatory frameworks. The Code provides rules for good corporate governance at a higher level of ambition and endeavours to ensure that the business of the company is conducted as efficiently as possible on behalf of the shareholders. The Code is not mandatory although an explanation is required in the event of a decision to depart from it according to the principle of "comply or explain".

Klöver has decided to depart from the Code as follows, with the explanations given:

### 9.1 Remuneration Committee

There is no separate remuneration committee. Instead, the Board as a whole is responsible for the company having a formalised and transparent process to establish principles for remuneration and other conditions of employment for the CEO and the executive management.

### 10.1 Audit Committee

The Board considers that the audit is of such importance that these matters should be considered and decided upon by the Board as a whole, excluding the CEO. The auditors and the Board meet on at least two occasions to discuss audit-related matters and on at least one occasion, the Board and auditors meet without the CEO or another representative of the company being present. The company's auditors also take part at two board meetings during the year and present their findings in connection with the audit.

## INTERNAL CONTROL

Good internal control and management are of great assistance to achieve the goals relating to the result and profitability and to prevent loss of resources. Clear guidelines together with recurrent follow-up and common sense create the prerequisites for achieving common goals and confidence and trust throughout the whole organisation and among shareholders.

The processes for handling internal control and management within the company are governed, besides by laws, rules and recommendations, to a large extent by internal policies and steering documents. Steering documents as well as policies are continuously revised and evaluated as well as being regularly developed and used as a support in decision-making processes for each individual member of staff.

### Control environment

The control environment serves as the basis for internal checks and valuations in the company.

The formal decision-making procedure is based on the division of responsibility between the Board and the CEO as well as including the formal work order for the Board, the instructions for the CEO and reporting instructions. Important processes, in addition to financial reporting, such as accounting instructions, project administration and rental administration are established in separate documents, which are evaluated and developed continuously in accordance with changes in laws, recommendations and procedures. These documents provide support and guidance and include both decision-making paths and allocation of responsibility and powers.

### Risk assessment

Every organisation meets a lot of risks of external and internal origin which must be identified and evaluated to determine how risks are to be managed and faults in this management to be minimised. It is also very important that Klöver's IT environment maintains a high level of security, reliability and efficiency.

The extent and assessment of the company's risk management as a whole and financial reporting in particular is made continuously by the Board and the executive management.

### Control activities

The Finance Department and the Real Estate Department make continuous follow-ups of business activities at the result, balance and verification level, to ensure compliance with the guidelines.

A limited number of people are authorised to sign for the company and attestation rules have been drawn up. The Group's activities, financial administration and management are inspected twice a year by the company's auditors who report their observations and any comments directly to the Board. The principles for accounting, reporting and audit comments are reviewed in connection with the ordinary audit of the annual accounts.

### Information and communications

The internal communication of the executive management consists mainly of the minuted meetings of the executive management and regular conferences and meetings with those responsible for the respective geographical unit and other managers.

Relevant information, internal and external, is provided continuously to the staff concerned. The external information is taken care of in accordance with an information policy which is partly adapted to the regulatory framework of Nasdaq OMX Stockholm and the Swedish Code of Corporate Governance.

### Control and follow-up

Financial follow-up shall take place quarterly by all units and companies and at group level. The follow-up takes place in relation to the budget and forecast. The result is analysed by both the real estate department, the finance department and the person in the executive management responsible for results. Reporting is made to the CEO and the Board.

### Internal audit

Klöver has a decentralised and transparent organisation where, among other things, financial activities, economic and rental administration are taken care of by head office. Follow-up of the result and balance is made quarterly by both the separate functions and by the executive management. Based on the above, it is not considered that there is any need for internal audit.

*Additional information on risk assessment, exposure and management is contained in the section Risk and sensitivity on pages 44–47.*



Future Kista Gardens.

# Specification of properties

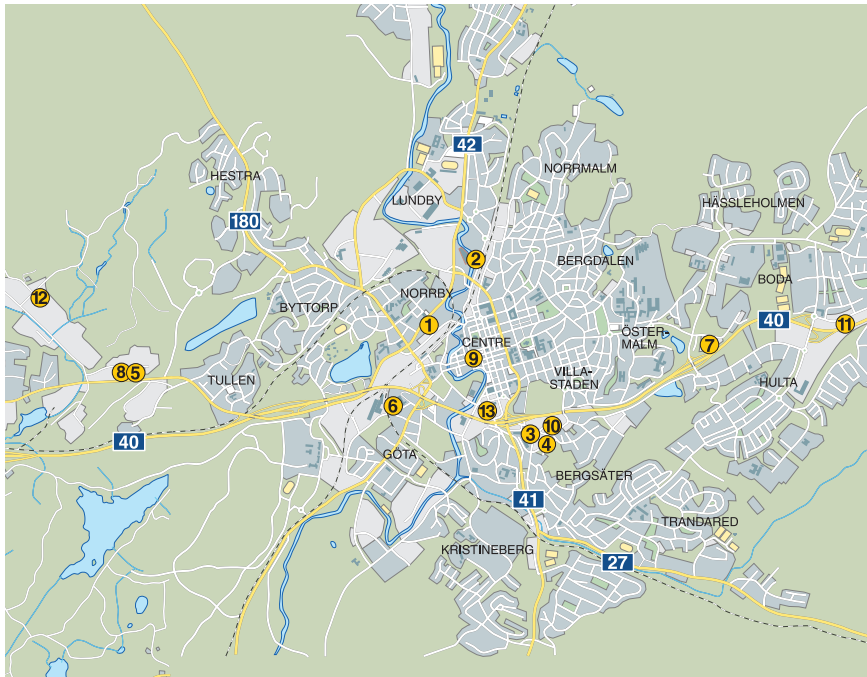
## Borås

No.	Property	Address	Municipality	Site leasehold	Building year	Type of property	sq.m.				Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
							Office	Industry/warehouse	Retail	Education/health care/other				Total
1	Gjutaren 10	Norrby Tvärg. 7, Norrby Långg. 18	Borås		1966/1966	Industry/warehouse	1,046	7,803	–	–	8,849	3.9	96	14
2	Grävlingen 5	Skaraborgsv. 21	Borås		1887/1990	Office	6,728	–	625	–	7,353	6.9	96	34
3	Katrinedal 2	Katrinedalsg. 14, Åsboholmsg. 12	Borås		1955/1988	Education/health care/other	2,089	2,313	1,556	2,619	8,577	6.0	94	32
4	Katrinehill 8	Åsboholmsg. 16	Borås		1959/1959	Office	5,209	1,241	–	–	6,450	4.4	95	17
5	Kuggen 1	Verkstadsq. 14	Borås		1992/1996	Industry/warehouse	–	1,872	–	–	1,872	1.2	100	6
–	Kyrkängen 9	Kyrkog. 2	Mark		1929/1985	Office	653	–	–	–	653	0.9	100	4
6	Laxöringen 1	Bockasjöq. 10	Borås		1943/1960	Office	1,392	1,381	–	–	2,773	1.4	78	8
7	Milen 7	Solvarvsg. 4, 6	Borås		1969/1989	Industry/warehouse	2,405	7,531	–	–	9,936	5.6	98	21
8	Muttern 2	Verkstadsq. 12	Borås		1963/1989	Industry/warehouse	442	1,842	–	–	2,284	1.4	91	6
9	Nestor 1	Lilla Broq. 17	Borås		1963/1963	Office	1,258	–	1,148	–	2,406	3.1	100	20
10	Näckrosen 3	Katrinedalsg. 1, 3, Åsboholmsg. 25	Borås		1990/1990	Office	4,026	1,242	–	–	5,268	5.1	86	26
11	Raklinjen 2	Källbäcksvägsq. 6, 8	Borås		1968/1970	Industry/warehouse	–	7,787	–	–	7,787	3.5	100	13
12	Rotorn 3	Masking. 4	Borås		1972/1975	Industry/warehouse	–	3,037	–	–	3,037	1.4	97	6
13	Uranus 16	Bryggareg. 18, 20	Borås		1949/1960	Industry/warehouse	–	4,456	–	2,734	7,190	3.0	100	12
<b>Total</b>							<b>25,248</b>	<b>40,505</b>	<b>3,329</b>	<b>5,353</b>	<b>74,435</b>	<b>47.8</b>	<b>95</b>	<b>219</b>

## Karlstad

No.	Property	Address	Municipality	Site leasehold	Building year	Type of property	sq.m.				Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
							Office	Industry/warehouse	Retail	Education/health care/other				Total
1	Barkassen 7	Lagergrens g. 2, 4	Karlstad		1990/1990	Industry/warehouse	11,834	42	486	–	12,362	15.4	88	76
2	Barkassen 9	Lagergrens g. 8	Karlstad		1991/1991	Office	7,146	–	–	10	7,156	9.1	97	45
3	Björnen 7	Järnvägsq. 7	Karlstad		1965/1965	Office	2,668	212	395	–	3,275	5.0	95	29
4	Björnen 13	Fredsg. 10	Karlstad		1906/1962	Office	3,814	3,626	–	–	7,440	6.6	90	26
5	Blästen 3	Stormg. 6	Karlstad	S	1975/1975	Industry/warehouse	525	1,622	–	–	2,147	1.2	86	4
6	Blästen 4	Stormg. 8	Karlstad	S	1975/1979	Office	2,407	–	–	–	2,407	1.8	100	6
7	Brisen 4	Sunnanvindsq. 8	Karlstad	S	1973/1978	Office	800	–	–	–	800	0.7	100	3
8	Bromsen 1	Blockg. 6	Karlstad	S	1967/1967	Retail	709	152	729	–	1,590	0.9	80	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	Retail	–	–	–	–	–	–	–	1
11	Bälgen 9	Sågverksg. 33	Karlstad	S	1959/1991	Office	2,780	–	–	–	2,780	2.1	92	3
12	Bälgen 10	Sågverksg. 35	Karlstad	S	1959/1991	Office	–	–	–	–	–	–	–	–
13	Bälgen 11	Elverumsg. 7	Karlstad	S	1959/1991	Office	–	–	–	–	–	–	–	9
14	Druvan 13	Tingvallag. 17	Karlstad		1947/1947	Retail	1,870	89	1,968	348	4,275	5.4	96	33
15	Ekorren 11	Malmtorgsg. 6	Karlstad		1929/1992	Office	4,352	380	–	3,895	8,627	9.4	98	47
16	Fjäders 14	Kolvq. 1	Karlstad	S	1966/1971	Retail	1,013	–	3,032	–	4,045	2.7	97	7
17	Fjäders 16	Bromsg. 4	Karlstad	S	1991/1991	Office	2,821	–	1,536	–	4,357	3.3	100	17
18	Freja 13	Drottningg. 6	Karlstad		1965/1972	Office	3,570	61	2,067	936	6,634	7.6	88	46
19	Gripen 11	Herrgårdsg. 20	Karlstad		1962/1986	Education/health care/other	1,508	–	162	2,628	4,298	4.9	100	24
20	Grästegen 2	Stråq. 3	Karlstad	S	1990/1990	Office	2,688	–	–	–	2,688	2.3	90	11
21	Gångjärmet 2	Blockg. 29	Karlstad	S	1964/1974	Industry/warehouse	158	2,814	–	–	2,972	2.5	100	9
22	Hamnaren 21	Gjuterig. 27, 29	Karlstad		1990/1990	Industry/warehouse	774	1,172	–	–	1,946	1.3	100	5
23	Herrhagen 1:10	Hamnpirsg. 4	Karlstad	S	1986/1987	Education/health care/other	–	475	–	1,040	1,515	1.2	100	1
24	Hybelejen 17	Verkstadsq. 20	Karlstad	S	1929/1985	Office	2,881	44	–	–	2,925	2.7	95	14
25	Kanoten 10	Lagergrens g. 7	Karlstad		1989/1989	Office	8,932	714	434	–	10,080	14.7	99	78
26	Kanoten 9	Kanikenäsbanken 12	Karlstad		1990/1990	Office	8,894	–	–	–	8,894	8.5	100	55
27	Kulingen 4	Östanvindsq. 17	Karlstad		1976/1976	Industry/warehouse	–	7,482	450	–	7,932	3.6	100	15
28	Mercurius 3	V. Torgg. 10-12	Karlstad		1929/1961	Retail	711	74	1,800	–	2,585	4.0	94	22
29	Monitorn 9	Ö. Torgg. 2	Karlstad		1993/1993	Office	3,088	–	219	–	3,307	5.1	98	27
30	Passadvinden 3	Regnvindsq. 17	Karlstad		1990/1990	Industry/warehouse	305	3,378	–	–	3,683	2.1	100	9
31	Regnvinden 1	Dagvindsq. 7	Karlstad		1981/2005	Industry/warehouse	4,021	5,948	–	–	9,969	6.9	93	28
32	Skepparen 15	Orrholmsg. 4, 6, Sjömansq. 1	Karlstad		1954/1954	Education/health care/other	3,347	–	–	18,506	21,853	22.7	97	Spec. prop.
33	Släggan 13	Sågverksg. 20	Karlstad	S	1981/1981	Industry/warehouse	475	742	640	–	1,857	1.0	91	7
34	Spärren 7	Rattg. 6	Karlstad	S	1968/1970	Office	709	692	488	–	1,889	1.6	87	6
35	Stolpen 1	Ventilg. 5	Karlstad		1964/1964	Office	4,044	–	–	285	4,329	3.8	100	8
36	Stolpen 6	Ventilg. 1	Karlstad		1991/1991	Office	410	50	175	–	635	0.7	80	2
37	Styrmannen 5	Hamntorget 1-3	Karlstad		1991/1991	Office	6,931	215	–	–	7,146	8.0	96	49
38	Sågen 1	Faktorig. 13, Industrig. 1	Karlstad	S	1986/1986	Office	3,223	–	–	–	3,223	1.8	84	9
39	Sågen 2	Faktorig. 15	Karlstad		1988/1988	Office	1,611	–	–	–	1,611	1.1	100	6
40	Sågen 7	Lantvärmsg. 12	Karlstad		1940/1975	Office	2,185	1,559	–	–	3,744	1.6	39	8
41	Sågen 9	Lantvärmsg. 8	Karlstad		1972/1972	Industry/warehouse	978	1,462	–	–	2,440	1.2	82	5
42	Sälgen 6	Älvq. 39	Karlstad		1929/1949	Office	1,574	–	–	–	1,574	2.0	100	6
43	Tornadon 2	Blekeq. 9	Karlstad	S	1975/1975	Industry/warehouse	303	12,854	–	–	13,157	7.5	91	21
44	Tvätten 3	Romstadsq. 2	Karlstad		1929/1986	Office	2,050	499	–	–	2,549	2.2	100	10
45	Tängen 15	Gjuterig. 28	Karlstad	S	1991/1991	Retail	984	–	990	–	1,974	1.4	100	6
46	Ugnen 1	Sågverksg. 32	Karlstad		1989/1989	Office	891	807	–	–	1,698	0.9	100	4
–	Uroxen 14	Kungsg. 28	Kristinehamn		1954/1954	Office	1,854	1,065	84	–	3,003	2.6	97	Spec. prop.
<b>Total</b>							<b>112,879</b>	<b>50,370</b>	<b>15,855</b>	<b>27,648</b>	<b>206,752</b>	<b>193.0</b>	<b>95</b>	<b>808</b>

## Borås



Kuggen 5, Borås

5

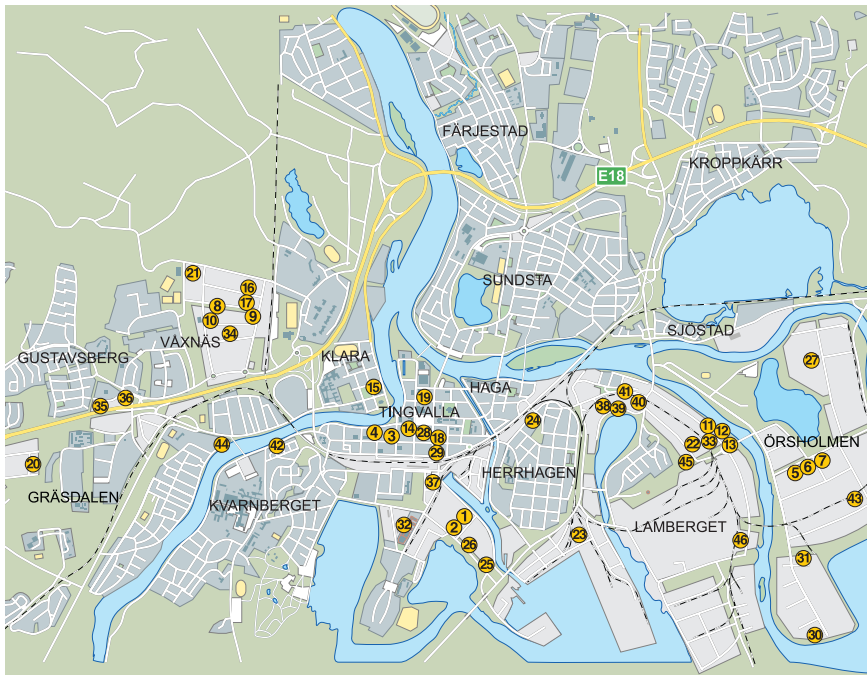


Grävlingen 5, Borås

2



## Karlstad



Freja 13, Karlstad

18



Mercurius 3, Karlstad

28



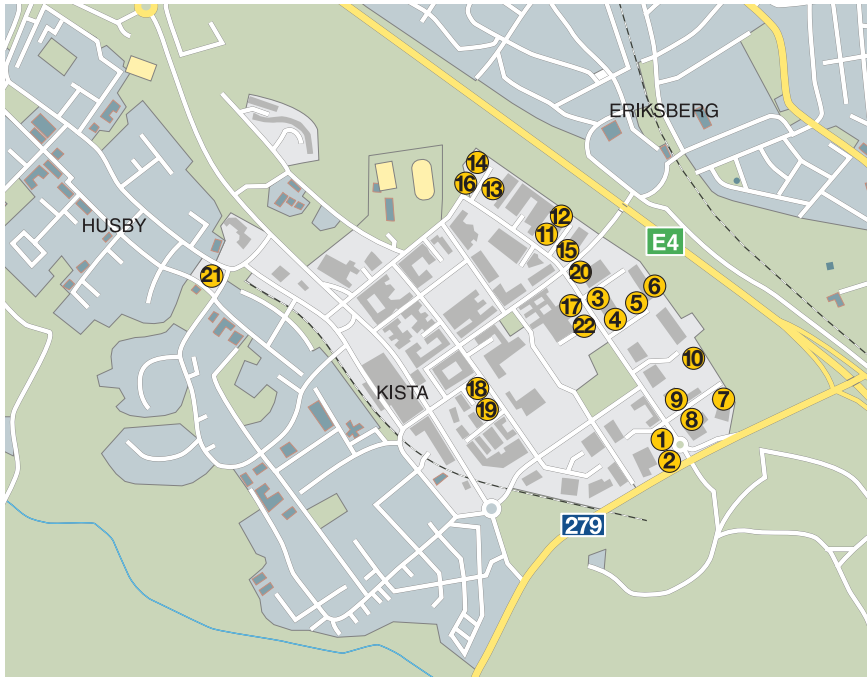
## Kista

No.	Property	Address	Municipality	Site leasehold	Building year	Type of property	sq.m.				Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
							Office	Industry/warehouse	Retail	Education/health care/other				
1	Alptanäs 2	Torshamnsg. 7, 7A, 9, Haukadalsg. 1	Stockholm	S	1981/1981	Office	3,250	–	–	–	3,250	4.5	100	16
2	Alptanäs 3	Torshamnsg. 1, 3, 5	Stockholm	S	Site	Site	–	–	–	–	–	0.5	100	1
3	Borg 1	Torshamnsg. 16	Stockholm	S	1977/1977	Office	1,411	–	–	–	1,411	2.5	100	Spec. prop.
4	Borg 2	Strömög. 3	Stockholm	S	1981/1981	Industry/warehouse	–	4,655	–	–	4,655	4.9	100	24
5	Borg 3	Strömög. 5	Stockholm	S	1978/1978	Industry/warehouse	–	1,800	–	–	1,800	2.0	100	9
6	Borg 6	Strömög. 7, Vågög. 8	Stockholm	S	1980/1980	Industry/warehouse	1,244	4,985	355	–	6,584	6.1	88	34
7	Geysir 1	Österög. 4	Stockholm	S	1979/1979	Industry/warehouse	595	4,390	–	–	4,985	5.4	100	27
8	Geysir 2	Österög. 2	Stockholm	S	1980/1980	Industry/warehouse	2,250	4,348	165	–	6,763	6.3	95	33
9	Gullfoss 3	Österög. 1, 3	Stockholm	S	1979/1983	Office	5,745	1,635	–	–	7,380	7.6	83	36
10	Cullfoss 5	Viderög. 6	Stockholm	S	1979/1979	Industry/warehouse	–	3,654	–	–	3,654	4.3	85	21
11	Helgafjäll 1	Torshamnsg. 22, 24 A–D, 26 A–B	Stockholm	S	1979/1979	Office	35,544	2,972	–	–	38,516	72.0	93	64
12	Helgafjäll 2	Torshamnsg. 28 A–B, 30 A–E, 32 A–D, 34 A–B	Stockholm	S	1981/1981	Office	–	–	–	–	–	–	–	271
13	Helgafjäll 3	Torshamnsg. 36, 38, 40	Stockholm	S	1980/1980	Industry/warehouse	3,530	10,502	–	–	14,032	25.2	100	71
14	Helgafjäll 4	Torshamnsg. 42, 44, 46	Stockholm	S	1998/1998	Office	16,778	18	–	–	16,796	31.8	100	181
15	Helgafjäll 5	Kistagången 2, 4, Torshamnsg. 20	Stockholm	S	1978/1978	Office	14,053	616	1,598	–	16,267	24.8	91	130
16	Helgafjäll 7	Torshamnsg. 48, 50, 52, 54	Stockholm		2001/2001	Office	24,414	36	–	–	24,450	43.9	100	213
17	Isafjord 1	Grönlandsgången 6, Torshamnsg. 21, 23	Stockholm		1976/1993	Office	48,700	8,422	–	–	57,122	73.4	100	466
18	Knarrarnäs 4	Färög. 3, Isafjordsg. 19, 21	Stockholm	S	1985/1985	Office	7,457	134	488	–	8,079	13.3	72	62
19	Knarrarnäs 9	Knarrarnäsg. 15	Stockholm	S	1984/1986	Office	4,793	77	–	–	4,870	9.4	87	54
20	Lidaránde 1	Torshamnsg. 18	Stockholm		1979/1979	Industry/warehouse	2,196	16,866	–	–	19,062	9.4	100	41
21	Röros 1	Norgeg. 1	Stockholm	S	1985/1985	Office	2,852	–	–	–	2,852	4.2	94	19
22	Skaftå 1	Orrholmmsg. 4, 6, Sjömansg. 1	Stockholm		1954/1954	Site	–	–	–	–	–	–	–	–
–	Slaggetlet 2	Voltav. 4	Stockholm		1929/1975	Office	1,916	168	–	–	2,084	1.9	48	12
<b>Total</b>							<b>176,728</b>	<b>65,278</b>	<b>2,606</b>	<b>–</b>	<b>244,612</b>	<b>353.4</b>	<b>95</b>	<b>1,785</b>

## Linköping

No.	Property	Address	Municipality	Site leasehold	Building year	Type of property	sq.m./				Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
							Office	Industry/warehouse	Retail	Education/health care/other				
1	Brevduvan 17	Kungsg. 20	Linköping		1918/1970	Office	7,220	126	–	257	7,603	10.0	92	62
2	Brevduvan 21	Åg. 33–37	Linköping		1991/1991	Office	8,984	300	348	–	9,632	12.3	94	115
3	Bävern 13	Hertig Karlsg. 2A–C, 4A–B	Linköping		1981/1981	Office	5,596	255	–	–	5,851	6.4	96	37
4	Dahlia 18	St Larsg. 30	Linköping		1963/1963	Retail	1,668	319	2,657	–	4,644	6.5	78	44
5	Dahlia 20	Tanneforsg. 3	Linköping		1962/1962	Retail	576	459	1,878	168	3,081	6.6	98	51
6	Dalmasen 2	Storg. 46	Linköping		1973/1973	Office	780	–	246	267	1,293	2.0	100	12
7	Decimalen 16	Repslagareg. 25, Nyg. 15	Linköping		1968/1968	Office	2,247	754	1,661	–	4,662	8.0	86	68
8	Domaren 13	Tanneforsg. 8	Linköping		1966/1971	Retail	580	424	1,853	–	2,857	7.5	99	45
9	Doppingen 15	Drottningg. 23, 25	Linköping		1965/1965	Retail	1,255	266	2,495	1,314	5,330	6.0	93	38
10	Däckeln 3	Klosterg. 35	Linköping		1977/1977	Retail	177	196	1,765	660	2,798	5.8	98	47
11	Elefanten 17	Barnhemsg. 2	Linköping		1978/1985	Office	6,098	70	–	–	6,168	9.0	99	49
12	Elektriciteten 2	Stora Torget 3	Linköping		1929/1985	Office	2,299	399	878	–	3,576	5.6	94	38
13	Fonden 1	Junkersg. 1	Linköping		1987/1987	Office	3,687	–	–	–	3,687	4.8	92	27
14	Ganymeden 7	Roxeng. 9, 11	Linköping		1963/1973	Industry/warehouse	1,666	12,314	440	505	14,925	6.1	26	33
15	Glasberget 1	Attorpsg. 5–23	Linköping		1989/1992	Office	7,228	1,110	–	1,270	9,608	8.1	92	31
16	Glasbiten 1	Attorpsg. 2	Linköping		1977/1977	Industry/warehouse	–	4,160	–	–	4,160	4.1	100	11
17	Guvernören 13	N. Oskarsg. 18	Linköping		1968/1968	Industry/warehouse	625	2,500	–	–	3,125	1.4	73	7
18	Gymnasten 2	Roxeng. 7	Linköping		1977/1977	Office	1,772	–	310	–	2,082	2.0	97	9
19	Idéskissen 1	Teknikringen 3	Linköping		1984/1984	Education/health care/other	–	–	–	4,726	4,726	5.7	100	Spec. prop.
20	Idétävlingen 4	Wallenbergsg. 4	Linköping		1990/2001	Office	20,452	1,082	670	385	22,589	25.4	85	116
21	Kättaren 7	Läskolvsg. 4	Linköping		1971/1972	Industry/warehouse	170	14,750	–	–	14,920	5.0	99	26
22	Mekanikerna 22	Gamla Tanneforsv. 17A	Linköping		1947/1998	Industry/warehouse	4,350	13,693	–	2,962	21,005	12.2	90	35
23	Navbössan 1	Läsblecksg. 7, 9	Linköping		1980/1983	Industry/warehouse	–	11,151	–	–	11,151	5.4	100	26
24	Paletten 1	Gumpekillav. 8	Linköping		1980/1980	Office	5,339	349	–	–	5,688	4.7	93	22
<b>Total</b>							<b>82,769</b>	<b>64,677</b>	<b>15,201</b>	<b>12,514</b>	<b>175,161</b>	<b>170.6</b>	<b>90</b>	<b>949</b>

## Kista



Isafjord 1, Kista

7

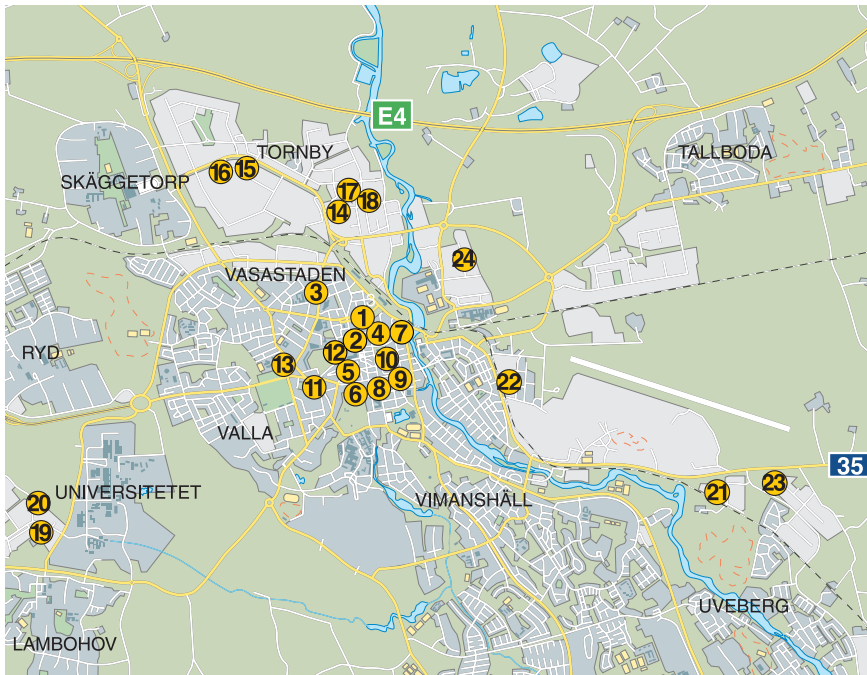


Knarrarnäs 4, Kista

18



## Linköping



Brevduvan 17, Linköping

1



Elefanten 17, Linköping

11



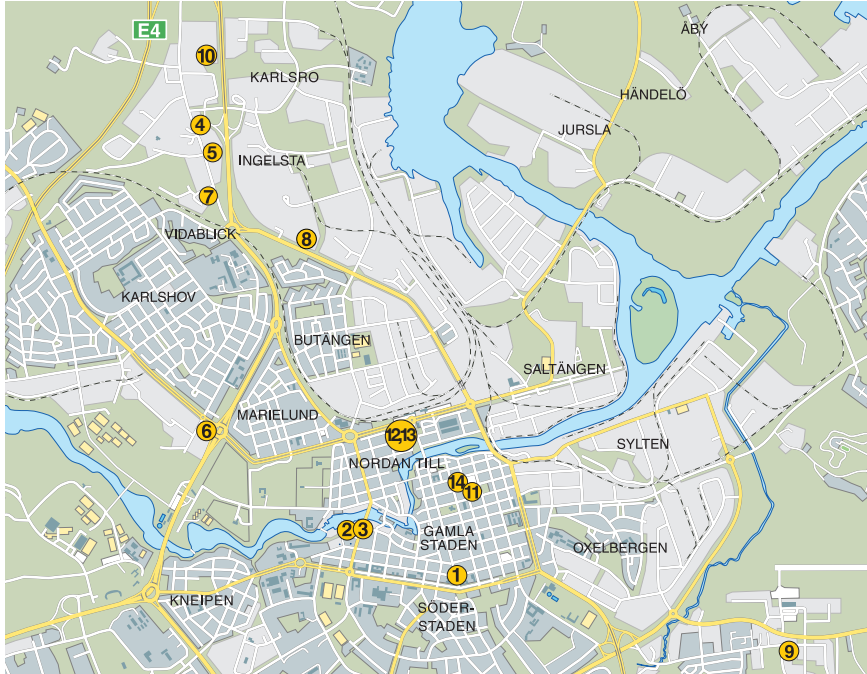
## Norrköping

No.	Property	Address	Municipality	Site leasehold	Building year	Type of property	sq.m.				Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
							Office	Industry/warehouse	Retail	Education/health care/other				Total
1	Diket 10	Drottningg. 66, Nyg. 93	Norrköping		1968/1968	Office	3,384	111	1,365	–	4,860	7.8	100	55
2	Kopparhammaren 2	N. Grytsg. 8, 10, 14	Norrköping		1929/1991	Office	25,759	4,337	4,279	2,675	37,050	36.5	83	156
3	Kopparhammaren 7	Kungsg. 56 / N. Grytsg. 2,4,6	Norrköping		1929/1929	Industry/warehouse	–	4,800	–	–	4,800	0.5	–	5
4	Malmen 5	Kopparg. 18	Norrköping		1969/1982	Industry/warehouse	760	2,842	273	–	3,875	2.2	40	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	6.6	96	16
7	Platinan 1	Platinag. 1	Norrköping		1988/1988	Retail	–	–	3,875	–	3,875	2.9	100	10
8	Reläet 9	Ståthögav. 48	Norrköping		1960/1993	Industry/warehouse	3,964	29,379	1,871	–	35,214	15.5	65	41
9	Rotfjärilen 1	Svårmareg. 1, 3	Norrköping		1992/1993	Office	4,343	1,397	–	–	5,740	5.1	86	20
10	Silvret 2	Kopparg. 28	Norrköping		1988/1988	Industry/warehouse	–	6,866	–	–	6,866	3.0	100	25
11	Skeppet 13	Hospitalsg. 26	Norrköping		1929/1993	Retail	–	–	2,493	1,066	3,559	4.1	96	27
12	Stjärnan 15	Slottsg. 114, 116	Norrköping		1958/1958	Office	5,207	92	2,821	3,295	11,415	10.0	80	29
13	Stjärnan 16	Slottsg. 114, 116	Norrköping		1958/1958	Office	–	–	–	–	–	–	–	16
14	Svårdet 8	Hospitalsg. 17	Norrköping		1967/1976	Office	7,693	40	365	–	8,098	10.0	99	55
<b>Total</b>							<b>51,195</b>	<b>61,866</b>	<b>21,520</b>	<b>10,101</b>	<b>144,682</b>	<b>106.3</b>	<b>82</b>	<b>479</b>

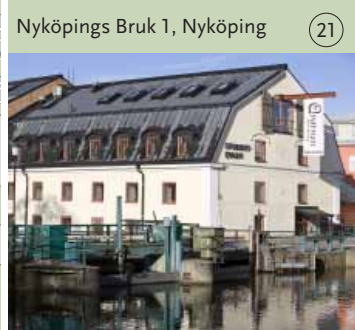
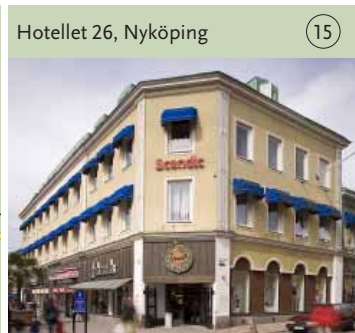
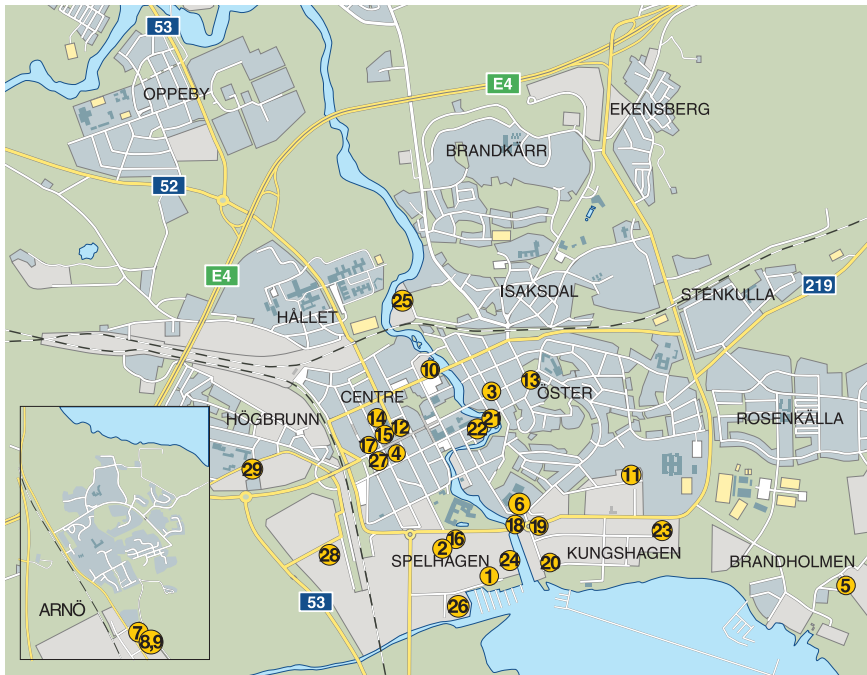
## Nyköping

No.	Property	Address	Municipality	Site leasehold	Building year	Type of property	sq.m.				Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
							Office	Industry/warehouse	Retail	Education/health care/other				Total
1	Ana 11	Gästabudsv. 2, Spelhagsv. 3	Nyköping		1940/1978	Industry/warehouse	12,326	25,445	–	4,795	42,566	28.1	94	98
2	Ana 13	Nyckelv. 14	Nyköping		Site	Site	–	–	–	–	–	–	–	1
3	Bagaren 20	Ö. Storg. 5, S:t Anneg. 6	Nyköping		1962/1962	Retail	400	–	802	681	1,883	2.0	100	13
4	Biografen 19	V. Storg. 18, 20	Nyköping		1929/1987	Retail	250	–	1,451	856	2,557	3.2	98	22
5	Brandholmen 1:9	Pontong. 11	Nyköping		1962/1970	Industry/warehouse	1,417	6,206	80	97	7,800	3.5	80	15
6	Brädgården 3	Folkkungav. 1	Nyköping		Site	Site	–	–	–	–	–	–	–	–
7	Fabrikatet 1	Materialv. 3	Nyköping		1980/1980	Industry/warehouse	555	2,434	450	1,280	4,719	3.0	78	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	8,171	2,482	506	–	11,159	11.5	96	58
11	Furan 2	Domänv. 11	Nyköping		2001/2001	Education/health care/other	–	17	–	3,788	3,805	4.2	99	Spec. prop.
12	Gripen 1	V. Storg. 25	Nyköping		1929/1986	Retail	475	–	691	–	1,166	1.5	100	10
13	Hermelinen 7	Ö. Storg. 36	Nyköping		1929/1981	Office	1,338	–	–	1,330	2,668	2.3	98	14
14	Hotellet 18	Brunnsg. 35	Nyköping		1940/1940	Retail	–	–	487	335	822	0.6	95	3
15	Hotellet 26	V. Storg. 19	Nyköping		1981/1981	Retail	–	–	4,824	–	4,824	6.4	100	34
16	Jarlen 1	Nyckelv. 14	Nyköping		1899/2003	Office	680	–	–	–	680	0.9	100	5
17	Järnhandlaren 3	V. Storg. 7	Nyköping		1929/1990	Industry/warehouse	115	478	352	–	945	0.8	90	5
18	Kompaniet 29	Folkkungav. 1	Nyköping		1986/1986	Office	1,006	13	742	305	2,066	2.2	99	11
19	Kungshagen 1:6	Östra Skeppsbron 1, Östrälängdg 4–6	Nyköping		1929/1989	Education/health care/other	332	–	325	740	1,397	1.6	100	7
20	Lansen 13	Gasverksv. 2, Ö. Längdg. 5, 7	Nyköping		1977/1991	Office	4,229	548	1,527	–	6,304	6.3	99	32
21	Nyköpings Bruk 1	Västra kvarng. 64	Nyköping		1929/1983	Office	1,788	20	250	–	2,058	2.1	98	15
22	Nyköpings Bruk 7	V. Kvarng. 62	Nyköping		1910/1991	Office	1,588	205	–	–	1,793	1.7	100	12
23	Skölden 2	Gasverksv. 15	Nyköping		1989/1989	Office	1,962	73	–	–	2,035	1.7	100	7
24	Spelhagen 1:7	V. Skeppsbron 6	Nyköping		1929/1929	Industry/warehouse	91	5,476	–	–	5,567	2.3	100	7
25	Spinnerskan 2	Periodgängen 11	Nyköping		1929/1969	Industry/warehouse	–	4,210	–	–	4,210	2.3	100	6
26	Spånten 7	Spelhagsv. 4, 6, 8	Nyköping		Site	Site	–	–	–	–	–	–	–	1
27	Standard 17	V. Storg. 8, 10, Bagareg. 29	Nyköping		1970/1988	Retail	3,057	39	3,464	–	6,560	9.3	83	54
28	Stensötan 5	Idbäcksv. 8B	Nyköping		1971/1985	Retail	789	1,649	2,420	–	4,858	3.3	100	8
29	Säven 4	Norrköpingsv. 9	Nyköping		1987/1987	Industry/warehouse	–	1,853	–	–	1,853	2.4	100	Spec. prop.
<b>Total</b>							<b>40,569</b>	<b>51,148</b>	<b>18,371</b>	<b>14,207</b>	<b>124,295</b>	<b>103.2</b>	<b>95</b>	<b>446</b>

## Norrköping



## Nyköping



## Täby

No.	Property	Address	Municipality	Site leasehold	Building year	Type of property	sq.m.				Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
							Office	Industry/warehouse	Retail	Education/health care/other				Total
1	Kannringen 1	Enhagslingen 2, 4	Täby		1988/1988	Office	4,090	–	–	–	4,090	5.2	100	28
2	Kannringen 2	Enhagslingen 6	Täby		1991/1991	Office	1,983	18	–	–	2,001	2.2	94	12
3	Kardborren 13	Kanalv. 15, 17	Täby		1981/1981	Office	12,310	216	–	1,321	13,847	16.0	94	91
4	Kälroten 4	Vallatorpsv. 2, 6	Täby		1980/1980	Retail	–	–	855	–	855	1.1	100	6
5	Kälroten 5	Vallatorpsv. 2, 6	Täby		Mark	Retail	–	–	–	–	–	–	–	–
6	Linjalen 7	Måttbandsv. 4	Täby		1989/1989	Office	2,724	938	–	–	3,662	3.9	95	23
7	Linjalen 8	Måttbandsv. 6	Täby		1989/1989	Industry/warehouse	–	778	–	–	778	0.8	100	6
8	Linjalen 60	Måttbandsv. 12	Täby		1991/1991	Industry/warehouse	–	1,325	–	–	1,325	1.2	100	6
9	Linjalen 61	Tillverkarv. 9	Täby		1990/1990	Industry/warehouse	–	3,801	108	–	3,909	3.7	100	20
10	Linjalen 65	Måttbandsv. 8, 10	Täby		1989/1989	Industry/warehouse	–	800	–	–	800	0.5	100	4
11	Linjalen 66	Linjalv. 9, 11	Täby		1990/1990	Industry/warehouse	–	600	–	–	600	0.5	100	3
12	Lodet 2	Tumstocksv. 9 A, B, 11 A, B	Täby		1990/1990	Office	4,821	3,520	–	–	8,341	8.2	94	48
13	Mätstängen 2	Linjalv. 6 A-B	Täby		1991/1991	Office	3,747	–	–	–	3,747	4.1	92	20
14	Roslags-Näsby 24:44	Stockholmsv. 100, 102	Täby		1965/1965	Retail	–	530	2,181	–	2,711	1.7	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	Ritarslingen 22	Täby		1991/1991	Industry/warehouse	–	960	–	–	960	0.5	100	5
19	Smygvinkeln 10	Ritarslingen 20	Täby		1991/1991	Industry/warehouse	197	620	–	–	817	0.8	100	5
20	Smygvinkeln 11	Ritarslingen 18	Täby		1991/1991	Office	1,648	–	–	258	1,906	1.8	100	11
21	Smygvinkeln 12	Ritarslingen 16	Täby		1992/1992	Office	1,010	554	–	–	1,564	1.4	94	14
22	Svånghjulet 1	Enhagslingen 23, 25	Täby		1990/1990	Education/health care/other	1,666	281	445	1,715	4,107	4.4	98	28
23	Svånghjulet 2	Enhagslingen 5	Täby		1989/1989	Office	2,566	12	–	410	2,988	3.0	85	19
24	Svånghjulet 3	Enhagslingen 15, 17, 19, 21, 21B	Täby		1991/1991	Office	4,071	553	289	–	4,913	4.9	83	31
25	Tryckaren 3	Reprov. 6, Viggbyholmsv. 81	Täby		1945/1992	Industry/warehouse	1,655	1,321	–	585	3,561	3.3	100	16
<b>Total</b>							<b>42,488</b>	<b>16,827</b>	<b>3,878</b>	<b>4,289</b>	<b>67,482</b>	<b>69.2</b>	<b>95</b>	<b>407</b>

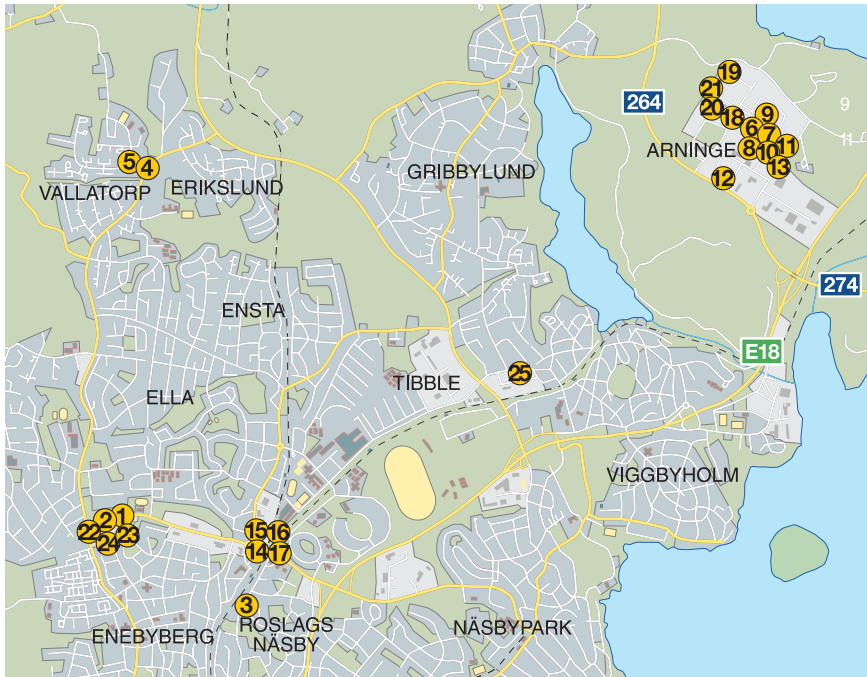
\*Jointly taxed with Roslags Näsby 24:44

## Uppsala

No.	Property	Address	Municipality	Site leasehold	Building year	Type of property	sq.m.				Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
							Office	Industry/warehouse	Retail	Education/health care/other				Total
1	Fyrislund 6:6	Rapsg. 7	Uppsala		1921/2003	Education/health care/other	18,511	6,368	1,312	30,704	56,895	80.3	53	327
2	Kungsängen 10:1	Bävernsgränd 17, 19, 21, Kungsg. 48, 50	Uppsala		1920/1966	Office	5,394	1,637	781	952	8,764	13.2	95	82
3	Kungsängen 10:2*	Bävernsgränd 17, 19, 21, Kungsg. 48, 50	Uppsala		1920/1966	Office	–	–	–	–	–	–	–	*
<b>Total</b>							<b>23,905</b>	<b>8,005</b>	<b>2,093</b>	<b>31,656</b>	<b>65,659</b>	<b>93.5</b>	<b>59</b>	<b>409</b>

\* Jointly taxed with Kungsängen 10:1

## Täby



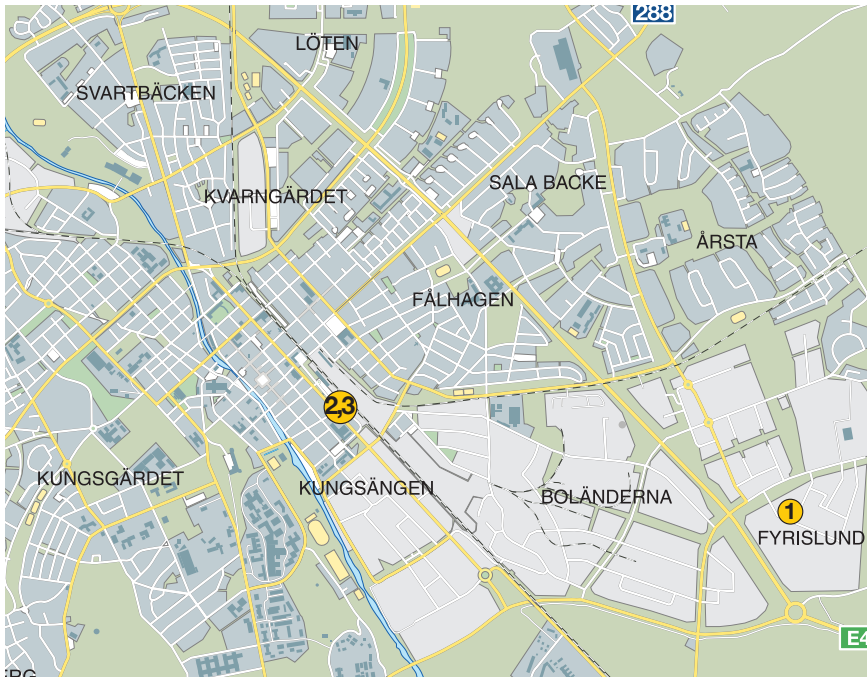
Svänghjulet 1, Täby (22)



Linjalen 66, Täby (11)



## Uppsala



Fyrislund 6:6, Uppsala (1)



Kungsängen 10:1, Uppsala (2)



## Västerås

No.	Property	Address	Municipality	Site leasehold	Building year	Type of property	sq.m.				Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
							Office	Industry/warehouse	Retail	Education/health care/other				Total
1	Allmogekulturen 5	Svalgängen	Västerås		1966/1991	Retail	4,668	2,288	5,501	2,412	14,869	9.4	80	46
2	Bogserbåten 1	Saltängsv. 22	Västerås			Site	–	–	–	–	–	–	–	–
3	Briggen 3	Saltängsv. 14, 16	Västerås		1963/1973	Industry/warehouse	–	5,162	–	–	5,162	2.6	100	12
	- Drotten 2	V. Långg. 6	Köping		1988/1988	Office	2,397	1,196	8	–	3,601	3.2	76	13
4	Friedningen 18	Elledningsg. 5B	Västerås		1988/1988	Industry/warehouse	–	940	–	–	940	0.4	100	3
5	Gastuben 5	Björnv. 8	Västerås		1943/1943	Retail	–	1,080	2,442	–	3,522	2.8	100	2
6	Gustavsvik 13	Sjöhagsv. 3, 5, 7, Stenborgsg. 2	Västerås		1957/1962	Industry/warehouse	7,908	21,498	450	–	29,856	13.9	65	52
7	Icander 1	Stenborgsg. 1	Västerås		1987/1987	Retail	–	8	2,992	–	3,000	1.4	100	6
8	Inge 10	Smedjeg. 8	Västerås		1939/1960	Retail	638	265	3,532	1,454	5,889	5.8	98	33
9	Klas 8	Smedjeg. 13	Västerås		1956/1956	Retail	1,003	1,098	1,877	1,277	5,255	5.0	95	33
10	Knut 26	Vasag. 20	Västerås		1953/1953	Education/health care/other	–	600	800	818	2,218	3.4	100	14
11	Kol 13	Kopparbergsv. 25	Västerås		1955/1955	Industry/warehouse	609	2,356	1,785	95	4,845	7.0	81	Spec. prop.
12	Kryssen 3	Regattag. 7–31, 33–53	Västerås		1940/1980	Industry/warehouse	3,141	12,324	215	3,936	19,616	11.4	98	36
13	Leif 19	Hantverkarg. 2	Västerås		1919/1964	Retail	5,636	616	12,938	1,690	20,880	32.7	98	169
14	Manfred 6	Erik Hars g. 2	Västerås		1929/1987	Office	2,728	180	–	1,369	4,277	4.5	94	26
	- Nifelhem 6	Stora G. 12	Köping		1967/1967	Retail	527	760	804	592	2,683	2.0	80	8
15	Omformaren 5	Betongg. 1, Wijkmansg. 7	Västerås		1962/1985	Office	7,358	2,502	–	–	9,860	6.8	95	21
16	Omformaren 6	Wijkmansg. 5	Västerås		1962/1985	Office	–	–	–	–	–	–	–	4
17	Regattan 46	Regattag. 8-28	Västerås		1940/1970	Industry/warehouse	1,838	11,000	115	–	12,953	6.5	99	31
18	Ringborren 13	Tallmätarg. 7	Västerås	S	1930/1962	Office	1,843	1,727	–	–	3,570	2.0	83	8
19	Ringborren 15	Tallmätarg. 8, Ringborreg. 1	Västerås		1961/1990	Industry/warehouse	3,921	9,413	447	4,051	17,832	8.5	19	43
20	Sigurd 3	Sigurdsg. 27, 29, 31, 33, 35, 37	Västerås		1932/1989	Industry/warehouse	2,373	5,064	2,547	–	9,984	8.0	97	27
21	Sjöhagen 12	Sjöhagsv. 14	Västerås		1952/1980	Industry/warehouse	464	6,894	–	–	7,358	3.9	85	13
22	Skonerten 2	Saltängsv. 18	Västerås	S	1966/1986	Industry/warehouse	–	4,720	–	–	4,720	4.3	100	14
23	Stensborg 2	Sjöhagsv. 2	Västerås		1957/1977	Office	755	134	–	–	889	0.9	57	2
24	Stensborg 4	Sjöhagsv. 4	Västerås		1989/1989	Education/health care/other	–	18	–	1,526	1,544	1.4	99	Spec. prop.
25	Verkstaden 11	Metallverksg. 19, 21, Pressverksg. 4	Västerås		1929/1977	Industry/warehouse	5,468	12,812	1,875	–	20,155	7.8	97	17
26	Västerås 2:5	Stenborgsg. 4	Västerås		1982/1989	Office	1,450	–	–	–	1,450	1.2	56	5
<b>Total</b>							<b>54,725</b>	<b>104,655</b>	<b>38,328</b>	<b>19,220</b>	<b>216,928</b>	<b>156.8</b>	<b>87</b>	<b>638</b>

## Örebro

No.	Property	Address	Municipality	Site leasehold	Building year	Type of property	sq.m.				Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
							Office	Industry/warehouse	Retail	Education/health care/other				Total
1	Barkenlund 11	Vasastrand 11	Örebro	S	1934/1989	Office	2,502	329	–	–	2,831	3.8	100	19
2	Forskarbyn 2	Forskarv. 1, 3	Örebro		1998/1998	Office	4,948	119	136	–	5,203	6.4	99	32
3	Fåraherden 1	Riag. 1,3	Örebro		1992/1992	Office	1,778	–	–	752	2,530	2.8	98	16
4	Importören 2	Skvadronv. 5	Örebro		1970/1970	Industry/warehouse	1,055	1,580	570	–	3,205	1.7	43	9
5	Kitteln 11	Storg. 7-9, Engelbrektsg. 8, Kungsg. 6, Köpmang. 3	Örebro		1890/1984	Retail	4,344	996	5,454	2,222	13,016	17.7	97	92
	- Nejlikan 13	Fredsg. 30, 32	Katrineholm		1951/1951	Industry/warehouse	19	1,685	–	861	2,565	1.8	95	Spec. prop.
6	Olaus Petri 3:234	Ö. Bang. 7	Örebro		1979/1979	Office	3,598	2,415	3,045	–	9,058	9.9	100	Spec. prop.
7	Oxbacken 7	Krontorpsg. 1	Örebro		1981/1988	Office	2,587	–	–	–	2,587	2.5	99	12
8	Rådhuset 1	Drotningg. 3, Engelbrektsg. 2	Örebro		1929/1950	Office	1,480	100	800	–	2,380	2.9	99	17
9	Vindhjulet 3	Tunnlandsg. 1, 3, 5	Örebro		1970/1970	Office	17,173	443	–	1,356	18,972	16.9	98	70
<b>Total</b>							<b>39,484</b>	<b>7,667</b>	<b>10,005</b>	<b>5,191</b>	<b>62,347</b>	<b>66.5</b>	<b>97</b>	<b>267</b>

## Total Klövern

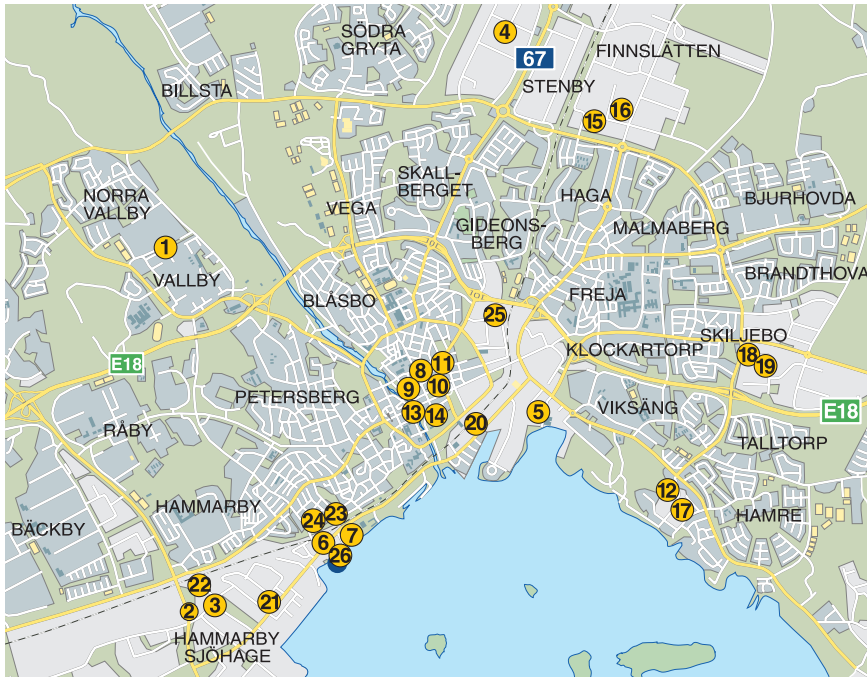
	sq.m.					Rental value, SEKm	Occupancy rate, %	Tax value, SEKm
	Office	Industry/warehouse	Retail	Education/health care/other	Total			
<b>TOTAL PROPERTIES</b>	<b>649,990</b>	<b>470,998</b>	<b>131,186</b>	<b>130,179</b>	<b>1,382,353</b>	<b>1,360</b>	<b>90</b>	<b>6,407</b>

## Properties sold

Property	Address	Municipality	Site leasehold	Building year	Type of property	sq.m.				Rental value, SEKm	Occupancy rate, %	Tax value, SEKm	
						Office	Industry/warehouse	Retail	Education/health care/other				Total
Färoarna 3*	Isafordsg. 27, 31, Kistagängen 20, 26	Stockholm	S	1986/1986	Office	20,068	–	–	–	20,068	28.5	100	358
Riksbanken 5	Ö. Storg. 3	Nyköping		1907/1991	Office	2,101	178	–	–	2,279	2.8	92	16
Trätälja 10	Fredsg. 3 A	Karlstad		1962/1962	Office	1,426	39	586	638	2,689	3.2	100	19
<b>Total</b>						<b>23,595</b>	<b>217</b>	<b>586</b>	<b>638</b>	<b>25,036</b>	<b>34.5</b>	<b>97</b>	<b>393</b>

\* Jointly owned with SEB Trygg Liv.

## Västerås



Kol 13, Västerås

11

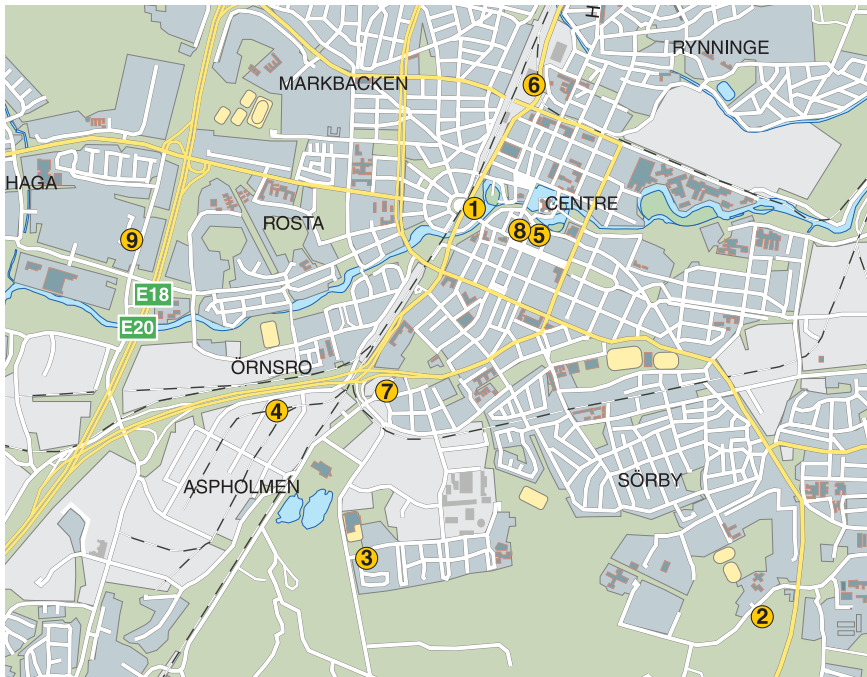


Verkstaden 11, Västerås

25



## Örebro



Fåraherden 1, Örebro

3



Oxbacken 7, Örebro

7



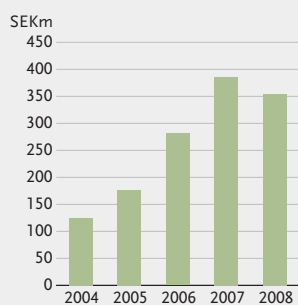
# Five-year review

## SEKm

Statement of Income	2008	2007	2006	2005	2004
Rental income	1,178	1,124	808	635	485
Other income	42	83	35	4	–
Property costs	–462	–446	–341	–248	–199
<b>Operating surplus</b>	<b>758</b>	<b>761</b>	<b>502</b>	<b>391</b>	<b>286</b>
Central administration	–57	–65	–50	–37	–32
Net financial income	–346	–310	–171	–178	–129
<b>Profit from property management</b>	<b>355</b>	<b>386</b>	<b>281</b>	<b>512</b>	<b>314</b>
Change in value, properties	–760	1,106	262	158	60
Change in value, derivatives	–155	53	28	–3	0
Change in value, securities	–	0	22	–	–
<b>Profit before tax</b>	<b>–560</b>	<b>1,545</b>	<b>593</b>	<b>331</b>	<b>185</b>
Tax on the year's result	84	–319	38	48	28
<b>Net profit for the year</b>	<b>–476</b>	<b>1,226</b>	<b>631</b>	<b>379</b>	<b>213</b>

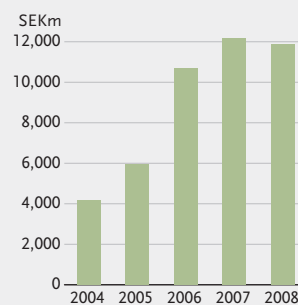
Balance Sheet	2008	2007	2006	2005	2004
Equipment	12	13	14	5	6
Investment properties	11,895	12,154	10,701	5,968	4,193
Derivatives	–	96	49	7	–
Deferred tax asset	407	474	516	279	231
Other assets	116	185	96	107	64
Liquid funds	67	87	95	141	110
<b>Assets</b>	<b>12,497</b>	<b>13,009</b>	<b>11,471</b>	<b>6,507</b>	<b>4,604</b>
Shareholders' equity	4,035	4,867	3,868	2,264	1,701
Deferred tax liability	309	460	183	–	–
Interest-bearing liabilities	7,645	7,007	6,878	3,987	2,703
Derivatives	62	–	–	–	–
Other liabilities	446	675	542	256	200
<b>Total shareholders' equity and liabilities</b>	<b>12,497</b>	<b>13,009</b>	<b>11,471</b>	<b>6,507</b>	<b>4,604</b>

Profit from property management



Strong development of income from property management. Redemption of leases is included in the result for 2007 at SEK 33 million.

Property portfolio



The value of the property portfolio decreased by SEK 259 million net due to decreased property values.

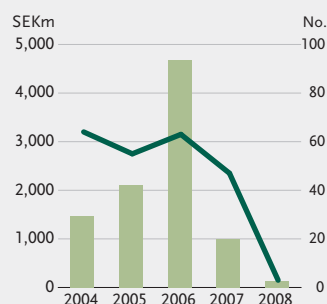
## SEKm

Statements of Cash Flow	2008	2007	2006	2005	2004
Cash flow from current operations	241	648	451	220	207
Cash flow from investment operations	-538	-396	-3,427	-1,384	-815
Cash flow from financing operations	277	-260	2,930	1,195	583
Cash flow for the year	-20	-8	-46	31	-25
Liquid funds at beginning of year	87	95	141	110	135
<b>Liquid funds at year-end</b>	<b>67</b>	<b>87</b>	<b>95</b>	<b>141</b>	<b>110</b>

Property-related key ratios, year-end	2008	2007	2006	2005	2004
Lettable space, thousand sq.m.	1,382	1,394	1,436	1,042	808
Rental value, SEKm	1,360	1,309	1,276	798	596
Book value properties, SEKm	11,895	12,154	10,701	5,968	4,193
Occupancy rate financial, SEKm	90	88	84	87	87
Operating margin, %	62	63	60	61	59

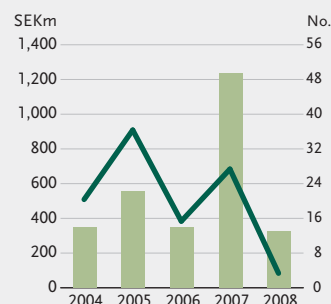
Financial key ratios	2008	2007	2006	2005	2004
Equity ratio after dilution, %	32.3	37.4	33.7	34.8	36.9
Interest coverage ratio, multiples	2.0	2.2	2.6	2.0	2.0
Debt equity ratio, %	1.9	1.4	1.8	1.8	1.6
Loan to value, real estate, %	64	58	64	67	64
Return on equity after dilution, %	-10.7	28.1	20.6	19.1	16.1
Average interest on interest-bearing liabilities, %	4.2	4.6	4.1	3.5	5.1
Interest-bearing liabilities, SEKm	7,645	7,007	6,878	3,987	2,703

### Property acquisitions



Acquisitions in 2008 consist of three properties in Kista at a purchase price of SEK 135 million.

### Property sales

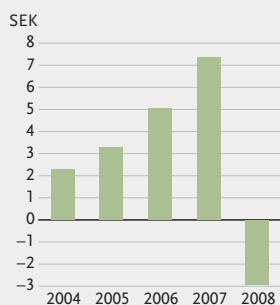


Sales in 2008 consist of one property each in Karlstad, Kista and Nyköping for a total of SEK 327 million.

Data per share	2008	2007	2006	2005	2004
Market capitalization, SEKm	2,929	4,227	4,996	2,949	2,052
Number of shares outstanding at end of period after dilution, million	160.8	165.8	166.5	120.4	105.8
Average number of shares after dilution, million	163.2	166.4	125.2	115.8	92.9
Total number of registered shares at end of period, million	166.5	166.5	166.5	120.4	105.8
Number of shareholders	30,372	31,249	19,058	27,945	31,285
Foreign ownership, %	16	17	15	15	14
Share price at year-end, SEK	18.20	25.50	30.00	24.50	19.40
Highest price during the year, SEK	26.70	33.40	30.30	30.00	19.40
Lowest price during the year, SEK	10.10	21.40	19.60	18.70	15.00
No. of shares traded during the year, thousands	75,745	69,513	44,969	49,418	57,200
Ditto average per day, thousands	300	279	181	195	226
Turnover rate per year, multiples	0.49	0.42	0.36	0.43	0.62
Dividend, SEK	1.00*	1.50	1.25	1.00	0.75
Direct yield of share, %	5.5	5.9	4.2	4.1	3.9
Dividend in relation to profit from property management, %	46	64	56	67	54
Total yield of share, %	-22.7	-10.8	26.5	30.2	24.4
Carnegie's property index (CREX), %	-27.0	-22.5	35.6	32.1	32.8
Stockholmsbörsen's all-share index (OMXSPI), %	-42.0	-6.7	23.8	32.8	17.2
Total earnings per share after dilution, SEK	-2.92	7.36	5.04	3.27	2.30
Price/total earnings per share (P/E ratio), SEK	-6.2	3.5	6.0	7.5	8.4
Profit from property management per share, SEK	2.17	2.32	2.25	1.49	1.40
Equity per share, SEK	25.09	29.36	23.23	18.81	16.08
Share price/equity per share, SEK	0.73	0.87	1.29	1.30	1.21
Cash flow per share, SEK	-0.12	-0.05	-0.37	0.27	-0.27
Properties' book value per share, SEK	73.97	73.31	64.25	49.60	39.60

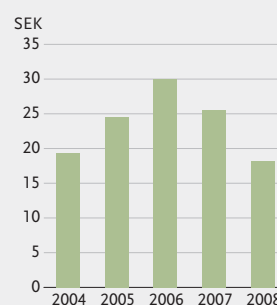
\* Proposed dividend

Earnings per share



Despite strong profit from property management, large decreases in value of properties and derivatives have led to a negative profit for 2008.

Share price at year-end



The share price fell by 29 per cent during 2008, to be compared with a reduction of 15 per cent in 2007. In the same period, Carnegie's real estate index fell by 27 per cent (-22.5).

# Definitions

## Calculation of key ratios

Ratios based on the average number of shares have been calculated on weighted averages. New issues and conversion into shares have been taken into account. In reported ratios after dilution, due consideration was given to the effect of issued convertible debentures 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 expense.

*After dilution:* The convertible debenture loan is regarded as fully converted to shares, which means that it is regarded as equity and the number of outstanding shares increases as a consequence of conversion.

The interest expense for the convertible loan is reversed, which means that the net of financial items improves and profit increases.

## Cash flow per share

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

## Debt equity ratio

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

## Direct yield of the share

Proposed share dividend as a percentage of the share price at year-end.

## Earnings per share

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

## Equity per share

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

## Equity ratio

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

## Economic occupancy rate

Rental income in relation to rental value at year-end.

## Interest coverage ratio

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

## Loan to value ratio

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

## Operating margin

Operating surplus as a percentage of total income.

## Operating surplus

Total income less rent losses, operation and maintenance costs, site leaseholds and property tax.

## Other income rental

Income from rental guarantees and redemption of leases.

## P/E ratio

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

## Profit from property management

Profit before changes in value and tax

## Property type

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

## Property costs

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

## Realised changes in value, properties

Property sales for the year after deduction of the properties' most recent reported fair value and selling expenses.

## Rental income

Charged rents, plus billed compensation for heating and property tax.

## Rental value

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

## Return on equity

Net profit as a percentage of average shareholders' equity.

## Return on total capital

Profit before tax with add-back of net financial income and changes in value in derivatives as a percentage of average total equity.

## Staff turnover

The number of permanent employees that were employed at the beginning of the year and left 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 price development and paid dividend divided in relation to the share price at the beginning of the year.

## Turnover rate

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

## Unrealised changes in value, properties

Change in the fair value of the property portfolio after deduction of investments made.

## Value added from improvement

Sale price less invested capital.

## Value added per employee

Profit from property management excluding net financial income plus wage costs including wage overheads divided by the average number of employees.

# Articles of association

Klövern AB (publ), 556482-5833, adopted at the Annual General Meeting of Klöver on, 5 April 2006.

## § 1 Name of the company

The name of the Company is Klöver AB. The company is a public limited company.

## § 2 Registered office

The Company shall have its registered office in Nyköping. General meetings of shareholders may be held in Nyköping or Stockholm.

## § 3 Activities

The object of the Company's activities is to own and sell real estate companies, and engage in compatible activities.

## § 4 Share capital and number of shares

The share capital of the Company shall be no less than three hundred million kronor (SEK 300,000,000) and no more than one billion, two hundred million kronor (SEK 1,200,000,000). The number of shares shall be no less than sixty million (60,000,000) and no more than two hundred and forty million (240,000,000).

## § 5 The Board of Directors

The board of directors shall consist of at least four and at most eight ordinary members with a maximum of four deputy members.

## § 6 Auditors

The Company shall have one or two auditors and the corresponding number of deputies or one or two firms of public accountants.

## § 7 Financial year

The financial year of the Company shall be the calendar year.

## § 8 Notification of the shareholders meeting

Notice of a shareholders' meeting shall be made by advertisement in the Swedish Official Gazette (*Post- och Inrikestidningar*) and in the daily newspaper Svenska Dagbladet.

## § 9 Shareholders' right to participate in the shareholders meeting

Shareholders wishing to participate in the proceedings at a meeting of shareholders shall be registered as owner in the print-out or other presentation of the share register five working days prior to the meeting, and notify their intention to attend to the Company at the latest by 12.00 on the date stated in the notice of the meeting. The latter day may not be a Sunday, another public holiday, a Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and not be earlier than the fifth working day prior to the meeting.

## § 10 The right of external parties to attend the meeting

Persons not registered in the share register shall be entitled to attend to shareholders meetings on the conditions decided upon by the Board of Directors.

## § 11 Annual General Meeting

At the Annual General Meeting the following matters shall be dealt with:

1. Election of the chairman of the meeting,
2. Preparation of and approval of voting list,
3. Election of one or two persons to approve the minutes,
4. Examination of whether the meeting has been duly convened,
5. Approval of the agenda,
6. Presentation of the Annual Report and the Audit Report and, when relevant, the Consolidated Annual Report and the Audit Report for the Group,
7. Decisions concerning
  - a) adoption of the Statement of Income and Balance Sheet and, where relevant, the Consolidated Statement of Income and Consolidated Balance Sheet,
  - b) allocation of the Company's profit or loss according to the adopted Balance Sheet
  - c) concerning discharge of liability for the board members and the CEO.
8. Determination of the number of board members and deputy board members and, when relevant, auditor and deputy auditor or registered firm of public accountants,
9. Determination of the fees for the board and, when relevant, auditors,
10. Election of board members and deputy board members, and, when relevant, auditor, and deputy auditor or registered firm of public accountants,
11. Other matters to be dealt with by the meeting in accordance with the articles of association or the Swedish Companies Act.

## § 12 Record day provision

The Company's shares shall be registered in a register pursuant to the Liability Accounting of Financial Instruments Act (1998:1479).

At the right Nyköping Jarlen 1 – Klöver's head office.

# Addresses and contact information

## Head Office

### Klövern AB

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[www.klovern.se](http://www.klovern.se)

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# KLÖVERN

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