

- » Income increased by 15 per cent to SEK 1,630 million (1,423).
- » The operating surplus increased by 10 per cent to SEK 1,033 million (935).
- » Profit from property management increased by 12 per cent to SEK 476 million (426).
- » Changes in value of properties amounted to SEK –96 million (176), of derivatives to SEK 345 million (–133) and of financial assets to SEK 71 million (–2).
- » Net profit for the period amounted to SEK 632 million (378), corresponding to SEK 2.96 (1.79) per common share.
- » Taking possession of eleven properties for SEK 469 million and sale of eleven properties for SEK 364 million.
- » Acquisition of 29.4 per cent of the real estate company Tribona AB (publ). Tribona is reported as an associated company from 7 June 2013.
- » Klöver intends to conceptualise its business centre activities under a separate brand name: First Office.

## Profit

SEKm	2013 Jul–Sep	2012 Jul–Sep	2013 Jan–Sep	2012 Jan–Sep	2012 Jan–Dec	Rolling 12 month Okt–Sep
Income	549	523	1,630	1,423	1,948	2,155
Property costs	–186	–163	–597	–488	–733	–842
<b>Operating surplus</b>	<b>363</b>	<b>360</b>	<b>1,033</b>	<b>935</b>	<b>1,215</b>	<b>1,313</b>
Central administration	–17	–19	–57	–67	–86	–76
Net financial items	–175	–167	–500	–442	–605	–663
<b>Profit from property management</b>	<b>171</b>	<b>174</b>	<b>476</b>	<b>426</b>	<b>524</b>	<b>574</b>
Share of profits in associated company	–5	—	3	—	—	3
Changes in value, properties	18	11	–96	176	–33	–305
Changes in value, derivatives	28	–130	345	–133	–175	303
Changes in value, financial assets	—	–2	71	–2	10	83
Write-down of goodwill	–7	—	–33	—	–95	–128
<b>Profit before tax</b>	<b>205</b>	<b>53</b>	<b>766</b>	<b>467</b>	<b>231</b>	<b>530</b>
Current tax	—	0	0	0	–2	–2
Deferred tax	–14	20	–134	–89	110	65
<b>Profit for the period</b>	<b>191</b>	<b>73</b>	<b>632</b>	<b>378</b>	<b>339</b>	<b>593</b>
Other comprehensive income, items which may later be reversed in the income statement	–10	—	–2	—	—	–2
<b>Comprehensive income for the period</b>	<b>181</b>	<b>73</b>	<b>630</b>	<b>378</b>	<b>339</b>	<b>591</b>

## Key ratios

	30.09.2013 Q3	30.06.2013 Q2	31.03.2013 Q1	31.12.2012 Q4	30.09.2012 Q3	30.06.2012 Q2	31.03.2012 Q1	31.12.2011 Q4
Operating margin, %	66	65	59	53	69	67	61	61
Return on equity, %	2.7	6.4	2.8	–0.6	1.2	2.3	3.5	2.9
Equity ratio, %	28.8	28.5	29.8	28.1	25.9	25.6	27.1	31.6
Adjusted equity ratio, %	31.5	31.4	33.2	31.9	30.6	30.3	31.3	35.8
Leverage, %	67	67	65	67	68	67	67	63
Leverage properties, %	55	55	56	56	62	60	61	63
Interest coverage ratio, multiples	2.0	1.9	1.9	1.5	2.0	1.9	1.8	2.0
Average interest, %	4.3	4.4	4.3	4.3	4.4	4.5	4.6	4.2
Average fixed-interest period, years	3.0	3.2	3.4	3.0	2.4	2.8	3.0	2.7
Average period of tied-up capital, years	1.9	2.2	2.0	2.2	1.8	2.0	2.2	1.9
Occupancy rate economic, %	89	88	88	88	88	88	88	89
Occupancy rate area, %	81	80	80	81	80	80	80	80

Cover: Logistics unit in Haninge acquired during 2013.

## Focus on our core business

During the third quarter, Klöver has continued to focus on letting and consolidation. The development of the Swedish economy has been hesitant. As in the second quarter, the service sector is going relatively well and we have received quite a number of rental enquiries from service-related companies.

There remain great challenges in the global economy. As in the second quarter, the Swedish economic recovery continues to be slow. The positive signals mainly come from the service sector where optimism has markedly increased recently. This is also the sector where most jobs are being created at present. We note a healthy demand for efficient office premises, not least from new service companies.

We have continued our focused letting work during the period. An example of this was that we signed a six-year lease contract with the County Administrative Board for modern office premises in Uppsala. This contract covers around 3,800 sq.m. and the total rent for the contract period is almost SEK 50 million. It is also the starting shot for the refurbishment of the former post office building Posthuset, adjacent to Uppsala travel interchange. It is important for Klöver to be able to participate in developing the central parts of Uppsala.

At the end of September, we also announced that we have signed a six-year lease contract with the Swedish Transport Agency in Örebro. In all, this contract covers 17,000 sq.m. with a total rent of around SEK 150 million, during the contract period.

Around 20% of Klöver's contract value now comes from public sector tenants. It would, of course, be gratifying if we continue to increase this share.

As part of our ambition to raise our popular business centres to an even higher level, we intend to conceptualise this activity with its own brand name: First Office. By at the same time clarifying the breadth of our geographic presence – we have 50 business centres in 17 cities – and adding new services, we expect to attract tenants to an even greater extent.

Long term interest rates rose during the third quarter, which led to positive changes in value of Klöver's interest rates derivatives. During the third quarter, we acquired an additional couple of per cent in Tribona and now have a 29.4 per cent ownership stake in the company.

In summary it has again been a quarter of consolidation with the focus on our core business.

Rutger Arnhult  
CEO Klöver



*Klövern is a real estate company offering, with closeness and commitment, customers efficient premises in selected growth regions. Klövern is one of the larger listed real estate companies in Sweden specializing in commercial premises. The income statement items refer to the period January–September and are compared with the corresponding period last year. The balance sheet items refer to the position at the end of the period and are compared with the preceding year-end. The period refers to January–September, the quarter to July–September and the year to January–December.*

## PROFIT

Profit from property management, i.e. profit excluding changes in value and tax, increased to SEK 476 million (426) during the period January–September and profit for the period amounted to SEK 632 million (378). Besides the effect of net acquisitions, profit from property management was affected positively by net moving-in and by upward index adjustment of rents. Net profit for the period was affected by SEK –96 million (176) as regards changes in value of properties, SEK 345 million (–133) for derivatives and SEK 71 million (–2) for financial assets. The operating margin was 63 per cent (66). Dagon's net profit was included from March for the same period last year.

Operating surplus for a comparable portfolio rose by 1 per cent to SEK 690 million (686). Income rose by 3 per cent to SEK 1,070 million (1,034) which is partly attributable to positive net moving-in and upward index adjustment of rents. Property costs rose by 9 per cent to SEK –380 million (–348) partly due to rising property tax. The fair value of a comparable portfolio increased by SEK 512 million, or 3 per cent, mainly due to investments in connection with new lettings.

## INCOME AND COSTS

Income during the period increased to SEK 1,630 million (1,423). The increase in income is attributable to net acquisitions, net moving-in and index adjustment of rents. Owing to an ongoing rent dispute, Klövern has reduced income during the period by SEK 15 million. The property costs increased to SEK –597 million (–488) during the period due

to net acquisitions. The property costs include rent losses of SEK –2 million (–2). Central administration costs amounted to SEK –57 million (–67). The comparative figure includes one-off items attributable to the acquisition of Dagon.

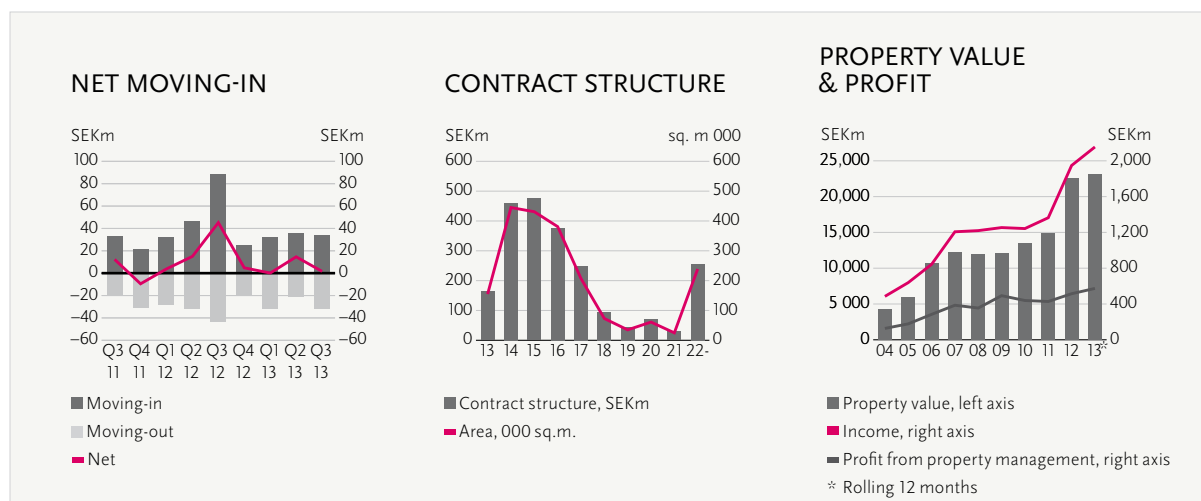
The quarter shows a net moving-in of SEK 2 million (45), the corresponding figure during the period being SEK 16 million (64). Tenants moving in during the quarter include General Instrument Sweden AB at the property Idéläran 1, Linköping, and the Municipality of Karlstad at the property Ekorren 11, Karlstad. The largest vacating tenants are Kraftkällan in Uppsala at the property Boländerna 33:2 in Uppsala and Saint-Gobain Autover at Ellipsen 5, Huddinge.

The average remaining contract period was 3.5 years (3.4). The economic occupancy rate for all properties amounted to 89 per cent (88) and 81 per cent (81) measured as area. The economic occupancy rate for investment properties was 92 per cent (92) and it was 65 per cent (57) for development properties. The major lease contracts, which have been signed during the period but where the tenant has not yet moved in, include a ten-year lease with CGI (formerly Logica) to let 10,700 sq.m. in Kista, a 20-year lease for 2,855 sq.m. with OHB Sweden and a seven-year lease for 6,600 sq.m. with the municipality of Uppsala in Uppsala.

During the quarter, a six-year lease has been signed with the County Administrative Board for letting of 3,800 sq.m. in central Uppsala. The tenant is expected to move in to the premises during the spring of 2015. Klövern has also signed a new six-year lease contract with the Swedish Transport Agency in Örebro. The contract consists of around 17,000 sq.m.

## SHAREHOLDING

On 9 August 2013, Klövern acquired an additional 707,400 shares in Tribona AB (publ), after which its shareholding amounts to 11,451,399 shares corresponding to 29.4 per cent of the total number of outstanding shares. Tribona is reported as an associated company from 7 June 2013. Klövern's share of profit for the period 7 June to 30 September amounted to SEK 3 million. The unrealized change



in value up until classification as participation rights in an associated company amounted to SEK 49 million.

Tribona specialises in modern and strategically located logistics properties. The portfolio consists of 18 properties in Sweden and one in Denmark. The lettable area amounts to 665,000 sq.m. and the property value to SEK 5,304 million.

During the period, Klöver has divested its entire holding in Diös Fastigheter AB (publ) with a realized change in value, reported under Changes in value, financial assets, of SEK 22 million. During the quarter, compulsory redemption of the remaining shareholders in Dagon AB has taken place at an amount of SEK 80 per share. The total redemption amount was SEK 2.7 million.

### CASH FLOW

The cash flow from current operations was SEK 472 million (542) during the period and income tax paid amounted to SEK 0 million (0). Investment operations have affected the cash flow by SEK –800 million (–1,918) net, mainly due to investments in existing properties. The cash flow from financing activities has affected cash flow for the period by SEK 146 million (1,416). Altogether, the cash flow for the period totals SEK –180 million (40). Liquid funds at the end of the period amounted to SEK 195 million, compared with SEK 51 million on 30 September 2012.

### FINANCING

At the end of the period, the interest-bearing liabilities amounted to SEK 15,634 million (15,229) and the average financial interest rate for the whole of the financial portfolio was 4.3 per cent (4.3). Net financial income for the period amounted to SEK –500 million (–442), of which financial income was SEK 7 million. The average fixed-interest term was 3.0 years (3.0) on 30 September. During the period,

nominal interest rate swaps of SEK 800 million have been acquired. Credit volumes with swap agreements are treated as having fixed interest. At the end of the period, Klöver had interest rate swaps totalling SEK 8,220 million (7,420) and interest rate caps of SEK 1,355 million (1,355), of which SEK 500 million mature in 2013 and SEK 855 million in 2014. The interest rate caps have redemption rates of 4.25–5.00 per cent. The average remaining term of derivatives was 4.7 years.

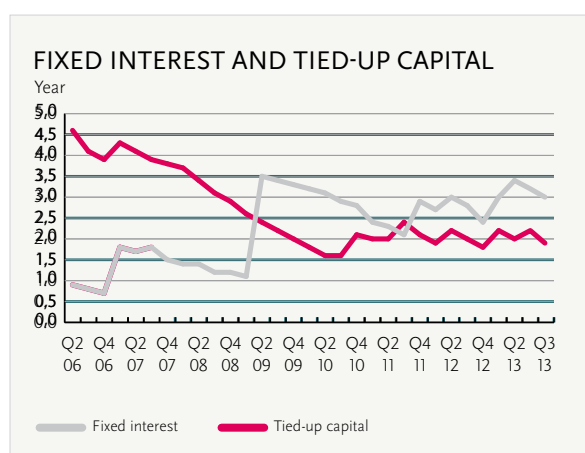
Klöver's interest rate swaps and interest rate caps effectively limit the interest rate risk. An increase in the short market rates of one percentage point would increase Klöver's average borrowing rate by 0.5 percentage points and Klöver's financial costs by SEK 73 million. Changes in value of derivatives, all unrealized, amounted to SEK 345 million (–133) during the period. On 30 September, the value was SEK –88 million (–432). Unrealized change in value does not affect the cash flow. On maturity, the value of the derivative is always zero. All derivatives are classified at Level 2 according to IFRS 13. No derivatives have changed classification during the period. Klöver's assessment is that there is no significant difference between the book value and the fair value of interest-bearing liabilities.

The average period of tied-up capital amounted to 1.9 years (2.2) at the end of the period. Unutilized credit volumes, including unused credit facilities of SEK 299 million (300), amounted to SEK 1,086 million (581). During the period, Klöver has issued a covered bond of SEK 700 million and issued an additional SEK 500 million within the framework of a bond loan totalling SEK 2 billion, of which SEK 1,150 million has been utilized. The value of unencumbered properties was around SEK 1.1 billion at the end of the period.

After the end of the period Klöver has restructured its derivative portfolio, by in advance closing interest rate swaps of SEK 1 billion. Original maturity was in December 2020.

#### FIXED INTEREST AND TIED-UP CAPITAL

	Fixed interest		Tied-up capital		
	Loan volume, SEKm	Interest, %	Contract volume, SEKm	Utilized, SEKm	Unutilized, SEKm
Floating					
Floating	7,077	3.6	—	—	—
2013	56	4.0	2,947	2,648	299
2014	334	5.6	5,209	4,780	429
2015	1,592	5.1	5,781	5,423	358
2016	400	5.3	—	—	—
2017	1,075	4.7	1,850	1,850	—
2018	900	5.5	716	716	—
2019	500	5.5	—	—	—
2020	1,100	4.2	—	—	—
2021	1,000	4.5	—	—	—
2022	1,000	5.6	—	—	—
2023	600	4.5	—	—	—
Later	—	—	217	217	—
<b>Total</b>	<b>15,634</b>	<b>4.3</b>	<b>16,720</b>	<b>15,634</b>	<b>1,086</b>



### PROPERTY TRANSACTIONS

Eleven properties (129) have been acquired during the period for a total purchase price of SEK 469 million (6,643). Klövern has sold and handed over 11 properties (3) during the period at a price of SEK 364 million (141).

### 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, SEK 537 million (719) was invested. In all, 330 projects (364) are in process and SEK 622 million (449) remains to be invested in these projects. Total estimated expenditure for the same projects amounts to SEK 1,447 million (1,779).

At the end of the period, assessed building rights and building rights with local plans totalled 1,346,000 (1,369,000). 717,000 sq.m. (562,000) 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 955 million (896), corresponding to SEK 710 per sq.m. (654).

### FAIR VALUE

SEKm	2013 Jan–Sep	2012 Jan–Dec
Fair value, as per January 1	22,624	14,880
Acquisitions	469	7,459
Investments	537	861
Sales	–364	–543
Change in value	–96	–33
<b>Fair value at the end of the period</b>	<b>23,170</b>	<b>22,624</b>

### PROPERTIES AND CHANGES IN VALUE

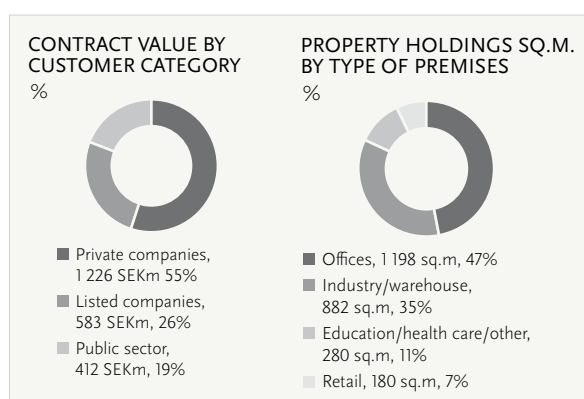
As at 30 September 2013, Klövern's portfolio consisted of 390 properties (387). The rental value amounted to SEK 2,485 million (2,468) and the fair value of the properties was SEK 23,170 million (22,624).

The total lettable area amounted to 2,540,000 sq.m. (2,529,000). The changes in value of the properties amounted to SEK –96 million (176) during the period. The changes in value include realized changes in value of SEK 23 million (32) and unrealized changes in value of SEK –119 million (144). The unrealized changes in value do not affect the cash flow. On average, Klövern's property portfolio, as at 30 September, has been valued with a required yield of 7.2 per cent (7.2). The value of the properties has fallen slightly, mainly due to a somewhat weaker development of CPI and thus rent indexation than expected and minor adjustments of the yield requirement for properties in peripheral locations.

Klövern values 100 per cent of the property portfolio each quarter, 20 to 30 per cent of which are valued externally. External valuations have been mainly performed by DTZ Sweden and Savills. Every property in the portfolio is valued externally 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. All properties are classified at level 3 according to IFRS 13. No properties have changed classification during the period. See Klövern's annual report for 2012 for a detailed description.

### KLÖVERN'S 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
Norrköping	Kopparhammaren 2	Education	36,613	5,130	100	88	76	8	46	2014
Kista/Stockholm	Helgafjäll 1	Office	11,735	10,673	99	75	46	9	20	2014
Malmö	Dragör 1	Office	2,322	2,322	100	61	49	5	5	2014
Linköping	Brevduvan 17	Office	7,603	4,998	90	49	46	3	11	2014
Linköping	Idéläran 1	Office	15,658	4,780	90	43	8	4	7	2013
Eskilstuna	Vampyren 9	Retail	16,524	2,412	96	37	3	1	25	2013
Linköping	Amor 1	Office	3,292	3,292	100	31	15	2	7	2014
Kista/Stockholm	Gullfoss 5	Office/warehouse	3,477	2,886	93	23	13	3	5	2014
<b>Total</b>			<b>97,224</b>	<b>36,493</b>		<b>407</b>	<b>256</b>	<b>35</b>	<b>126</b>	



## THE SHARE

As at 30 September, 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 entitlement to one vote and a preference share to a tenth of a vote. Klöverns' shares are listed on NASDAQ OMX Stockholm Mid Cap. On 30 September, the share price was SEK 28.00 per common share (25.60) and SEK 147.75 per preference share (136.75), corresponding to a total capitalization of SEK 7,402 million (6,670). At the end of the period, the number of shareholders was around 34,500 (31,700) and 82 per cent (81) of the share of votes was Swedish-owned. At the beginning of the year, Klöverns sold 5,000,000 common shares, corresponding to 3.0 per cent of the total number of registered common shares. Thereafter Klöverns does not hold any common shares (5,000,000) or preference shares (-).

## SHAREHOLDERS 30.09.2013

	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	26,599	1,180	15.0	15.9
Rutger Arnhult via companies	17,150	203	9.4	10.2
Länsförsäkringar funds	16,244	—	8.8	9.6
Handelsbanken funds	6,349	1	3.4	3.8
Swedbank Robur funds	5,522	136	3.1	3.3
JPM Chase	4,936	107	2.7	2.9
SEB Investment Management	2,583	41	1.4	1.5
Mellon AAM Omnibus	2,312	—	1.2	1.4
Andra AP fund	1,420	556	1.1	0.9
Avanza Pension	1,200	—	0.6	0.7
Client OMI for Ishare Europe	1,174	—	0.6	0.7
Pareto Bank	1,172	—	0.6	0.7
Aktie-Ansvar funds	1,139	—	0.6	0.7
Alfred Berg	1,050	20	0.6	0.6
Nordea Investment Funds	1,003	65	0.6	0.6
Klöverns' profit sharing system	936	18	0.5	0.6
Svolder	878	—	0.5	0.5
Invus Investment	871	22	0.5	0.5
SSB CL Omnibus AC OM03	868	17	0.5	0.5
<b>Total largest shareholders</b>	<b>125,606</b>	<b>2,366</b>	<b>69.1</b>	<b>74.7</b>
Other shareholders	40,938	16,170	30.9	25.3
<b>Total outstanding shares</b>	<b>166,544</b>	<b>18,536</b>	<b>100.0</b>	<b>100.0</b>
Repurchased own shares	—	—		
<b>Total registered shares</b>	<b>166,544</b>	<b>18,536</b>		

## DEVELOPMENT OF SHARE CAPITAL

Date	Event	Change no. common shares	Total no. common shares	Change no. preference shares	Total no. preference shares	Acc. share capital, SEK
2012-01-01	Opening balance		166,544,326		—	832,721,630
2012-01-13	Cash new issue	34	166,544,360			832,721,800
2012-01-13	Bonus issue			4,163,609	4,163,609	853,539,845
2012-03-06	New issue			7,544,531	11,708,140	891,262,500
2012-04-10	New issue			66,638	11,774,778	891,595,690
2012-04-19	New issue			585	11,775,363	891,598,615
2012-06-29	New issue			463,000	12,238,363	893,913,615
2012-07-09	New issue			448,000	12,686,363	896,153,615
2012-09-14	New issue			912,500	13,598,863	900,716,115
2012-09-17	New issue			132,475	13,731,338	901,378,490
2012-10-08	New issue			3,583,350	17,314,688	919,295,240
2012-10-08	New issue			1,105,000	18,419,688	924,820,240
2012-10-17	New issue			116,650	18,536,338	925,403,490
2013-06-30	Closing balance		166,544,360		18,536,338	925,403,490

## 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 being actively managed. Development properties refer to properties where conversion or extension projects are in process or planned, leading to a higher standard or changed use of 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 during the period and investments made. 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	
	2013 Jan-Sep	2012 Jan-Sep	2013 Jan-Sep	2012 Jan-Sep	2013 Jan-Sep	2012 Jan-Sep	2013 Jan-Sep	2012 Jan-Sep	2013 Jan-Sep	2012 Jan-Sep
Investment	284	195	-101	-68	183	127	64	65	80	70
Development	35	29	-19	-13	16	16	46	55	34	30
<b>South</b>	<b>319</b>	<b>224</b>	<b>-120</b>	<b>-81</b>	<b>199</b>	<b>143</b>	<b>62</b>	<b>64</b>	<b>114</b>	<b>100</b>
Investment	325	328	-115	-103	210	225	65	69	194	114
Development	21	22	-13	-13	8	9	38	41	3	18
<b>East</b>	<b>346</b>	<b>350</b>	<b>-128</b>	<b>-116</b>	<b>218</b>	<b>234</b>	<b>63</b>	<b>67</b>	<b>197</b>	<b>132</b>
Investment	516	442	-165	-129	351	313	68	71	83	336
Development	38	35	-26	-24	12	11	32	31	40	20
<b>Stockholm</b>	<b>554</b>	<b>477</b>	<b>-191</b>	<b>-153</b>	<b>363</b>	<b>324</b>	<b>66</b>	<b>68</b>	<b>123</b>	<b>356</b>
Investment	399	361	-152	-132	247	229	62	63	87	114
Development	12	11	-6	-6	6	5	50	45	16	17
<b>Central/North</b>	<b>411</b>	<b>372</b>	<b>-158</b>	<b>-138</b>	<b>253</b>	<b>234</b>	<b>62</b>	<b>63</b>	<b>103</b>	<b>131</b>
Investment	1 524	1 326	-533	-432	991	894	65	67	444	634
Development	106	97	-64	-56	42	41	40	42	93	85
<b>Total</b>	<b>1 630</b>	<b>1 423</b>	<b>-597</b>	<b>-488</b>	<b>1 033</b>	<b>935</b>	<b>63</b>	<b>66</b>	<b>537</b>	<b>719</b>

### KEY RATIOS PER PROPERTY SEGMENT AND REGION

	Fair value, SEKm		Required yield <sup>1)</sup> , %		Area, 000 sq.m.		Rental value, SEKm		Ec. occupancy rate, %	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012	30.09.2013	30.09.2012	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Investment	3,666	2,948	7.5	7.5	498	426	409	350	94	93
Development	899	902	7.4	7.8	141	151	67	78	74	61
<b>South</b>	<b>4,565</b>	<b>3,850</b>	<b>7.5</b>	<b>7.6</b>	<b>639</b>	<b>577</b>	<b>476</b>	<b>428</b>	<b>91</b>	<b>88</b>
Investment	4,171	4,142	7.3	7.2	491	482	483	474	91	91
Development	226	307	9.6	9.2	84	100	39	50	68	62
<b>East</b>	<b>4,397</b>	<b>4,449</b>	<b>7.4</b>	<b>7.3</b>	<b>575</b>	<b>582</b>	<b>522</b>	<b>524</b>	<b>89</b>	<b>88</b>
Investment	8,145	7,927	6.9	6.8	537	510	773	750	93	92
Development	1,118	1,114	7.0	7.0	100	106	92	108	56	50
<b>Stockholm</b>	<b>9,263</b>	<b>9,041</b>	<b>6.9</b>	<b>6.9</b>	<b>637</b>	<b>616</b>	<b>865</b>	<b>858</b>	<b>89</b>	<b>87</b>
Investment	4,784	4,793	7.5	7.4	656	655	599	587	89	89
Development	161	144	8.1	8.3	33	32	23	23	73	68
<b>Central/North</b>	<b>4,945</b>	<b>4,937</b>	<b>7.5</b>	<b>7.4</b>	<b>689</b>	<b>687</b>	<b>622</b>	<b>610</b>	<b>89</b>	<b>89</b>
Investment	20,766	19,810	7.2	7.2	2,182	2,073	2,264	2,161	92	91
Development	2,404	2,467	7.5	7.6	358	389	221	259	65	58
<b>Total</b>	<b>23,170</b>	<b>22,277</b>	<b>7.2</b>	<b>7.2</b>	<b>2,540</b>	<b>2,462</b>	<b>2,485</b>	<b>2,420</b>	<b>89</b>	<b>88</b>

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

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



Interior from one of Klöverns business centres in Täby.

## ORGANIZATION AND ENVIRONMENT

Klöverns business model entails closeness to the customer by having our own staff at all business units. After the merger with Dagon, Klöverns has increased the number of business units from 10 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 (Karlstad, Västerås, Örebro, Falun/Säter and Härnösand/Sollefteå). At the end of the period, Klöverns had 194 employees (185). The average age was 46 years (46) and the proportion of women amounted to 41 per cent (41). Since 2011, the company has been certified in accordance with the Swedish Environmental Standard (Svensk Miljöbas).

## TAXES

Deferred tax of SEK –13 million (–9) 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 for tax purposes of properties, derivatives and financial assets has entailed an effect on deferred tax of SEK –121 million (–80). In total, deferred tax of SEK –134

million (–89) and current tax of SEK 0 million (–) have been included. The Administrative Court has decided in Klöverns favour on the Tax Agency's increase in Klöverns taxation of approximately SEK 77 million for the 2008 income year. The Tax Agency appealed against the Administrative Court's decision to the Administrative Court of Appeal.

## SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

A real estate company is exposed to various risks and opportunities in its business activities. Internal regulations and policies limit exposure to different risks. Klöverns significant risks and exposure and their management are described on pages 68–71 of the 2012 annual report.

## DISPUTES

Klöverns has an ongoing larger rent dispute. The tenant has deposited SEK 60 million for the period January–December 2013 and SEK 15 million for 2012 with the County Administrative Board. Klöverns has, by reduction of rental income, reserved SEK 15 million for 2013 and SEK 15 million for 2012. No reduction of rental income has been made for the third quarter 2013.

## 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.

From 1 January 2013, Klöver reports deferred tax in the balance sheet net. The comparison figures have been adjusted on the basis of this new policy. Since 1 January 2013, Klöver has made increased disclosures on items valued at fair value in compliance with IFRS 13. Other accounting policies applied in this interim report are in essential parts those described in note 1 of Klöver's Annual Report for 2012.

During the third quarter of 2013, Klöver has acquired additional shares in Tribona AB (publ) and, on 30 September, the holding amounts to 29.4 per cent. Holdings which exceed 20 but are less than 50 per cent of the votes, are reported as participation rights in an associated company and Klöver is therefore reporting the shareholding in Tribona AB (publ) as participation rights in an associated company from 7 June. The holding is reported in accordance with IAS 28 "Investments in associates" and with the equity method. This means that the book value for the Group of the holding is adjusted downwards by Klöver's share of the net profit for the period and other comprehensive income with the exception of any dividend received. The associated company is reported at acquisition value in the parent company.

The participation rights in Tribona have previously been reported as financial assets valued in the statement of income. This means that the participation rights have been valued at fair value as at 7 June when the company became an associated company. The holding in Tribona has affected Klöver's statement of income in the following way:

- Change of value to 7 June is reported as Change in value, financial assets.
- Klöver's share of Tribona's net profit for the period is reported as Shares of profit in an associated company.
- Klöver's share of Tribona's other comprehensive income is reported as Other comprehensive income.

## DIVIDEND

Dividend of SEK 1.50 (1.25) per common share, totalling SEK 250 million, has been paid during the second quarter. During the respective quarter of the period, dividend of SEK 2.50 (2.50) per preference share, totalling SEK 139 million during the period, has been paid.

## EVENTS AFTER THE END OF THE PERIOD

After the end of the period, Klöver has signed contracts for acquisition of four properties with a purchase price of SEK 260 million and signed contracts for divestment of a property for SEK 27 million. Taking possession and vacation will take place during the fourth quarter.

During the month of October Klöver has refinanced SEK 430 million, with original maturity during the fourth quarter 2013 to a new date of maturity of 31 December 2015.

After the end of the period an additional SEK 70 million has been issued within a SEK 500 million bond loan framework, after which SEK 245 million has been exercised.

Klöver has after the end of the period restructured its derivative portfolio, by in advance closing interest rate swaps of SEK 1 billion. Original maturity was in December 2020.

Nyköping, 23 October 2013

The Board of Directors of Klöver AB (publ)

## REVIEW REPORT

To the Board of Directors of Klöver AB (publ)

Reg.no. 556482-5833

## Introduction

We have reviewed the interim report for Klöver AB (publ) as at 30 September 2013 for the nine-month period that ended on that date. The Board of Directors and the CEO are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

## The direction and scope of the review

We have performed this review in accordance with the standard for review (SÖG) 2410 Review of financial interim report information performed by the auditor appointed by the company. A review consists of making enquiries in the first place to persons who are responsible for financial issues and accounting matters, performing an analytical review and undertaking other general review measures. A review has a different focus and a considerably reduced scope compared with the focus and scope of an audit in accordance with the International Standards on Auditing, ISA, and generally accepted auditing standards in Sweden otherwise.

The review measures undertaken have not made it possible for us to acquire such certainty as to be aware of all important circumstances that could have been identified in the performance of an audit. The conclusion stated is based on a general review and does not therefore have the same degree of certainty as a statement based on an audit.

## Conclusion

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

Stockholm, 23 October 2013

Ernst & Young AB

Mikael Ikonen

Authorized public accountant

## Consolidated Statement of Income

SEKm	2013 3 months Jul-Sep	2012 3 months Jul-Sep	2013 9 months Jan-Sep	2012 9 months Jan-Sep	2012 12 months Jan-dec	Rolling 12 months Okt-Sep
Income	549	523	1,630	1,423	1,948	2,155
Property costs	-186	-163	-597	-488	-733	-842
<b>Operating surplus</b>	<b>363</b>	<b>360</b>	<b>1,033</b>	<b>935</b>	<b>1,215</b>	<b>1,313</b>
Central administration	-17	-19	-57	-67	-86	-76
Net financial items	-175	-167	-500	-442	-605	-663
<b>Profit from property management</b>	<b>171</b>	<b>174</b>	<b>476</b>	<b>426</b>	<b>524</b>	<b>574</b>
Share of profits in associated company	-5	—	3	—	—	3
Changes in value, properties	18	11	-96	176	-33	-305
Changes in value, derivatives	28	-130	345	-133	-175	303
Changes in value, financial assets	—	-2	71	-2	10	83
Write-down of goodwill	-7	—	-33	—	-95	-128
<b>Profit before tax</b>	<b>205</b>	<b>53</b>	<b>766</b>	<b>467</b>	<b>231</b>	<b>530</b>
Current tax	—	0	0	0	-2	-2
Deferred tax	-14	20	-134	-89	110	65
<b>Net profit for the period</b>	<b>191</b>	<b>73</b>	<b>632</b>	<b>378</b>	<b>339</b>	<b>593</b>
Other comprehensive income, items which may later be reversed in the income statement	-10	—	-2	—	—	-2
<b>Comprehensive income for the period</b>	<b>181</b>	<b>73</b>	<b>630</b>	<b>378</b>	<b>339</b>	<b>591</b>
Earnings per common share, SEK	0.87	0.24	2.96	1.79	1.24	2.47
Earnings per preference share, SEK	2.50	2.50	7.50	6.85	7.52	10.00
No. of common shares outstanding at the end of the period, million	166.5	157.5	166.5	157.5	161.5	166.5
No. of preference shares outstanding at the end of the period, million	18.5	13.6	18.5	13.6	18.5	18.5
Average no. of outstanding common shares, million	166.5	157.4	166.3	158.9	158.9	164.4
Average no. of outstanding preference shares, million	18.5	12.7	18.5	9.7	11.8	18.4

There are no outstanding warrants or convertibles.

## Consolidated Balance Sheet

SEKm	30.09.2013	30.09.2012	31.12.2012
<b>ASSETS</b>			
Goodwill	257	384	289
Investment properties	23,170	22,277	22,624
Machinery and equipment	12	9	14
Participation rights in associated company	478	—	—
Financial assets at fair value through statement of income	—	313	330
Other receivables	270	157	163
Liquid funds	195	51	375
<b>TOTAL ASSETS</b>	<b>24,382</b>	<b>23,191</b>	<b>23,795</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>			
Shareholder's equity	7,022	5,996	6,696
Minority interest	0	0	0
Deferred tax liability	813	862	681
Interest-bearing liabilities	15,634	15,111	15,229
Derivatives	88	436	432
Accounts payable	90	82	158
Other liabilities	156	180	114
Accrued expenses and prepaid income	579	524	485
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>24,382</b>	<b>23,191</b>	<b>23,795</b>

## Change in Consolidated Shareholders' Equity

SEKm	
Shareholders' equity 01.01.2012	4,740
New issue	1,965
Repurchase/sale of own shares	39
Dividend	-387
Net profit for the period	339
<b>Equity 31.12.2012</b>	<b>6,696</b>
Sale of own shares	131
Dividend	-435
Other comprehensive profit	-2
Net profit for the period	632
<b>Shareholders' equity 30.06.2013</b>	<b>7,022</b>

## Consolidated Statement of Cash Flow

SEKm	2013 3 months Jul-Sep	2012 3 months Jul-Sep	2013 9 months Jan-Sep	2012 9 months Jan-Sep	2012 12 months Jan-dec
<b>Current operations</b>					
Profit from property management	171	174	476	426	524
Adjustment for items not included in the cash flow	1	1	3	2	3
Income tax paid	0	0	0	0	-1
<b>Cash flow from current operations before change in working capital</b>	<b>172</b>	<b>175</b>	<b>479</b>	<b>428</b>	<b>526</b>
<b>Changes in working capital</b>					
Change in operating receivables	19	16	-34	32	1
Change in operating liabilities	18	-19	27	82	185
<b>Total change in working capital</b>	<b>37</b>	<b>-3</b>	<b>-7</b>	<b>114</b>	<b>186</b>
<b>Cash flow from current operations</b>	<b>209</b>	<b>172</b>	<b>472</b>	<b>542</b>	<b>712</b>
<b>Investment operations</b>					
Divestment of properties	156	—	324	141	543
Acquisition of and investment in properties	-436	-784	-1,008	-1,584	-2,541
Acquisition of subsidiaries	—	—	—	-426	-426
Acquisition of machinery and equipment	-1	0	-1	-2	-8
Change in financial assets	-38	—	-137	—	-26
Realized change in value, financial assets	—	-47	22	-47	1
<b>Cash flow from investment operations</b>	<b>-319</b>	<b>-831</b>	<b>-800</b>	<b>-1,918</b>	<b>-2,457</b>
<b>Financing operations</b>					
Change in interest-bearing liabilities	274	675	404	1,837	1,942
Realized change in value, derivatives	—	-30	—	-30	-78
Repurchase/sale of own shares	—	—	131	-140	-23
New issue of preference shares	—	9	—	9	655
Dividend	-46	-30	-389	-260	-387
<b>Cash flow from financing operations</b>	<b>228</b>	<b>624</b>	<b>146</b>	<b>1,416</b>	<b>2,109</b>
<b>Cash flow for the period</b>	<b>118</b>	<b>-35</b>	<b>-180</b>	<b>40</b>	<b>364</b>
<b>Liquid funds at the beginning of the period</b>	<b>77</b>	<b>86</b>	<b>375</b>	<b>11</b>	<b>11</b>
<b>Liquid funds at the end of the period</b>	<b>195</b>	<b>51</b>	<b>195</b>	<b>51</b>	<b>375</b>

## Parent Company Statement of Income

SEKm	2013 3 months Jul–Sep	2012 3 months Jul–Sep	2013 9 months Jan–Sep	2012 9 months Jan–Sep	2012 12 months Jan–dec
Net sales	41	27	132	83	140
Cost of services sold	–30	–20	–103	–61	–98
<b>Gross profit</b>	<b>11</b>	<b>7</b>	<b>29</b>	<b>22</b>	<b>42</b>
Central administration	–17	–19	–57	–52	–71
<b>Operating profit</b>	<b>–6</b>	<b>–12</b>	<b>–28</b>	<b>–30</b>	<b>–29</b>
Financial income	0	0	37	0	549
Financial costs	–68	–27	–170	–55	–86
<b>Profit after financial items</b>	<b>–74</b>	<b>–39</b>	<b>–161</b>	<b>–85</b>	<b>434</b>
Current tax	—	—	—	—	—
Deferred tax	–9	7	–21	–9	–51
<b>Net profit for the period</b>	<b>–83</b>	<b>–32</b>	<b>–182</b>	<b>–94</b>	<b>383</b>
Other comprehensive income	—	—	—	—	—
<b>Comprehensive income for the period</b>	<b>–83</b>	<b>–32</b>	<b>–182</b>	<b>–94</b>	<b>383</b>

## Parent Company Balance Sheet

SEKm	30.09.2013	30.09.2012	31.12.2012
<b>ASSETS</b>			
Machinery and equipment	3	3	4
Participation in group companies	1,839	1,836	1,836
Participation in other companies	429	315	294
Receivables from group companies	10,245	4,547	7,085
Deferred tax assets	325	388	346
Accounts receivables	37	18	31
Liquid funds	1	50	164
<b>TOTAL ASSETS</b>	<b>12,879</b>	<b>7,157</b>	<b>9,760</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	4,600	3,877	5,086
Interest-bearing liabilities	4,901	2,012	3,841
Liabilities to group companies	3,158	1,134	685
Accounts payable	3	4	8
Other liabilities	151	104	106
Accrued expenses and prepaid income	66	26	34
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>12,879</b>	<b>7,157</b>	<b>9,760</b>

## Key ratios

	30.09.2013 months Jul–Sep	30.09.2012 months Jul–Sep	30.09.2013,9 months Jan–Sep	30.09.2012,9 months Jan–Sep	30.09.2013 Rolling 12 months Okt–Sep	2012	2011	2010	2009
<b>Property</b>									
Number of properties	390	387	390	387	390	387	255	250	217
Lettable area, 000 sq.m.	2,540	2,462	2,540	2,462	2,540	2,529	1,561	1,528	1,392
Rental value, SEKm	2,485	2,420	2,485	2,420	2,485	2,468	1,554	1,486	1,385
Fair value properties, SEKm	23,170	22,277	23,170	22,277	23,170	22,624	14,880	13,493	12,032
Direct yield requirement valuation, %	7.2	7.2	7.2	7.2	7.2	7.2	7.1	7.2	7.2
Operating margin, %	66	69	63	66	61	62	63	60	62
Occupancy rate economic, %	89	88	89	88	89	88	89	89	89
Occupancy rate area, %	81	80	81	80	81	81	80	79	80
Average lease term, years	3.5	3.2	3.5	3.2	3.5	3.4	2.8	2.8	3.0
<b>Financial</b>									
Return on equity, %	2.7	1.2	9.1	6.8	8.8	5.8	10.1	14.0	5.8
Equity ratio, %	28.8	25.3	28.8	25.3	28.8	28.1	31.6	33	33.8
Adjusted equity ratio, %	31.5	31.7	31.5	31.7	31.5	31.9	35.8	—	—
Leverage, %	67	68	67	68	67	67	63	63	64
Leverage properties, %	55	62	55	62	55	56	63	63	64
Interest coverage ratio, multiples	2.0	2.0	1.9	2.0	1.9	1.9	2.2	2.8	3.2
Average interest, %	4.3	4.4	4.3	4.4	4.3	4.3	4.2	3.6	2.7
Average fixed-interest period, years	3.0	2.4	3.0	2.4	3.0	3.0	2.7	2.4	3.2
Average period of tied-up capital, years	1.9	1.8	1.9	1.8	1.9	2.2	1.9	2.0	1.8
Interest-bearing liabilities, SEKm	15,634	15,111	15,634	15,111	15,634	15,229	9,345	8,517	7,646
<b>Share</b>									
Earnings per common share, SEK	0.87	0.24	2.96	1.79	2.47	1.24	2.89	3.76	1.48
Earnings per preference share, SEK	2.50	2.50	7.50	6.85	10.00	7.52	—	—	—
Equity per share, SEK	37.94	35.09	37.94	35.09	37.94	37.18	29.48	28.08	25.57
Share price common share at end of period, SEK	28.00	25.80	28.00	25.80	28.00	25.60	25.90	34.00	22.90
Share price preference share at end of period, SEK	147.75	140.50	147.75	140.50	147.75	136.75	—	—	—
Market capitalization, SEKm	7,402	5,972	7,402	5,972	7,402	6,670	4,165	5,467	3,682
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	166.5	157.5	166.5	157.5	166.5	161.6	160.8	160.8	160.8
Total no. of registered preference shares at end of period, million	18.5	13.7	18.5	13.7	18.5	18.5	—	—	—
Total no. of outstanding preference shares at end of period, million	18.5	13.6	18.5	13.6	18.5	18.5	—	—	—
Dividend per common share, SEK	—	—	—	—	—	1.50	1.25	1.50	1.25
Dividend per preference share, SEK	—	—	—	—	—	10.00	10.00	—	—
Dividend in relation to profit from property management, %	—	—	—	—	—	83	79	55	41

## 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.

#### LEVERAGE

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

#### LEVERAGE 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 to preference shareholders	20 Dec 2013
Record date for dividend to preference shareholders	30 Dec 2013
Expected date for dividend to preference shareholders from Euroclear	7 Jan 2014
Year-end report 2013	12 Feb 2014
Final day for trading conferring right to dividend to preference shareholders	26 Mar 2014
Record date for dividend to preference shareholders	31 Mar 2014
Expected date for dividend to preference shareholders from Euroclear	3 Apr 2014
Interim report Jan – Mar 2014	23 Apr 2014
Annual General Meeting 2014	23 Apr 2014
Interim report Jan – Jun 2014	10 Jul 2014
Interim report Jan – Sep 2014	22 Oct 2014
Year-end report 2014	11 Feb 2015

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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 23 October 2013.

# KLÖVERN