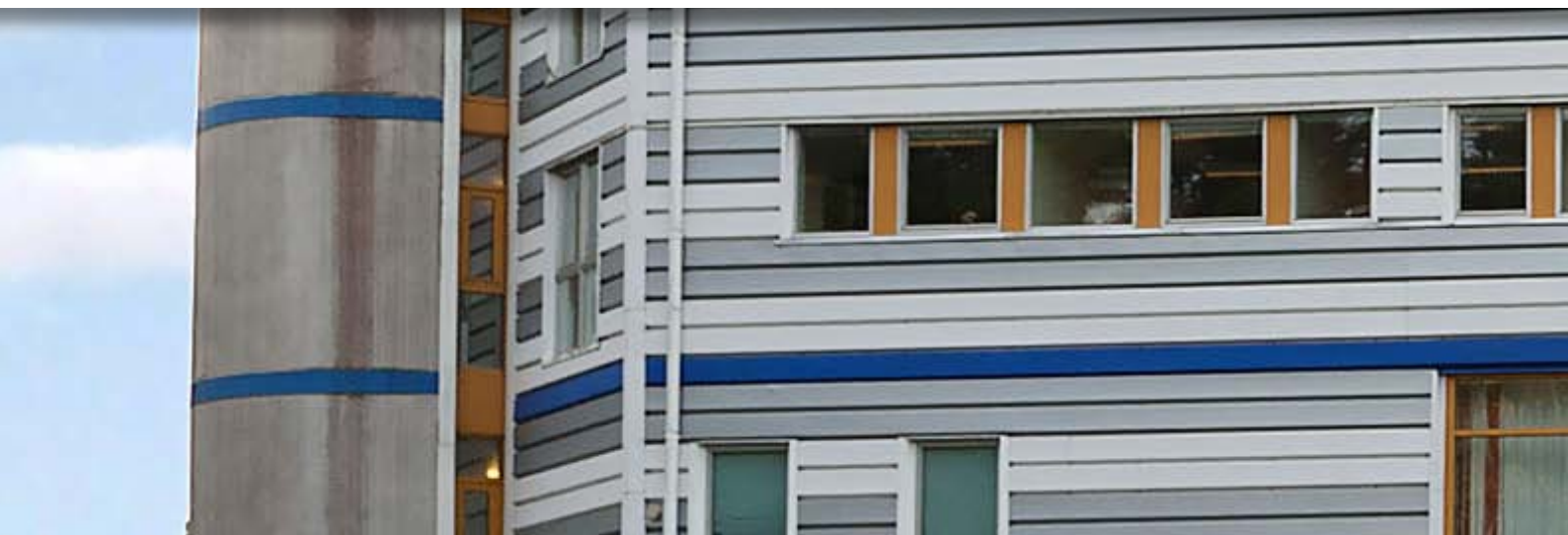




KLÖVERN
INTERIM REPORT
JANUARY–JUNE

| 2012



Klövern January–June 2012

- Income increased by 34 per cent to SEK 900 million (672)
- Operating surplus increased by 41 per cent to SEK 575 million (408)
- Profit from property management increased by 21 per cent to SEK 252 million (209)
- Changes in value of properties totalled SEK 165 million (283) and changes in value of derivatives to SEK –3 million (3)
- Net profit for the period amounted to SEK 305 million (362), corresponding to SEK 1.54 per common share (2.25) and SEK 4.89 per preference share (–)
- Klöver has acquired the property company Dagon and three other properties during the period. One property has been divested. After the end of the period, two properties have been acquired
- Equity amounted to SEK 5,669 million (4,740).



Linköping Glasbitten 7. In June, Klöver signed a 25-year lease contract with Östergötland County Council for over 6,000 sq.m. of office and archive space. The contract value totals SEK 220 million.



Kista Borgarfjord 4. On 29 June, Klöver took possession of the fully let office property with 15,500 sq.m. The acquisition took place in company form.

Profit

SEKm	2012 Jan–Jun	2011 Jan–Jun	2011 Jan–Dec
Income	900	672	1,364
Costs	–373	–294	–578
Net financial income	–275	–169	–358
Profit from property management	252	209	428
Change in value of properties	165	283	435
Change in value of derivatives	–3	3	–225
Deferred and current tax	–109	–133	–173
Net profit for the period	305	362	465

Cover: **Gothenburg Kallebäck 17:1.** On 11 June, Klöver acquired the fully let property Kallebäck 17:1 in Gothenburg. The property contains 22,000 sq.m. of office space and the vendor was Saab AB.

Statement by the CEO

Continued expansion

During the second quarter, Klöverner has continued the expansion that started during the first quarter with the acquisition of the listed real estate company Dagon. In recent months, we have announced the acquisition of four properties for more than SEK 900 million, of which three in Stockholm and one in Gothenburg. Through this expansion, we have strengthened our position in the metropolitan cities and acquired new modern properties with a good yield. We are very pleased that Klöverner has succeeded in carrying out these major acquisitions in a period with a tight credit market and considerable financial turbulence in Europe. There is a simple explanation for this – by issuing bonds during the spring, we added liquidity, which has proven to be worth its weight in gold when attractive opportunities arose and other potential buyers were not able to move as swiftly as we could. In one of the property acquisitions, we have also used Klöverner's preference share as a means of payment. During the first six months, we have furthermore invested slightly more than SEK 580 million at existing properties and the total value of Klöverner's properties is now as much as SEK 21.5 billion, which is not far off our current goal of SEK 25 billion.

Klöverner is focusing its efforts on filling vacancies, which can also be seen in the net moving-in for the quarter, which is SEK 15 million. Over SEK 7 million is attributable to moving-in to a newly produced fully let property in Karlskrona. Besides this we have also signed a lease contract with the County Council for an archive at the property Glasbitten 7 in Linköping with a total contract value over 25 years of SEK 220 million. The tenant will move in in April 2013.

We deliver a good result for the first six months of the year. The operating margin was 64 per cent, which is a high level for Klöverner. Profit from property management, which includes Dagon's earnings from March and onwards, has increased by 21 per cent. It is particularly gratifying to see how the earning capacity of previous acquisitions such as the Valad package, mainly located in Linköping and acquired in the autumn of 2010, is now accelerating. The first year after the acquisition is used to achieve stability. The results usually start to show during the second year. We are working to achieve the same development with the Dagon acquisition. Net profit for the period is also affected by changes in value of both properties and derivatives. The continued decline of the fixed income market is playing tricks on us here. Falling long-term interest rates during the quarter mean a drop in the value of derivatives of almost SEK 100 million during the same period, which has a negative effect on both the statement of income and the balance sheet. However, it should be borne in mind that derivatives should be regarded as an insurance and that there is an upside of SEK 336 million in derivatives, which will affect the income statement and the balance sheet positively until maturity.

After the end of the period we have acquired over five per cent of the shares in Diös Fastigheter AB. This acquisition is a financial placement where the shares in Diös served as the means of payment when Klöverner sold repurchased common shares and newly issued preference shares to the Federation of Swedish Farmers, LRF.

Rutger Arnhult
CEO



Income statement items refer to the period January–June and are compared with the corresponding period last year. Balance sheet items refer to the position at the end of the period and the comparative figures the most recent year-end. The quarter refers to April–June and the year January–December. Dagon's profit has been included from the date of taking possession, 2 March 2012.

Profit

The acquisition of Dagon AB (publ) on 2 March has led to an increase in income, costs and profit. Profit from property management, i.e. profit excluding changes in value and tax, increased to SEK 252 million (209) during the period and net profit for the period increased to SEK 305 million (362). Apart from the effect of acquisitions, profit from property management was positively affected by net moving-in, index adjustment and a milder winter and negatively affected by rising financial costs. Net profit for the period was also affected by positive changes in value of properties. The operating margin rose to 64 per cent (61).

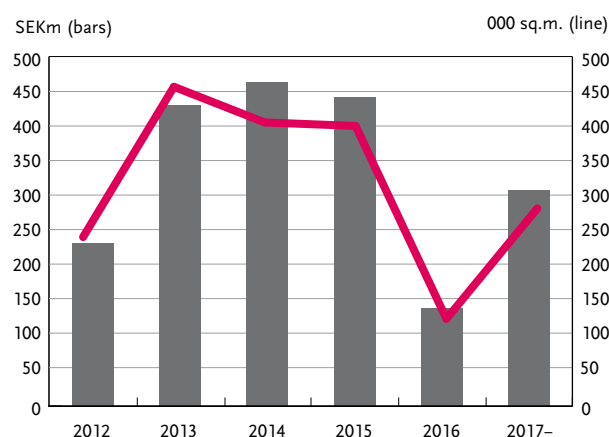
The operating surplus for a comparable portfolio rose by 8 per cent to SEK 439 million. This increase is due to a rise in income of 3 per cent, at the same time as property costs decreased by 5 per cent. Fair value increased by SEK 1,183 million or 8 per cent, primarily attributable to investments leading to higher rental income and lower operating costs.

Income and costs

Income during the period increased to SEK 900 million (672). The increase in income is mainly explained by acquisitions, index adjustment of rents and positive net moving-in.

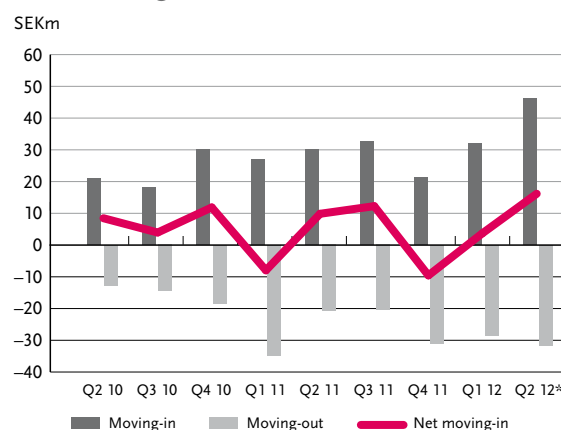
Property costs rose to SEK –325 million (–264) during the period, due to acquisitions. Decreased costs because of milder winter and energy savings worked in the opposite direction. The property costs include rent losses of SEK –1 million (–2). Central administration costs totalled SEK –48 million (–30), of which SEK 8 million are specific acquisition costs for the Dagon acquisition.

Lease structure



Net moving-in of SEK 15 million (8) was reported for the quarter. Major new tenants include the County Administrative Board at Skeppsbron 1 in Karlskrona, and Sarlin Furnaces at Kryssen 3 in Västerås. Vacations consisted predominantly of the Municipality of Norrköping at the property Reläet 9 in Norrköping and Reklam Logistik at Söderbymalm 6:4 in Haninge. Net moving-in during the first six months of the year amounted to SEK 19 million (0). The average remaining lease period was 3.0 years (2.8). The economic occupancy rate amounted to 88 per cent (89) and the area-based occupancy rate to 80 per cent (80).

Net moving-in



* Includes SEK 5 million from Dagon from 2 March. Dagon's net moving-in for January–June 2012 amounts to SEK 9 million.

PROFIT FOR A COMPARABLE PORTFOLIO			
	30.06.2012	30.06.2011	Change, %
Area, 000 sq.m.	1,519	1,519	0
Fair value*, SEKm	15,132	13,949	8
Required yield, %	7.1	7.1	0
Economic occupancy rate, %	89	89	0
Area-based occupancy rate, %	80	79	1
	2012	2011	
	Jan–Jun	Jan–Jun	Change, %
SEKm			
Income	686	664	3
Property costs	–247	–259	–5
Operating surplus	439	405	8

Refers to properties owned for the whole period in 2012 and 2011.

* Excluding investments in new construction for Ericsson in the property Isafjord 1 in Kista.

The acquisition of Dagon

On 2 March 2012, Klöver AB acquired Dagon AB. Klöver owns 99.8 per cent of the share capital and votes of Dagon. Klöver has demanded compulsory redemption of the remaining shares. Because of the coming compulsory redemption process, the consolidated accounts have been prepared as if 100 per cent had been acquired.

The company was included in the Group from 2 March 2012 when control existed. The acquired business contributed a turnover of SEK 191 million, profit from property management of SEK 52 million and net profit for the period 2 March to 30 June 2012 of SEK –34 million. If the acquisition had taken place on 1 January 2012, the company would have contributed a turnover of SEK 285 million, profit from property management of SEK 61 million and net profit for the period of SEK –7 million. Dagon was delisted from the stock exchange on 9 June 2012.

NET ASSETS ACQUIRED, SEK M (PRELIMINARY)	
Investment properties	5,711
Deferred tax asset	132
Other assets	128
Interest-bearing liabilities	–3,928
Reported deferred tax liability	–226
Other liabilities	–287
Additional deferred tax according to the preliminary acquisition analysis	–404
Acquired net assets	1,126
Paid purchase price	–460
Liquid funds in acquired subsidiaries	34
Impact on consolidated liquid funds at the time of acquisition	–426

CALCULATION OF GOODWILL, SEK M (PRELIMINARY)	
Purchase price	
– paid in cash	460
– new issues in connection with acquisition	1,048
– loans in connection with acquisition	0
– not accepted shares in connection with acquisition	2
Offer value, Dagon's shares, 100% of the shares	1,510
Acquired net assets	–1,126
Goodwill	384

An adjustment of the deferred tax liability in the balance sheet has been made in conjunction with the preparation of the acquisition calculation and with the classification of the acquisition as a business combination. Properties and financial instruments have been valued at fair value. Other balance sheet items have not been revalued.

The fair value of the acquired assets as at the acquisition date amounted to SEK 67 million, which corresponds to the amount that is expected to be paid.

Goodwill arises mainly through deferred tax calculated in accordance with accounting rules and the value of deferred tax determined in negotiations between the parties in transactions. For accounting purposes, deferred tax is calculated as the difference between fair values and tax values. In transactions, deferred tax is usually valued on the basis of the probability of it falling due for payment as well as a time factor when any payment will be made.

No goodwill is deductible for tax purposes.

Cash flow

The cash flow from current operations was SEK 370 million (138). Income tax paid amounted to SEK 0 million (0). Investment operations have affected the cash flow by SEK –1,087 million (–382) net, mainly as a result of the acquisition of Dagon and investments in existing properties. The cash flow from financing activities has affected by SEK 792 million (300). Altogether, the cash flow for the period totals SEK 75 million (56).

Financing

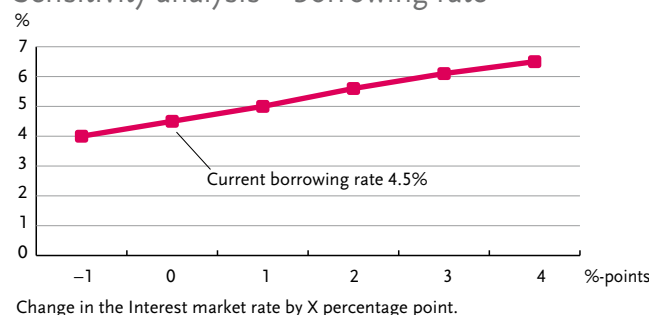
At the end of the period, interest-bearing liabilities amounted to SEK 14,435 million (9,345). The increase is primarily due to the acquisition of Dagon among others, and investments in existing properties. During the period, Klöver has issued two bonds totalling SEK 1 billion. The average financial interest rate for the whole of the financial portfolio amounted to 4.5 per cent (4.2) at the end of the period.

The average fixed-interest term was 2.8 years (2.7). Credit volumes with swap agreements are treated as having fixed interest. The average period of tied-up capital was 2.0 years (1.9). Unutilized credit volumes, including not utilized overdraft facilities of SEK 237 million (250), totalled SEK 1,946 million (1,078).

At the end of the period, Klöver had interest rate caps of SEK 1,355 million (1,500), of which SEK 500 million matures in 2013 and SEK 855 million matures in 2014. The interest rate caps have redemption rates of 4.25–5.00 per cent. Swap agreements totalled SEK 6,675 million (4,800) with an average remaining term of 5.9 years (5.1).

Klöver's interest swaps and interest caps effectively

Sensitivity analysis – borrowing rate



limit the interest rate risk. An increase in the short market rates of one percentage point would increase Klöver's average borrowing rate by 0.5 percentage points and Klöver's financial costs by SEK 78 million. The change in value of derivatives amounted to SEK –3 million (3) during the period and the value was SEK –336 million (–242) on 30 June. The change in value does not affect the cash flow. On maturity, the value of the derivative is always zero.

Property transactions

During the period, 127 properties (1) have been acquired, 124 of which were included in Dagon. The total purchase price amounted to SEK 6,003 million.

Klöver has sold one property during the period (0) at a price of SEK 134 million (0).

Investments and building rights

Investments in existing properties often take place in connection with new lettings with the aim of customizing and modernising the premises and thus increasing the rental value.

During the period, a large number of projects, in the form of new construction and refurbishment, were carried out at existing properties. In all SEK 581 million (323) was invested during the period. In all, 381 projects (229) are in process with an estimated expenditure totalling SEK 1,664 million (1,574). In all, SEK 454 million (675) remains to be invested in these projects.

At the end of the period, assessed building rights and building rights with local plans totalled 1,251,000 sq.m. (936,000). 478,000 sq.m. (335,000) of the building rights are included in local plans. Over half of the building rights consist of offices and nearly one-third of housing. The building rights are valued at SEK 846 million (497), which corresponds to SEK 676 per sq.m (531).

FIXED INTEREST AND TIED-UP CAPITAL					
Year due	Fixed interest		Contract volume, SEKm	Tied-up capital	
	Loan volume, SEKm	Interest, %		Utilized, SEKm	Unutilized, SEKm
Floating	7,700	4,1	—	—	—
2012	53	5,1	4,510	3,618	892
2013	7	4,6	3,277	3,277	0
2014	145	6,9	5,572	4,583	989
2015	1,700	4,7	2,800	2,734	65
2016	400	4,8	—	—	—
2017	1,030	5,0	—	—	—
2018	900	5,0	—	—	—
Later	2,500	4,8	223	223	—
Total	14,435	4,5	16,382	14,435	1,946

KLOVERN'S LARGEST PROJECTS IN PROCESS										
City	Property	Project type	Lettable area property, sq.m.	Project area, sq.m.	Economic occupancy rate after project, %	Estimated investment, SEKm	Remaining investment, SEK m	Increase in rental value due to project, SEKm	Rental value after project, SEKm	Estimated completion, year
Kista	Isafjord 1	Office/customer center	57,512	36,000 ¹⁾	100	707	57	46 ²⁾	137	2012
Karlskrona	Skeppsbron 1	Office	3,007	3,007	100	70	3	7	7	2012
Nyköping	Mjölklaskan 8	Health care	8,035	3,560	93	39	35	3	9	2013
Härnösand	Ön 2:41	Archive	29,467	2,600	87	34	2	3	24	2012
Eskilstuna	Vampyren 9	Retail	16,524	2,412	96	33	33	1	25	2013
Norrköping	Kopparhammaren 2	Education/office	36,537	3,585	91	28	8	3	10	2012
Göteborg	Ugglum 9:242	Industry/warehouse	15,417	1,685	100	17	17	2	13	2013
Total			166,499	52,849		928	155	65	225	

¹⁾ Of which 27,000 sq.m. is for a new building and 9,000 sq.m. is for refurbishment of an existing building.

²⁾ Of which SEK 6 million from the third quarter of 2011.

Profit and key ratios

The tables below show income statement items and key ratios broken down for Klöverns prioritized cities. The profit table shows current operations, which include properties sold and investments made during the period. The key ratio table refers to the situation at the respective end of each quarter, however, and the figures in the two tables are accordingly not wholly comparable.

FAIR VALUE, SEKm	2012	2011
	JAN-JUN	JAN-DEC
Fair value as at 1 January	14,880	13,493
Acquisitions	6,003	315
Investments	581	685
Sales	-141	-48
Changes in value	165	435
Fair value at the end of period	21,488	14,880

PROFIT PER BUSINESS UNIT AND MARKET AREA										
	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2012 Jan-Jun	2011 Jan-Jun	2012 Jan-Jun	2011 Jan-Jun	2012 Jan-Jun	2011 Jan-Jun	2012 Jan-Jun	2011 Jan-Jun	2012 Jan-Jun	2011 Jan-Jun
Borås ¹⁾	29	27	-11	-11	18	16	62	59	12	3
Linköping	110	110	-34	-37	76	73	69	66	18	4
Norrköping	69	58	-29	-28	40	30	58	52	29	44
Nyköping	50	50	-19	-19	31	31	62	62	31	23
South	258	245	-93	-95	165	150	64	61	90	74
Karlstad	92	91	-30	-33	62	58	67	64	15	13
Västerås	72	70	-34	-35	38	35	53	50	37	29
Örebro	25	24	-8	-8	17	16	68	67	13	2
West	189	185	-72	-76	117	109	62	59	65	44
Kista	169	158	-54	-56	115	102	68	65	294	193
Täby	38	34	-13	-12	25	22	66	65	11	4
Uppsala	49	39	-22	-23	27	16	55	41	17	8
East	256	231	-89	-91	167	140	65	61	322	205
Dagon²⁾	191	-	-71	-	120	-	63	-	104	-
Other ³⁾	6	11	-	-2	6	9	-	-	-	-
Total	900	672	-325	-264	575	408	64	61	581	323
Dagon Jan-Jun	285	-	-123	-	162	-	57	-	128	-

¹⁾ Including Gothenburg Kallebäck, from 11 June 2012.

²⁾ From the date of taking possession, 2 March 2012.

³⁾ Income consists of rental guarantees and lease redemption payments. Costs consist of items that are not directly attributable to normal real estate operations.

KEY RATIOS PER BUSINESS UNIT AND MARKET AREA										
	Fair value, SEKm		Required yield ¹⁾ , %		Area, 000 sq.m.		Rental value, SEKm		Econ. occupancy rate, %	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Borås ²⁾	634	435	7.5	7.6	106	84	80	56	97	96
Linköping	2,129	2,189	7.3	7.2	277	282	248	255	87	86
Norrköping	1,319	1,177	7.2	7.2	168	163	157	138	90	88
Nyköping	958	923	7.6	7.6	134	134	115	112	89	89
South	5,040	4,724	7.4	7.3	685	663	600	561	89	88
Karlstad	1,796	1,720	7.1	7.1	202	202	200	194	92	94
Västerås	1,354	1,273	7.4	7.4	217	217	173	164	87	85
Örebro	468	432	7.2	7.2	58	58	53	52	93	93
West	3,618	3,425	7.2	7.2	477	477	426	410	90	90
Kista	5,414	4,616	6.5	6.5	270	254	396	368	91	90
Täby	669	637	7.3	7.4	76	76	83	81	94	95
Uppsala	1,018	755	8.4	8.7	85	67	125	99	81	73
East	7,101	6,008	6.8	6.9	431	397	604	548	90	88
Dagon	5,729	-	7.6	-	822	-	666	-	85	-
Total	21,488	14,157	7.2	7.1	2,415	1,537	2,296	1,519	88	89

¹⁾ Yield requirements have been calculated excluding building rights.

²⁾ Including Gothenburg Kallebäck, from 11 June 2012.

Properties and changes in value

As at 30 June 2012, Klöver's portfolio consisted of 381 properties (255). The rental value totalled SEK 2,296 million (1,554) and the fair value of the properties was SEK 21,488 million (14,880). The total lettable area amounted to 2,415,000 sq.m. (1,561,000).

During the period, the change in value of the properties totalled SEK 165 million (283). The changes in value include realized changes in value of SEK 32 million (1) and unrealized changes in value of SEK 133 million (282). The unrealized changes in value do not affect the cash flow.

On average, Klöver's property portfolio has been valued, as at 30 June, with a required yield of 7.2 per cent (7.1). The unrealized changes in value have arisen to a great extent through positive net moving-in and newly signed leases, which has led to increased rental levels and thus also a higher market rent and lower operating costs mainly deriving from energy optimizations at the properties. The required yields are to large extent still. Only minor adjustments have been made for properties in peripheral locations.

Klöver values 100 per cent of its property each quarter of which 20–30 per cent externally. External valua-



Solna Hilton 3. As at June, 29 Klöver signed an agreement of purchase of one property in Frösunda consisting of nearly 18,500 sq.m mainly office area, divided between three buildings. Klöver took possession of the property 5 July.

tions have been performed by DTZ Sweden, Savills, CBRE and Widehov Konsult. Every property in the portfolio is externally valued at least once during a rolling 12-month period. DTZ has served as advisor when the required yields have been determined in most of the internal valuations. See Klöver's annual report for 2011 for a more detailed description of valuation principles.

The share and shareholders

During the period, Klöver has made a bonus issue and new issues of preference shares. The bonus issue was made to all of Klöver's common shareholders and consisted of 4,163,609 preference shares. In the bonus issue, capital was transferred corresponding to approximately SEK 3.30 per common share to the preference shareholders. The new issue was for payment to Dagon shareholders, who accepted Klöver's public offer and an issue in connection with acquisition of a property in Kista. A total of 8,074,754 preference shares were issued in the new issues. As at 30 June, the total number of registered shares was 178,782,723, of which 166,544,360 were common shares and 12,238,363 were preference shares. A common share confers a right to one vote and a preference share to one-tenth of a vote.

Klöver's shares are listed on NASDAQ OMX Stockholm Mid Cap. On 30 June, the share price was SEK 22.60 per common share (25.90) and SEK 140.50 per preference share (-), corresponding to a total capitalization of SEK 5,196 million (4,165). During the period 42.0 million common shares (41.1) were traded, corresponding to 340,000 shares (334,000) per day. The turnover for the preference share amounted to SEK 4.2 million (-), corresponding to 40,000 shares per day. The total share turnover amounted to SEK 1,602 million (1,341). At the end of the period, the number of shareholders was 28,032 (27,213) and 84 per cent (84) of the share votes was Swedish-owned.

SHAREHOLDERS

30.06.2012	No. common shares, thousands	No. preference shares, thousands	Share of capital, %	Share of votes, %
Corem Property Group	32,200	805	16.2	20.7
Arvid Svensson Invest	24,159	2,456	17.1	15.6
Rutger Arnhult via companies*	13,738	263	6.7	8.8
Länsförsäkringar funds	8,126	—	3.5	5.2
Swedbank Robur funds*	4,630	50	2.1	3.0
JPM Chase NA	3,496	2	1.5	2.2
Brinova Inter	3,405	—	1.5	2.2
Handelsbanken funds*	3,191	0	1.4	2.0
BNP Paribas Security Services	3,094	—	1.3	2.0
SEB Investment Management	2,602	62	1.3	1.7
Total largest shareholders	98,641	3,638	52.6	63.4
Other shareholders	56,096	8,457	47.4	36.6
Total outstanding shares	154,737	12,095	100.0	100.0
Repurchased own shares	11,807	143		
Total registered shares	166,544	12,238		

* Owner group.

Klövern has repurchased 6,065,564 common shares during the period, corresponding to 3.6 per cent of the total number of registered common shares. Klövern's holding of repurchased common shares amounted to 11,807,027 at the end of the period, which corresponds to 6.7 per cent (3.4) of the total number of registered common shares and 143,536 preference shares, which corresponds to 1.2 per cent (-) of the total number of registered preference shares. The common shares have been acquired at the average price of SEK 22.66 per share.

Organization

Klövern's business model entails closeness to the customer by having our own staff at all business units. At the end of the period, the number of employees in Klövern was 178 (132). The average age was 46 years (45) and the proportion of women was 40 per cent (44).

The tax situation

Outcome of tax case

The Tax Agency has decided not to appeal against the Administrative Court's quashing of the tax surcharge of SEK 493 million previously imposed on Klövern. The matter of the tax supplement is thus concluded.

Tax for the period

Deferred tax of SEK -16 million (-21) has been charged to profit of current real estate operations. Furthermore, among other things, the change in the difference between fair value and residual value of properties and derivatives for tax purposes has entailed deferred tax of SEK -93 million (-112). In total, a cost for deferred tax at SEK -109 million (-133) is included and no current tax (-).

Significant risks and uncertainty factors

A property company is exposed to various risks and possibilities in its business activities. Internal regulations and policies limit exposure to different risks. Klövern's significant risks and exposure and their management are described on pages 62-65 of the 2011 Annual Report. The exposure has changed due to the acquisition of Dagon.

The undersigned certify that this six-monthly report provides a fair survey of the operations, position and result of the parent company and the group and describes significant risks and uncertainty factors faced by the parent company and the companies included in the group.

Nyköping, 10 July 2012

Board of Directors in Klövern AB (publ)

Fredrik Svensson
Chairman

Rutger Arnhult
CEO

Ann-Cathrin Bengtson
Member

Eva Landén
Member

Anna-Greta Lundh
Member

Accounting policies

This interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting and, in the case of the parent company, the Annual Accounts Act. The accounting policies applied in this interim report are in essential parts those described in note 1 of Klövern's Annual report for 2011.

Dividend

During the second quarter of 2012, Klövern has paid dividend of SEK 1.25 (1.50) per common share, and SEK 2.50 (0) per preference share totalling SEK 230 million (241).

According to the decision of the Annual General Meeting, a dividend of SEK 10.00 (0) is to be paid per preference share, distributed at SEK 2.50 per quarter starting from the second quarter of 2012. The first record day for dividend was 29 June, the expected payment date being 4 July 2012.

The record day for the preference shareholders is generally the last weekday of the respective calendar quarter and the payment date around three banking days later, see the Calendar.

Events after the end of the period

As at 3 July, Klövern has acquired the property Varmvattnet 3 in Akalla with 15,000 sq.m. of retail space and workshop premises. The vendor is Svenska Bil, which has signed a 15-year lease in connection with the acquisition.

On 5 July, Klövern acquired the property Hilton 3 in Frösunda. The property consists of 18,500 sq.m. of offices.

Klövern has acquired 4,000,000 shares in Diös Fastigheter AB (publ) as at 5 July 2012. This acquisition is being paid with 2,740,000 repurchased common shares in Klövern and 448,000 newly issued preference shares.

This report has not been reviewed by Klövern's auditors.

Consolidated Statement of Income

SEKm	2012 3 months Apr–Jun	2011 3 months Apr–Jun	2011 6 months Jan–Jun	2011 6 months Jan–Jun	2011 12 months Jan–Dec	Rolling 12 months Jul–Jun
Income	501	338	900	672	1,364	1,592
Property costs	-168	-121	-325	-264	-507	-568
Operating surplus	333	217	575	408	857	1,024
Central administration	-23	-17	-48	-30	-71	-89
Net financial items	-156	-88	-275	-169	-358	-463
Profit from property management	154	112	252	209	428	472
Changes in value, properties	113	171	165	283	435	317
Changes in value, derivatives	-94	-62	-3	3	-225	-231
Profit before tax	173	221	414	495	638	558
Current tax	—	0	—	0	0	0
Deferred tax	-42	-58	-109	-133	-173	-149
Net profit for the period	131	163	305	362	465	409
Other comprehensive income	—	—	—	—	—	—
Comprehensive income for the period	131	163	305	362	465	409
Earnings per common share, SEK	0.63	1.01	1.54	2.25	2.89	—
Earnings per preference share, SEK	2.50	—	4.89	—	—	—
No. of common shares outstanding at the end of the period, million	155	161	155	161	161	155
No. of preference shares outstanding at the end of the period, million	12	—	12	—	—	12
Average no. of outstanding common shares, million	159	161	160	161	161	160
Average no. of outstanding preference shares, million	12	—	8	—	—	—

¹⁾ Income from rent guarantees and redemption of leases.
There are no outstanding warrants or convertibles.

Consolidated Balance Sheet

SEKm	30.06.2012	30.06.2011	31.12.2011
Assets			
Goodwill	384	—	—
Investment properties	21,488	14,157	14,880
Machinery and equipment	9	8	8
Deferred tax assets	513	384	397
Other receivables	173	108	94
Liquid funds	86	92	11
Total assets	22,653	14,749	15,390
Shareholder's equity and liabilities			
Shareholder's equity	5,669	4,636	4,740
Minority interest	0	—	—
Deferred tax liability	1,396	620	673
Interest-bearing liabilities	14,435	9,057	9,345
Derivatives	336	12	242
Accounts payable	86	40	49
Other liabilities	217	33	34
Accrued expenses and prepaid income	514	351	307
Total shareholder's equity and liabilities	22,653	14,749	15,390

Change in Consolidated Shareholders' Equity

SEKm	
Shareholders' equity 01.01.2011	4,516
Dividend	-241
Net profit for the year	465
Shareholders' equity 31.12.2011	4,740
New issue	1,112
Repurchase of own shares	-140
Dividend	-348
Net profit for the period	305
Shareholders' equity 30.06.2012	5,669

Consolidated Statement of Cash Flow

SEKm	2012 3 months Apr-Jun	2011 3 months Apr-Jun	2012 6 months Jan-Jun	2011 6 months Jan-Jun	2011 12 months Jan-Dec
Current operations					
Profit from property management	154	112	252	209	428
Adjustment for items not included in the cash flow	1	1	1	3	6
Income tax paid	—	0	—	0	-1
Cash flow from current operations before change in working capital	155	113	253	212	433
Changes in working capital					
Change in operating receivables	21	38	16	21	35
Change in operating liabilities	-84	-87	101	-95	-127
Total change in working capital	-63	-49	117	-74	-92
Cash flow from current operations	92	64	370	138	341
Investment operations					
Divestment of properties	132	0	132	39	48
Acquisition of and investment in properties	-513	-222	-791	-420	-1,000
Acquisition of subsidiaries	-4	—	-426	—	—
Acquisition of machinery and equipment	0	-1	-2	-1	-1
Cash flow from investment operations	-385	-223	-1,087	-382	-953
Financing operations					
Change in interest-bearing liabilities	404	396	1,162	541	828
Repurchase of own shares	-140	—	-140	—	—
Dividend	-230	-241	-230	-241	-241
Cash flow from financing operations	34	155	792	300	587
Cash flow for the period	-259	-4	75	56	-25
Liquid funds at the beginning of the period	345	96	11	36	36
Liquid funds at the end of the period	86	92	86	92	11

Parent Company Statement of Income

SEKm	2012 3 months Apr–Jun	2011 3 months Apr–Jun	2012 6 months Jan–Jun	2011 6 months Jan–Jun	2011 12 months Jan–Dec
Net sales	28	28	56	55	108
Cost of services sold	–21	–21	–41	–42	–81
Gross profit	7	7	15	13	27
Central administration	–17	–17	–33	–30	–69
Operating profit	–10	–10	–18	–17	–42
Financial income	0	0	0	0	466
Financial costs	–23	0	–28	–1	–3
Profit after financial items	–33	–10	–46	–18	421
Current tax	—	—	—	—	—
Deferred tax	–13	–13	–16	–21	–8
Net profit for the period	–46	–23	–62	–39	413
Other comprehensive income	—	—	—	—	—
Comprehensive income for the period	–46	–23	–62	–39	413

Parent Company Balance Sheet

SEKm	30.06.2012	30.06.2011	31.12.2011
Assets			
Machinery and equipment	2	2	2
Participation in group companies	1,838	320	320
Receivables from group companies	4,290	3,591	4,110
Deferred tax assets	381	384	397
Accounts receivables	17	4	10
Liquid funds	195	131	8
Total assets	6,723	4,432	4,847
Shareholders' equity and liabilities			
Shareholders' equity	3,648	2,633	3,086
Interest-bearing liabilities	1,800	—	—
Liabilities to group companies	1,108	1,762	1,719
Accounts payable	3	6	8
Other liabilities	128	5	9
Accrued expenses and prepaid income	36	26	25
Total shareholders' equity and liabilities	6,723	4,432	4,847

Acquisition analysis

Acquired net assets, SEKm (preliminary)

Investment properties	5,711
Deferred tax asset	132
Other assets	128
Interest-bearing liabilities	–3,928
Reported deferred tax liability	–226
Other liabilities	–287
Additional deferred tax according to the preliminary acquisition analysis	–404
Acquired net assets	1,126
Paid purchase price	–460
Liquid funds in acquired subsidiaries	34
Impact on consolidated liquid funds	–426

Estimate goodwill, SEKm (preliminary)

Purchase price	
– paid in cash	460
– issues in connection with acquisition	1,048
– loans in connection with acquisition	0
– not accepted shares in connection with acquisition	2
Offer value, Dagon's shares, 100% of the shares	1,510
Acquired net assets	–1,126
Goodwill	384

Please see p.5 for more information about the acquisition of Dagon.

Key ratios

	30.06.2012 3 months Apr–Jun	30.06.2011 3 months Apr–Jun	30.06.2012 6 months Jan–Jun	30.06.2011 6 months Jan–Jun	30.06.2012 rolling 12 months Jul–Jun	2011	2010	2009	2008
Property									
Number of properties	381	253	381	253	381	255	250	217	217
Lettable area, 000 sq.m.	2,415	1,537	2,415	1,537	2,415	1,561	1,528	1,392	1,382
Rental value, SEKm	2,296	1,519	2,296	1,519	2,296	1,554	1,486	1,385	1,360
Fair value properties, SEKm	21,488	14,157	21,488	14,157	21,488	14,880	13,493	12,032	11,895
Direct yield requirement valuation, %	7.2	7.1	7.2	7.1	7.2	7.1	7.2	7.2	7.1
Operating margin, %	67	61	64	61	64	63	60	62	62
Occupancy rate, economic, %	88	89	88	89	88	89	89	89	90
Occupancy rate, area-based, %	80	79	80	79	80	80	79	80	82
Average lease term, years	3.0	2.8	3.0	2.8	3.0	2.8	2.8	3.0	3.1
Financial									
Return on equity, %	2.3	3.4	5.7	7.9	7.9	10.1	14.0	5.8	-10.7
Equity ratio, %	25.0	31.4	25.0	31.4	25.0	30.8	32.1	32.7	32.3
Leverage, %	67	64	67	64	67	63	63	64	64
Leverage properties, %	60	64	60	64	59	63	63	64	64
Interest coverage ratio, multiples	1.9	2.2	1.9	2.2	1.9	2.2	2.8	3.2	2.0
Average interest, %	4.5	4.0	4.5	4.0	4.5	4.2	3.6	2.7	4.2
Average fixed-interest period, years	2.8	2.1	2.8	2.1	2.8	2.7	2.4	3.2	1.1
Average period of tied-up capital, years	2.0	2.4	2.0	2.4	2.0	1.9	2.0	1.8	2.6
Interest-bearing liabilities, SEKm	14,435	9,057	14,435	9,057	14,435	9,345	8,517	7,646	7,645
Share									
Earnings per common share, SEK	0.63	1.01	1.54	2.25	—	2.89	3.76	1.48	-2.92
Earnings per preference share, SEK	2.50	—	4.89	—	—	—	—	—	—
Equity per share, SEK	34.0	28.8	34.0	28.8	34.0	29.5	28.1	25.6	25.1
Share price common share at end of period, SEK	22.6	31.6	22.6	31.6	22.6	25.9	34.0	22.9	18.2
Share price preference share at end of period, SEK	140.5	—	140.5	—	140.5	—	—	—	—
Market capitalization, SEKm	5,196	5,081	5,196	5,081	5,483	4,165	5,467	3,682	2,929
Total no. of registered common shares at end of period, million	166.5	166.5	166.5	166.5	166.5	166.5	166.5	166.5	166.5
Total no. of outstanding common shares at end of period, million	154.7	160.8	154.7	160.8	154.7	160.8	160.8	160.8	160.8
Total no. of registered preference shares at end of period, million	12.2	—	12.2	—	12.2	—	—	—	—
Total no. of outstanding preference shares at end of period, million	12.1	—	12.1	—	12.1	—	—	—	—
Dividend per common share, SEK	—	—	—	—	—	1.25	1.50	1.25	1.00
Dividend per preference share, SEK	—	—	—	—	—	10.00	—	—	—
Dividend in relation to profit from property management, %	—	—	—	—	—	56	55	41	46

Definitions

Property

Area-based occupancy rate

Let area in relation to total lettable area.

Direct yield requirement, valuation

The required yield of property valuations on the residual value.

Economic occupancy rate

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

Lease value

Rent for premises, index and rent supplement according to lease.

Net moving-in

Lease value of tenants moving in less lease value of vacating tenants.

Operating margin

Operating surplus in per cent of total income.

Operating surplus

Total income less rent losses, operating and maintenance costs, property administration, site leasehold charges and property tax.

Profit from property management

Profit before changes in value and tax.

Realized change in value

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

Rental value

Lease value plus assessed market value for space not rented at end of period.

Unrealized change in value

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

Finance

Equity ratio

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

Interest coverage ratio

Profit from property management plus financial costs in relation to financial costs.

Leverage

Interest-bearing liabilities in relation to the fair value of the properties at the end of the period.

Leverage, properties

Property-related interest-bearing liabilities in relation to the fair value of the properties at the end of the period.

Return on equity

Profit for the period in relation to average equity.

Share

Earnings per common share

Profit for the period, after deduction for earnings to preference shares, in relation to average number of outstanding shares.

Earnings per preference share

The periods accumulated share of yearly dividend of SEK 10 per preference share calculated on outstanding preference shares at the end of each quarter.

Equity per share

Shareholders' equity in relation to outstanding common and preference shares at balance sheet date. Preference shares in connection with the liquidation of the Company, preferential rights to SEK 150 of equity plus the period's share of accumulated entitlement to annual dividend of SEK 10 kr.

This information in the interim report is such that Klöver AB (publ) is obliged to publish under the Securities Market Act and/or the Financial Instruments Trading Act. The information was made available for publication on 10 July 2012.

Klövern is a real estate company committed to working closely with customers to meet their needs of premises and services in Swedish growth regions. Klövern is one of the larger real estate companies in Sweden specializing in commercial premises.

As at 30 June 2012, the properties were valued at SEK 21.5 billion and the rental value was SEK 2.3 billion. The Klövern share is listed on NASDAQ OMX Stockholm Mid Cap.

The company is organized with a service office and headquarters in Nyköping and business units in prioritized cities. The service office is responsible for management, economy, financing, transactions, rental administration, information and investor relations as well as business support to the business units.

The business units focus on contact with the customer. Having our own staff where the tenants are located ensures fast service and good knowledge of the market.



Vision

Klövern is creating the communities of tomorrow.

We aim to be an active player in the creation of city districts, areas and business clusters.

Klövern's primary task is to provide premises but, if we are also able to contribute to strengthening the cities where we operate, this will also benefit Klövern and Klövern's shareholders.

Business concept

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

Klövern's base product is, of course, our premises. Klövern focuses on commercial premises in the framework of Business and Science Parks, small enterprise parks and city properties.

Our way of providing premises, i.e. with availability and commitment, together with the fact that we want to meet the customer's needs and not just sell a finished product says a lot about Klövern's method of work.

Motto

Making the customer's day easier every day.

If our tenants feel that we make their life easier, this will be a weighty argument when lease contracts expire and it is time for renegotiation.

Klövern shall make their life easier today and tomorrow. This means quite simply being a step ahead and anticipating tomorrow's needs. Satisfied tenants are a prerequisite for achieving the goal of positive net moving-in and a low tenant turnover rate.

Calendar

<u>Final day for trading conferring right to dividend for preference shareholders (proposed)</u>	<u>25 Sep 2012</u>
<u>Record day for dividend to preference shareholders</u>	<u>28 Sep 2012</u>
<u>Expected dividend payment date from Euroclear for preference shareholders</u>	<u>3 Okt 2012</u>
<u>Interim report, January-September 2012</u>	<u>23 Okt 2012</u>
<u>Final day for trading conferring right to dividend for preference shareholders (proposed)</u>	<u>20 Dec 2012</u>
<u>Record day for dividend to preference shareholders</u>	<u>28 Dec 2012</u>
<u>Expected dividend payment date from Euroclear for preference shareholders</u>	<u>4 Jan 2013</u>
<u>Year-end report, 2012</u>	<u>13 Feb 2013</u>
<u>Final day for trading conferring right to dividend for preference shareholders (proposed)</u>	<u>25 Mar 2013</u>
<u>Record day for dividend to preference shareholders</u>	<u>28 Mar 2013</u>
<u>Expected dividend payment date from Euroclear for preference shareholders</u>	<u>4 Apr 2013</u>

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