



KLÖVERN  
YEAR-END REPORT

| 2012



# Klövern Year-end Report 2012

## 2012

- Income increased by 43 per cent to SEK 1,948 million (1,364) during 2012
- The operating surplus increased by 42 per cent to SEK 1,215 million (857)
- Profit from property management increased by 20 per cent to SEK 524 million (428)
- Changes in value of properties amounted to SEK –33 million (435), of derivatives to SEK –175 million (–225) and of financial assets to SEK 10 million (–)
- Net profit for the year amounted to SEK 339 million (465), corresponding to SEK 1.24 (2.89) per common share and SEK 7.52 per preference share (–)
- Equity has increased by SEK 1,956 million to SEK 6,696 million (4,740) during the year
- Klöver has acquired a total of 137 properties for SEK 7,459 million, of which 124 in conjunction with the acquisition of Dagon, and divested eleven properties for SEK 543 million
- Klöver issued four bond loans for a total of SEK 1,825 million during the year.

## Fourth quarter

- Eight properties totalling SEK 817 million have been taken possession of in the fourth quarter and contracts entered into for acquisition of two properties for SEK 25 million
- Klöver has issued preference shares for approximately SEK 650 million, divested repurchased common and preference shares for approximately SEK 120 million and divested Diös shares for a total of approximately SEK 21 million
- During the fourth quarter, Klöver has issued SEK 650 million and SEK 175 million respectively in two unsecured bonds.

## Events after the end of the year

- Two properties totalling SEK 37 million have been divested and two properties totalling SEK 25 million have been taken possession of
- Klöver has concluded a ten-year contract to let 10,700 sq.m. with CGI (formerly Logica) in Kista
- Klöver has signed a three-year extension of a lease of 7,700 sq.m. with Eniro in the property Hilton 3 in Solna. The lease runs until December 31, 2017
- The Board is proposing to the AGM a dividend of SEK 1.50 per common share (1.25) and a dividend of SEK 10.00 per preference share (10.00).

## Net profit

SEKm	2012 Oct–Dec	2011 Oct–Dec	2012 Jan–Dec	2011 Jan–Dec
Income	525	352	1,948	1,364
Costs	–264	–164	–819	–578
Net financial income	–164	–95	–605	–358
<b>Profit from property management</b>	<b>97</b>	<b>93</b>	<b>524</b>	<b>428</b>
Change in value of properties	–209	142	–33	435
Change in value of derivatives and financial assets	–30	–49	–165	–225
Write-down of goodwill	–95	—	–95	—
Tax	198	–50	108	–173
<b>Net profit for the period</b>	<b>–39</b>	<b>136</b>	<b>339</b>	<b>465</b>

Cover: **Glasblåsaren 7, Linköping.** On 1 October, Klöver took possession of six properties, of which two were in Linköping, two in Norrköping and one each in Västerås and Växjö. The properties comprise a total of 45,000 sq.m. and include offices, retail, industry and warehouse facilities.

## Statement by the CEO

### An eventful first year

2012 was not only my first year as CEO of Klöver, but also an unusually eventful year for the company. It has been a year of growth and geographical expansion. The tempo has been high and acquisitions frequent, which has had an impact on shareholders, financiers, analysts, the media and not least our personnel.

During the year, we have made net acquisitions of properties for almost SEK 7 billion. The single largest acquisition was the listed real estate company Dagon in March 2012. Through the purchase of Dagon, we entered the metropolitan markets of Gothenburg and Öresund, markets, which are self-evident for a company of Klöver's size. This also led to a diversification of the rental stock through 1,900 new customers, a relatively large proportion of these being public sector tenants.

Acquisitions were larger than sales in the second and third quarters too and the fourth quarter was no exception. We started the quarter by taking possession of six properties in Linköping, Norrköping, Västerås and Växjö and a month later, we purchased a modern office and logistics property in Mölndal. At the end of the year, we also sold some completely developed properties in central locations in Borås, Linköping and Västerås and we signed contracts for sales in Trelleborg.

However, growth has not only come about through acquisitions. As in the past few years, we have also invested large amounts in existing properties, both in the form of new production and by refurbishment of existing buildings. The single largest new construction project is a 27,000 sq.m. office building, which has been completed on behalf of Ericsson in Kista.

2012 has as well as 2011 been characterized by some lack of liquidity in the banking system. Uncertainty about regulatory frameworks and concern about the indebtedness of European countries as well as the general state of the economy has made banks more restrictive as regards loan volumes. Loan-to-value ratios have decreased, which undoubtedly places new demands on us as a real estate company. In order to broaden our credit base, Klöver therefore during the year has issued four unsecured bonds totalling SEK 1.8 billion. We have also issued preference shares on a number of occasions during the year, thus strengthening equity and the equity ratio.

Klöver will continue to focus on geographic concentration in combination with growth on prioritised locations in 2013. We will continue to make property management more efficient and diversify our client base further.

Last year was to a large extent characterized by integration of Dagon and the other acquisitions made. In 2013, we will make an effort to benefit from our acquisitions and increase profitability.

Rutger Arnhult  
CEO



*Klöver is a real estate company committed to, with closeness and commitment, offer the customers efficient premises, in selected growth regions. Klöver is one of the larger real estate companies in Sweden specializing in commercial premises.*

*Income statement items refer to the year January–December and are compared with the corresponding period last year. Balance sheet items refer to the position at the end of the year and the comparative figures the most recent year-end. The quarter refers to October–December and the year January–December. Dagon’s result is included from the date of taking possession, 2 March 2012.*

### Profit

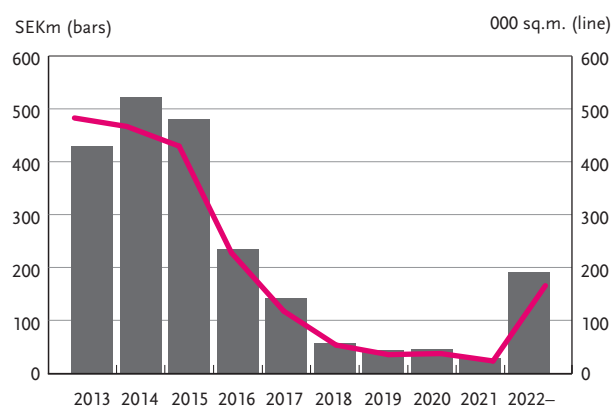
Profit from property management, i.e. profit excluding changes in value and tax, increased to SEK 524 million (428) during the year and net profit for the year amounted to SEK 339 million (465). Besides the effect of net acquisitions, profit from property management was affected positively by net moving-in, upward index adjustment of rents as well as a milder winter and negatively by higher financial costs. Net profit for the year was affected by SEK –33 million for changes in value of properties and SEK –175 million for changes in value of derivatives. The operating margin was 62 per cent (63).

Operating surplus for a comparable portfolio rose by 6 per cent to SEK 869 million, which is partly attributable to upward index adjustment of rents and positive net moving-in. Income rose by 4 per cent, at the same time as property costs declined by 1 per cent. Fair value increased by SEK 766 million, or 5 per cent, in particular owing to investments which led to higher rental income and lower operating costs.

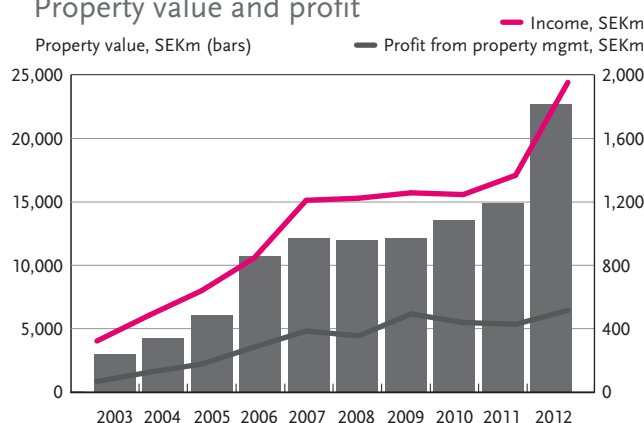
### Income and expenses

Income during the year increased to SEK 1,948 million (1,364). The increase in income is attributable to net acquisitions, index adjustment of rents and positive net

### Lease structure



### Property value and profit



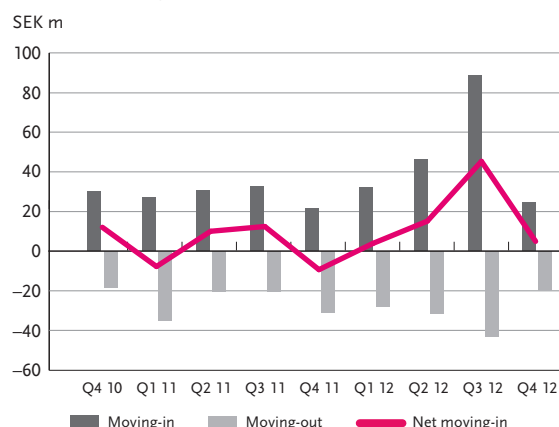
moving-in. Owing to ongoing rental disputes has Klöver reduced income during the fourth quarter by SEK 15 million.

Property costs increased to SEK –733 million (–507) during the year due to acquisitions. Decreased costs as a result of a milder winter and energy savings had the opposite effect. The fourth quarter has been affected by higher maintenance than the average for the other three quarters. Furthermore, projects totalling SEK 10 million have been expensed during the quarter. Property

COMPARABLE PORTFOLIO			
	31.12.2012	31.12.2011	Change, %
Area, 000 sq.m.	1,514	1,499	1
Fair value, SEKm	14,881	14,115	5
Required yield, %	7,1	7,1	0
Economic occupancy rate, %	90	89	1
Area-based occupancy rate, %	80	79	1
	2012	2011	
SEKm	Jan–Dec	Jan–Dec	Change, %
Income	1,351	1,304	3
Property costs	–482	–487	–1
<b>Operating surplus</b>	<b>869</b>	<b>817</b>	<b>6</b>

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

### Net moving-in



costs include rent losses of SEK –5 million (–3). Central administration costs amounted to SEK –86 million (–71), where SEK 14 million of the increase is attributable to specific costs for the acquisition of Dagon.

There has been many small moving-in during the quarter, which has led to net moving-in at SEK 5 million (–10). Among those moving in are In3prenör AB at the property Hilton 3, Solna as well as Förenade Care AB at the property Lodet 2 in Täby. The largest vacating tenants are Emerson Process Management AB at Barkassen 8 in Karlstad and PCB in Västsverige AB at Niten 6, Borås.

Net moving-in during the year amounted to SEK 69 million (5). The average remaining lease term has, due to completed projects and acquisitions, increased to 3.4 years (2.8). The economic occupancy rate was 92 per cent for investment properties and 57 per cent for development properties. The area-related occupancy rate was 87 per cent and 48 per cent respectively. Total economic occupancy rate was 88 per cent (89).

During the fourth quarter, Klöver AB has entered into a contract to let approximately 4,800 sq.m. to Motorola Mobility at the property Idéläran 1, Mjärdevi, Linköping. The term of the contract is five years and the rental value for the whole lease period amounts to over SEK 36 million.

### Acquisition of Dagon

On 2 March 2012, Klöver AB acquired Dagon AB (publ). Klöver AB owns 99.8 per cent of the share capital and votes in Dagon. Klöver AB has demanded compulsory purchase of the remaining shares. Due to the ongoing dispute resolution process, the consolidated accounts have been prepared as if 100 per cent had been acquired. The acquired business contributed net sales of SEK 470 million, property from property management of SEK 101 million and profit for the period of SEK –165 million for the year 2 March 2012 to 31 December 2012. If the acquisition had taken place on 1 January 2012, the company would have contributed net sales of SEK 564 million, profit from property management of SEK 101 million and net profit for the year would have amounted to SEK –165 million. Dagon was delisted from the stock exchange on 9 June 2012. An arbitration award has been made on 7 January 2013 concerning redemption of the remaining shareholders in Dagon AB. The award is expected to obtain legal force sixty days after the same date and Klöver AB will then redeem the minority shareholders' shares in Dagon for the amount of SEK 80 per share. The total redemption amount amounts at most to SEK 2.6 million.

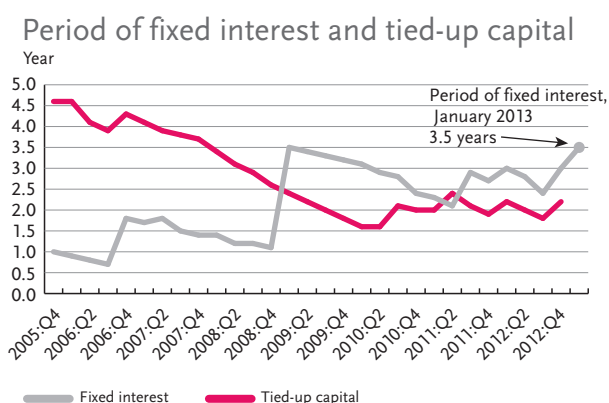
NET ASSETS ACQUIRED, SEK M	
Investment properties	5,711
Deferred tax asset	132
Other assets	128
Interest-bearing liabilities	–3,928
Reported deferred tax liability	–226
Other liabilities	–287
Additional deferred tax according to the preliminary acquisition analysis	–404
<b>Acquired net assets</b>	<b>1,126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

CALCULATION OF GOODWILL, SEK M	
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
<b>Offer value, Dagon's shares, 100 % of the shares</b>	<b>1,510</b>
Acquired net assets	–1,126
<b>Goodwill</b>	<b>384</b>

The deferred tax liability in the balance sheet has been adjusted in conjunction with the drawing up of an acquisition analysis and the acquisition being classified as a business combination. Properties and financial instruments have been valued at fair value. Other items in the balance sheet have not been revalued. The fair value of the acquired receivables amounted, as per the acquisition date, to SEK 67 million, which corresponds to the amount that is expected to be paid. Goodwill arises mainly through deferred tax being calculated in accordance with accounting rules and the value attached to deferred tax in negotiations between parties in transactions. In the accounts, deferred tax is calculated as the difference between fair values and tax values. In transactions, deferred tax is usually based on the probability that it will fall due for payment as well as a time factor when any payment will be made. Goodwill is not tax deductible.

### Cash flow

The cash flow from current operations was SEK 712 million (341). Income tax paid amounted to SEK –1 million (–1). Investment operations have affected the cash flow by SEK –2,457 million (–953) net, mainly due to acquisitions and investments in existing properties. The cash flow from financing activities has been affected by SEK 2,110 million (587). Altogether, the cash flow for the year totals SEK 365 million (–25).



## Financing

At year-end, the interest-bearing liabilities amounted to SEK 15,229 million (9,345). The increase is mainly due to acquisitions but also to investments in existing properties. During the year, Klöver has issued four bonds totalling SEK 1,825 million, which are included in the interest-bearing liabilities. The average financial interest rate for the whole of the financial portfolio amounted to 4.3 per cent (4.2) at year-end.

The average fixed-interest term increased to 3.0 years (2.7) on 31 December. After acquisition of additional swaps for SEK 700 million in early January 2013, the fixed-interest term increased to 3.5 years in mid-January. Credit volumes with swap agreements are treated as having fixed interest. The average period of tied-up capital amounted to 2.2 years (1.9) at the end of the year.

Unutilized credit volumes, including unused credit facilities of SEK 300 million (250), amounted to SEK 581 million (1,078). As per 31 December 2012 fair value for the unencumbered properties amounted to SEK 1.2

billion. At year-end, Klöver had interest rate caps of SEK 1,355 million (1,500), of which SEK 500 million matures in 2013 and SEK 855 million in 2014. The interest rate caps have redemption rates of 4.25–5.00 per cent. Swap agreements totalled SEK 7,420 million (4,800), with an average remaining term of derivatives of 5.1 years. Klöver's interest swaps and interest caps effectively 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 76 million. The change in value of derivatives amounted to SEK –175 million (–225) during the year, of which SEK –78 million (–) was realized in connection to restructuring of the credit portfolio. On 31 December, the value was SEK –432 million (–242). Unrealized change in value does not affect the cash flow. On maturity, the value of the derivative is always zero.



**Hästägaren 3, Mölndal.** In November, Klöver took possession of the office and logistics property Hästägaren 3 in Mölndal for SEK 490 million. In conjunction with the acquisition, Kappahl has signed a 15-year lease.

FIXED INTEREST AND TIED-UP CAPITAL					
Maturity year	Fixed interest		Contract volume, SEKm	Tied-up capital	
	Loan volume, SEKm	Interest, %		Utilized, SEKm	Unutilized, SEKm
Floating	7,511	3.7	—	—	—
2013	11	4.5	4,051	3,751	300
2014	339	5.5	5,168	4,984	184
2015	1,593	4.9	5,722	5,625	97
2016	400	5.1	—	—	—
2017	1,075	4.5	650	650	—
2018	900	5.3	—	—	—
2019	400	5.6	—	—	—
2020	1,000	4.0	—	—	—
2021	1,000	4.3	—	—	—
2022–	1,000	5.4	219	219	—
<b>Total</b>	<b>15,229</b>	<b>4.3</b>	<b>15,810</b>	<b>15,229</b>	<b>581</b>

## Property transactions

During the year, 137 properties (8) have been acquired, 124 of which being included in the acquisition of Dagon. The total purchase price was SEK 7,459 million (315). Klöver has sold eleven properties (5) during the year at a price of SEK 543 million (48) after deduction of selling costs.

## Investments and building rights

Investments in existing properties often take place in connection with new lettings with the aim of customizing and modernizing the premises and thus increasing the rental value. During the year, a large number of projects, in the form of new construction and refurbishment, were carried out at existing properties. In all, SEK 861 million (685) was invested during the year. A total of 328 projects (214) are in process and SEK 446 million (588) remains to be invested in these projects. Total estimated expenditure the same projects amounts to SEK 1,736 million (1,287). At year-end, assessed building rights and building rights with local plans totalled 1,342,000 sq.m. (936,000). 527,000 sq.m. (355,000) of the building rights are included in local plans. Over half of the building rights consist of offices and almost a third of housing. The building rights are valued at SEK 896 million (497), corresponding to SEK 668 per sq.m. (531).

## Properties and changes in value

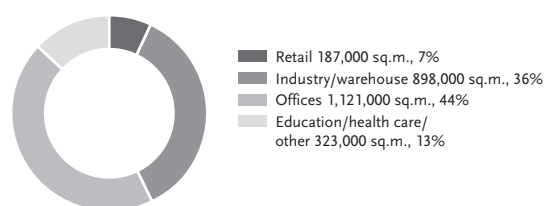
As at 31 December 2012, Klöver's portfolio consisted of 387 properties (255). The rental value amounted to SEK 2,468 million (1,554) and the fair value of the properties was SEK 22,624 million (14,880). The total lettable area amounted to 2,529,000 sq.m. (1,561,000). During the year, the changes in value of the properties totalled SEK -33 million (435). The changes in value include realized changes in value of SEK 46 million (5) and unrealized changes in value of SEK -79 million (430). The unrealized changes in value do not affect the cash flow.

FAIR VALUE, SEKM	2012	2011
Fair value on 1 January	14,880	13,493
Acquisitions	7,459	315
Investments	861	685
Sales	-543	-48
Changes in value	-33	435
<b>Fair value as at 31 December</b>	<b>22,624</b>	<b>14,880</b>

On average, Klöver's property portfolio has been valued, as at 31 December, with a required yield of 7.2 per cent (7.1). The values of the investment properties have increased slightly, mainly due to positive net moving-in and newly signed leases, which has led to increased rent levels and thus also increased market rent as well as lower operating costs. The required yields have increased slightly in development properties with a relatively high vacancy level, which has had a negative effect on the value. Overall, the unrealized changes in value have had a weak negative development during the year.

Klöver values 100 per cent of its property portfolio each quarter, 20 to 30 per cent of which are valued externally.

## Property holdings sq.m. by type of premises



## Contract value by customer category



## KLÖVERNS LARGEST PROJECTS IN PROGRESS

City	Property	Project type	Lettable area property, sq.m.	Project area, sq.m.	Economic occupancy rate after project, %	Estimated investment, SEKm	Remaining investment, SEKm	Increase in rental value due to project, SEKm	Rental value after project, SEKm	Estimated completion, year
Kista	Isafjord 1	Office/customer center	74,133	36,000 <sup>1)</sup>	100	707	38	46 <sup>2)</sup>	137	2013
Linköping	Glasbiten 7	Archive	11,612	6,040	65	47	38	6	12	2013
Nyköping	Mjölklaskan 8	Health care	8,035	3,560	93	45	21	3	9	2013
Linköping	Idéläran 1	Office	15,658	4,780	90	42	35	4	7	2013
Västerås	Vampyren 9	Retail	16,524	2,412	96	36	22	1	25	2013
Linköping	Amor 1	Office	3,292	3,292	100	31	31	2	7	2013
Göteborg	Ugglum 9:242	Industry/warehouse	15,417	1,685	100	23	15	3	14	2013
Västerås	Klas 8	Office/exercise	5,374	1,906	100	17	16	2	9	2013
Uppsala	Fyrislund 6:6	Production/lab.	57,567	1,317	85	16	15	1	91	2013
<b>Total</b>			<b>207,612</b>	<b>60,992</b>		<b>964</b>	<b>231</b>	<b>68</b>	<b>311</b>	

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 2011.

## Profit and key ratios

The tables below show income statement items and key ratios broken down according to Klöver's regions and investment and development properties. Investment properties means properties currently being actively managed. Development properties refers to properties where conversion or extension projects are in process or planned, leading to a higher standard or changed use of the premises. The current operating surplus is affected

by projects or restrictions on letting before development of the property. The income statement table shows current operations, including properties sold and investments made during the period. The table with key ratios shows the situation at the end of the respective quarter and the two tables are accordingly not wholly comparable. Comparability between years is limited due to large net acquisitions during 2012.

PROFIT PER PROPERTY SEGMENT AND REGION										
	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2012 Jan–Dec	2011 Jan–Dec	2012 Jan–Dec	2011 Jan–Dec	2012 Jan–Dec	2011 Jan–Dec	2012 Jan–Dec	2011 Jan–Dec	2012 Jan–Dec	2011 Jan–Dec
Investment	286	53	-120	-20	166	33	58	62	90	5
Development	42	—	-22	—	20	—	48	—	-6	—
<b>South</b>	<b>328</b>	<b>53</b>	<b>-142</b>	<b>-20</b>	<b>186</b>	<b>33</b>	<b>57</b>	<b>62</b>	<b>84</b>	<b>5</b>
Investment	440	426	-148	-145	292	281	66	66	173	142
Development	27	28	-20	-20	7	8	26	29	24	26
<b>East</b>	<b>467</b>	<b>454</b>	<b>-168</b>	<b>-165</b>	<b>299</b>	<b>289</b>	<b>64</b>	<b>64</b>	<b>197</b>	<b>168</b>
Investment	596	442	-188	-150	408	292	68	66	366	415
Development	48	41	-34	-22	14	19	29	46	25	14
<b>Stockholm</b>	<b>644</b>	<b>483</b>	<b>-222</b>	<b>-172</b>	<b>422</b>	<b>311</b>	<b>66</b>	<b>64</b>	<b>391</b>	<b>429</b>
Investment	495	364	-193	-144	302	220	61	60	162	67
Development	14	10	-8	-6	6	4	43	40	27	16
<b>Central/North</b>	<b>509</b>	<b>374</b>	<b>-201</b>	<b>-150</b>	<b>308</b>	<b>224</b>	<b>61</b>	<b>60</b>	<b>189</b>	<b>83</b>
Investment	1,817	1,285	-649	-459	1,168	826	64	64	791	629
Development	131	79	-84	-48	47	31	36	39	70	56
<b>Total</b>	<b>1,948</b>	<b>1,364</b>	<b>-733</b>	<b>-507</b>	<b>1,215</b>	<b>857</b>	<b>62</b>	<b>63</b>	<b>861</b>	<b>685</b>

KEY RATIOS PER PROPERTY SEGMENT AND REGION										
	Fair value, SEKm		Required yield <sup>1)</sup> , %		Area, 000 sq.m.		Rental value, SEKm		Econ. occupancy rate, %	
	2012 Jan–Dec	2011 Jan–Dec	2012 Jan–Dec	2011 Jan–Dec	2012 Jan–Dec	2011 Jan–Dec	2012 Jan–Dec	2011 Jan–Dec	2012 Jan–Dec	2011 Jan–Dec
Investment	3,499	436	7.5	7.6	482	84	394	56	94	95
Development	836	—	7.9	—	151	—	79	—	61	—
<b>South</b>	<b>4,335</b>	<b>436</b>	<b>7.6</b>	<b>7.6</b>	<b>633</b>	<b>84</b>	<b>473</b>	<b>56</b>	<b>89</b>	<b>95</b>
Investment	4,045	4,085	7.3	7.2	499	484	476	466	90	90
Development	297	297	9.2	9.2	96	100	47	49	61	60
<b>East</b>	<b>4,342</b>	<b>4,382</b>	<b>7.4</b>	<b>7.3</b>	<b>595</b>	<b>584</b>	<b>523</b>	<b>515</b>	<b>87</b>	<b>87</b>
Investment	7,897	5,708	6.9	6.8	510	360	759	515	93	92
Development	1,100	849	7.1	6.7	106	56	101	54	50	54
<b>Stockholm</b>	<b>8,997</b>	<b>6,557</b>	<b>6.9</b>	<b>6.8</b>	<b>616</b>	<b>416</b>	<b>860</b>	<b>569</b>	<b>88</b>	<b>89</b>
Investment	4,796	3,372	7.5	7.2	652	446	589	393	90	91
Development	154	133	8.0	8.2	33	31	23	21	70	63
<b>Central/North</b>	<b>4,950</b>	<b>3,505</b>	<b>7.5</b>	<b>7.2</b>	<b>685</b>	<b>477</b>	<b>612</b>	<b>414</b>	<b>89</b>	<b>90</b>
Investment	20,237	13,601	7.2	7.1	2,143	1,374	2,218	1,430	92	91
Development	2,387	1,279	7.7	7.5	386	187	250	124	57	58
<b>Total</b>	<b>22,624</b>	<b>14,880</b>	<b>7.2</b>	<b>7.1</b>	<b>2,529</b>	<b>1,561</b>	<b>2,468</b>	<b>1,554</b>	<b>88</b>	<b>89</b>

<sup>1)</sup> Required yield are estimated excluding building rights.

South: Borås, Gothenburg, Halmstad, Kalmar, Karlskrona and Öresund. East: Linköping, Norrköping and Nyköping. Stockholm: Kista, Storstockholm and Uppsala. Central/North: Falun/Säter, Härnösand/Sollefteå, Säter, Karlstad, Västerås and Örebro.

External valuations have been performed by DTZ Sweden, Nordier, Juris Smitmanis Fastighetskonsult, 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 Klövern's annual report for 2011 for a more detailed description of valuation principles.

## The share

During the year, Klövern's has made a bonus issue and new issues of preference shares. The bonus issue was made to all of Klövern'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. New issues refer to the directed new issues in connection with the acquisition of Dagon, a property in

## DEVELOPMENT OF SHARE CAPITAL

Date	Event	No. common shares	No. preference shares	Acc. share capital, SEK
<b>01.01.2012</b>	<b>Opening balance</b>	<b>166,544,326</b>	<b>—</b>	<b>832,721,630</b>
13.01.2012	Cash new issue	166,544,360		832,721,800
13.01.2012	Bonus issue		4,163,609	853,539,845
06.03.2012	New issue		11,708,140	891,262,500
10.04.2012	New issue		11,774,778	891,595,690
19.04.2012	New issue		11,775,363	891,598,615
29.06.2012	New issue		12,238,363	893,913,615
09.07.2012	New issue		12,686,363	896,153,615
14.09.2012	New issue		13,598,863	900,716,115
17.09.2012	New issue		13,731,338	901,378,490
08.10.2012	New issue		17,314,688	919,295,240
08.10.2012	New issue		18,419,688	924,820,240
17.10.2012	New issue		18,536,338	925,403,490
<b>31.12.2012</b>	<b>Closing balance</b>	<b>166,544,360</b>	<b>18,536,338</b>	<b>925,403,490</b>

## SHAREHOLDERS

31.12.2012	No. common shares, thousands	No. preference shares, thousands	Share of capital, %	Share of votes, %
Corem Property Group	32,200	—	17.4	19.1
Arvid Svensson Invest	24,159	2,456	14.4	14.5
Rutger Arnhult via companies	15,576	299	8.6	9.3
Länsförsäkringar funds	9,675	—	5.2	5.7
Swedbank Robur funds	6,312	37	3.4	3.8
Handelsbanken funds	4,465	1	2.4	2.7
JPM Chase	3,905	6	2.1	2.3
SEB Investment Management	2,954	62	1.6	1.8
Lantbruksintressenter	2,740	1,231	2.1	1.7
BP2S Lux/Fim/Luxembourg Funds	2,453	—	1.3	1.5
Mellon AAM Omnibus	2,303	—	1.2	1.4
Client OMI for Ishare Europe	1,927	—	1.0	1.1
Aktie-Ansvar funds	1,250	14	0.7	0.7
Pareto Bank	1,200	—	0.6	0.7
Tredje AP-fonden	1,150	—	0.6	0.7
Fonden Zenit	1,067	—	0.6	0.6
Bengt Norman	1,000	20	0.6	0.6
Klövern's profit sharing system	981	18	0.5	0.6
Avanza Pension	913	486	0.8	0.6
Invus Investment	871	22	0.5	0.5
<b>Total largest shareholders</b>	<b>117,101</b>	<b>4,652</b>	<b>65.6</b>	<b>69.9</b>
Other shareholders	44,443	13,884	34.4	30.1
<b>Total outstanding shares</b>	<b>161,544</b>	<b>18,536</b>	<b>100.0</b>	<b>100.0</b>
Repurchased own shares	5,000	—		
<b>Total registered shares</b>	<b>166,544</b>	<b>18,536</b>		

Kista and acquisition of Diös shares as well as to an issue to the public and institutional shareholders. A total of 14,372,729 preference shares were issued in the new issues. As at 31 December, the total number of registered shares in the company was 185,080,698, of which 166,544,360 were common shares and 18,536,338 preference shares. A common share confers a right to one vote and a preference share to a one-tenth of a vote.

Klövern's shares are listed on NASDAQ OMX Stockholm Mid Cap. On 31 December, the share price was SEK 25.60 per common share (25.90) and SEK 136.75 per preference share (–), corresponding to a total capitalization of SEK 6,670 million (4,165). At the end of the year, the number of shareholders was 31,700 (27,200) and 81 per cent (84) of the share votes was Swedish-owned. Klövern has sold net 741,463 common shares and 143,536 preference shares during the year, corresponding to 0.4 per cent and 0.8 per cent of the total number of registered common shares and preference shares respectively. Klövern's holding of repurchased common shares amounted to 5 million at year-end (5,741,463), corresponding to 3.0 per cent (3.4) of the total number of registered common shares and zero preference shares (–). The common shares have been acquired at an average price of SEK 22.40 per share.

## Organization and environment

Klövern's business model entails closeness to the customer by having our own staff at all business units. After the merger with Dagon, Klöver'n has increased the number of business units from ten to 17 allocated to four geographic regions. The regions are South (Borås, Gothenburg, Halmstad, Kalmar, Karlskrona and Öresund), East (Linköping, Norrköping and Nyköping), Stockholm (Kista, Greater Stockholm and Uppsala) and Central/North (Falun/Säter, Härnösand/Sollefteå, Karlstad, Västerås and Örebro). At year-end, Klöver'n had 185 employees (132). The average age was 46 (45) and the proportion of women amounted to 41 per cent (44). Since 2011, the company has been certified in accordance with the Swedish Environmental Standard (Svensk Miljöbas).

## 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 Klöver'n. The matter is thus concluded.

### *Changed corporate tax*

The Swedish Riksdag has decided to reduce corporate tax from 26.3 per cent to 22.0 per cent as from 1 January 2013. As the deferred tax included in Klöver'n's balance sheet will be settled in the future, it has been revalued in accordance with the new tax rate of 22.0 per cent. The reduction in corporate tax has affected Klöver'n's deferred tax claim by SEK -83 million. Deferred tax liability has decreased by SEK -217 million, leading to an increase in profit by SEK 39 million after impairment of goodwill by SEK -95 million.

### *Tax for the year*

Calculation of tax for the year includes recalculation due to changed corporate tax. Deferred tax of SEK -73 million (-8) has been charged to profit on 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 an effect on deferred tax of SEK -183 million (-165). In total, deferred tax of SEK 110 million (-173) and current tax of SEK -2 million (-) has been included.

## Other matters

During the year, Klöver'n has acquired a total of 8,671,889 shares net in Diös Fastigheter AB (publ). These acquisitions has been partly paid with 2,740,000 repurchased common shares and 448,000 newly issued preference shares. Realized change in value during the year amounts to SEK 1 million (-) and unrealized change in value to SEK 9 million (-). The average acquisition price amounts to SEK 33.9.

## Significant risks and uncertainty factors

A property company is exposed to various risks and opportunities in its business activities. Internal regulations and policies limit exposure to different risks. Klöver'n'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, inter alia. Klöver'n has strengthened the equity through new issues of preference shares and changed the composition of debt by issues of unsecured bonds.

## 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 Klöver'n's Annual report for 2011.

## Events after the end of the year

After the end of the year, Klöver'n has taken possession of two properties with an acquisition price of SEK 25 million. At the beginning of 2013, Klöver'n has also vacated two properties with a sales price of SEK 37 million.

Klövern has signed a contract to let 10,700 sq.m. with the business processes and IT services supplier CGI (formerly Logica) in Kista. The lease has a term of ten years and CGI is expected to move in at the year-end 2013/2014.

Klövern has signed a three-year extension of 7,700 sq.m. with Eniro in the property Hilton 3 in Solna. The lease runs to 31 December 2017.

An arbitration award has been announced on 7 January 2013 concerning redemption of the remaining shareholders of Dagon AB. The award is expected to attain legal force 60 days after the same date and Klöver'n will then redeem the minority shareholders' shares in Dagon at SEK 80 per share. The total redemption amount can amount to at most SEK 2.6 million.

## Dividend

The Board of Directors is proposing to the Annual General Meeting, for the 2012 financial year, a dividend of SEK 1.50 per common share (1.25) and a dividend of SEK 10.00 per preference share (10.00), to be paid at SEK 2.50 per quarter. It is proposed that the record date for dividend to common shareholders be 22 April 2013 and the estimated payment date 25 April 2013. The record date for dividend to preference shareholders is the last weekday of the respective calendar quarter and the payment date around three days thereafter.

During the fourth quarter of 2012, a dividend of SEK 2.50 (-) has been paid per preference share, totalling 46 million (-).

## Annual General Meeting of Shareholders and annual report

The 2013 Annual General Meeting will take place in the New York room at the World Trade Center, Klarabergsviadukten 70 in Stockholm at 4 pm on 17 April 2013. Notice of the Annual General Meeting and prerequisites for notifying attendance will be advertised in the Swedish Official Gazette, Post & Inrikes Tidningar, and on Klöverns website, klovern.se. Information about this notice is provided in an advertisement in Svenska Dagbladet. Shareholders wishing to make proposals to the Nomination Committee may do so by e-mail to styrelsenominering@klovern.se.

The Annual Report for 2012, in Swedish, will be available on Klöverns website from week 12.

Nyköping, 13 February 2013

*The Board of Directors of Klöver AB (publ)*

## Consolidated Statement of Income

SEKm	2012 3 months Oct–Dec	2011 3 months Oct–Dec	2012 12 months Jan–Dec	2011 12 months Jan–Dec
Income	525	352	1,948	1,364
Property costs	–245	–137	–733	–507
<b>Operating surplus</b>	<b>280</b>	<b>215</b>	<b>1,215</b>	<b>857</b>
Central administration	–19	–27	–86	–71
Net financial items	–164	–95	–605	–358
<b>Profit from property management</b>	<b>97</b>	<b>93</b>	<b>524</b>	<b>428</b>
Changes in value, properties	–209	142	–33	435
Changes in value, derivatives	–42	–49	–175	–225
Changes in value, financial assets	12	—	10	—
Write-down of goodwill	–95	—	–95	—
<b>Profit before tax</b>	<b>–237</b>	<b>186</b>	<b>231</b>	<b>638</b>
Current tax	–2	0	–2	0
Deferred tax	200	–50	110	–173
<b>Net profit for the period</b>	<b>–39</b>	<b>136</b>	<b>339</b>	<b>465</b>
Other comprehensive income	—	—	—	—
<b>Comprehensive income for the period</b>	<b>–39</b>	<b>136</b>	<b>339</b>	<b>465</b>
Earnings per common share, SEK	–0.53	0.85	1.24	2.89
Earnings per preference share, SEK	2.50	—	7.52	—
No. of common shares outstanding at the end of the period, million	162	161	162	161
No. of preference shares outstanding at the end of the period, million	19	—	19	—
Average no. of outstanding common shares, million	159	161	159	161
Average no. of outstanding preference shares, million	18	—	12	—

There are no outstanding warrants or convertibles.

## Consolidated Balance Sheet

SEKm	31.12.2012	31.12.2011
<b>Assets</b>		
Goodwill	289	—
Investment properties	22,624	14,880
Machinery and equipment	14	8
Deferred tax assets	427	397
Financial assets at fair value through statement of income	330	—
Other receivables	163	94
Liquid funds	375	11
<b>Total assets</b>	<b>24,222</b>	<b>15,390</b>
<b>Shareholder's equity and liabilities</b>		
Shareholder's equity	6,696	4,740
Minority interest	0	—
Deferred tax liability	1,108	673
Interest-bearing liabilities	15,229	9,345
Derivatives	432	242
Accounts payable	158	49
Other liabilities	114	34
Accrued expenses and prepaid income	485	307
<b>Total shareholder's equity and liabilities</b>	<b>24,222</b>	<b>15,390</b>

## Change in Consolidated Shareholders' Equity

SEKm	
<b>Shareholders' equity 01.01.2011</b>	<b>4,516</b>
Dividend	-241
Net profit for the year	465
<b>Shareholders' equity 31.12.2011</b>	<b>4,740</b>
New issue	1,965
Repurchase/acquisition of own shares	39
Dividend	-387
Net profit for the year	339
<b>Shareholders' equity 31.12.2012</b>	<b>6,696</b>

## Consolidated Statement of Cash Flow

SEKm	2012 3 months Oct–Dec	2011 3 months Oct–Dec	2012 12 months Jan–Dec	2011 12 months Jan–Dec
<b>Current operations</b>				
Profit from property management	98	93	524	428
Adjustment for items not included in the cash flow	1	1	3	6
Income tax paid	-1	-1	-1	-1
Cash flow from current operations before change in working capital	98	93	526	433
<b>Changes in working capital</b>				
Change in operating receivables	-31	-2	1	35
Change in operating liabilities	103	-72	185	-127
Total change in working capital	72	-74	186	-92
<b>Cash flow from current operations</b>	<b>170</b>	<b>19</b>	<b>712</b>	<b>341</b>
<b>Investment operations</b>				
Divestment of properties	402	9	543	48
Acquisition of and investment in properties	-957	-188	-2,541	-1,000
Acquisition of subsidiaries	—	—	-426	—
Acquisition of machinery and equipment	-6	0	-8	-1
Investments in financial assets	22	—	-25	—
<b>Cash flow from investment operations</b>	<b>-539</b>	<b>-179</b>	<b>-2,457</b>	<b>-953</b>
<b>Financing operations</b>				
Change in interest-bearing liabilities	105	161	1,942	828
Realised changes in value, derivatives	-48	—	-78	—
Repurchase/sale of own shares	118	—	-22	—
New issue of preference shares	646	—	655	—
Dividend	-127	—	-387	-241
<b>Cash flow from financing operations</b>	<b>694</b>	<b>161</b>	<b>2,110</b>	<b>587</b>
<b>Cash flow for the period</b>	<b>325</b>	<b>1</b>	<b>365</b>	<b>-25</b>
Liquid funds at the beginning of the period	51	10	11	36
<b>Liquid funds at the end of the period</b>	<b>376</b>	<b>11</b>	<b>376</b>	<b>11</b>

## Parent Company Statement of Income

SEKm	2012 3 months Oct–Dec	2011 3 months Oct–Dec	2012 12 months Jan–Dec	2011 12 months Jan–Dec
Net sales	57	29	140	108
Cost of services sold	–37	–22	–98	–81
<b>Gross profit</b>	<b>20</b>	<b>7</b>	<b>42</b>	<b>27</b>
Central administration	–19	–26	–71	–69
<b>Operating profit</b>	<b>1</b>	<b>–19</b>	<b>–29</b>	<b>–42</b>
Financial income	549	466	549	466
Financial costs	–31	0	–86	–3
<b>Profit after financial items</b>	<b>519</b>	<b>447</b>	<b>434</b>	<b>421</b>
Current tax	—	—	—	—
Deferred tax	–42	24	–51	–8
<b>Net profit for the period</b>	<b>477</b>	<b>471</b>	<b>383</b>	<b>413</b>
Other comprehensive income	—	—	—	—
<b>Comprehensive income for the period</b>	<b>477</b>	<b>471</b>	<b>383</b>	<b>413</b>

## Parent Company Balance Sheet

SEKm	31.12.2012	31.12.2011
<b>Assets</b>		
Machinery and equipment	4	2
Participation in group companies	1,836	320
Participation in other companies	294	—
Receivables from group companies	7,085	4,110
Deferred tax assets	346	397
Accounts receivables	31	10
Liquid funds	164	8
<b>Total assets</b>	<b>9,760</b>	<b>4,847</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	5,086	3,086
Interest-bearing liabilities	3,841	—
Liabilities to group companies	685	1,719
Accounts payable	8	8
Other liabilities	106	9
Accrued expenses and prepaid income	34	25
<b>Total shareholders' equity and liabilities</b>	<b>9,760</b>	<b>4,847</b>

## Acquisition analysis

Acquired net assets, SEKm	Estimate goodwill, SEKm
Investment properties	Purchase price:
Deferred tax asset	– paid in cash
Other assets	– issues in connection with the acquisition
Interest-bearing liabilities	– loans in connection with the acquisition
Reported deferred tax liability	– not accepted shares in connection with the acquisition
Other liabilities	<b>Offer value, Dagon's shares, 100 % of the shares</b>
Additional deferred tax according to the preliminary acquisition analysis	Acquired net assets
<b>Acquired net assets</b>	<b>Goodwill</b>
Paid purchase price	Please see p.5 for more information about the acquisition of Dagon.
Liquid funds in acquired subsidiaries	
<b>Impact on consolidated liquid funds in acquisitions</b>	

## Key ratios

	31.12.2012 3 months Oct–Dec	31.12.2011 3 months Oct–Dec	2012	2011	2010	2009	2008	2007
<b>Property</b>								
Number of properties	387	255	387	255	250	217	217	220
Lettable area, 000 sq.m.	2,529	1,561	2,529	1,561	1,528	1,392	1,382	1,394
Rental value, SEKm	2,468	1,554	2,468	1,554	1,486	1,385	1,360	1,309
Fair value properties, SEKm	22,624	14,880	22,624	14,880	13,493	12,032	11,895	12,154
Direct yield requirement valuation, %	7.2	7.1	7.2	7.1	7.2	7.2	7.1	6.6
Operating margin, %	53	61	62	63	60	62	62	63
Occupancy rate, economic, %	88	89	88	89	89	89	90	88
Occupancy rate, area-based, %	81	80	81	80	79	80	82	80
Average lease term, years	3.4	2.8	3.4	2.8	2.8	3.0	3.1	2.9
<b>Financial</b>								
Return on equity, %	–0.6	2.9	5.8	10.1	14.0	5.8	–10.7	28.1
Equity ratio, %	27.6	30.8	27.6	30.8	32.1	32.7	32.3	37.4
Adjusted equity ratio, %	31.7	33.7	31.7	33.7	—	—	—	—
Leverage, %	67	63	67	63	63	64	64	58
Leverage properties, %	56	63	56	63	63	64	64	58
Interest coverage ratio, multiples	1.5	2.0	1.9	2.2	2.8	3.2	2.0	2.2
Average interest, %	4.3	4.2	4.3	4.2	3.6	2.7	4.2	4.6
Average fixed-interest period, years	3.0	2.7	3.0	2.7	2.4	3.2	1.1	1.4
Average period of tied-up capital, years	2.2	1.9	2.2	1.9	2.0	1.8	2.6	3.7
Interest-bearing liabilities, SEKm	15,229	9,345	15,229	9,345	8,517	7,646	7,645	7,007
<b>Share</b>								
Earnings per common share, SEK	–0.53	0.85	1.24	2.89	3.76	1.48	–2.92	7.36
Earnings per preference share, SEK	2.50	—	7.52	—	—	—	—	—
Profit from property management per common share, SEK	0.31	0.58	2.38	2.66	2.73	3.07	2.17	2.32
Equity per share, SEK	37.2	29.5	37.2	29.5	28.1	25.6	25.1	29.4
Share price common share at end of period, SEK	25.6	25.9	25.6	25.9	34.0	22.9	18.2	25.5
Share price preference share at end of period, SEK	136.75	—	136.75	—	—	—	—	—
Market capitalization, SEKm	6,670	4,165	6,670	4,165	5,467	3,682	2,929	4,227
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
Total no. of outstanding common shares at end of period, million	161.6	160.8	161.6	160.8	160.8	160.8	160.8	165.8
Total no. of registered preference shares at end of period, million	18.5	—	18.5	—	—	—	—	—
Total no. of outstanding preference shares at end of period, million	18.5	—	18.5	—	—	—	—	—
Dividend per common share, SEK	—	—	1.50*	1.25	1.50	1.25	1.00	1.50
Dividend per preference share, SEK	—	—	10.00*	10.00	—	—	—	—
Dividend in relation to profit from property management, %	—	—	83*	79	55	41	46	64

\* proposed dividend.

# Definitions

## Property

### Area-based occupancy rate

Let area in relation to total lettable area.

### Development properties

Properties where conversion or extension projects are in process or planned, which lead to a higher standard or changed use of the premises.

### 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.

### Investment properties

Properties currently being actively managed.

### 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.

### Equity ratio, adjusted

Reported equity adjusted for the value of derivatives and deferred tax liabilities exceeding 5 per cent of the difference between taxable value plus acquired temporary differences and fair value of the properties 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.

### Loan-to-value ratio

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

### Loan-to-value ratio, properties

Interest-bearing liabilities after deduction for the market value of the listed share portfolio, liquid assets and unsecured financing in properties 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

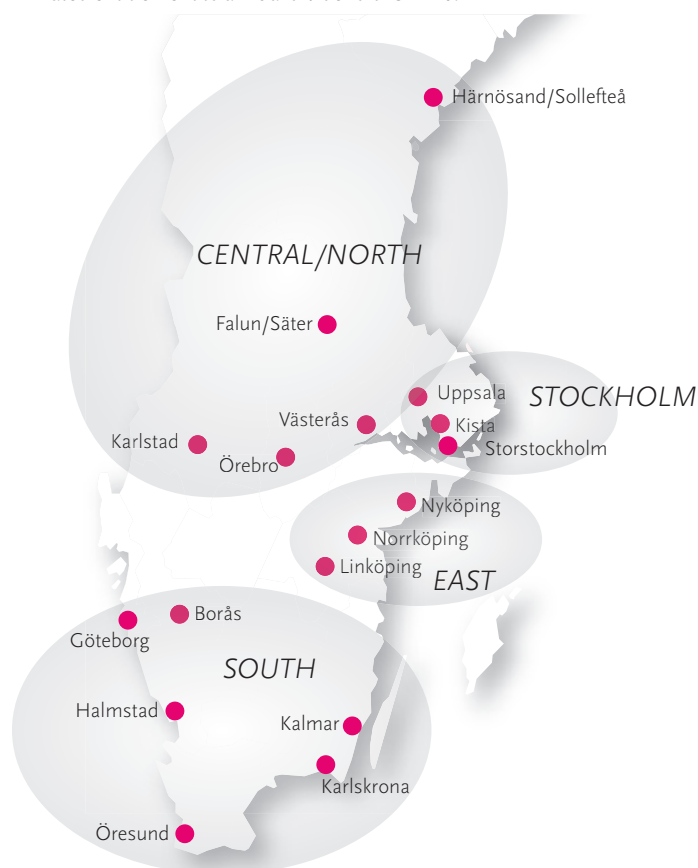
Profit for the period, after deduction for earnings to preference shares, in relation to average number of outstanding shares.

### 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.



# Calendar

Final day for trading conferring right to dividend for preference shareholders (proposed)	25 Mar 2013
Record day for dividend to preference shareholders	28 Mar 2013
Expected dividend payment date from Euroclear for preference shareholders	4 Apr 2013
Interim report Jan-Mar 2013	17 April 2013
Annual General Meeting 2013	17 April 2013
Final day for trading conferring right to dividend for preference shares	25 June 2013
Record day for dividend for preference shareholders	28 June 2013
Expected dividend payment date from Euroclear for preference shareholders	3 July 2013
Interim report Jan-Jun 2013	11 July 2013
Final day for trading conferring right to dividend for preference shareholders	25 Sep 2013
Record day for dividend to preference shareholders	30 Sep 2013
Expected dividend payment date from Euroclear for preference shareholders	3 Oct 2013
Interim report Jan-Sep 2013	23 Oct 2013
Final day for trading conferring right to dividend for preference shares	20 Dec 2013
Record day for dividend to preference shareholders	30 Dec 2013
Expected dividend payment date from Euroclear for preference shareholders	7 Jan 2014
Year-end report 2013	12 Feb 2014
Final day for trading conferring right to dividend for preference shares	26 Mar 2014
Record day for dividend to preference shareholders	31 Mar 2014
Expected dividend payment date from Euroclear for preference shareholders	3 Apr 2014

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This information in the interim report is such that Klövern 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 13 February 2013.

# KLÖVERN