

- » Income increased by 14 per cent to SEK 2,521 million (2,220).
- » The operating surplus increased by 18 per cent to SEK 1,643 million (1,392).
- » Profit from property management increased by 24 per cent to SEK 789 million (636).
- » Changes in value of properties amounted to SEK 1,207 million (–28), of derivatives to SEK –565 million (337) and share in profits of associated companies to SEK –126 million (5).
- » Net profit amounted to SEK 1,164 million (808), corresponding to SEK 1.02 (0.68) per ordinary share.
- » Taking possession of 19 properties for SEK 4,452 million and sale of 13 properties for SEK 531 million.
- » During the fourth quarter, a new issue of preference shares, a bonus issue of Class B ordinary shares and a reverse share split were completed.
- » The Board of Directors is proposing a dividend of SEK 0.30 per ordinary share and a dividend of SEK 20.00 per preference share. Adjusted for the bonus issue and the reverse share split, the dividend amounted last year to SEK 0.27 per ordinary share and SEK 20.00 per preference share.

## Income Statement

SEKm	2014 3 months Oct–Dec	2013 3 months Oct–Dec	2014 12 months Jan–Dec	2013 12 months Jan–Dec
Income	658	590	2,521	2,220
Property costs	–253	–231	–878	–828
<b>Operating surplus</b>	<b>405</b>	<b>359</b>	<b>1,643</b>	<b>1,392</b>
Central administration	–25	–21	–84	–78
Net financial items	–185	–178	–770	–678
<b>Profit from property management</b>	<b>195</b>	<b>160</b>	<b>789</b>	<b>636</b>
Share of profits in associated company	–47	2	–126	5
Changes in value, properties	327	68	1,207	–28
Changes in value, derivatives	–141	–8	–565	337
Changes in value, financial assets	—	—	—	71
Write-down of goodwill	—	–1	–10	–34
<b>Profit before tax</b>	<b>334</b>	<b>221</b>	<b>1,295</b>	<b>987</b>
Current tax	–2	–1	–2	–1
Deferred tax	–60	–44	–129	–178
<b>Net profit</b>	<b>272</b>	<b>176</b>	<b>1,164</b>	<b>808</b>
Other comprehensive income, items which may later be reversed in the income statement	2	—	4	–2
<b>Net comprehensive income</b>	<b>274</b>	<b>176</b>	<b>1,168</b>	<b>806</b>

## Key ratios, per quarter

	31.12.2014 Q4	30.09.2014 Q3	30.06.2014 Q2	31.03.2014 Q1	31.12.2013 Q4	30.09.2013 Q3	30.06.2013 Q2	31.03.2013 Q1
Operating margin, %	62	69	67	63	61	66	65	59
Return on equity, %	3.0	2.8	7.8	1.2	2.5	2.7	3.5	2.8
Equity ratio, adjusted, %	35.9	29.7	28.8	31.1	31.4	31.5	31.4	33.2
Leverage, %	60	67	68	65	65	65	65	64
Leverage properties, %	51	57	57	55	57	57	57	57
Interest coverage ratio	2.0	2.1	2.0	1.9	1.9	2.0	2.0	1.9
Average interest, %	3.5	3.7	3.9	4.2	4.3	4.3	4.4	4.3
Average fixed-interest period, years	2.1	2.0	2.1	2.5	2.7	3.0	3.2	3.4
Average period of tied-up capital, years	2.1	2.3	2.3	1.9	2.0	1.9	2.2	2.0
Occupancy rate economic, %	90	90	90	90	90	89	88	88
Occupancy rate area, %	81	82	82	81	82	81	80	80

Cover: The property Stockrosen 2 in Mölndal, aquired during fourth quarter 2014.

## 2014 – A very successful year for Klöver

The last quarter of the year was eventful for Klöver. Earnings continued to be very good and a number of important lease contracts were signed. Furthermore, transaction activity was high in December as usual. At an extraordinary general meeting decisions were made to introduce a new class of shares, ordinary shares of class B, and to authorize the Board of directors to resolve on a new issue of preference shares. These decisions strengthened Klöver and made the company better equipped for continued growth.

Income increased by med 12 per cent during the final quarter, mainly driven by acquisitions. The operating margin amounted to 62 per cent, to some extent negatively affected by refurbishment of recently acquired properties. For the full year 2014 this means that the operating margin came in at 65 per cent, up from 63 per cent in 2013, which is very satisfactory.

The economic occupancy rate was 90 per cent at the end of the year. A bright spot for letting was a lease contract for 3,200 sq.m. for the two top newly-built office floors at the former post office building (gamla Posthuset) in Uppsala, where Klöver is carrying out a major project in the immediate vicinity of the central station. The tenant is the infrastructure operator IP-Only AB which already has its head office in Uppsala. It was also very gratifying to sign a long lease contract with Evidensia at Kungens Kurva. Looking at the full year, the goal of a net moving-in of one per cent of the rental value was reached. Going forward, there will be an increased focus on letting and plenty of discussions are taking place with potential tenants which may have a rapid impact on the occupancy rate.

Through acquisitions in Mölndal, Norrköping, Uppsala, Örebro and Västerås we continued to strengthen our property portfolio in several prioritized cities. During the final quarter contracts were also signed to sell one property in Karlskrona and four properties in the Stockholm area which do not quite fit in Klöver's portfolio.

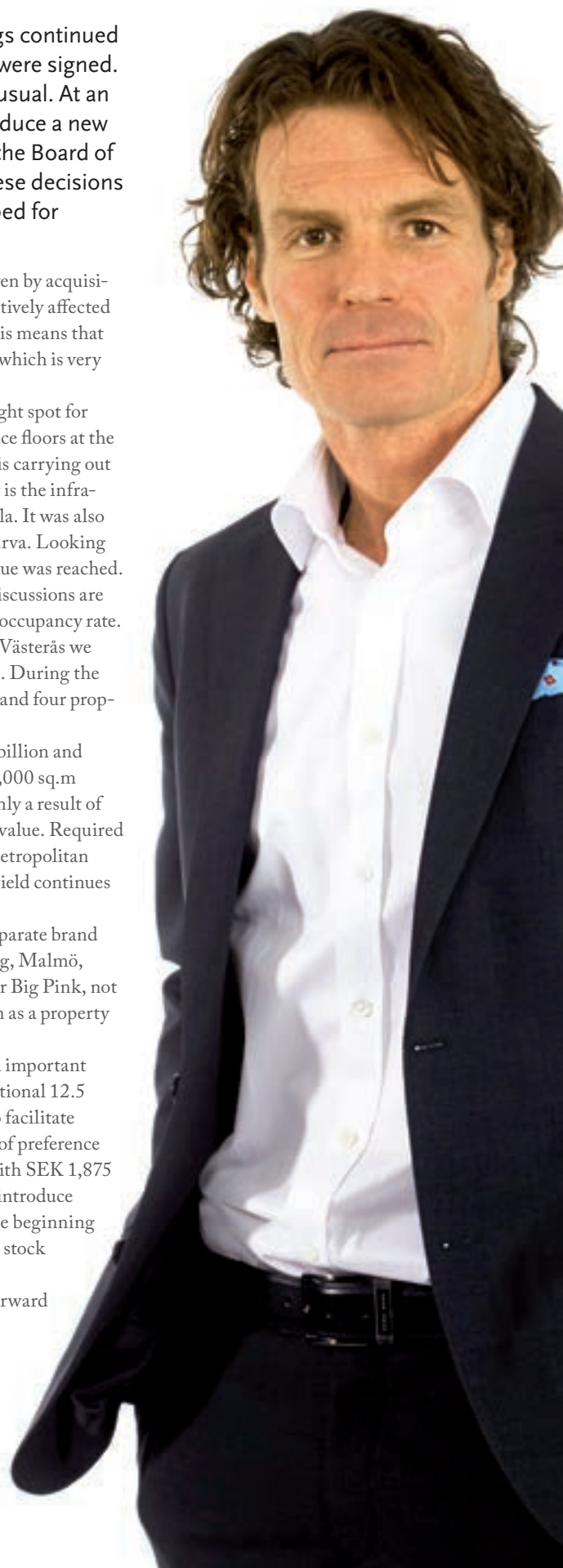
At the end of the year, the property portfolio amounted to SEK 30.2 billion and 2,792,000 sq.m. lettable area, compared with SEK 24.1 billion and 2,624,000 sq.m lettable area on 31 December 2013. The increased property volume is mainly a result of acquisitions, but reduced required yields also contribute with increases in value. Required yields have fallen slightly mainly in properties in secondary locations in metropolitan areas. The gap between financial costs for properties in general and their yield continues to attract investors and thus reduce yield requirements.

During the quarter, we launched our self-storage activities under a separate brand name: Big Pink. At present, we have six facilities in five cities: Gothenburg, Malmö, Norrköping, Karlstad and Västerås. We see good growth opportunities for Big Pink, not least in a number of the regional cities where Klöver has a strong position as a property owner.

At an extraordinary general meeting held on 22 October 2014 several important resolutions were adopted. The Board was authorized to issue up to an additional 12.5 million new preference shares in order to strengthen the company's equity to facilitate additional acquisitions as well as to develop existing properties. The issue of preference shares took place in the month of November and provided the company with SEK 1,875 million in new equity before issuing costs. Another decision made was to introduce Class B shares through a bonus issue. The bonus issue was completed at the beginning of December and the B share is now the most traded Klöver share on the stock exchange.

2014 was on the whole a very successful year for Klöver and I look forward with confidence to what we can achieve during 2015.

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–December 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 quarter refers to October–December and the year to January–December.*

## PROFIT

Profit from property management, i.e. profit excluding changes in value and tax, increased to SEK 789 million (636) during the year January–December and net profit for the year amounted to SEK 1,164 million (808). Besides the effect of net acquisitions of properties, profit from property management was affected positively by net moving-in and a mild first quarter. Net profit for the year was affected by SEK 1,207 million (–28) for changes in value of properties, SEK –565 million (337) for derivatives and SEK –126 million (5) for Klövern's share of profits in the associated company, Tribona. The operating margin was 65 per cent (63).

Operating surplus for a comparable portfolio rose by 3 per cent to SEK 1,370 million (1,316). Income rose by 1 per cent to SEK 2,138 million (2,110). Property costs decreased by 3 per cent to SEK 768 million (793), partly due to the mild winter at the beginning of the year. The fair value of a comparable portfolio increased by SEK 1,251 million, or 6 per cent, mainly due to investments made in connection with new letting, rising market rents and reduced required yield.

## INCOME AND EXPENSES

Income increased to SEK 2,521 million (2,220) during the year. The increase in income is mainly attributable to net acquisitions and net moving-in. A one-off item for insurance indemnity of SEK 13 million (19) is included in income for the year. Property costs increased to SEK 878 million (828). A mild first quarter has affected costs positively and has to some extent counterbalanced the larger property portfolio. The property costs include rent losses of

SEK 1 million (4). Central administration costs amounted to SEK 84 million (78).

The quarter shows net moving-in of SEK 16 million (35) and the corresponding figure during the year was SEK 35 million (51). The largest tenants moving in during the quarter are ICA Fastigheter AB at the new-built property Fyrislund 6:6 in Uppsala with 2,700 sq.m. and the Swedish Pensions Agency at the property Kanoten 10 in Karlstad with 1,800 sq.m. The largest vacating tenants during the quarter are Servistik Group AB at the property Kättaren 7 in Linköping with 14,400 sq.m. and Valio Sverige AB at the property Arenan 6 in Stockholm with 650 sq.m.

The average remaining lease term was 3.3 years (3.5). The economic occupancy rate for all properties was 90 per cent (90) and the area-related occupancy rate 81 per cent (82). The economic occupancy rate was 92 per cent (92) for investment properties and 57 per cent (66) for development properties.

Among the larger contracts signed during the quarter where the tenant has not yet moved in is a 10-year lease with IP-Only AB in Uppsala for 3,200 sq.m. The tenant is expected to move in in November 2015.

## SHAREHOLDING

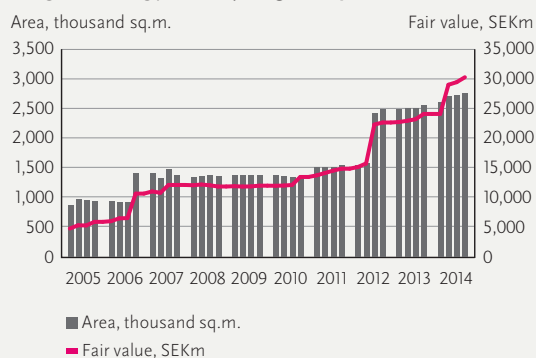
Klövern's holding in Tribona amounts to 14,517,998 shares corresponding to 29.8 per cent of the total number of outstanding shares. Tribona has been reported as an associated company since 7 June 2013. Klövern's share of income for the period amounted to –126 million (5). During 2013, the unrealized change in value up until classification as shares in an associated company amounted to SEK 49 million for the holding in Tribona at that time.

Tribona specializes in modern and strategically located logistics properties. The property portfolio consists of 27 properties in Sweden and one in Denmark. The lettable space amounts to 674,000 sq.m. and the property value to SEK 4,831 million.

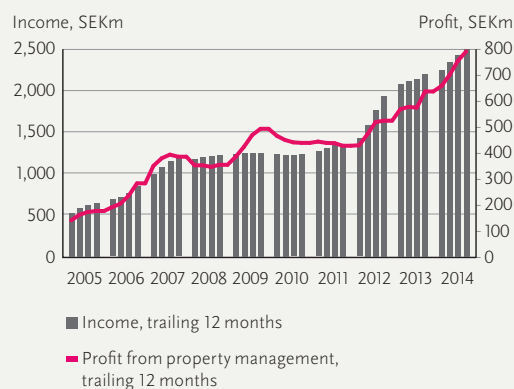
## CASH FLOW

Cash flow from current operations amounted to SEK 843 million (657). Investment operations have affected the cash flow by SEK –5,041 million (–1,625) net, through a

### PROPERTIES: FAIR VALUE AND AREA



### INCOME AND PROFIT



combination of acquisition of properties and investments in existing properties. The cash flow from financing activities has affected cash flow for the period by SEK 4,400 million (677). Altogether, the cash flow for the period totals SEK 202 million (–291). Liquid funds at year-end amounted to SEK 286 million (84).

## FINANCING

At the end of the period, the interest-bearing liabilities amounted to SEK 18,870 million (16,163) and the average financial interest rate for the whole of the financial portfolio was 3.5 per cent (4.3). Net financial income for the period amounted to SEK –770 million (–678), of which financial income was SEK 4 million (8). The average fixed-interest term was 2.1 years (2.7) as at 31 December. Credit volumes with swap agreements are treated as having fixed interest. At the end of the period, Klöver had interest rate swaps totalling SEK 8,166 million (8,317). The average remaining term of derivatives was 4.3 years.

The average period of tied-up capital amounted to 2.1 years (2.0) at the end of the period. Unutilized credit volumes, including unused credit facilities of SEK 400 million (390), amounted to SEK 2,043 million (1,306). In March 2015 three bond loans, in total SEK 1,270 million, reach final maturity. Klöver is evaluating several different alternatives to fully or partly refinance these bonds.

Klöver's interest rate 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 0.6 percentage points and Klöver's financial costs by SEK 107 million. Changes in value of derivatives, all unrealized, amounted during the year to SEK –565 million (337). On 31 December, the value was SEK –709 million (–144).

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.

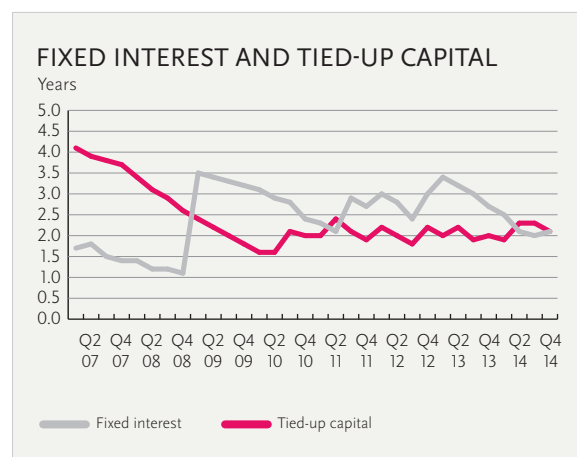
## PROPERTY TRANSACTIONS

During the period, 19 properties (23) have been taken possession of for a total purchase price of SEK 4,452 million (1,020). Klöver has sold and handed over 13 properties (12) during the period at a price of SEK 531 million (387).

## 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. A total of SEK 1,021 million (830) was invested during the year. In all 301 projects (281) are in process and SEK 1,265 million (632) remains to be invested in these properties. Total estimated expenditure for the projects amounts to SEK 2,439 million (1,517).

At the end of the period, assessed building rights and building rights with local plans totalled 1,417,000 sq.m. (1,397,000). 551,000 sq.m. (587,000) of the building rights



### FIXED INTEREST AND TIED-UP CAPITAL

Year	Fixed interest		Tied-up capital			
	Loan volume, SEKm	Interest, %	Contract volume, SEKm	Utilized, SEKm	Of which bonds outstanding, SEKm	Unutilized, SEKm
Floating	10,623	2.7	—	—	—	—
2015	601	5.1	8,222	6,659	1,270	1,563
2016	1,380	3.5	1,749	1,679	—	70
2017	1,275	4.4	7,942	7,532	1,150	410
2018	1,191	5.1	2,830	2,830	1,800	—
2019	900	5.0	—	—	—	—
2020	500	4.5	—	—	—	—
2021	500	4.8	—	—	—	—
2022	800	5.6	—	—	—	—
2023	1,100	4.7	—	—	—	—
Later	—	—	170	170	—	—
<b>Total</b>	<b>18,870</b>	<b>3.5</b>	<b>20,913</b>	<b>18,870</b>	<b>4,220</b>	<b>2,043</b>

are included in local plans. Almost half of the building rights consist of offices and a quarter of housing. The building rights are valued at SEK 864 million (972), corresponding to SEK 610 per sq.m. (695).

### PROPERTIES AND CHANGES IN VALUE

As at 31 December 2014, Klöverns portfolio consisted of 408 properties (402). The rental value amounted to SEK 2,983 million (2,570) and the fair value of the properties was SEK 30,208 million (24,059).

#### PROPERTIES: FAIR VALUE

SEKm	2014 Jan–Dec	2013 Jan–Dec
Fair value, as per January 1	24,059	22,624
Aquisitions	4,452	1,020
Investments	1,021	830
Sales	–531	–387
Change in value	1,207	–28
<b>Fair value at the end of the period</b>	<b>30,208</b>	<b>24,059</b>

#### PROPERTY TRANSACTIONS 2014: ACQUISITIONS

City	Property	Category	Lettable area, sq.m.	Quarter
Göteborg	Gamlestaden 39:14	Industry/warehouse	1,000	Q1
Linköping	Idéskaparen 2	Office	23,650	Q1
Stockholm	Arenan 2	Office	53,372	Q2
Stockholm	Arenan 3	Office	16,606	Q2
Stockholm	Arenan 6	Office	30,467	Q2
Stockholm	Arenan 8	Office	14,333	Q2
Solna	Startboxen 3	Office	19,218	Q2
Partille	Ugglum 1:76	Retail	4,263	Q2
Göteborg	Kortedala 36:23	Industry/warehouse	8,620	Q2
Karlskrona	Part of Karlskrona 4:10	Other*	0	Q3
Kalmar	Elefanten 3	Office	8,412	Q3
Kalmar	Gumsen 41	Office	2,042	Q3
Kalmar	Timotejen 1	Office	1,552	Q3
Kalmar	Rybsen 1	Office	1,112	Q3
Örebro	Part of Olaus Petri 3:119	Other*	0	Q4
Norrköping	Rotfjärilen 2	Industry/warehouse	830	Q4
Uppsala	Fyrislund 6:8	Industry/warehouse	7,613	Q4
Mölnadal	Stockrosen 2	Retail	3,039	Q4
Västerås	Köpmanen 5	Retail	16,909	Q4
<b>Total</b>			<b>213,038</b>	

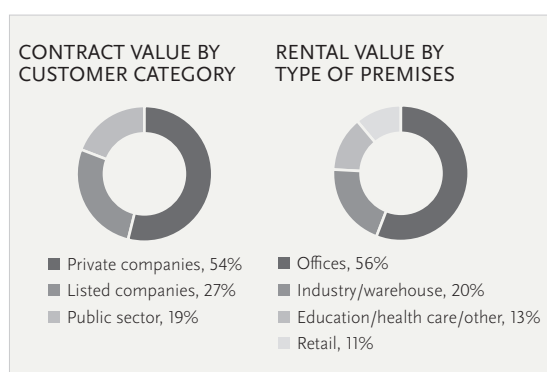
#### PROPERTY TRANSACTIONS 2014: DIVESTMENTS

City	Property	Category	Lettable area, sq.m.	Quarter
Köping	Nifelhem 6	Retail	2,683	Q1
Stockholm	Slaggeteglet 2	Office	1,980	Q1
Uppsala	Fyrislund 6:15	Other*	0	Q1
Stockholm	Varmvattnet 3	Industry/warehouse	14,757	Q2
Landskrona	Ratten 6	Industry/warehouse	2,001	Q2
Kristianstad	Kristianstad 4:7	Office	14,612	Q2
Kristianstad	Härbärgat 1	Other*	4,218	Q2
Karlstad	Gripen 11	Other*	4,388	Q3
Härnösand	Cedern 1	Industry/warehouse	2,262	Q3
Sollefteå	Föraren 3	Industry/warehouse	1,284	Q3
Lomma	Vinstorp 26:58	Other*	0	Q4
Alingsås	Fodret 14	Other*	7,700	Q4
Karlskrona	Hammaren 1	Office	5,378	Q4
<b>Total</b>			<b>61,263</b>	

\* Consists of education, health care, residential properties, laboratory and gym/leisure facilities.

#### 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
Kista	Isafjord 8	Office	26,112	26,112	100	675	573	60	60	2017
Uppsala	Kungsängen 10:1;2	Office	11,376	11,376	100	250	115	15	21	2016
Örebro	Vindhjulet 3	Office	19,343	19,343	100	155	88	11	28	2016
Norrköping	Kopparhammaren 2	Education	36,613	5,130	100	99	1	8	46	2015
Malmö	Dragör 1	Office	2,322	2,322	100	71	2	5	5	2015
Stockholm	Johannelund 7	Retail	22,107	3,565	57	66	64	3	22	2016
Linköping	Brevduvan 17	Office	7,603	4,998	90	49	1	3	11	2015
Uppsala	Fyrislund 6:6	Warehouse	2,700	2,700	100	44	0	5	5	2015
Stockholm	Rektangeln 3	Animal clinic	3,131	2,654	100	44	40	4	7	2016
Karlskrona	Skeppsbron 3	Office	1,980	1,980	100	42	21	5	5	2015
<b>Total</b>			<b>133,287</b>	<b>80,180</b>		<b>1,495</b>	<b>905</b>	<b>119</b>	<b>210</b>	



The total lettable area amounted to 2,792,000 sq.m. (2,624,000). The changes in value of the properties amounted to SEK 1,207 million (-28) during the year. The changes in value include realized changes in value of SEK 8 million (22) and unrealized changes in value of SEK 1,199 million (-50). The unrealized changes in value do not affect the cash flow. On average, Klöver's property portfolio, as at 31 December, has been valued with a yield requirement of 6.9 per cent (7.2). The value of the properties has increased, mainly due to investments made in connection with new letting, rising market rents and lower yield requirements.

Klöver values 100 per cent of the property portfolio each quarter, 20 to 30 per cent of which are normally valued externally. External valuations have been performed by DTZ Sweden and Savills. Every property in the portfolio is externally valued at least once during a rolling 12-month period. DTZ has served as advisor

## SHAREHOLDERS 31.12.2014

	No. common shares A thousands	No. common shares B thousands	No. preference shares, thousands	Share of capital, %	Share of votes, %
Corem Property Group	16,100	161,000	—	19.0	19.1
Arvid Svensson Invest	13,300	132,997	685	15.8	15.9
Rutger Arnhult via companies	9,377	85,174	583	10.2	10.7
Gårdarike	7,262	2,500	46	1.1	4.5
Länsförsäkringar funds	53	71,067	—	7.6	4.3
Handelsbanken funds	2,390	36,342	—	4.2	3.6
Swedbank Robur funds	2,290	22,458	42	2.7	2.7
CBNY-Norges Bank	2,153	23,522	66	2.8	2.7
Fjärde AP-fonden	883	10,422	181	1.2	1.2
JPMorgan Chase NA	748	9,130	—	1.1	1.0
Nordea Investment Funds	683	7,420	—	0.9	0.8
SEB Investment Management	700	6,682	0	0.8	0.8
Robur Försäkring	578	5,527	623	0.7	0.7
SEB	629	5,543	50	0.7	0.7
Avanza Pension	544	4,511	614	0.6	0.6
Klövern's Vinstandelsstiftelse	481	4,810	15	0.6	0.6
Invus Investment	436	4,356	11	0.5	0.5
SSB Client Omnibus AC OM03	365	4,913	47	0.6	0.5
Mellon US Tax Exempt Account	582	2,040	37	0.3	0.5
Lundmark & Co Fondförvaltning	388	3,875	51	0.5	0.5
<b>Total largest shareholders</b>	<b>59,942</b>	<b>604,289</b>	<b>3,051</b>	<b>71.9</b>	<b>71.9</b>
Other shareholders	23,330	228,433	13,393	28.1	28.1
<b>Total outstanding shares</b>	<b>83,272</b>	<b>832,722</b>	<b>16,444</b>	<b>100.0</b>	<b>100.0</b>
Repurchased own shares	—	—	—		
<b>Total registered shares</b>	<b>83,272</b>	<b>832,722</b>	<b>16,444</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
01.01.2012	Opening balance		166,544,326		—	832,721,630
13.01.2012	Cash new issue	34	166,544,360			832,721,800
13.01.2012	Bonus issue			4,163,609	4,163,609	853,539,845
06.03.2012	New issue			7,544,531	11,708,140	891,262,500
10.04.2012	New issue			66,638	11,774,778	891,595,690
19.04.2012	New issue			585	11,775,363	891,598,615
29.06.2012	New issue			463,000	12,238,363	893,913,615
09.07.2012	New issue			448,000	12,686,363	896,153,615
14.09.2012	New issue			912,500	13,598,863	900,716,115
17.09.2012	New issue			132,475	13,731,338	901,378,490
08.10.2012	New issue			3,583,350	17,314,688	919,295,240
08.10.2012	New issue			1,105,000	18,419,688	924,820,240
17.10.2012	New issue			116,650	18,536,338	925,403,490
24.03.2014	New issue			300,000	18,836,338	926,903,490
11.04.2014	New issue			987,468	19,823,806	931,840,830
28.05.2014	New issue			564,194	20,388,000	934,661,800
11.11.2014	Reduction of share capital					186,932,360
25/27.11.2014	New issue			12,500,000	32,888,000	199,432,360
05.12.2014	Bonus issue of B-shares	1,665,443,600	1,831,987,960			1,864,875,960
22.12.2014	Reverse split	-915,993,980	915,993,980	-16,444,000	16,444,000	1,864,875,960
31.12.2014	Closing balance		915,993,980		16,444,000	1,864,875,960

when the yield requirements have been determined in most of the internal valuations. All properties are classified at Level 3 in accordance with IFRS 13. No properties have changed classification during the period. See Klöver's annual report for 2013 for a detailed description.

## THE SHARE

As at 31 December, the total number of registered shares in the company was 932,437,980, of which 83,272,180 were ordinary shares of Class A, 832,721,800 ordinary shares of class B and 16,444,000 preference shares. An ordinary share of Class A confers entitlement to one vote while an ordinary share of class B, like a preference share, confers entitlement to one-tenth of a vote. Klöver's shares are listed on Nasdaq Stockholm. On 31 December, the share price was SEK 8.20 per ordinary share of class A, SEK 7.60 per ordinary share of class B and SEK 317.50 per preference share, corresponding to a total market capitalization of SEK 12,232 million (7,527). The number of shareholders

amounted at the end of the period to around SEK 42,700 (35,800). 79 per cent (83) of the total number of shares are Swedish-owned. Klöver does not hold any ordinary or preference shares.

During the last quarter of the year, (a) a new issue of preference shares, (b) a bonus issue of ordinary shares of class B and finally (c) a consolidation of shares, a reversed split, were carried out. In the new issue, 12,500,000 preference shares were issued at a subscription price of SEK 150 per share, corresponding to issue proceeds of SEK 1,875 million before issuing costs. Through the bonus issue, 10 new ordinary shares of class B were received free of charge for every ordinary share of class A, which entailed that the number of outstanding ordinary shares increased 11 times. Through the reverse split, two shares, regardless of share class, were subsequently consolidated into one new share of the same class. Besides the preference shares issued during the fourth quarter, three smaller new issues took place earlier during the year totalling 1,851,662 preference shares.

### PROFIT PER PROPERTY SEGMENT AND REGION

	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2014 Jan–Dec	2013 Jan–Dec	2014 Jan–Dec	2013 Jan–Dec	2014 Jan–Dec	2013 Jan–Dec	2014 Jan–Dec	2013 Jan–Dec	2014 Jan–Dec	2013 Jan–Dec
Stockholm	985	752	-318	-261	667	491	68	65	401	220
East	636	607	-219	-231	417	376	66	62	214	317
Central/North	571	554	-216	-220	355	334	62	60	212	148
South	329	307	-125	-116	204	191	62	62	194	145
Investment	2,414	2,081	-796	-743	1,618	1,338	67	64	624	709
Development	107	139	-82	-85	25	54	24	39	397	121
<b>Total</b>	<b>2,521</b>	<b>2,220</b>	<b>-878</b>	<b>-828</b>	<b>1,643</b>	<b>1,392</b>	<b>65</b>	<b>63</b>	<b>1,021</b>	<b>830</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, %	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Stockholm	14,376	9,521	6.4	6.8	777	649	1,244	898	90	90
East	6,360	5,623	7.2	7.4	758	722	711	657	91	90
Central/North	5,626	5,238	7.3	7.5	734	727	655	648	89	90
South	3,846	3,677	7.3	7.5	523	526	373	367	90	89
Investment	27,315	21,777	6.9	7.2	2,474	2,276	2,797	2,360	92	92
Development	2,893	2,282	7.0	7.5	318	348	186	210	57	66
<b>Total</b>	<b>30,208</b>	<b>24,059</b>	<b>6.9</b>	<b>7.2</b>	<b>2,792</b>	<b>2,624</b>	<b>2,983</b>	<b>2,570</b>	<b>90</b>	<b>90</b>

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

**Stockholm:** Kista, Globen, Greater Stockholm and Uppsala. **East:** Linköping, Norrköping, Nyköping, Karlskrona and Kalmar.

**Central/North:** Västerås, Karlstad, Örebro, Falun/Säter and Härnösand/Sollefteå. **South:** Gothenburg, Öresund, Borås and Halmstad.

Comparable figures for 2013 have been recalculated in line with the new structure, where Kalmar and Karlskrona now belong to Region East instead of Region South.



Projektbild över gamla Postenhuset  
i centrala Uppsala.

## PROFIT AND KEY RATIOS

The tables on the previous page show income statement items and key ratios broken down according to Klöverns regions. For the group as a whole, figures are also broken down according to investment and development properties. Investment properties mean 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 the premises. The operating surplus is affected by projects or restrictions on letting before development of the properties. The profit 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.

## ORGANIZATION AND ENVIRONMENT

Klövern's business model entails closeness to the customer by having our own local staff at all 18 business units, divided between four geographic regions. The regions are Stockholm (Kista, Globen, Greater Stockholm and Uppsala), East (Linköping, Norrköping, Nyköping, Karlskrona and Kalmar), Centre/North (Västerås, Karlstad, Örebro, Falun/

Säter and Härnösand/Sollefteå) and South (Gothenburg, Öresund, Borås and Halmstad).

At the end of the period, Klöverns had 190 employees (189). The average age was 45 years (46) and the proportion of women amounted to 42 per cent (40). Since 2011, the company has been certified in accordance with the Swedish Environmental Standard (Svensk Miljöbas).

## THE TAX SITUATION

Deferred tax of SEK –10 million (–10) 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 –193 million (–168). The deferred tax asset has increased by SEK 74 million due to tax loss carry-forwards in acquired companies and re-evaluated formerly blocked deficits. In all, an effect on deferred tax of SEK –129 million (–178) and on current tax of SEK –2 million (–1) are included.

During the year, the Supreme Administrative Court granted leave to appeal in the matter of the upward adjustment of tax of SEK 77 million made by the Tax Agency for the income year 2008. Klöverns has won the case at the lower courts.

## 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 64–67 of the 2013 annual report.

## DISPUTES

Klöverns has an ongoing larger rent dispute. The tenant has deposited SEK 15 million for 2012, SEK 60 million for January–December 2013 and SEK 15 million for January–March 2014 at the County Administrative Board. Klöverns has, by reduction of rental income, reserved SEK 15 million for 2012 and SEK 15 million for 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, Klöverns makes additional disclosures on items valued at fair value in compliance with IFRS 13, where properties are classified at Level 3 and derivatives at Level 2. IFRS 10 has been applied from 1 January 2014. Other accounting policies applied in this interim report are in essential parts those described in note 1 of Klöverns Annual Report for 2013.

Klöverns's holding in Tribona AB (publ) amounted on 31 December to 29.8 per cent. The portfolio, which exceeds 20 per cent, but is less than 50 per cent of the votes, is reported as participation rights in an associated company and Klöverns is therefore reporting the shareholding in Tribona as participation rights in an associated company from 7 June 2013. The holding is reported in accordance with the equity method. This means that the book value for the Group of the portfolio is adjusted downwards by Klöverns'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 2013 when the company became an associated company. The holding in Tribona has affected Klöverns's statement of income as follows:

- Dividend during 2013 is reported in the net financial income.
- Change in value to 7 June 2013 is reported as Change in value, financial assets.
- Klöverns's share of Tribona's net profit for the period is reported as Share of profit in an associated company.
- Klöverns's share of Tribona's other comprehensive income is reported as Other comprehensive income.

The new interpretation of IFRIC 21:Levies will be applied from the 2015 financial year.

## DIVIDEND

The Board of Directors is proposing a dividend of SEK 0.30 per ordinary share and SEK 20.00 per preference share for the 2014 financial year. For the financial year 2013 the dividend amounted to SEK 1.50 per ordinary share and SEK 10.00 per preference share. Adjusted for the bonus issue and reverse split carried out during 2014, this corresponds to a dividend for the previous year of SEK 0.27 per ordinary share and SEK 20.00 per preference share. Dividend on the preference share is paid at SEK 5.00 per quarter. It is proposed that the record date for dividend to ordinary shareholders be 28 April 2015 and estimated payment date 4 May 2015. The record date for dividend to preference shareholders is the last weekday of each quarter and the payment date is around three banking days later. During the fourth quarter of 2014, dividend totalling SEK 51 million (46) has been paid to the preference shareholders. The Annual General Meeting will take place at 4 pm on 23 April 2015 at Kistamässan in Kista. Notice of the meeting and requirements for notification of attendance are advertised in the Swedish Official Gazette (Post & Inrikes Tidningar) and on [www.klovern.se](http://www.klovern.se). Information about the notice of the meeting will be published in an advertisement in the Swedish daily newspaper Svenska Dagbladet. Shareholder wishing to make proposals to the Nominations Committee may do so by e-mail.

## EVENTS AFTER THE END OF THE PERIOD

After the end of the period, Klöverns has signed a 20-year lease contract with Elite Hotels in Uppsala. The lease contract is for around 10,000 sq.m. and entails new construction of a hotel with around 200 rooms in the immediate vicinity of the central station.

During January and February a total of 1,400,774 Class A ordinary shares have been converted to Class B ordinary shares. Thereafter the total number of shares in Klöverns amounts to 932,437,980 shares, of which 81,871,406 Class A ordinary shares, 834,122,574 Class B ordinary shares and 16,444,000 preference shares.

Nyköping, 11 February 2015

The Board of Directors of Klöverns AB (publ)

## Consolidated Income Statement

SEKm	2014 3 months Oct–Dec	2013 3 months Oct–Dec	2014 12 months Jan–Dec	2013 12 months Jan–Dec
Income	658	590	2,521	2,220
Property costs	–253	–231	–878	–828
<b>Operating surplus</b>	<b>405</b>	<b>359</b>	<b>1,643</b>	<b>1,392</b>
Central administration	–25	–21	–84	–78
Net financial items	–185	–178	–770	–678
<b>Profit from property management</b>	<b>195</b>	<b>160</b>	<b>789</b>	<b>636</b>
Share in earnings of associated companies	–47	2	–126	5
Changes in value, properties	327	68	1,207	–28
Changes in value, derivatives	–141	–8	–565	337
Changes in value, financial assets	—	—	—	71
Write-down of goodwill	—	–1	–10	–34
<b>Profit before tax</b>	<b>334</b>	<b>221</b>	<b>1,295</b>	<b>987</b>
Current tax	–2	–1	–2	–1
Deferred tax	–60	–44	–129	–178
<b>Net profit for the period</b>	<b>272</b>	<b>176</b>	<b>1,164</b>	<b>808</b>
Other comprehensive income, items which may later be reversed in the income statement	2	—	4	–2
<b>Comprehensive income for the period</b>	<b>274</b>	<b>176</b>	<b>1,168</b>	<b>806</b>
Earnings per ordinary share <sup>1</sup> , SEK	0.21	0.14	1.02	0.68
Earnings per preference share <sup>1</sup> , SEK	5.00	5.00	14.06	20.00
No. of common shares outstanding at the end of the period <sup>1</sup> , million	916.0	916.0	916.0	916.0
No. of preference shares outstanding at the end of the period <sup>1</sup> , million	16.4	9.3	16.4	9.3
Average no. of outstanding common shares <sup>1</sup> , million	916.0	916.0	916.0	914.9
Average no. of outstanding preference shares <sup>1</sup> , million	12.6	9.3	10.5	9.3

The profit is fully attributable to the parent company's shareholders.  
There are no outstanding warrants or convertibles.

<sup>1)</sup> Historical figures are adjusted for the bonus issue and reverse share split completed during Q4 2014.

## Consolidated Balance Sheet

SEKm	31.12.2014	31.12.2013
<b>ASSETS</b>		
Goodwill	245	255
Investment properties	30,208	24,059
Machinery and equipment	12	12
Participation rights in associated companies	448	488
Financial assets at fair value through statement of income	35	30
Other receivables	424	302
Liquid funds	286	84
<b>TOTAL ASSETS</b>	<b>31,658</b>	<b>25,230</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	9,988	7,198
Minority interest	0	0
Deferred tax liability	978	861
Interest-bearing liabilities	18,870	16,163
Derivatives	709	144
Accounts payable	197	193
Other liabilities	206	132
Accrued expenses and prepaid income	710	539
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>31,658</b>	<b>25,230</b>

## Change in Consolidated Shareholders' Equity

SEKm	
Shareholders' equity 01.01.2013	6,696
Repurchase/sale of own shares	131
Dividend	-435
Other comprehensive income	-2
Net profit for the period	808
<b>Shareholders' equity 31.12. 2013</b>	<b>7,198</b>
New issue of shares	2,138
Dividend	-516
Other comprehensive income	4
Net profit for the period	1,164
<b>Shareholders' equity 31.12.2014</b>	<b>9,988</b>

## Consolidated Cash Flow Statement

SEKm	2014 3 months Oct–Dec	2013 3 months Oct–Dec	2014 12 months Jan–Dec	2013 12 months Jan–Dec
<b>Current operations</b>				
Profit from property management	195	160	789	636
Adjustment for items not included in the cash flow	1	0	4	3
Income tax paid	-2	-1	-2	-1
<b>Cash flow from current operations before change in working capital</b>	<b>194</b>	<b>159</b>	<b>791</b>	<b>638</b>
<b>Changes in working capital</b>				
Change in operating receivables	-72	-60	-127	-93
Change in operating liabilities	193	85	179	112
<b>Total change in working capital</b>	<b>121</b>	<b>25</b>	<b>52</b>	<b>19</b>
<b>Cash flow from current operations</b>	<b>315</b>	<b>184</b>	<b>843</b>	<b>657</b>
<b>Investment operations</b>				
Divestment of properties	142	22	531	346
Acquisition of and investment in properties	-636	-842	-5,473	-1,850
Acquisition of machinery and equipment	-1	0	-4	-1
Change in financial assets	3	-5	-95	-142
Realized change in value, financial assets	—	—	—	22
<b>Cash flow from investment operations</b>	<b>-492</b>	<b>-825</b>	<b>-5,041</b>	<b>-1,625</b>
<b>Financing operations</b>				
Change in interest-bearing liabilities	-1,342	530	2,707	934
Realized change in value, derivatives	—	47	—	47
Sale of own shares	—	—	—	131
New issue of preference shares	1,851	—	2,138	—
Dividend	-51	-46	-445	-435
<b>Cash flow from financing operations</b>	<b>458</b>	<b>531</b>	<b>4,400</b>	<b>677</b>
<b>Total cash flow</b>	<b>281</b>	<b>-110</b>	<b>202</b>	<b>-291</b>
<b>Liquid funds at the beginning of the period</b>	<b>5</b>	<b>194</b>	<b>84</b>	<b>375</b>
<b>Liquid funds at the end of the period</b>	<b>286</b>	<b>84</b>	<b>286</b>	<b>84</b>

## Parent Company Income Statement

SEKm	2014 3 months Oct–Dec	2013 3 months Oct–Dec	2014 12 months Jan–Dec	2013 12 months Jan–Dec
Net sales	55	53	187	185
Cost of services sold	–39	–40	–143	–143
<b>Gross profit</b>	<b>16</b>	<b>13</b>	<b>44</b>	<b>42</b>
Central administration	–25	–21	–84	–78
<b>Operating profit</b>	<b>–9</b>	<b>–8</b>	<b>–40</b>	<b>–36</b>
Net financial items	561	767	279	634
<b>Profit before tax</b>	<b>552</b>	<b>759</b>	<b>239</b>	<b>598</b>
Current tax	—	—	—	—
Deferred tax	25	14	25	–7
<b>Net profit for the period</b>	<b>577</b>	<b>773</b>	<b>264</b>	<b>591</b>
Other comprehensive income	—	—	—	—
<b>Comprehensive income for the period</b>	<b>577</b>	<b>773</b>	<b>264</b>	<b>591</b>

## Parent Company Balance Sheet

SEKm	31.12.2014	31.12.2013
<b>ASSETS</b>		
Machinery and equipment	4	3
Participation rights in group companies	1,875	1,850
Participation rights in other companies	522	435
Receivables from group companies	13,662	11,338
Deferred tax assets	364	339
Accounts receivables	41	33
Liquid funds	277	97
<b>TOTAL ASSETS</b>	<b>16,745</b>	<b>14,095</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	7,259	5,373
Interest-bearing liabilities	8,361	5,066
Liabilities to group companies	856	3,471
Accounts payable	9	8
Other liabilities	179	108
Accrued expenses and prepaid income	81	69
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>16,745</b>	<b>14,095</b>

## Key ratios

	2014–12–31 3 months Oct–Dec	2013–12–31 3 months Oct–Dec	2014	2013	2012	2011	2010	2009
<b>Property</b>								
Number of properties	408	402	408	402	387	255	250	217
Lettable area, 000 sq.m.	2,792	2,624	2,792	2,624	2,529	1,561	1,528	1,392
Rental value, SEKm	2,983	2,570	2,983	2,570	2,468	1,554	1,486	1,385
Fair value properties, SEKm	30,208	24,059	30,208	24,059	22,624	14,880	13,493	12,032
Yield requirement valuation, %	6.9	7.2	6.9	7.2	7.2	7.1	7.2	7.2
Operating margin, %	62	61	65	63	62	63	60	62
Occupancy rate, economic, %	90	90	90	90	88	89	89	89
Occupancy rate, area, %	81	82	81	82	81	80	79	80
Average lease term, years	3.3	3.5	3.3	3.5	3.4	2.8	2.8	3.0
<b>Financial</b>								
Return on equity, %	3.0	2.5	14.5	11.6	5.8	10.1	14.0	5.8
Equity ratio, %	31.5	28.5	31.5	28.5	28.1	31.6	33.0	33.7
Equity ratio, adjusted, %	35.9	31.4	35.9	31.4	31.9	35.8	35.1	35.4
Leverage, %	60	65	60	65	64	63	63	63
Leverage properties, %	51	57	51	57	59	63	63	64
Interest coverage ratio	2.0	1.9	2.0	1.9	1.9	2.2	2.8	3.2
Average interest, %	3.5	4.3	3.5	4.3	4.3	4.2	3.6	2.7
Average fixed-interest period, years	2.1	2.7	2.1	2.7	3.0	2.7	2.4	3.2
Average period of tied-up capital, years	2.1	2.0	2.1	2.0	2.2	1.9	2.0	1.8
Interest-bearing liabilities, SEKm	18,870	16,163	18,870	16,163	15,229	9,345	8,517	7,646
<b>Share<sup>1</sup></b>								
Earnings per common share, SEK	0.12	0.12	0.61	0.49	0.43	0.48	0.50	0.56
Earnings per preference share, SEK	0.21	0.14	1.02	0.68	0.23	0.53	0.68	0.27
Equity per share, SEK	10.71	7.78	10.71	7.78	7.46	5.36	5.11	4.65
Share price common share A at end of period, SEK	8.20	5.18	8.20	5.18	4.65	4.71	6.18	4.16
Share price common share B at end of period, SEK	7.60	—	7.60	—	—	—	—	—
Share price preference share at end of period, SEK	317.50	300.00	317.50	300.00	273.50	—	—	—
Market capitalization, SEKm	12,232	7,527	12,232	7,527	6,670	4,165	5,467	3,682
Total no. of registered common shares at end of period, million	916.0	916.0	916.0	916.0	916.0	916.0	916.0	916.0
Total no. of outstanding common shares at end of period, million	916.0	916.0	916.0	916.0	888.5	884.4	884.4	884.4
Total no. of registered preference shares at end of period, million	16.4	9.3	16.4	9.3	9.3	—	—	—
Total no. of outstanding preference shares at end of period, million	16.4	9.3	16.4	9.3	9.3	—	—	—
Dividend per common share, SEK	—	—	0.30 <sup>2</sup>	0.27	0.27	0.23	0.27	0.23
Dividend per preference share, SEK	—	—	20.00 <sup>2</sup>	20.00	20.00	20.00	—	—
Dividend in relation to profit from property management, %	—	—	77 <sup>2</sup>	68	83	79	55	41

<sup>1)</sup> Historical figures are adjusted for the bonus issue and reverse share split completed during Q4 2014.

<sup>2)</sup> Based on 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.

#### 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.

#### REQUIRED YIELD, VALUATION

The required yield of property valuations on the residual value.

#### 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, goodwill and deferred tax liabilities exceeding 5 per cent of the difference between taxable value and fair value of the properties in relation to reported total assets adjusted for goodwill 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 after deduction of the market value of the listed share portfolio and liquid funds in relation to the fair value of the properties at the end of the period.

#### LEVERAGE PROPERTIES

Interest-bearing liabilities with secured 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 ORDINARY SHARE

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

#### EARNINGS PER PREFERENCE SHARE

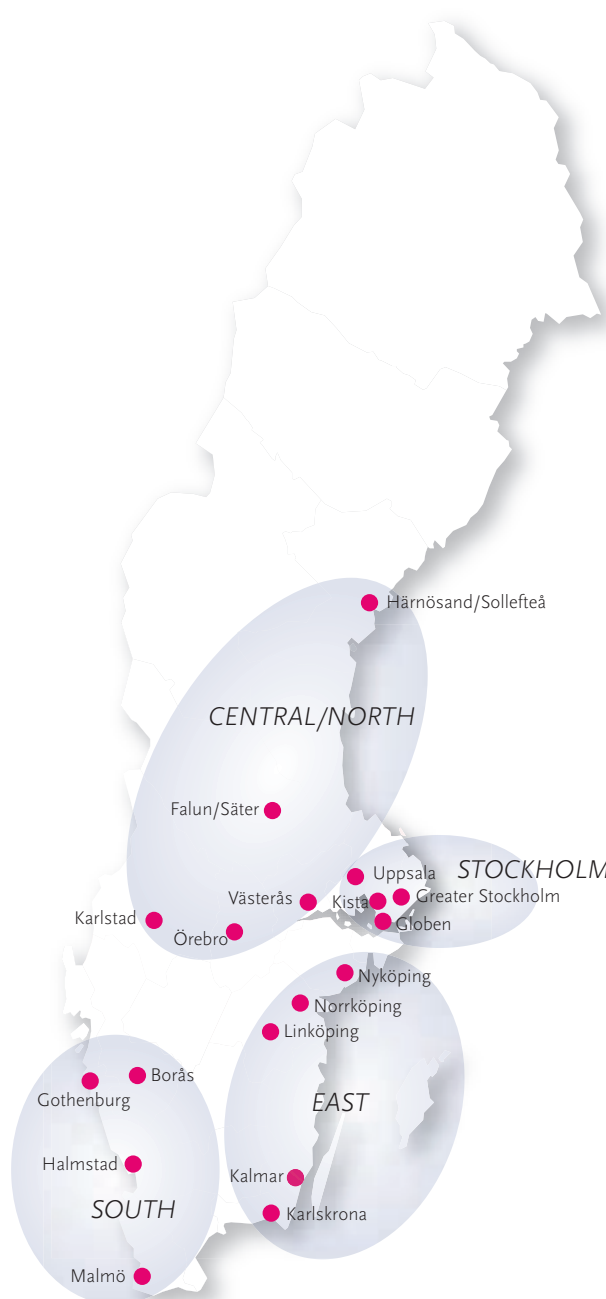
The periods accumulated share of yearly dividend of SEK 20 per preference share calculated on outstanding preference shares at the end of each quarter.

#### EQUITY PER SHARE

Shareholders' equity in relation to outstanding common and preference shares at balance sheet date.

#### PROFIT FROM PROPERTY MANAGEMENT PER ORDINARY SHARE

Profit from property management after deduction of earnings to preference shares, in relation to the average number of outstanding ordinary shares.



# Calendar

Final day for trading conferring right to dividend to preference shareholders	27 March 2015
Record date for dividend to preference shareholders	31 March 2015
Expected date for dividend to preference shareholders from Euroclear	7 April 2015
Interim report Jan–Mar 2015	23 April 2015
Annual General Meeting 2015	23 April 2015
Interim report Jan–Jun 2015	10 July 2015
Interim report, Jan–Sep 2015	22 October 2015

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This information is such that Klöver AB (publ) is obliged to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. The information was made available for publication on 11 February 2015.

# KLÖVERN