



KLÖVERN

ANNUAL REPORT 2004



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The year in brief

Net profit for the year

Net profit for the year has increased by SEK 106 million to SEK 193 million (87).

Sales and acquisitions

Twenty properties (15) have been sold for SEK 347 million (204) with a gain of SEK 40 million (19). Altogether, 64 properties (38) have been acquired for SEK 1,476 million (1,107). Two new units, Borås and Västerås, have been established following on from these acquisitions and two, Falun and Uppsala, have been terminated due to sales. At the end of the year, Klöver AB had ten well-functioning geographical units. The properties consist of approximately 808,000 sq.m. (588,000) at a book value of SEK 4.1 billion (2.9).

Events after the end of the year

Klöver AB has sold three properties for SEK 68 million. These sales have been made at current values. An extraordinary shareholders' meeting has authorized the Board of Directors to decide on a new issue of at most 10 million shares for acquisition of companies or properties. In accordance with this authorization, 6.6 million shares will be utilized in connection with acquisition of properties in company structure in March 2005.

Dividend

The Board of Directors is recommending a dividend of SEK 0.75 per share (0.50).

	2004	2003
Net profit for the year, SEKm	193	87
Profit after financial items, SEKm	165	87
Result property sales, SEKm	40	19
Operating surplus, SEKm	286	189
Earnings per share, SEKm	2.08	1.65
Economic occupancy ratio, %	87	88
Dividend per share, SEK	0.75 *	0.50

* Proposal by the Board of Directors.

Notice of Annual General Meeting

Annual General Meeting 2005

Klöver AB's Annual General Meeting will be held at 4 pm on Wednesday, April 13, 2005 at Restaurangskolan, Nyköping Strand in Nyköping.

Shareholders who wish to participate in the proceedings of the general meeting of shareholders must:

- be registered in the share register maintained by VPC AB by Friday, April 1, 2005
- notify the Company of their desire to attend not later than 4 pm on Wednesday, April 6, 2005 at the address: Klöver AB, Box 1024, SE-611 29 Nyköping, Sweden or by telephone +46-155 44 33 00 or via Klöver AB's website www.klovern.se.

Such notice must contain the shareholder's name, date of birth (Swedish personal ID number), address, telephone, shareholding and assistants (if any) at the meeting.

Shareholders who have chosen to register their shares in the name of a nominee must temporarily re-register their shares in their own name in order to have the right to participate in the proceedings of the general meeting of shareholders. A request for such registration may be made to the bank or securities institution that manages the shares. In cases where representatives participate in the meeting, authorization documents should be sent to the company at the time of notification of attendance. A registration certificate must be attached to such request.

The Board of Directors proposes a dividend to the shareholders of SEK 0.75 per share. As record day for the dividend, which gives the holder the right to receive the dividend, is proposed April 18, 2005. If the Annual General Meeting passes the resolution as proposed, the dividend will be remitted by VPC on Thursday, April 21, 2005.



President's Statement

Klövern expanded strongly during 2004. The portfolio of properties grew from SEK 2.9 to 4.1 billion, the market value from SEK 1.1 to 2.1 billion and the number of employees from 37 to 51. The profit was markedly improved but there is room for further growth. The greatest profit potential lies in Klöverns vacancies so we will be focusing on leasing activity during 2005. This, however, does not exclude property transactions.

Expansion

In my 2003 President's Statement I wrote that 2004 would be characterised by expansion on our prioritized markets. Now, at the start of 2005, I can state that this is exactly how things turned out. Two new units, Borås and Västerås, have been created during the year and the portfolio has grown in many of our other main locations such as Kalmar, Linköping, Norrköping and Örebro. Within five of our ten units we have achieved the base volume for our market-strategy target of at least 100,000 square metres of lettable area or a turnover of at least SEK 50 million. Klöverns ambition is to grow by acquiring properties with development potential on prioritized markets. Expansion has been strong right from the start, while at the same time we have in accordance with our business concept disposed of a comparatively large number of properties either because they have been residential

properties, completely-developed commercial properties in prioritized areas or properties in places where we currently have no desire to create a unit. During 2004, which was Klöverns second full financial year, the property portfolio's book value grew by 43 per cent after acquisitions totalling SEK 1,476 million. The outcome was thus clearly higher than the acquisition ambition, which was SEK 500 million. In the past year 20 properties have been sold for SEK 347 million with a refinement gain of SEK 40 million.

Increased profitability

Klövern showed a strong result improvement during 2004, not just for the company as a whole but also per share. The latter is of greater interest for shareholders since the number of shares has increased strongly during the year. Net profit increased from SEK 87 million to 193

million and earnings per share from SEK 1.65 to SEK 2.08. Following the result improvement the Board of Directors decided to recommend an increase in the dividend of 50 per cent to SEK 0.75 per share. There are several reasons for the improved result: greater portfolio of properties, successful development projects, a one-off tax effect, successful property sales, continuing low interest rates and, last but not least, the focused and committed work of staff both at the units and head office.

Interest in property shares was great during 2004. The real estate index rose by no less than 33 per cent, which can be compared to the SAX-index, which rose by 16 per cent. Klöver's share price rose by 21 per cent during the year.

Customers and services

During 2004 a number of successful refinement projects were completed. Part of Klöver's business concept is to dare to buy properties with vacancies, refine these and let them to new customers. During the year Klöver has welcomed a large number of new tenants. Among the larger of these were SVT in Luleå, Expert's head office in Linköping, the County Council in Karlstad, the Swedish National Road Administration in Borås and John Bauer gymnasiet (Upper Secondary School) in Kalmar. In most cases vacant premises have been refined and adapted for these companies. In total Klöver has activated investments of SEK 69 million in existing properties, which has raised the direct yields.

Klöver is striving to achieve balance in the customer structure in order to minimise the effects of cyclical swings. The division between locally-owned companies, public and/or nationwide companies and public sector operations should be as even as possible. Klöver is an active landlord seeking to create partnership through mutually beneficial relations with tenants. Not only do we meet our customers' needs in terms of premises but we also try to offer the customer added value, for example in the form of broadband connection. In time it should be possible to offer telephony and other services at competitive prices.

Organization and personnel

At the start of 2005 Klöver has ten geographical units: Borås, Eskilstuna, Kalmar, Karlstad, Linköping, Norrköping, Nyköping, Västerås, Örebro and Nord, which covers properties from Gävle in the south to Luleå in the north. Two of the units are new this year: Borås and Västerås, while two others, Falun and Uppsala, have

been closed since large parts of the property portfolio was sold. Of the 51 people who worked for Klöver at the end of 2004, 35 work in the ten units. The remaining 16 people work at Klöver's head office in Nyköping, commonly known as the service office since its primary purpose is to provide service to the units. The number of personnel varies from unit to unit depending on each location's portfolio of properties but also the extent to which the unit hires personnel from outside.

Within the majority of existing units the number of personnel has increased, and this strengthens our opportunities to live up to our goal of being the active, local landlord and property owner.

Staff members have grown in their respective roles and take great responsibility for the properties, both technically and economically. Since the majority of unit staff are involved in both planning and follow-up in relation to the properties they work with and are responsible for, they have considerable knowledge of the economic requirements of each property, which means that day-to-day decisions are made on the basis of sound business understanding.

Profit and future

We already know that Klöver's expansion will continue during 2005. On 1 March, properties will be taken possession of for SEK 750 million especially in Linköping. As a result of this acquisition Klöver has a portfolio of properties of around five billion Swedish kronor. But we're not taking our foot off the pedal after Linköping. We expect to present more transactions throughout the year with Klöver acting either as buyer or seller.

Klöver doesn't usually give a profit forecast and we are not going to do so for 2005. This is partly because Klöver's history as a property company is still very short but also because the company is developing and expanding so rapidly that a prognosis at the beginning of the year might well be so different by the end that the original forecast would look very strange. But this much I can say – Klöver's operating profit for 2005 will be at least as good as the result for 2004. Our vacancies now constitute Klöver's greatest profit potential and the main task for the financial year 2005 is to fill them as much as possible. In the long run the vacancy level needs to be halved.

Nyköping 28 February 2005

Gustaf Hermelin
President & CEO

Business model, goals and strategies

- Klöverns business model is as a partner with local ties, actively to acquire, develop and sell properties outside the major metropolitan areas in Sweden.
- Klöverns has a vision of strengthening local business and commerce for the benefit of development of companies and individuals.
- Klöverns personnel work according to the motto of "each day making the customer's day easier."

Financial goals

The long-term return on equity will be at least 15 per cent, the equity ratio will be at least 20 per cent and the interest coverage ratio will be at least 1.3 times.

Dividend policy

Klöverns will transfer on a long-term basis at least 50 per cent of earnings after taxes, including income from property sales, to the shareholders in the form of dividends or buy-back of own shares.

Adjustment of financial goals

In consequence of changed accounting principles in the transition to IFRS during 2005, a review and adjustment will be made of Klöverns financial goals and dividend policy with a view to adjusting these to the new conditions.

Financing strategy

When acquiring properties, consideration shall be given to the possibility of share issue. Klöverns shall actively seek financing solutions, both nationally and internationally, with a number of players. The main financiers serve as Klöverns strategic partners, who are to be prepared to take responsibility for their share of the undertakings in a joint business development. A continuous and open dialogue with our financiers provides a high level of credibility.

Market strategy

Klöverns is to become a leading player for commercial premises in large Swedish cities with the exception of

Stockholm, Gothenburg and Malmö. The strategy is to create geographical and functional units in prioritized cities with at least 100,000 lettable space and/or rental revenue of at least SEK 50 million. The goal is to create a positive identity and a strong brand name, both locally and nationally.

Customer strategy

Klöverns will create long-term mutually profitable customer relationships. Respect is shown to the customer through open dialogue, a high level of accessibility, and promises being kept. Besides premises, Klöverns will deliver activities and services that are relevant, easily accessible and which provide added value to the customer. Existing customers shall be taken well care of so that they become ambassadors for the company.

Acquisition strategy

Klöverns shall primarily acquire commercial premises. Properties which are to be acquired are either to have a high development potential or a high direct yield level based on market prerequisites. Acquisitions are to contribute creating strong or strengthening existing units and to contribute to improving Klöverns key ratios.

Develop strategy

The properties are to be developed for flexible use and to be able to offer stimulating environments. We strive continuously to optimise the running and care of properties. All investments in existing properties are to improve direct yield and the return on equity for every individual property.

Sales strategy

The composition of the property portfolio is to be continuously evaluated and optimised. The transaction rate is to be high with a view of realising surplus values. Housing properties, geographically unprioritized properties, properties that are not regarded as generating sufficient yield in the long-term or completely developed properties are to be disposed of.

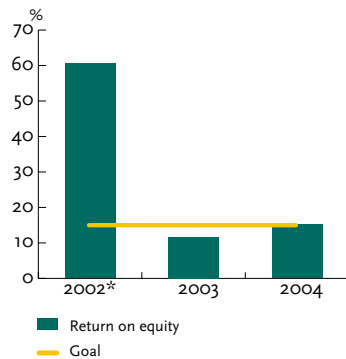
Values

Everyone who represents Klöver shall stand for the following:

- Consideration, sense of responsibility and trust.
- Respect for different opinions and differences.
- High quality and renewal of the mode of thought and implementation.
- Consideration for the environment.
- Have a positive attitude and set a good example.
- Willingness and capacity for collaboration.

Goal fulfilment

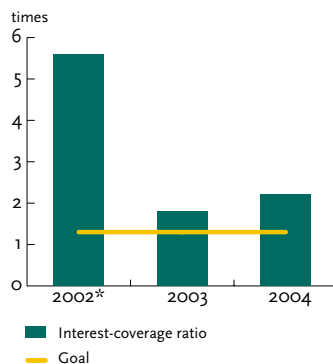
The long-term return on equity is to be at least 15 per cent



* The return for 2002 is not comparable with 2003 and 2004 due to extensive positive items affecting comparability and tax effects in connection with changed focus of the business to properties during 2002.

Return on shareholders' equity was 15.2 per cent in 2004. Klöver has accordingly achieved the long-term target of 15 per cent in 2004.

The interest coverage ratio is to be at least 1.3 times



* The interest coverage ratio for 2002 is not comparable with 2003 and 2004 due to extensive positive items affecting comparability and tax effects in connection with changed focus of the business to properties during 2002.

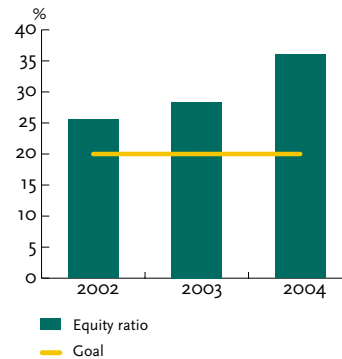
The interest coverage ratio has exceeded the goal of 1.3 times both in 2002, 2003 and 2004.

Organization

The organization is to be distinguished by

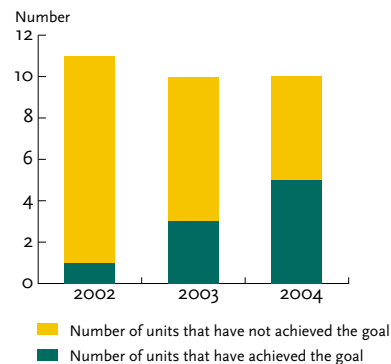
- Service-mindedness, an entrepreneurial spirit, and a good business understanding.
- Defined areas of responsibility and personal development programmes.
- Proud and committed staff who represent the company.
- Every staff member shall continuously test their work in relation to the vision and values.

The equity ratio is to be at least 20 per cent



The equity ratio has complied with the goal of a lowest level of 20 per cent in all three years

Geographical units should have at least 100,000 sq.m. of lettable area and/or rental revenue of at least SEK 50 million



During 2004, the market goal was achieved for five of our units: Karlstad, Norrköping, Nyköping, Västerås and Örebro. During 2005, the goal will also be achieved in Linköping due to property acquisition with taking of possession on March 1, 2005.

The share and owners

Share capital and ownership

As of December 31, 2004, Klöver's share capital amounted to SEK 528,929,405. The total number of shares outstanding was 105,785,881 with a nominal value of SEK 5 per share and one vote per share. The number of shareholders as of December 31, 2004 was 31,285. The ten largest shareholder groups represented 58.5 per cent

of the total share capital. The largest owner was Arvid Svensson Invest who subscribed to shares in connection with Klöver's acquisition of properties from Arvid Svensson in Västerås.

Of the total number of shares, 86 per cent were owned by Swedish owners and 14 per cent by foreign owners.

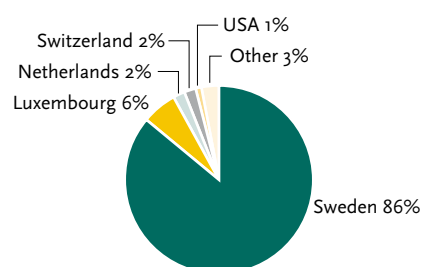
LARGEST SHAREHOLDERS

Owners	Number of owners	Number of shares	Holding and votes, %
Arvid Svensson Invest AB		17,016,609	16.1
Lantbrukarnas Riksförbund		13,200,000	12.5
Investment AB Öresund		7,439,307	7.0
SEB Fonder		7,087,725	6.7
Länsförsäkringar Södermanland		3,665,174	3.5
HQ Fonder		3,440,035	3.3
Banque Generale de Luxembourg SA		2,845,000	2.7
Gustaf Hermelin incl. family and companies		2,546,277	2.4
Länsförsäkringar Fastighetsfonden		2,519,293	2.4
Erik Paulsson incl. family and companies		1,999,390	1.9
Total largest owners		61,758,810	58.5
Other owners		44,027,071	41.5
Total all owners	31,285	105,785,881	100.0

DISTRIBUTION OF THE SHARES

Number of shares	Number of owners	Number of shares	Total number, of shares, %
5,000,001–	4	44,743,641	35
1,000,001–5,000,000	16	27,379,899	28
100,001–1,000,000	71	15,890,601	20
50,001–100,000	46	3,444,171	3
10,001–50,000	273	6,131,510	6
2,001–10,000	1,002	4,810,744	5
1,001–2,000	735	1,197,829	1
501–1,000	1,096	957,352	1
500 or less	28,042	1,230,134	1
Total	31,285	105,785,881	100

Distribution of shares between different countries



CHANGE OF SHARE CAPITAL

Day	Month	Year	Transaction	Share capital, SEK		Number of shares		Nominal SEK per share
				Change	Total	Change	Total number	
1	January	2002	At beginning of year	–	57,567,223	–	575,672,226	0.10
18	June	2002	Directed new issue ¹⁾	2.40	57,567,225	24	575,672,250	0.10
27	June	2002	Reversed split 1:250 ²⁾	–	57,567,225	–573,369,561	2,302,689	25.00
27	June	2002	Write-down of share capital ³⁾	–46,053,780	11,513,445	–	–	5.00
7	August	2002	Priority issue ⁴⁾	115,134,450	126,648,895	23,026,890	25,329,579	5.00
17	December	2002	Non-cash issue ⁵⁾	79,972,005	206,619,900	15,994,401	41,323,980	5.00
15	August	2003	Non-cash issue ⁶⁾	70,038,450	278,658,350	14,007,690	55,331,670	5.00
15	August	2003	Non-cash issue ⁷⁾	27,692,300	304,350,650	5,538,460	60,870,130	5.00
25	September	2003	Redemption convertible loan ⁸⁾	452,500	304,803,150	90,500	60,960,630	5.00
17	October	2003	Non-cash issue ⁹⁾	32,238,460	337,041,610	6,447,692	67,408,322	5.00
12	January	2004	Conversion of A shares to B shares ¹⁰⁾	–	337,041,610	–	67,408,322	5.00
19	January	2004	Redemption convertible loan ¹¹⁾	910,000	337,951,610	182,000	67,590,322	5.00
13	February	2004	Non-cash issue ¹²⁾	20,900,000	358,851,610	4,180,000	71,770,322	5.00
18	February	2004	Conversion of A shares to B shares ¹³⁾	–	358,851,610	–	71,770,322	5.00
18	February	2004	Non-cash issue ¹⁴⁾	63,629,975	422,481,585	12,725,995	84,496,317	5.00
6	April	2004	Redemption convertible loan ¹⁵⁾	20,226,135	442,707,720	4,045,227	88,541,544	5.00
7	May	2004	Redemption convertible loan ¹⁶⁾	682,500	443,390,220	136,500	88,678,044	5.00
2	July	2004	Redemption convertible loan ¹⁷⁾	456,140	443,846,360	91,228	88,769,272	5.00
16	August	2004	Non-cash issue ¹⁸⁾	85,083,045	528,929,405	17,016,609	105,785,881	5.00

1) Directed new issue at an issue price of SEK 0.50 with a view to making the number of shares evenly divisible by 250 before the imminent reversed split.

2) Reversed split 1:250 whereupon 250 shares have been combined to one share by changing the nominal amount of the shares.

3) Write-down of share capital in connection with distribution of the shares in Connecta AB (Adcore Consulting AB).

4) Preferential issue to shareholders where one A share entitled to subscription of ten B shares at a subscription price of SEK 11 per share.

5) Non-cash issue directed at sellers of StrandFastigheter i Nyköping AB and StrömFastigheter i Norrköping AB at a subscription price of SEK 10.50 per share.

6) Non-cash issue at an issue price of SEK 13 per share directed at Akelius Kontor AB on sale of properties to Klöver.

7) Non-cash issue at an issue price of SEK 13 per share directed at Mandamus Fastigheter AB on sale of properties to Klöver.

8) Redemption of part of convertible subordinated debentures at an issue price of SEK 11 per share.

9) Non-cash issue at an issue price of SEK 13 per share directed at Akelius Kontor AB on sale of properties to Klöver.

10) Conversion of 3,723,239 shares of class A to the same number of shares of class B.

11) Redemption of part of convertible subordinated debentures at a subscription price of SEK 11 per share.

12) Non-cash issue at an issue price of SEK 15 per share directed at Diligentia AB on sale of properties to Klöver.

13) Conversion of 71,770,322 shares (all shares) of class B to the same number of common shares.

14) Non-cash issue at an issue price of SEK 15 per share directed at Wihlborgs Fastigheter AB on redemption of loan to Klöver.

15) Redemption of part of convertible subordinated debenture at a subscription price of SEK 11 per share.

16) Redemption of part of convertible subordinated debenture at a subscription price of SEK 11 per share.

17) Redemption of part of convertible subordinated debenture at a subscription price of SEK 11 per share.

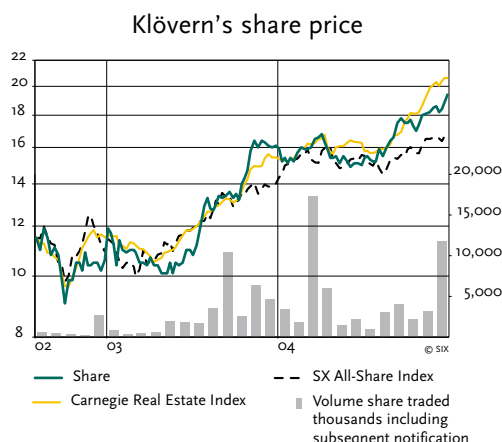
18) Non-cash issue at a subscription price of SEK 16 per share directed at Arvid Svensson AB on sale of properties to Klöver.

One class of shares in Klöver

In accordance with decisions made at the Annual General Meeting of Klöver on April 23, 2003, all A shares were converted into B shares in January 2004. After a decision at the extraordinary general meeting of shareholders on January 27, 2004, there is only one class of share – Klöver – with one vote per share.

Price movements

The price of the Klöver share has increased during the year from SEK 16 to SEK 19.40, which is equivalent to an increase of 21 per cent. The Stockholm stock exchange Stockholmsbörsen's All-share index increased during the same period by 16 per cent and Carnegie's property index (CREX) by 33 per cent. In 2004, 57.2 million Klöver shares were traded for a total of SEK 945 million, which indicates a very high liquidity. Klöver's share value at the end of 2004 was SEK 2,052 million compared with SEK 1,079 million at the end of 2003.



Convertible subordinated debentures

During 2002, Klöver issued a convertible subordinated debenture of SEK 50 million. The loan, Klöver K2b has been converted into shares during 2003-2004. Conversion during 2004 had the effect that the number of shares increased by 4,454,955.

Warrants

During 2002, the former Adcore issued one warrant programme. At the end of the subscription period on 30 November 2004, no warrants has been taken up. At the end of the year, there were no more outstanding warrant programmes in Klöver.

Tax assessment value and acquisition value

Klöver's shares are listed on the O-list of Stockholm stock exchange, which means that these shares are not subject to wealth tax. In 2004, Klöver was among the 40 most traded shares on the O-list, Attract 40.

In 2002, Klöver AB distributed the shares in Adcore Consulting AB, now Connecta AB. According to publication RSV 2002:32 of the Swedish National Tax Board, 30 per cent of the acquisition cost for shares in Klöver AB is attributable to these shares and 70 per cent to Adcore Consulting AB.

During 2003, Wihlborgs distributed Klöver shares to its shareholders. The acquisition value for tax purposes of the Klöver shares is calculated on the basis of the dividend value adopted for the shares (6 x SEK 1.75), i.e. SEK 10.50.

COMPARISON OF MARKET VALUE FOR PROPERTY COMPANIES LISTED ON STOCKHOLMSBÖRSEN

	Market value, 31.12.2004, SEKm	Market price, 31.12.2004, SEKm	Price move- ment, 2004, %	Share turnover 12 months, 2004, SEK	Profit after taxes, SEK/share	P/E ratio	Proposed dividend, SEK/share	Direct yield, %	Total yield, %
Brinova	657	77.50	27	271	7.00	11	2.50	3	30
Capona	2,368	94.75	40	358	13.70	7	5.00	5	45
Castellum	9,758	238.00	40	3,984	14.30	17	9.50	4	44
Fast Partner	1,026	19.10	92	119	0.80	24	0.65	3	95
Heba	1,720	125.00	32	101	2.70	46	2.4	2	34
Hufvudstaden	9,820	47.60	37	1,526	3.20	15	4.00*	8	45
Klöver	2,052	19.40	21	945	2.10	9	0.75	4	25
Kungsleden	4,758	251.00	30	1,611	49.00	5	15.00	6	36
Ljungberggruppen	2,247	145.50	36	79	6.00	24	4.50	3	39
Wallenstam	3,925	288.00	70	856	60.30	5	7.50	3	73
Wihlborgs	12,854	140.00	51	6,088	19.50	7	6.50	5	56
Average	4,653	131.44	43	1,449	16.20	15	5.30	4	47

* Including extra dividend of SEK 2.70.



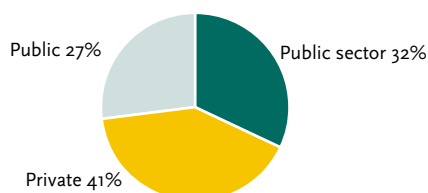
Customers

Closeness to customers

A good relationship with the customer is a crucial success factor for virtually all companies. Klöverner therefore wants to build up a good relationship to the customer by developing local ties, being able to meet in person, and in this way getting to know the customer's everyday situation. Staff work according to the motto of "each day making the customer's day easier."

In nine out of ten cities, it is Klöverner's own staff, which maintain the local presence and meet the customer.

Contract value per type of tenant



Customer structure

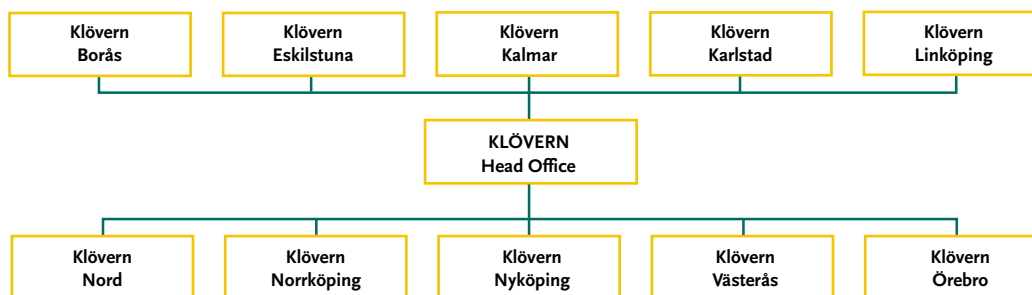
Klöverner's business orientation in the direction of commercial real estate means that most of the customers are legal entities. An even distribution between locally owned companies, public and/or nationwide companies and public sector entities is sought. At year-end 2004, the public sector accounted for 32 per cent (43) of the contract value, private companies for 41 per cent (35) and public and/or nationwide companies for 27 per cent (22).

The ten largest customers account for 32 per cent (41) of Klöverner's contract value. Only two tenants have contract values in excess of 5 per cent of Klöverner's total contract value. The largest tenant is the Posten Group with 67 contracts and 9 per cent of the total rental revenue. The average contract time for the ten largest customers is 3.2 years.

KLÖVERN'S LARGEST TENANTS

Tenant	Number of contracts	Contract value, SEKm	Proportion of total contract value, %	Average contract time, year
Posten Sverige AB	67	48	9	2.1
Ericsson	3	37	7	3.3
Tieto Enator	3	17	3	1.4
National Road Administration	17	15	3	1.2
Arvid Svensson	7	14	3	9.4
Municipality of Karlstad	8	10	2	1.2
Choice Hotell	4	9	2	6.4
Municipality of Nyköping	11	7	1	1.4
National Labour Market Board	8	6	1	2.0
Mälardalen Energi	8	6	1	8.3
Total largest tenants	136	169	32	3.2

Organization and personnel



Decentralized organization

Local ties are of crucial importance to the relationship with the customer and hence also Klöver's profit. The staff must know their circle of customers, they must be accessible and be able to respond quickly to customer needs. The goal is to have a decentralized organization with committed staff who take good care of their customers and strive for mutually profitable relations.

The Klöver Group is organized in a head office, located in Nyköping, and ten units located in different parts of Sweden, based on the geographic location of the properties. The head office is responsible for management functions, economy and financing, acquisitions and divestments, information and investor relations as well as providing support to the units.

Local units

The local units handle operation of the properties and the day-to-day contacts with the tenants. One of the ten units, Eskilstuna, is taken care of by leased staff. At the other nine units, customer contacts and most of the property operations are taken care of by Klöver's own staff. During the year, two new units have been established, Borås and Västerås. The units in Falun and Uppsala have been wound up after most of the properties have been disposed of.

Each unit has a responsible manager who, working closely together with Klöver's management, sets guidelines for the operations of the unit. Unit meetings are held twice a year where the responsible management, together with the staff of the respective unit, take up the unit's goals, organization and work. The financial administration as well as the rent administration is dealt with by the head office. Responsibility for planning and follow-up for the respective property rests with the responsible managers at the units.

Good business practice

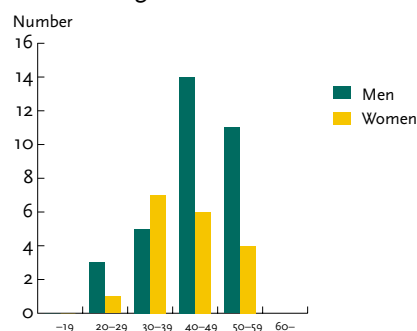
Klöver's staff work in accordance with the motto of "each day making the customer's day easier." In accordance with this motto, they work in accordance with the keywords service-mindedness, an entrepreneurial spirit and a good business understanding. Each member of staff has a defined area of responsibility and is able to influence daily operations. The added value per employee is SEK 6.3 million.

Personnel

Klöver's activities are characterised by its basic values: consideration, taking responsibility and trust. Staff are to strive for high quality and renewal in their mode of thought and implementation and show respect for everyone's opinions and differences. Staff are to have a positive attitude, be good examples, and show a willingness and an ability to collaborate.

The total number of employees was 51 (37) at year-end after an increase of 38 per cent during the year. This increase is explained by the fact that the Company's present orientation started as recently as late in the summer of 2002 and that operations expanded rapidly not only during 2003 but also in 2004. Of the total number of employees, 18 were women and 33 were men. Just over one third of the employees work at the head office. The average age is 44 (44). The average age for men was slightly higher than for women, 45 compared with 42.

Age distribution



Staff turnover and absence

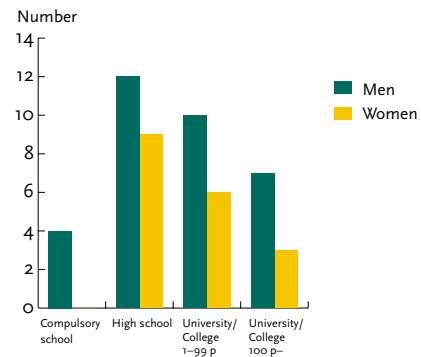
Staff turnover was 11 per cent during the year and sick leave in the whole group was 2.3 per cent. It was 3.1 per cent for men and 1.1 per cent for women. Since the number of employees by sex and age is less than ten in almost every case, sick leave is only reported at group level. Of the total sick leave, 27.0 per cent consisted of long-term sick leave of 60 days or more. No incidents have taken place leading to sick leave.

During 2004, Klöverner carried out a health profile survey among its staff. This survey aims for everyone to be aware of their own health situation and thus be able to carry out the necessary changes. The company obtains an overall picture of the state of health of its employees. The 2004 survey showed a high level of satisfaction and good working relations in groups and with the management. All employees are covered by health insurance to facilitate access to health care.

Training

At the end of 2004, 51 per cent of the employees had undertaken some form of university education. Of these, almost half had taken 100 credits or more at university college or university.

Education



Klöverner aims to continuously maintain, develop and increase the overall competence of its staff, to be able to meet the customer's needs with the greatest possible knowledge and so that staff shall feel satisfaction in their work. As a complement to the personal development programme, the company has initiated a training programme – the Klöverner academy – where all staff have the opportunity of competence development. During 2004, the cost of competence renewal was almost SEK 19,000 per employee.



Environment

Environment work

Concern for the environment is a natural part of day-to-day work at Klöver. Good work and residential environments, indoors as well as outdoors, make satisfied tenants. The goal is that everybody in the organization, our tenants and suppliers, should feel responsibility for, and through their actions actively contribute to observance of the environmental policy that has been adopted. By cooperating in a wider perspective, Klöver involves employees as well as customers, supplies entrepreneurs and local authorities in the work for a long-term favourable environmental development.

During 2004, the issue of energy saving has been high on the agenda. The energy consumption at individual properties has been regularly reported with a view to finding the ten properties that use relatively most energy. The inspection of the measures undertaken has produced a result. For eight of these properties consumption of heating has decreased during 2004.

Environmental policy

The environmental policy developed by Klöver is manifested in several different ways in Klöver's operations. It is a part of the prerequisites in the procurement process for contracts to achieve selective demolition where parts of the construction material can be recycled. The company chooses products and services with the least possible impact on the environment and strives to reduce paper consumption and the use of chemicals.

Sorting at source has been initiated and will be introduced at all properties. Work on sorting at source has been seen to have the desired profitability effect.

Environmental measures during 2004

The following list contains some examples of concrete environmental measures undertaken by Klöver during 2004.

Energy

- Replacement of lighting and fittings from 225W to 100W at a property in Örebro with retained light perception.
- An inventory of and adjustments to control units for ventilation in all Borås properties which led to reduced district heating and electricity costs.
- Changeover from oil heating to district heating at a property in Karlstad.
- Rotating energy-saving heat exchanger fitted at a property in Karlstad.
- Operating time review and air flow adjustments at all properties in Karlstad.
- Replacement of three ventilation units in Borås, which has led to increased heat recovery. Operating costs have been reduced by up to 20 per cent by better control equipment and more efficient motors.
- Replacement of automatic control functions at two properties in Linköping in order to improve the indoor climate and optimise operations.
- Replacement of old, and cleaning of retained heat exchangers in Nyköping.
- Invested to reduce energy consumption in three properties in Norrköping. Heating costs have decreased by up to 27 per cent.
- Introduced computerised operational control at the properties Skepparen, Tornado and Monitorn in Karlstad, which has entailed reduced consumption by up to 36 per cent.

Waste

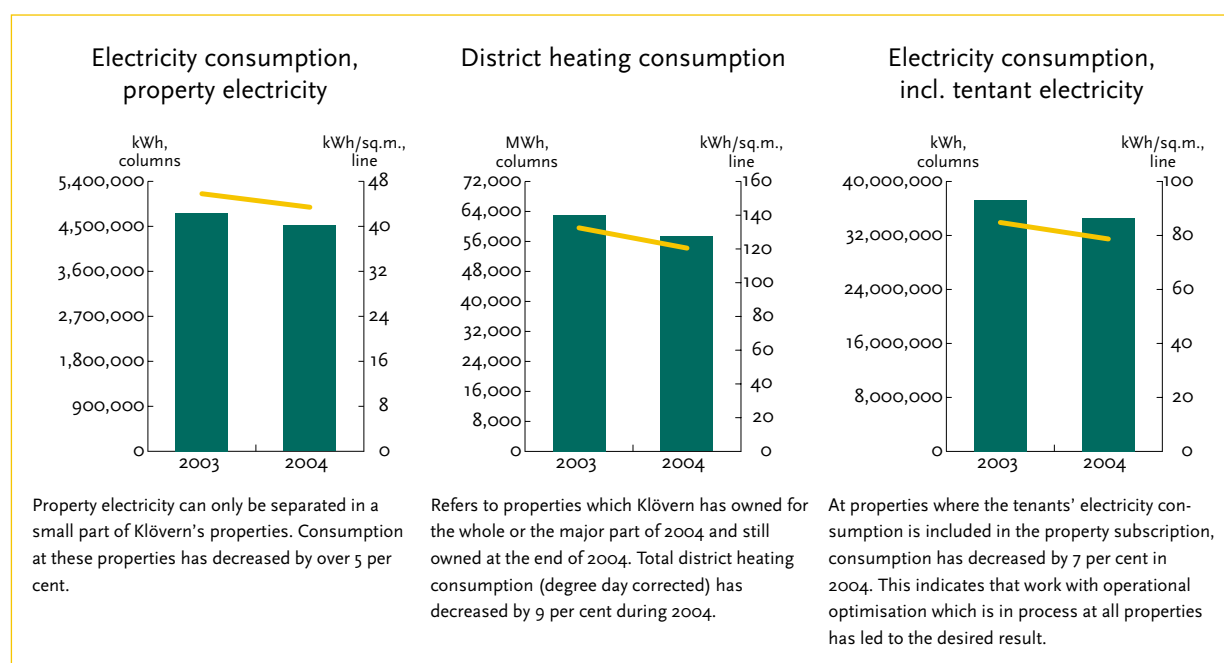
- Waste sorting at the majority of properties in Nyköping. Weekly follow-up.
- Reduced collection frequencies at all properties in Örebro.
- In Norrköping, environmental stations have been introduced at four properties during the year. The goal is for the remaining properties to be equipped with environmental stations during 2005.
- Reduction of waste emptying after frequency review in Karlstad.

Water and drainage

- The water saving project in three Borås properties has led to a reduction of water use in flushing in wash basins and toilets. The saving is estimated at 20 per cent.

Environmentally hazardous substances

- Replacement of a total of seven refrigeration machines containing 240 kg R22 (cold medium) in Örebro and Karlstad.
- Replacement of six condensers with PCB from the switchgear in Karlstad.



Market descriptions

Borås

Location and communications

Borås is situated on main road 40 approximately 50 km east of Gothenburg in the southern part of the county of Västra Götaland. This road joins the E4 highway at Jönköping and Borås thus has good road links both in the direction of Gothenburg and Stockholm (approximately 400 km away). Landvetter Airport is approximately 30 km west of Borås. There is a rail link with the main line network to Alvesta and Gothenburg. There are regional train links with Varberg and Herrljunga/Vänernborg.

The municipality of Borås had a population of 98,886 on 31 December 2004, after an increase of 381 since 2003. The vacancy problems that have existed for residential properties have successively decreased. An important reason is that Borås University College has developed well, and the earlier industry with a heavy component of textiles has undergone structural transformation towards a more hi-tech focus, which is starting to have an effect on the business sector. Unemployment including those employed in cyclical labour market programmes totalled 6.3 per cent in December 2004, which is on a par with Sweden as a whole (6.4 per cent) and the county (6.1 per cent).

The number of employment opportunities in the municipality of Borås was 48,118 in 2002. Most worked in retail and communications (24 per cent), manufacture and extraction (17 per cent), health care and social services (19 per cent) and financial activities (11 per cent).

THE LARGEST EMPLOYERS IN THE MUNICIPALITY OF BORÅS, 2003

Employer	Proportion of total number of employees in municipality, %	Number of employees
Municipality of Borås	20.5	9,625
Västra Götaland County Council	9.1	4,275
Ericsson AB	2.5	1,175
Ellos AB	2.2	1,025
Borås University College	1.4	675
Samhall AB	1.0	475
SP Sveriges Provnings- och Forskningsinstitut AB	1.0	475
Parker Hannifin AB	0.8	375
Volvo Bussar AB	0.8	375
H&M Rowells AB	0.8	375
All ten largest	40.1	18,850

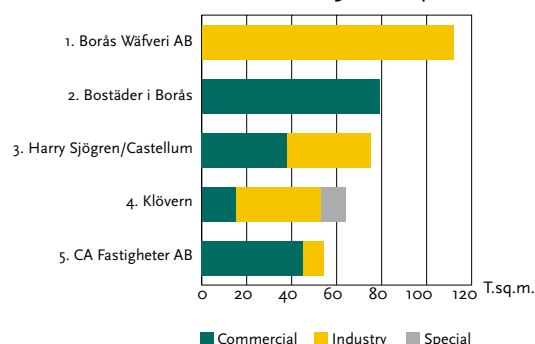
Investor market

The total premises and residential space in Borås in 2004 was approximately 4,062,000 square metres, of which

815,000 sq.m. was commercial premises, 1,493,000 industrial premises and 1,752,000 housing. During 2004, ten commercial properties, 65 residential properties and 13 industrial properties changed owner in Borås. Since Borås often had industrial properties in a central urban location, purchases of properties take place that now have a different use than the original, which leads to high prices per square metre.

The activity in the investor market was relatively high in Borås last year. Among other things, Wästbygg carried out a major transaction where their housing portfolio of 1,000 apartments consisting of 63,000 sq.m. was sold to Hyresbostäder i Sverige AB, which is in turn controlled by the Norwegian-owned Acta Kapitalförvaltning. The post terminal consisting of 25,000 sq.m. was sold by Terminal Estate AB to Logisticfastigheter i Borås AB.

Largest property owners of commercial premises in Borås, December 31, 2004



Source: Byggstatistik

The rental market

The rental levels for modern offices are at SEK 700-1,000 per sq.m. in the centre. In more peripheral areas such as Källsäckstryd and Bergsäter, the rental level is assessed at approximately SEK 500 per sq.m. The rental level refers to rents including heating.

The total vacancy rate in Borås is estimated at 7.5-9.0 per cent. Vacancies can be expected to increase marginally since new office spaces are created combined with light industry and retail in the former I15 military area and along highway 40 approximately 2 kilometres south-west of the centre in Viared.

Normal shop rent levels for ordinary locations in the inner city are SEK 800-1,200 per sq.m. although levels over SEK 2,000 per sq.m. for department stores in the heart of the city occur. A large out-of-town retail area has already been established in Knalleland. The area is expanding westwards although only at a moderate pace.

Rental levels in industry properties vary between SEK 350 and 550 per sq.m. For older premises, the level is SEK 300 per sq.m. and for newly built up to SEK 800 per sq.m. for small premise areas. The vacancy rate is estimated at 10-15 per cent today.

Eskilstuna

Location and communications

Eskilstuna is located in the north-west of Södermanland. The E20 highway and the Svealand rail line both pass through the city. The distance to Stockholm is approximately 110 km, to Gothenburg about 370 km and to Västerås about 40 km.

A small transport airport is located at about 40 km from central Eskilstuna. Almost a quarter of Sweden's population live within a radius of a 120 km from Eskilstuna, which has benefited Eskilstuna's endeavour to become a logistics hub.

The municipality of Eskilstuna had a population of 91,168 in December 2004 after an increase of 474 in the year. From 1993 to 1998, the population decreased by almost 1,000. After 1998 it has subsequently increased. The vacancy problems that existed for housing have successively decreased. An important reason for this development is the improved Mälärbanan rail line, which has greatly reduced travel times to Stockholm. An important factor for the positive development in recent years has been Mälardalen University, which has had an increasing number of students. However, total unemployment, including cyclical labour market programme measures at 9.0 per cent is still higher than the national average (6.4 per cent) and the county as a whole (7.5 per cent).

The number of employment opportunities in the municipality of Eskilstuna totalled 38,604 in 2002. The largest parts were in manufacturing and extraction (22 per cent), retail and communication (16 per cent) and health care and social services (17 per cent).

THE LARGEST EMPLOYERS IN THE MUNICIPALITY OF ESKILSTUNA, 2003

Employer	Proportion of total number of employees in municipality, %	Number of employees
Municipality of Eskilstuna	22.7	8,625
Södermanland County Council	8.2	3,125
Volvo	3.5	1,350
Eskilstuna Kommunfastigheter AB	1.0	375
AvestaPolarit AB	1.0	375
Samhall AB	0.9	325
Mälardalens University	0.9	325
Coop Sverige AB	0.9	325
Tidningstjänst AB	0.7	275
ASSA AB	0.7	275
All ten largest	40.5	15,375

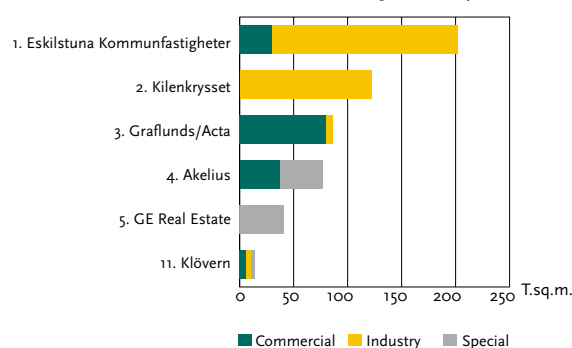
Investor market

The total premises and housing space in Eskilstuna was approximately 3,490,000 square metres, of which commercial premises were 628,000 sq.m., industrial premises 1,085,000 sq.m. and residential 1,778,000 sq.m.

In the past year only three commercial properties, eleven residential properties and six industrial properties have changed owner in Eskilstuna. The single largest transaction in Eskilstuna in 2004 was Acta's purchase of Graflunds with approximately 255,000 sq.m. of residential and non-residential premises in Eskilstuna.

Volterra purchased four office properties in spring 2004 totalling 19,000 sq.m. from Kungsleden for SEK 117 million and an estimated direct yield of approximately 8-8.5 per cent. Kungsleden purchased four properties in autumn 2004 of approximately 15,000 sq.m. in Eskilstuna from Althén Pérez & Co as part of a large portfolio transaction.

Largest property owners of commercial premises in Eskilstuna, December 31, 2004



Source: Byggstatistik

The rental market

Rental levels for modern offices are at SEK 1,000-1,200 per sq.m. in the centre. The level is SEK 700-900 for less modern offices. The total vacancy rate in central Eskilstuna is estimated at approximately 8 per cent.

Normal shop rental levels for ordinary locations in the inner city are SEK 1,000-1,500 per sq.m. while SEK 2,500-3,000 per sq.m. in the absolute city centre occurs.

Housing rents for properties in older buildings are around SEK 700 per sq.m. and newly produced around SEK 900 per sq.m. The proportion of vacant apartments in general has decreased from 6.4 per cent (422) in 2000 to 2.1 per cent (135) during 2004.

Rental levels in industrial premises vary between SEK 300 and 600 per sq.m. depending on location and standard. The level is SEK 300 per sq.m. for older premises and up to SEK 500-600 per sq.m. for small newly-built non-residential space. The vacancy rate is around 5-10 per cent.

Kalmar

Location and communications

Kalmar is situated on the Baltic Sea coast in the centre of the county of Kalmar. Highway 22 and the “Coast-to-Coast” train pass through the city. The approximate distance to Stockholm is 410 km to Gothenburg 350 km and to Malmö 280 km. Kalmar Airport with international charter flights is situated about 5 km from central Kalmar.

Kalmar had a population of 60,649 on December 31, 2004 after an increase of 234 since the beginning of the year. The population has increased in Kalmar for a long time. The municipality makes the assessment that the population will continue to increase at a good pace for the next decade. In September 2004, there was only one vacant apartment in public housing in Kalmar. With its location on the coast, Kalmar is an attractive municipality to live in. Unemployment including those employed in cyclical labour market programmes at 7.7 per cent in December 2004 was higher than both Sweden as a whole (6.4 per cent) and the county (6.8 per cent).

The number of unemployment opportunities in the city of Kalmar was 29,513 in 2002. The largest parts were in health care and social services (21 per cent), retail and communication (18 per cent), manufacture and extraction (15 per cent) and financial activities (12 per cent).

Both Bombardier and Rifa have decided in 2004 to terminate their activities in Kalmar.

THE LARGEST EMPLOYERS IN THE MUNICIPALITY OF KALMAR, 2002

Employer	Proportion of total number of employees in municipality, %	Number of employees
Municipality of Kalmar	15.0	4,425
County Council	11.4	3,375
University of Kalmar	2.5	725
Bombardier	2.3	675
Kalmarsunds Gymnasieförbund	1.8	525
Samhall AB	0.9	275
National Police Board	0.8	225
Evox Rifa	0.8	225
Pressens Samdistribution	0.8	225
Ericsson AB	0.8	225
All ten largest	37.1	10,900

Investor market

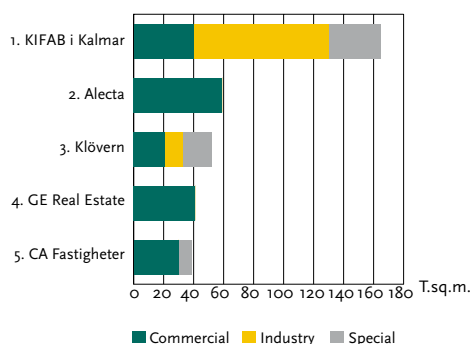
The total premises and housing space in Kalmar was approximately 2,314,000 sq.m., of which commercial premises were 569,000 sq.m., industrial premises 644,000 sq.m., and residential premises 1,101,000 sq.m.

During 2004, only two commercial properties have changed owner in Kalmar. If the smallest properties are

excepted, eleven residential properties and eleven industrial properties have changed owner.

During 2004, a number of other transactions have taken place, which are still not yet included in the statistics on legal ownership. Danish Keops has acquired the company BPA with 37 properties, some of which are in Kalmar. The total price was SEK 1,080 million. Klöverna has acquired a small property with approximately 2,000 sq.m. of non-residential premises, Matrosen 1, in central Kalmar. Klöverna has also acquired five properties consisting of approximately 26,000 sq.m. from the municipal industrial company KIFAB, for approximately SEK 60 million. Tornet has sold a property consisting of approximately 8,000 sq.m.

Largest property owners of commercial premises in Kalmar, December 31, 2004



Source: Byggstatistik

The rental market

Rental levels for modern offices have been largely unchanged during the year and are between SEK 800 and 1,100 per sq.m. in the centre. The rental level refers to rents including heating. For offices with a less modern standard rents are normally between SEK 600 and 800 per sq.m.

Vacancies for offices are expected to be in the range of 10 per cent, even in the central parts of Kalmar. However, the vacancy rate is lower for fully modern offices, down towards 5 per cent.

In the most attractive city shopping arcades, rents can amount to between SEK 2,000 and 3,000 per square metre for small to medium-sized offices. More normal rents are between SEK 1,000 and 1,500 per sq.m. Rents between SEK 600 and 900 per sq.m. are common in B locations. Kalmar's large out-of-city retail area with Coop Forum and ICA Maxi among others, is between the centre and highway 22. Alecta which owns the property is planning a major remodelling and expansion.

Rental levels in industrial and warehouse premises vary between SEK 300 and 600 per sq.m. Rents of between SEK 150 and 250 per sq.m. are common in older simpler premises. The vacancy rate is estimated to exceed 10 per cent. The closure of Rifa and Bombardier will mean that vacancies will increase.

Karlstad

Location and communications

Karlstad, which is the seat of county government in the county of Värmland is situated in the southern part of the county. The E18 highway and the main railway line between Oslo and Stockholm pass through the city. The approximate distance to Stockholm is 310 km to Gothenburg 250 km and to Oslo 220 km. Karlstad Airport with a number of daily departures for Stockholm is approximately 18 km from the centre of Karlstad.

The municipality of Karlstad had a population of 81,768 inhabitants in December 2004 after an increase of 425 since the end of 2003. The number of vacant apartments in public housing decreased by 1.4 per cent in 2000 to 0.9 per cent in autumn 2004. The proportion of unemployed, including persons in cyclical labour market programmes, was 7.8 per cent in December 2004, which is higher than Sweden as a whole (6.4 per cent) and the county (7.6 per cent).

Most employment opportunities in the municipality of Karlstad are in retail and communications (22 per cent), health care and social services (20 per cent), financial activities (15 per cent), and manufacture and extraction (11 per cent).

THE LARGEST EMPLOYERS IN THE MUNICIPALITY OF KARLSTAD, 2003

Employer	Proportion of total number of employees in municipality, %	Number of employees
Municipality of Karlstad	15.5	6,725
Värmland County Council	10.5	4,575
Karlstad University	2.6	1,125
Konsum Värmland EF	2.2	975
Metso Paper Karlstad AB	1.7	725
Tidningstjänst AB	1.2	525
Posten Sverige AB	1.1	475
TietoEnator Telecom Partner AB	1.0	425
Swebus AB	0.7	325
National Police Board	0.7	325
All ten largest	37.2	16,200

Investor market

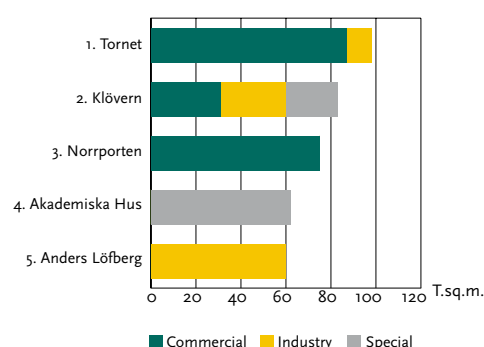
The total premises and residential space in Karlstad amounted to approximately 3,440,000 sq.m. at the end of 2004, of which offices and retail account for approximately 935,000, industry approximately 834,000 sq.m. and housing approximately 1,670,000 sq.m.

During 2004 only three commercial properties had changed hands in Karlstad. Twenty-three purchases of residential properties were recorded in Karlstad during 2004 and ten transfers of industrial properties.

Direct yield for commercial properties in central Karlstad are considered to be at the level of 7.0-8.5 per cent. Direct yield in the areas outside the centre is higher, 8.5-9.5 per cent.

The most recently noted sale of an individual property was the central property, Våktaren 7. The property, which is in a B location in the centre was sold in autumn 2004 to a private company for SEK 53.3 million.

Largest property owners of commercial premises in Karlstad, December 31, 2004



Source: Byggstatistik

The rental market

Rental levels for modern offices, including heating, are usually at the level of SEK 900-1,000 per sq.m. in the most attractive areas in the city, the centre and Kanikenäsbanken. In the Klara area, which includes a large component of administrative buildings, rents are around SEK 750-900 per sq.m. In more peripheral office situations in industrial areas such as Växnäs and Örsholmen, office rent levels vary between SEK 500 and 700 per sq.m.

The total vacancy rate for offices is estimated at 10 per cent. Higher vacancies exist in peripheral areas. During the second half of 2004, some increased demand has been noted primarily for small offices. Vacancies are expected to be unchanged in the near future.

Normal shop levels in the centre of the city are SEK 1,300-1,800 per sq.m. in the best retail buildings the rental levels are SEK 2,000 to 3,000 per sq.m. The refinement of the Duvan gallery has also led to new stores opening in the centre. There has been extensive expansion in Bergvik shopping centre and the adjacent Zakrisdal area.

A shopping gallery has been created in the construction project Mitt-i-City with a total of 16,000 sq.m. of retail and residential area and an indoor car park. The vacancy rate for retail premises is low in the heart of the city, 1-3 per cent. Vacancies in the best locations are expected to continue to be low.

Rental levels in normal industrial properties vary between SEK 400 and 600 per sq.m. For older premises, the level is SEK 300-400 per sq.m. and for new-built up to SEK 750 per sq.m. for small local areas. The vacancy rate is 7-12 per cent today. Vacancies are expected to remain unchanged.

Linköping

Location and communications

Linköping is situated in central Östergötland. The E4 highway and the southern main railway line both pass through the city. The approximate distance to Stockholm is 210 km, to Gothenburg 280 km and to Norrköping 40 kilometres. The airport with international services is about three kilometres from central Linköping. Linköping University with 26,500 students and 3,500 employees is one of Sweden's largest universities.

On December 31, 2004, the population of the municipality of Linköping was 136,912, after an increase of 681 since the year-end 2003/2004. Unemployment, including cyclical labour market programmes, was 6.5 per cent in December 2004, which is on a level with Sweden as a whole (6.4 per cent) and clearly lower than in the rest of the county (7.3 per cent).

The number of employment opportunities in the municipality of Linköping was 68,479 in 2002. The greatest shares were in manufacture and extraction (19 per cent), retail and communications (15 per cent) and social services (16 per cent) and financial activities (15 per cent).

THE LARGEST EMPLOYERS IN THE MUNICIPALITY OF LINKÖPING, 2003

Employer	Proportion of total number of employees in municipality, %	Number of employees
Municipality of Linköping	10.5	6,825
Östergötland County Council	10.1	6,525
Saab AB	6.5	4,225
Linköping University	5.9	3,825
Ericsson AB	1.7	1,075
Swedish Meats Ek. För.	1.4	875
ISS Sverige AB	1.0	625
AeroTechTelub AB	1.0	625
National Police Board	0.7	475
Totalförsvarets ForskningsInstitut	0.7	475
All ten largest	39.5	25,550

Investor market

Total premises and residential space in Linköping was approximately 4,575,000 sq.m. Of this, commercial space accounted for 1,229,000 sq.m., industrial premises for 1,074,000 sq.m. and residential 2,273,000 sq.m.

During 2004, eight commercial properties have changed hands in Linköping. The price picture is fragmented to some extent.

Maximum value:	SEK 9,200 per sq.m.
Average value:	SEK 5,900 per sq.m.
Minimum value:	SEK 1,800 per sq.m.

The following statistics are available for the 23 residential properties that have changed owner in Linköping:

Maximum value:	SEK 13,900 per sq.m.
Average value:	SEK 8,900 per sq.m.
Minimum value:	SEK 2,000 per sq.m.

Eleven industrial properties have changed hands.

Maximum value:	SEK 8,700 per sq.m.
Average value:	SEK 3,650 per sq.m.
Minimum value:	SEK 1,100 per sq.m.

Tornet's subsidiary Malmstaden, which was active in Linköping and Norrköping, was sold during the year to a number of different parties. A consortium of four local property owners, purchased the central residential properties in Linköping. Keoterra AB, which is owned by the Danish listed company Keops A/S and Althén Pérez & Co purchased the company Malmstaden AB which will have the remaining properties except the shopping centre property containing Galleria Gränden in Linköping. This will be owned directly by Keops A/S.

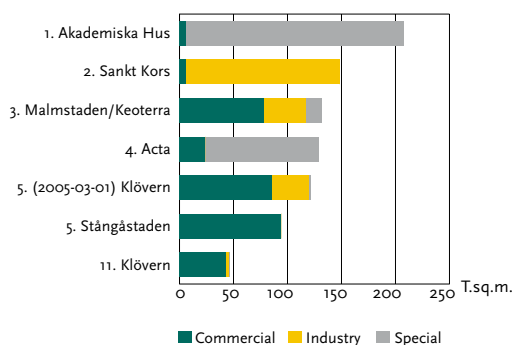
Keoterra's other 87 properties are in Linköping and Norrköping. Just over 50 per cent of the space is warehouse/industrial and office premises. This portfolio also includes residential properties, such as Duvkullen and the T-1 area in Linköping.



The state-owned Vasallen has sold Garnisonen Rättscentrum in Linköping during the year. The new owner Acta Kapitalförvaltning is a Nordic asset management company. The purchase price is estimated at over SEK 700 million. The lettable area is approximately 64,000 sq.m. In addition, there are building rights and building projects.

In December, Klöver announced the acquisition of the major part of Byggvesta's properties in Linköping for approximately SEK 750 million. Thirteen properties are situated in Linköping and the other three in Motala, Tranås and Vadstena respectively. The properties consist of 68,000 sq.m. of commercial space and 10,000 sq.m. of residential space. The properties will be handed over on March 1, 2005.

Largest property owners of commercial premises in Linköping, December 31, 2004



Source: Byggstatistik

The rental market

Rental levels for modern offices are at SEK 1,000-1,200 per sq.m. in the centre. The level is under SEK 1,000 per sq.m. for older offices. The rental level, which relates to rents including heating, has decreased greatly in recent years. Rents were previously up at SEK 1,600 per sq.m. The decline in the IT and telecom industry and the moving out of state-owned companies to Rättscentrum has resulted in large vacancies in the central areas. The

total vacancy rate in central Linköping is estimated at between 15 and 20 per cent. Vacancies are expected to be unchanged in the centre. No new construction of offices is taking place.

There is a very large imbalance in Mjärdevi. Approximately 60,000 sq.m. of office premises of a total of 180,000 in the area are vacant. There is also a concealed vacancy. New letting takes place at level around SEK 1,000 per sq.m. after discounts. A new office building has recently been constructed. Vacancies will probably decrease in the course of time.

Rental levels for good retail locations in the centre of the city are at SEK 1,500-2,000 per sq.m. Tannerforsgatan between Stora Torget and Trädgårdstorget and Galleria Gränden south of Lilla Torget are considered to be the best location with rental levels for retail premises between SEK 2,000 and 2,500 per sq.m. Small retail premises have rental levels over SEK 3,000-4,500 per sq.m. Rents for retail premises in outer city locations vary between SEK 350-900 per sq.m. A larger out-of-city retail area has been established in Tornby. The retail trade is continuing to expand there.

Housing rents for unrefurbished apartments are in the interval of SEK 700-750 per sq.m. The proportion of vacant apartments in public housing has decreased from 0.2 per cent in 2000 to 0.1 per cent in 2004.

Rental levels in industrial properties vary between SEK 350 and 500 per sq.m. For older premises, the level is SEK 300 per sq.m and for newly built small premises in good locations up to SEK 500 per sq.m. The vacancy rate is estimated at 7-10 per cent today. The surplus of industrial premises has been relatively constant and is expected to remain so in the near future. No major projects are in process. A new large ice rink, Cloetta Center, has recently been built.

To sum up, it appears that the supply of office premises will exceed demand in Linköping for a long time to come. Supply and demand for industrial and retail premises are more balanced.

Norrköping

Location and communications

Norrköping is situated on Bråviken in north-eastern Östergötland. The E4 and E66 highways both pass through the city. The approximate distance to Stockholm is 160 km, to Gothenburg 320 km and to Linköping 40 km. The airport with scheduled, charter and taxi services is approximately 4 km from Norrköping. The city is on the southern main railway line and has frequent train services. The port of Norrköping is one of the most important all-round ports on the east coast. Shipments go mostly to former Eastern Europe and other European ports. Norrköping is considered to have a good location from the point of view of communications, in particular for long-distance and local transport within Sweden but also relatively good for international transport. There has been a marked increase in export to the former Eastern bloc.

On 31 December 2004, the population of the municipality of Norrköping was 124,410 inhabitants, an increase of 439 since the year-end 2003. Total unemployment, including people in cyclical labour market programmes, at 9.2 per cent, is a lot higher than in Sweden as a whole (6.4 per cent) and in the rest of the county (7.3 per cent).

The number of employment opportunities in the municipality of Norrköping was 56,207 in 2002. The largest shares were in manufacture and extraction (15 per cent), retail and communication (22 per cent), education and research (13 per cent) and public administration (16 per cent).

THE LARGEST EMPLOYERS IN THE MUNICIPALITY OF NORRKÖPING, 2003

Employer	Proportion of total number of employees in municipality, %	Number of employees
Municipality of Norrköping	17.4	9,475
Östergötland County Council	5.9	3,225
Holmen Paper AB	1.5	825
Posten Sverige AB	1.4	775
Whirlpool Sweden AB	1.3	725
Billerud Skärblacka AB	1.3	725
Civil Aviation Administration	1.3	725
ISS SVERIGE AB	1.2	675
Swedish Migration Board	1.0	525
National Prison and Probation Board	0.9	475
All ten largest	33.2	18,150

Investor market

The total premises and residential space in urban Norrköping amounted to approximately 5,023,000 sq.m, of which commercial premises accounted for 1,093,000 sq.m., industrial premises 1,480,000 sq.m. and residential properties, 2,450,000 sq.m.

During 2004, nine commercial properties have changed owner in Norrköping. The price picture is fragmented to some extent.

Maximum value:	SEK 12,400 per sq.m.
Average value:	SEK 7,600 per sq.m.
Minimum value:	SEK 2,800 per sq.m.

The following statistics are available for the 22 residential properties that have changed owner in Norrköping:

Maximum value:	SEK 9,500 per sq.m.
Average value:	SEK 7,000 per sq.m.
Minimum value:	SEK 5,000 per sq.m.

Twelve industrial properties have changed owner.

Maximum value:	SEK 6,800 per sq.m.
Average value:	SEK 3,100 per sq.m.
Minimum value:	SEK 1,550 per sq.m.

Tornet's subsidiary Malmstaden with properties in both Norrköping and Linköping, was sold during the year. Hyrebostäder purchased the central residential properties in Norrköping. Gallerian Domino, Johannes 21, in Norrköping was acquired by Keops A/S.

Largest property owners of commercial premises in Norrköping, December 31, 2004



Source: Byggstatistik

The rental market

The rental market for new modern offices is at the level of between SEK 1,000 and 1,300 per square metre in the centre. The rental level refers to rents including heating. For less modern offices, the level is around SEK 700-900 per square metre.

The total vacancy rate in central Norrköping is estimated at around 7-8 per cent. No office projects are in process at present. During 2003, approximately 15,000 sq.m. of office space were created in a former industrial building which had been remodelled as offices. The expansion of the university college is continuing with the transformation of additional buildings in the old industrial landscape to, among other things, a students' union building.

Normal shop rent levels for B-locations in the inner city are SEK 700-800 per sq.m. while levels of between SEK 3,000 and 4,000 for department stores in the absolute city centre occur. A large out-of-town area has been established in the Ingelstad area. The municipality has produced a retail trade policy which will further strengthen this area. A number of new construction

projects for the retail trade are underway and started in the area.

Rental levels in industrial properties vary between SEK 300 and 500 per sq.m. For older premises, the level is up towards SEK 500-550 per sq.m. for small premise areas. The vacancy rate is estimated at 5-10 per cent today. The surplus of industrial premises has been largely constant in recent years. The market is relatively in balance. New production occurs for own use. A large number of logistics buildings, 70,000-80,000 sq.m. have been built and extended in the past year at Händelö. This expansion is expected to continue in the future, which could free space in the older industrial stock.

Housing rents for unrefurbished apartments are in the range of SEK 750-775 per sq.m. The proportion of vacant apartments in public housing decreased from 11.0 per cent in 2000 to 5.2 per cent in 2004.

To sum up, there appears to be a large supply of office space in Norrköping for a relatively long time to come. Supply and demand is in better balance for industrial and retail premises.





Nyköping

Location and communications

Nyköping is situated in the southern part of Södermanland on the E4 highway and on a railway line. The approximate distance to Stockholm is 100 km, to Gothenburg 390 km and to Norrköping 60 km. Skavsta Airport with an increasing number of international services is approximately 10 km from central Nyköping. As a result of co-operation between the municipalities of Nyköping and Oxelösund, there is access to a deep harbour in Oxelösund with extensive freight traffic especially to and from the countries around the Baltic Sea.

On December 31, 2004, the municipality of Nyköping had a population of 49,575, after an increase of 193 during the year. The vacancy problems that existed for residential properties have successively decreased. The proportion of vacant apartments in public housing has decreased from 5.2 per cent in 2000 to 0.7 per cent in 2004. In recent years, new production has also become more common in the central parts of Nyköping. Total unemployment including cyclical labour market programmes, at 6.4 per cent is on a level with Sweden as a whole (6.4 per cent) and clearly lower than in the rest of the county (7.5 per cent). An important cause of this development is the expansion of Skavsta Airport, which

is expected to create around 1,000 employment opportunities.

Most employment opportunities are in manufacture and extraction, (11 per cent), retail and communication (19 per cent), health care and social services (22 per cent) and financial activities (11 per cent).

THE LARGEST EMPLOYERS IN THE MUNICIPALITY OF NYKÖPING, 2003

Employer	Proportion of total number of employees in municipality, %	Number of employees
Municipality of Nyköping	23.7	4,775
Södermanland County Council	10.6	2,125
SAAB Automobil AB	1.9	375
ABB Automation		
Technology Products AB	1.1	225
Thorsman & Co AB	1.1	225
Servum AB	0.9	175
COOP Sverige AB	0.9	175
Samhall AB	0.9	175
Studsвик Nuclear AB	0.9	175
Kärnkraftsäkerhet och Utbildning AB	0.9	175
All ten largest	42.9	8,600

Investor market

The total premises and residential space in Nyköping amounted to approximately 1,715,000 sq.m., of which commercial premises accounted for 382,000 sq.m., industrial premises 445,000 sq.m. and residential properties 887,000 sq.m.

In 2004, only two commercial properties have changed owner in Nyköping. Seven properties have changed owner in the period 2002 to 2004. The price picture is fragmented to some extent.

Maximum value	SEK 17,400 per sq.m.
Average value	SEK 8,400 per sq.m.
Minimum value	SEK 4,300 per sq.m.

The following statistics are available for the 11 residential properties that have changed owner in 2004 in Nyköping:

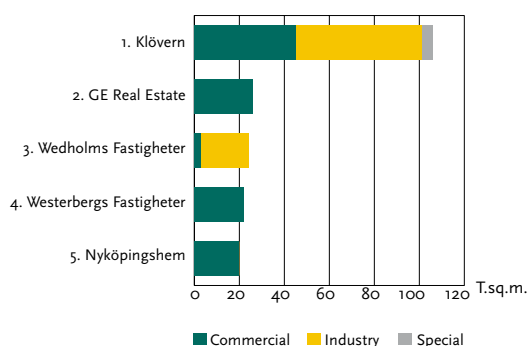
Maximum value	SEK 13,200 per sq.m.
Average value	SEK 7,900 per sq.m.
Minimum value	SEK 3,100 per sq.m.

Four developed industrial properties have changed hands.

Maximum value	SEK 4,600 per sq.m.
Average value	SEK 2,600 per sq.m.
Minimum value	SEK 700 per sq.m.

No larger transfers of packages or the like have taken place during the year. Skandrenting has acquired a large sport and exhibition centre at Rosvalla.

Largest property owners of commercial premises in Nyköping, December 31, 2004



Source: Byggstatistik

Rental market

The rental market for modern offices has been largely unchanged during the year and totals around SEK 800 to 1,000 per sq.m. in the centre. The rental level refers to rents including heating. Rents for offices with a somewhat older standard normally amount to between SEK 600 and 800 per sq.m.

Vacancies for offices are expected to exceed 10 per cent in the central parts of Nyköping. The vacancy rate is lower for fully modern offices, however, down towards 5 per cent. At present, no large office projects are under way.

Retail rents vary greatly. In the most attractive galleries, rents can exceed SEK 3,000 per sq.m. for small premises. More normal rents are between SEK 1,200 and 1,800 per sq.m. Rents in B-locations are often between SEK 600 and 900 per sq.m. There are two out-of-town retail areas in Nyköping, adjacent to Brandkärr, which is dominated by Stormarknaderna Coop Forum and ICA Kvantum, and at Gumsbacken, which has been expanded in recent years. In 2004, a Lidl store opened at Spelshagen where there are also a number of other stores, including a food store.

Rental levels for industry and warehouse premises vary between SEK 350 and 600 per sq.m. Rents of between SEK 200 and 300 per sq.m. are common for older simpler premises and they can be at about the same level as for offices for newer special-adapted premises. The vacancy rate exceeds 10 per cent. The new production which occurs is mainly for own use. No major new construction projects have taken place during the year.

Housing rents for unrefurbished apartments are in the interval SEK 625 to 725 per sq.m. In central Nyköping, the vacancy rate is today almost negligible. In the most central parts of Nyköping, some new production of housing, both in the form of tenant-owned apartments and rented apartments has taken place.

To sum up, the increase in demand for premises has been relatively weak in the recent period. The exception is retail premises and premises associated with Skavsta airport. This situation can be expected to continue in the near future. The rental levels for office and industrial premises are considered therefore to be relatively constant. Continued increase in population will provide some scope for new production of housing.

Västerås

Location and communications

Västerås is situated in south-eastern Västmanland on Lake Mälaren. The E18 highway and the Mälarbanan railway line both pass through the city. The approximate distance to Stockholm is 110 km and to Gothenburg 380 km. Västerås airport with international services is approximately six km from central Västerås. The port of Västerås is Sweden's largest inland port.

On 31 December 2004, the city of Västerås had a population of 131,014 inhabitants, after an increase of 1,027 during the year. There is a shortage of housing in Västerås. Unemployment, including cyclical labour market programmes (7.8 per cent in October 2004) is higher than in Sweden as a whole (6.1 per cent) and in the county (6.6 per cent).

The number of employment opportunities in Västerås was 58,967 in 2002. The largest shares were in manufacture and extraction (22 per cent), retail trade and communications (18 per cent), health care and social services (15 per cent) and financial activities (13 per cent).

THE LARGEST EMPLOYERS IN THE MUNICIPALITY OF VÄSTERÅS, 2003

Employer	Proportion of total number of employees in municipality, %	Number of employees
Municipality of Västerås	13.5	9,475
Västmanland County Council	7.4	5,175
ABB Automation Tech. Prod. AB	5.3	3,725
ABB AB	1.9	1,325
Bombardier Transportation AB	1.5	1,075
ICA Sverige AB	1.4	975
ABB Utilities AB	1.2	825
COOP Sverige AB	1.0	675
Westing Electric Sweden AB	1.0	675
ISS Sverige AB	0.9	625
All ten largest	35.1	24,550

Investor market

The total premises and residential space in Västerås amounted to approximately 5,190,000 sq.m., of which commercial premises accounted for 1,439,000 sq.m., industrial premises 1,061,000 sq.m. and residential properties 2,690,000 sq.m.

In the past year, six commercial properties have changed owner in Västerås. According to the statistics:

Maximum value	SEK 11,641 per sq.m.
Average value	SEK 6,990 per sq.m.
Minimum value	SEK 3,824 per sq.m.

The statistics that are available for the twelve residential properties that have changed owner in Västerås give a somewhat fragmented picture:

Maximum value	SEK 18,140 per sq.m.
Average value	SEK 10,339 per sq.m.
Minimum value	SEK 4,353 per sq.m.

Nine industrial properties have changed hands. According to the statistics:

Maximum value	SEK 7,050 per sq.m.
Average value	SEK 3,525 per sq.m.
Minimum value	SEK 1,909 per sq.m.

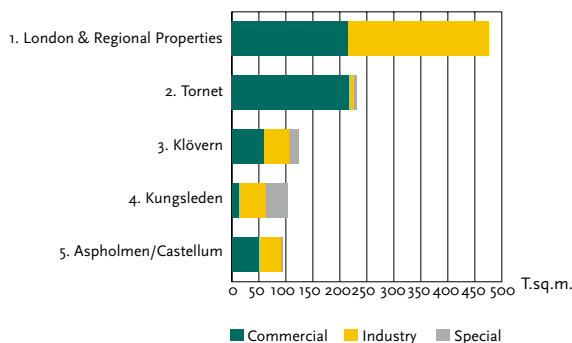
During 2004, Klöver acquired 43 properties in Västerås for a purchase price of SEK 905 million. Seven of the residential properties, approximately 11,000 sq.m., from this portfolio have already been resold for SEK 96 million. During the year, Klöver has also acquired five commercial properties from ICA for SEK 99 million.

The KVM group acquired a housing portfolio in Västerås at the end of 2003 at an estimated direct yield of approximately 7 per cent, or SEK 5,900 per sq.m.

Increased interest in reorganization as tenant-owner housing in Västerås has resulted in small modern residential properties in good locations being sold at direct yields levels of under 4 per cent. Levels for larger properties purchased for management are normally between 5 and 7 per cent.

The direct yield for central commercial properties is estimated at between 7 and 8 per cent. Properties in the industrial areas in Västerås outskirts normally have a return of 9 per cent or higher.

Largest property owners of commercial premises in Västerås, December 31, 2004



Source: Byggstatistik

The rental market

Rental levels for small modern offices are between SEK 1,400 and 1,800 per sq.m. in the centre. A more normal rent for modern offices in central Västerås is between SEK 1,000 and 1,300 per sq.m. The rental level refers to rents including heating. Rents have been stable with a weak upward trend in the recent period. Rents for older premises and premises just outside the centre (locations west of Svartån and south of the railway) are between SEK 800 and 1,000 per sq.m. The total vacancy rate in central Västerås is approximately 7–8 per cent.

Normal shop rent levels for ordinary locations in the inner city are SEK 1,000 – 1,500 per sq.m. although levels up to SEK 3,000 per sq.m. for small retail outlets in the absolute centre occur.

Housing rents for unrefurbished apartments are in the interval SEK 650–750. Rents for newly built apartments are between SEK 1,100 and 1,300 per sq.m. The housing market in Västerås is strong with high demand and a number of new projects in process, both in the central parts and in the outer areas. There are always only a few vacant apartments in public housing.



Rental levels in industrial properties vary between SEK 300 and 500 per sq.m. The level for older premises is SEK 300 per sq.m. and up to SEK 500–550 per sq.m. for newly built premises for small areas. The vacancy rate is between 5 and 10 per cent.

To sum up, the supply of premises seems to be in balance in Västerås in the near future.

Örebro

Location and communications

Örebro is situated in the centre of the county of Örebro. The E18 and E20 highways and trains all pass through the city. The approximate distance to Stockholm is 200 km, to Gothenburg 280 km and to Malmö 500 km. Örebro–Bofors airport with international flights is approximately 10 km from central Örebro.

In December 2004, the municipality of Örebro had a population of 126,982 inhabitants after an increase of 694 since the year-end 2003. Housing vacancies have successively decreased. The number of vacant apartments in public housing has decreased from 1.2 per cent in 2000 to 0.7 per cent in 2004. Unemployment, including cyclical labour market programmes (8.3 per cent in December 2004) is higher than in Sweden as a whole (6.1 per cent) and in the county (8.2 per cent).

The number of employment opportunities in the municipality of Örebro was 57,824 in 2002. The greatest shares were in retail trade and communications (19 per cent), health care and social services (19 per cent), manufacture and extraction (13 per cent) and education (12 per cent).

THE LARGEST EMPLOYERS IN THE MUNICIPALITY OF ÖREBRO, 2003

Employer	Proportion of total number of employees in municipality, %	Number of employees
Municipality of Örebro	19.9	12,525
Örebro County Council	9.6	6,075
Örebro University	1.8	1,125
Statistics Sweden	1.3	825
Atlas Copco Rock Drills AB	1.2	725
Posten Sverige AB	0.8	525
ISS Sverige AB	0.8	475
National Police Board	0.7	425
COOP Sverige AB	0.7	425
Örebrobostäder AB	0.6	375
All ten largest	37.4	23,500

Investor market

The total premises and residential space in Örebro amounted to approximately 4,545,000 sq.m., of which commercial premises accounted for 1,140,000 sq.m., industrial premises 742,000 sq.m. and residential properties 2,663,000 sq.m.

In the past year, seven commercial properties have changed owner in Örebro. According to the statistics:

Maximum value	SEK 8,208 per sq.m.
Average value	SEK 4,257 per sq.m.
Minimum value	SEK 1,829 per sq.m.

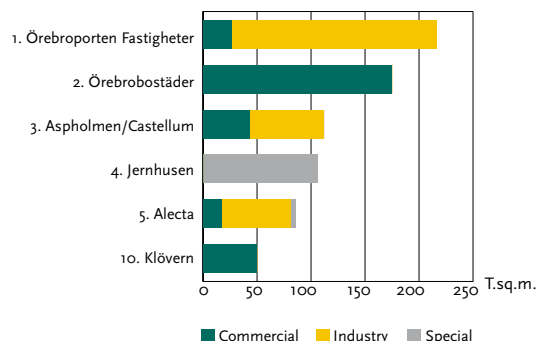
In 2004, 15 residential properties have changed owner in Örebro:

Maximum value	SEK 18,170 per sq.m.
Average value	SEK 7,592 per sq.m.
Minimum value	SEK 2,426 per sq.m.

Nine industrial properties have changed hands in 2004 in Örebro:

Maximum value	SEK 4,111 per sq.m.
Average value	SEK 2,347 per sq.m.
Minimum value	SEK 824 per sq.m.

Largest property owners of commercial premises in Örebro, December 31, 2004



Source: Byggstatistik

The rental market

Rental levels for modern offices are in the interval SEK 900–1,200 per sq.m. in the centre. Outside the centre, levels between SEK 700 and 900 per sq.m. have been noted. The vacancy rate for offices in central Örebro is in the range of 5–10 per cent.

Normal retail rent levels for good central locations in the inner city are SEK 1,400–2,000 per sq.m. although levels over SEK 3,500 per sq.m. for department stores in the heart of the city occur. The vacancy rate for retail outlets in central Örebro is in the range of 3 to 5 per cent.

Rental levels for industrial properties vary between SEK 400 and 700 per sq.m. The vacancy rate is currently at 5–10 per cent.

Purchases and sales

Purchases and sales are an important part of Klöverns core operations. Since the Company is relatively new started, and has an expressed desire to grow, acquisitions have naturally outnumbered sales until the end of 2004.

During 2004, Klöverns sold 20 properties with a book value of SEK 307 million and a profit of SEK 40 million. Properties sold are specified on page 60. Sales included 19 per cent of the number of properties at the beginning of 2004. Eight properties acquired during the year were included. A number of sales referred to locations where Klöverns portfolio of properties was very limited in scope, in several cases with a single property. As a result of the sales in locations with a small number of properties, the operations in Klöverns units have become more efficient. Apart from these sales, a number of completely developed commercial properties and residential proper-

ties on prioritized markets have been sold. Following on from the sales in Falun and Uppsala, Klöverns has wound up its units in these cities.

The number of acquired properties was 64 during the year with a book value of SEK 1,491 million. At the beginning of the year, nine properties were acquired from Diligentia in Borås for SEK 219 million. The largest acquisition in 2004 included 36 properties in Västerås at a value of over SEK 900 million. Possession was taken of the properties in Västerås at the beginning of August 2004. In the last quarter of 2004, five properties were acquired in Västerås from the ICA Group for SEK 100 million and five properties in Kalmar from the municipal industrial real estate company KIFAB for SEK 60 million. In addition, Klöverns has acquired additional properties in Kalmar, Norrköping, Örnköldsvik and Örebro.

PROPERTY ACQUISITIONS

Unit	Number	Area, sq.m.	Book value, SEKm	Rental value, whole-year basis, SEKm
Borås	9	63	219	34
Eskilstuna	–	–	–	–
Kalmar	6	30	80	13
Karlstad	–	–	–	–
Linköping	–	–	–	–
Nord	1	3	13	2
Norrköping	5	18	91	12
Nyköping	1	0	0	0
Västerås	41	153	1,025	126
Örebro	1	9	63	9
Total	64	276	1,491	196

PROPERTY SALES

Unit	Number	Area, square metres	Book value, SEKm *	Rental value, whole-year basis, SEKm
Borås	1	11	6	1
Eskilstuna	–	–	–	–
Kalmar	3	4	17	4
Karlstad	1	3	3	1
Linköping	1	3	19	2
Nord	1	2	6	2
Norrköping	–	–	–	–
Nyköping	–	–	–	–
Västerås	7	11	99	10
Örebro	1	3	40	4
Övrigt	5	17	117	16
Total	20	54	307	40

* Including selling expenses.

Property development



To acquire properties with a low occupancy rate, upgrade them to lower vacancies, thereby also raising the value and the return, is a natural element of Klöver's business model. An investment in the form of property development typically means a radical change of the property, such as remodelling or expansion, and can in many cases be likened to purchasing a property. Specific leasehold improvements are expensed over the rental period.

Three properties were the subject of major renovations during 2004: Skepparen 15 in Karlstad, Råttan 18 in Luleå and Inge 10 in Västerås. In addition to these, a number of other properties were developed, albeit to a lesser degree. A total of SEK 69 million was invested in property development during the year.

Skepparen 15, Karlstad

At the Karlstad property Skepparen 15, approximately 5,500 sq.m was vacant when Klöver took possession in mid-2002. The property contains a lot of educational space and the plan was to try to complement this use with other activities. During 2002, approximately 1,000 sq.m. of old-fashioned school premises were rebuilt to house the upper secondary school, John Bauer gymnasiet. The following year the ground floor of the central part of the building, which had contained a large-scale school kitchen and which was largely inaccessible because of the location of a shelter was transformed into a modern landscape office for Flextronics. During 2004, a total of SEK 4.5 million has been invested for further adaptation of premises for the John Bauer upper secondary school and for a florist training activity. Further remodelling for school is planned for 2005, after which the property will be fully let. Total investment up to the end of December 2004 amounted to SEK 18.5 million and direct yield has increased by 1.5 percentage points due to the investment.

Råttan 18, Luleå

The property Råttan 18 in Luleå had a vacancy of over 2,000 sq.m. at the beginning of 2004. During the spring, contact was made with Sveriges Television, SVT, which

was in the process of selling its own property of over 3,000 sq.m. to sign a lease contract instead for premises which were to be adapted to a new studio and newsroom, among others. In May, SVT signed a contract for lease of almost 1,000 sq.m. of premises and additional storage space in the basement floor of the former post office building in Luleå. The contract included an agreement on remodelling and expansion. The total remodelling cost amounts to approximately SEK 8 million, of which SEK 6.6 million during 2004. The remodelling is in principle completed at the end of 2004, only minor details remain to be finished. The first broadcast from the new studio took place on 5 December 2004 and it was formally inaugurated at the end of January 2005.

At the end of May 2004, Capgemini signed a contract to lease almost 8,000 sq.m. in the same property after a specific leasehold improvement of SEK 1.35 million. The property produced more than 10 per cent direct yield after the investments.

Inge 10, Västerås

Västerås first shopping gallery was located at Inge 10 or the "Metro" building as the property is called. At the time of Klöver's acquisition in 2004, the property had not undergone any major renovation since it was built in the 1950s. In connection with the purchase, it was decided that the property would be remodelled, a start being made before Klöver acquired the property. The purchase was based on the existing rental revenue and that Klöver would take the reconstruction cost and the increased rental revenue. Remodelling started in May 2004 and was completed in January 2005. The property has been remodelled from a gallery to separate stores, district cooling has been installed and electricity, heating, water and sanitation ventilation and the fittings renewed. The investment totals SEK 8 million.

The new rents are turnover-based and are based on investments generating increasing sales for the tenants. The first analyses show that the tenants' turnover is increasing and that the investment is profitable.

Property valuation

Klövern has valued internally all 148 properties as of December 31, 2004. The valuations are yield valuations made in accordance with the cash flow model. The major part of the valuations have been made by DTZ Sweden.

SUMMARY

Time of value	December 31, 2004
Book value	SEK 4,123 million
Direct yield value	SEK 4,193 million
Calculation period	Essentially five years (in the case of considerably longer contracts, the calculation period has been adapted to the term of the contract.
Direct yield	Between 5.0 and 14.0 per cent
Discount rate	Between 6.5 and 15.0 per cent
Long-term vacancy	Normally between 5 and 10 per cent
Operation/Maintenance	Outcome for respective property and experience of comparable properties
Inflation development	Two per cent

Valuation model

The valuations are based on anticipated cash flows with a calculation period essentially of five years. A longer calculation period has been used for properties with important contracts longer than five years. An individual assessment has been made of the yield capacity and cash flow of each property. Rental revenue has been assessed on the basis of existing leases until the end of the period of agreement. An assessment has then been made of market conditions and the contracts that have had a market rent have been assumed to be extended on unchanged

conditions. Other contracts have been adjusted after the end of the period of agreement to an estimated market rent. In the case of unlet premises, an estimate has been made of the market rent and the date from which letting can be expected to take place. An individual assessment of operations and maintenance costs has been made for each property and on the basis of experience of similar properties. The use, age and maintenance status of the properties have been taken into consideration. Rental revenue and costs have been adjusted upwards by two per cent in accordance with the inflation assumption. Major maintenance measures and tenant adaptations have been reported separately and as periodic maintenance or investment.

Market assessment

The direct yield, discount rate and the long-term vacancy have been assigned on an individual basis to each property based on an assessment of the local market and the location of the property. The direct yield is calculated according to the earning capacity and development of value of the property at the end of the calculation period. The residual values have been calculated according to direct yield requirements of between 5.0 and 14.0 per cent. The discount rate is the yield requirement on total equity and set at between 6.5 and 15 per cent. An assessment has been made of the long-term vacancies on the basis of the location and function of the property and the local market. The long-term vacancies are usually between 5 and 10 per cent.

Properties

By year-end 2004, Klöverna had a total of 148 properties located in 31 municipalities from Luleå in the north to Kristianstad in the south. The total lettable area was approximately 808,000 sq.m. The net increase during the year was 45 properties with around 220,000 sq.m. The economic occupancy rate, 87 per cent, is one per cent lower than at the end of 2003.

The portfolio of properties is divided into ten geographical units: Borås, Eskilstuna, Kalmar, Karlstad, Linköping, Nord, Norrköping, Nyköping, Västerås and Örebro.

PROPERTIES			
	Number of properties	Book value, SEKm	Direct yield, %
Offices	60	1,848	7.7
Industrial/warehouse	44	1,032	9.4
Retail	21	770	7.1
Education/health care/ recreation	7	248	7.8
Restaurant/hotel	2	61	3.8
Residential	11	159	4.7
Other*	3	5	13.1
Total	148	4,123	8.0

* Garage, parking spaces, masts and sites

Commercial orientation

Klöverna is focused on commercial properties.

Approximately 43 per cent of the total rental value is accounted for by office space. Industrial and warehouse space comes next. The proportion of residential is only around 4 per cent of the total rental value.

The average contract period is 2.7 years with 26 per cent of the rental contracts, measured as a share of the contract value, falling due for renegotiation during 2005.

PROPERTIES, DISTRIBUTION BY UNIT			
Unit	Number of properties	Book value, SEKm	Direct yield, %
Borås	10	254	8.8
Eskilstuna (incl. Uppsala)	8	258	6.1
Kalmar	16	252	8.0
Karlstad	15	476	9.2
Linköping	7	331	6.5
Nord	11	209	6.2
Norrköping	15	378	5.4
Nyköping	19	436	7.8
Västerås	37	975	7.6
Örebro	10	554	10.4
Total	148	4,123	8.0

PREMISES				
	Area, thousand sq.m.	Rental value, SEKm	Proportion of rental value, %	Economic occupancy rate, %
Offices	289	257	43	84
Industrial/warehouse	334	175	29	86
Retail	73	65	11	95
Education/health care/recreation	60	47	8	94
Restaurant/hotel	27	22	4	93
Residential	25	22	4	97
Other*	0	8	1	85
Total	808	596	100	87

* Garage, parking spaces, masts and sites

PREMISES, DISTRIBUTION BY UNIT				
Unit	Area, thousand sq.m.	Rental value, SEKm	Proportion of rental value, %	Economic occupancy rate, %
Borås	61	38	6	89
Eskilstuna (incl. Uppsala)	37	34	6	95
Kalmar	56	37	6	85
Karlstad	85	71	12	93
Linköping	53	47	8	69
Nord	44	35	6	74
Norrköping	108	59	10	76
Nyköping	105	64	11	86
Västerås	151	123	20	93
Örebro	108	88	15	96
Total	808	596	100	87

CONTRACT STRUCTURE

Term of rental contracts, maturity year	Number of contracts	Area, sq.m.	Contract value, SEKm	Proportion of contract value, %
2005	616	196	139	26
2006	300	128	102	20
2007	242	127	89	17
2008	73	112	82	16
2009-	84	89	82	16
Total	1,315	652	494	95
Residential	332	25	21	4
Total not incl. garage/parking space	1,647	677	515	99
Garage/parking space	550	0	6	1
Total	2,197	677	521	100

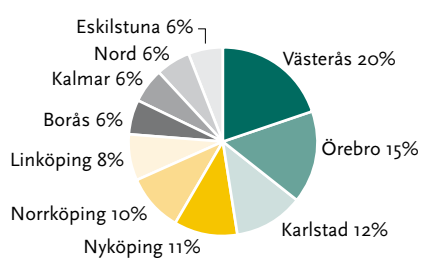
COMPARISON OF PROPERTY PORTFOLIO IN PROPERTY COMPANIES LISTED ON STOCKHOLMSBÖRSEN

	Book value, SEKm	Lettable area, thousand sq.m.	Proportion commercial premises, %*	Rental value, SEKm	Economic occupancy rate, %
Brinova	1,713	395	97	i.u.	96
Capona	3,778	i.u.	100	i.u.	i.u.
Castellum	14,741	2,505	98	2,130	90
Fast Partner	2,773	385	84	340	91
Heba	824	235	i.u.	i.u.	i.u.
Hufvudstaden	10,337	407	100	i.u.	92
Klövern	4,123	808	97	596	87
Kungsleden	12,463	1,966	82	1,628	94
Ljungberggruppen	3,318	i.u.	i.u.	450	89
Wallenstam	9,744	1,218	45	i.u.	i.u.
Wihlborgs	36,400	3,200	98	3,900	87
Average	9,111	1,235	89	1,507	91

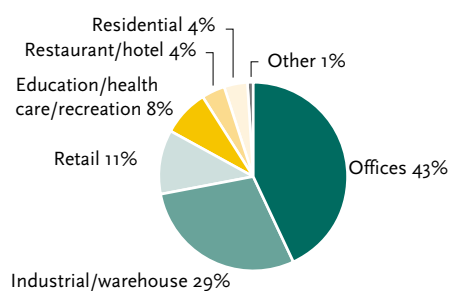
i.u.=information unavailable

* of area

Distribution of rental value by unit



Distribution of rental value by type of premises



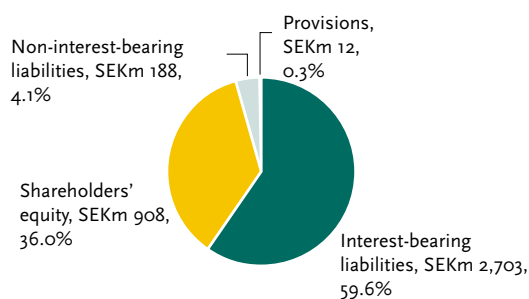
Financing

Financial operations in the Klöver Group are centralized to the Parent Company. The finance function is responsible for taking care of borrowing, efficient cash management and limiting the financial risks. Klöver's Board of Directors has adopted a financial policy that sets goals for the financial operations and how financial risks are to be handled. Financial policy is reviewed annually. The goal of financial management is to achieve the lowest possible cost of financing on a long-term basis within the framework of the policy.

Loan structure

As at December 31, 2004, almost two-thirds of Klöver's financing consisted of interest-bearing liabilities. Shareholders' equity amounted to just over a third and the remaining part consisted of non-interest-bearing liabilities and provisions. The major part of the interest-bearing liabilities consisted of prepaid rents from tenants.

Financial structure, December 31, 2004



The interest-bearing loans totalled SEK 2,703 million (2,316) of which 17 per cent had floating interest and 83 per cent fixed interest. The remaining period of fixed interest varies between zero and seven years. SEK 544 million of the long-term loans mature in 2005.

The loan portfolio is split between several lenders, Swedish and foreign. The largest lenders are Swedbank and Hypo Real Estate. At year-end, the average period of tied-up capital was 4.0 years (4.5). All financing is in Swedish kronor (SEK).

LOAN STRUCTURE, DECEMBER 31, 2004

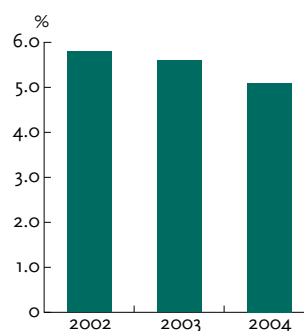
Interest maturity year, SEK.	SEKm	Average interest, %	Percentage portion, %
2005	1,011	4.4	38
2006	491	4.8	18
2007	490	5.9	18
2008	461	5.3	17
2009	–	–	–
2010-	250	6.5	9
Total	2,703	5.1	100

Interest structure

Klöver's single largest cost item is interest expense and management of financing is accordingly very important. In order to limit the risk when interest rates change, the Company distributes interest maturity dates over the years in accordance with the financial policy. The average period of fixed interest was 2.1 years at year-end (2.4). The period of fixed interest was only marginally affected by the fact that loans totalling SEK 29.6 million with short periods of fixed interest have been extended by interest rate swaps. The market value of swaps was SEK –0.2 million at year-end. Loans maturing during 2005 had an average period of fixed interest of 170 days at year-end.

The average interest rate was 5.1 per cent (5.6) at year-end. The reduction of the interest-rate level is due to Klöver deciding to shorten the average interest coverage period and on a general fall in interest rates.

Klöver's average level of interest rates 2002–2004



Liquidity

Liquid funds consisting of cash and bank balances totalled SEK 111 million (211) as at 31 December 2004, including SEK 1 million (76) consisting of funds in blocked accounts as collateral for repayment of loans. In addition to liquid funds, there are unused cheque credits of SEK 35 million (5).

Interest coverage ratio

The majority of property companies are financed with the aid of a large proportion of loans, due to the companies being sensitive to changes in market interest rates.

At year-end, Klöver had an interest-coverage ratio of 2.2 times (1.8). The interest coverage ratio of 2.2 times shows, somewhat simplified, that Klöver with its annual result could pay its annual interest expense slightly more than 2 times with the aid of the result.

Equity ratio

As at 31 December 2004, the visible equity ratio was 36.0 per cent (28.4).

COMPARISON OF LOAN AND INTEREST STRUCTURE IN PROPERTY COMPANIES LISTED ON STOCKHOLMSBÖRSEN

31.12.2004	Equity ratio, %	Interest coverage period, months	Interest coverage period, times	Average interest, %
Brinova	29	i.u.	1.9	5.3
Capona	33	22	3.4	5.0
Castellum	33	29	2.8	4.8
Fast Partner	22	i.u.	1.7	5.2*
Heba	25	5	4.2	3.4
Hufvudstaden	50	27	i.u.	4.2
Klövern	36	25	2.2	5.1
Kungsleden	26	29	2.3	4.9
Ljungberggruppen	26	29	2.0	5.2
Wallenstam	17	29	3.4	4.3
Wihlborgs	30	15	2.5	3.9
Average	30	23	2.6	4.7

i.u.=information unavailable, * average interest rate level during the year.

Risk and sensitivity analysis

Properties

Klövern has decided to invest in properties mainly in nine large Swedish cities outside the three metropolitan areas, Stockholm, Gothenburg and Malmö. At year-end, Klöverner had a total economic vacancy of 13 per cent.

A significant feature of Klöverner's core activity is to purchase and sell properties, in part for the Company to realize upgrading gains, but also to adjust the composition of the property portfolio. The overall economic situation, inflation expectations and the level of interest rates are important factors affecting property prices, and therefore the result from future property sales.

In addition to being affected by factors in the surrounding world, the real estate market is influenced by the development of regional and local business. With a local presence in each respective market, Klöverner has good possibilities of capitalizing on its future business opportunities.

Tenants

In order to minimize the risk of tenants vacating property for cyclical reasons and to reduce rental losses, Klöverner strives to maintain an even distribution between locally owned companies, public and/or nationwide companies and public sector operations. Approximately 32 per cent of Klöverner's rental revenue derives from public sector activities, 27 per cent from public/nationwide companies and 41 per cent from private companies.

The Swedish postal service (Posten AB) is Klöverner's largest customer with a 9 per cent of Klöverner's total rental revenue. Posten has been undergoing a transformation process which for Klöverner has meant larger vacancies in certain locations, but at the same time a greater rental volume in others. Current lettings to Posten are mainly in logistics. The share of lettings to the cash service are marginal.

The second largest tenant is Ericsson, which accounts for 7 per cent of Klöverner's total rental revenue. At present, Ericsson leases two large facilities in Kumla and Katrineholm on five-year contracts, of which approximately three years remain. Operations on these premises are part of Ericsson's core business in the areas of GSM and 3G.

Other major tenants are Tieto Enator, the National Road Administration, the Municipality of Karlstad, the National Labour Market Board, Comfort Hotell, and Mälardalen Energi. Together, the ten largest tenants account for approximately 32 per cent of Klöverner's total rental income. Exposure to the ten largest tenants has decreased. At the year-end 2003, they accounted for 41 per cent of Klöverner's total contract value.

Operation and maintenance

Klövern's properties are well-maintained and in good condition, which has meant that the day-to-day expenses are at a competitive level. The local units have good knowledge of the respective property. Great importance is placed on preventive maintenance, which in the long run is more cost-effective than extensive repairs.

The largest expense for operation of the properties is electricity and heating. Practical efforts and capital expenditure are ongoing to improve cost-effectiveness.

Tenant turnover gives rise to costs for adaptations and vacancy periods. Klöverner has a low turnover rate at its premises, so that these costs can be kept at a low level. Of the existing leases on 1 January 2004, 26,000 sq.m. equivalent to 5 per cent have changed tenants during the year.

Rents

As Klöverner has decided to acquire properties outside the three metropolitan regions in Sweden, the rental revenue of the company is not as affected by cyclical fluctuations as property companies with their portfolio concentrated in these areas. The fact that the property portfolio is spread over several areas instead of one or a couple also means that the company as a whole is less sensitive for cyclical downturns that can affect an individual place, due, for instance, to government decisions.

Result from financial items

The interest expense for borrowed capital is the largest single item in a real estate company. The companies have the objective of minimizing the cost of the loan portfolio, which historically has best be done by short financing. At the same time, a long fixed-interest period has limited the risks for impact on the result of changes in the level of interest rates.

In 2004, Klöver set up an interest-rate council consisting of Stefan Dahlbo, Chairman of the Board, Lars Holmgren, director, Gustaf Hermelin, President & CEO, Anders Lundquist, CFO and Caesar Åfors, financial manager, which has the task of preparing financial issues such as finance policy, interest and tied-up capital strategies for board meetings.

To minimise the risk of a change in interest rates, the company has, in accordance with the financial policy, spread the interest maturity dates over the years. In 2004, Klöver opted to reduce the fixed-interest period slightly. The rules of financial policy limit the total interest rate risk in the loan portfolio. According to policy, a change of the variable interest by one percentage point must not entail more than a 0.3 percentage change of the total average interest of the loan stock. If the floating interest rate had been 1 percentage point higher on December 31, 2004, Klöver's interest expense for 2005 would have increased by approximately SEK 4.5 million.

A rise in interest rates leads to higher inflation and accordingly also to higher interest income for the contracts that are index-regulated. 89 per cent of Klöver's total rental revenue is interest-regulated.

Disputes

At year-end a few disputes and economic claims on Klöver remain from the time before the company changed its business orientation. In the judgement of the Board of Directors and Management, provisions set aside in the amount of SEK 11.5 million in this year's closing of the books are sufficient to meet these demands.

Capital structure

Klöver has concentrated its portfolio essentially to commercial properties, which entails a greater operating risk than if it had included a larger proportion of residential properties.

The equity ratio in Klöver is to be at least 20 per cent and has increased from 25.6 per cent in 2002 to 28.4 per cent in 2003 and 36.0 per cent in 2004.

Sensitivity analysis

The sensitivity analysis is based on the Group's earning capacity and balance sheet as at December 31, 2004. The sensitivity analysis shows the effects on the Group's earnings for the year after full impact of each of the parameters below. Interest-bearing liabilities and rental contracts run over several years, which means that changes do not get full impact during a single year but only in a more extended perspective. Klöver's long-term average interest rate as of December 31, 2004, is higher than the market rate for the corresponding period of fixed interest. This means that the effect of a higher market rate in a longer perspective will be significantly smaller than the effect of a lowering of the same.

SENSITIVITY ANALYSIS

	Changes	Annual earnings effect, SEKm
Economic occupancy rate	+/-1%	+/-6.0
Rental revenue	+/-1%	+/-5.2
Property expenses	+/-1%	-/+2.0
Klöver's average borrowing cost*	+/-1%-unit	-/+27.0

* Klöver's average long-term interest is as at December 31 2004 more than one percentage point higher than the market interest rate for the corresponding fixed-interest period. This entails that an increase of the long-term market interest rate by one percentage point in a long-term perspective will entail a reduction of Klöver's financing cost, everything else being equal.

Tax situation

Tax situation tax assessment year 2004

For the tax year 2003 Klöver had a deficit for tax purposes of SEK 992 million. In connection with the 2004 tax assessment, the Swedish Tax Agency decided to tax Klöver in accordance with its submitted tax return. The deficit is mainly attributable to sales of Swedish and foreign subsidiaries in the former IT consultancy operation.

Current taxes

In connection with the review decision for 1999 and 2000 income tax assessments, Klöver has been charged additional tax, which has entailed a current tax expense of SEK 3 million. A tax supplement of SEK 4 million is to be added to this amount. Klöver has appealed against the Tax Agency's decision to impose a tax supplement. The tax supplement is only reported as a contingent liability.

Deferred tax claim

The deferred tax claim is attributable to the deficit for tax purposes of SEK 992 million that the company declared and according to which the Tax Agency taxed the company in the taxation for 2004. The deferred tax claim is subject to re-examination at each accounting year-end. In the accounts for 2004, the company reported a deferred tax claim of SEK 231 million, which is based on Klöver's assessment of the company's current earning capacity. The deferred tax claim has thus increased by SEK 31 million as at 31 December 2004. The calculation of the deferred tax claim consists of the current tax rate, 28 per cent, on the company's current profit before tax, SEK 165 million for a period of five years.

Depreciation of equipment and amortisation of goodwill

Klöver has not claimed a deduction for tax purposes for depreciation of equipment and amortisation of goodwill etc. since the tax assessment year 2000. Undepreciated residual value for tax purposes at the end of the 2004 tax assessment year totals approximately SEK 1,300 million. This means that Klöver is able to use higher depreciation for tax purposes since Klöver applied the "residual value" method and the residual value for tax purposes of the assets considerably exceeds the book value of the assets. The largest part of the amount is attributable to fixed assets and goodwill in the foreign operations previously engaged in.

Additional claims for deductions

After the end of the 2003 tax assessment period, Klöver filed a claim for a capital loss on the sale of a subsidiary in an additional amount of approximately SEK 5,000 million. The claim is therefore formally treated as a request for reconsideration of the tax assessment for 2003. In response to an enquiry from Klöver, the Tax Agency has indicated that the investigation into the right to deduction will be completed in 2005 and the Tax Agency will then present its position on the claim for a deduction.

Administration Report

Overview of operations

Klövern's business concept is "as a partner with local ties, actively to acquire, develop and sell properties outside the major metropolitan areas in Sweden." Klövernt intends to expand by acquiring properties so as to achieve considerable size in a number of localities. This creates a foundation for efficient management and a leading position in the local market.

Earnings

The year's net profit amounted to SEK 193 million (87). Net profit for the year includes gains from property sales at SEK 40 million (19) and recalculation of deferred tax claim at SEK 31 million (0). Rental revenue amounted to SEK 485 million (323), the operating surplus was SEK 286 million (189) and the net of financial items was SEK -129 million (-103). See page 62 for the two-year review.

Cash flow and financial position

The cash flow was SEK -100 million (148). The equity ratio was 36.0 per cent at the year-end, equivalent to 28.4 per cent at the beginning of the year. Shareholders' equity was SEK 1,631 million, compared with SEK 908 million at the beginning of the year. Liquid funds amounted to SEK 111 million (211) and interest-bearing liabilities were SEK 2,703 million (2,316). The average financing rate at year-end was 5.1 per cent (5.6) and the average period of fixed interest was 2.1 years (2.4). The average period of tied-up capital was 4.0 years (4.5). See page 48 concerning financial risks.

Portfolio of properties

At the end of 2004, Klövernt owned 148 properties distributed over 31 municipalities and a total book value of SEK 4,123 million. During 2004, 20 properties (15) were sold for a total price of SEK 347 million (204). The acquisitions, a total of 64 properties (38), at a price of SEK 1,476 million (1,107) mainly took place in connection with two transactions with the Arvid Svensson Group and Diligentia as counterparts. The economic occupancy ratio in the property portfolio was 87 per cent at the end of 2004.

Parent Company

The operations consist of common functions for the Group and ownership and operation of the Group's subsidiaries. Profit after taxes in the Parent Company amounted to SEK 10 million (-12). The Parent Company has received group contributions of SEK 181 million (97)

from subsidiaries in the Group. The Parent Company's liquid funds amounted to SEK 13 million on December 31 compared with SEK 6 million at the beginning of the year. Net investments in shares, participation rights and equipment totalled SEK 1 million (3).

Work of the Board of Directors

The Board of Directors convened on 16 occasions during 2004. Issues relating to the Company's purchase and sale of properties were dealt with at most meetings. Regularly scheduled Board of Directors meetings were for 2004 and are for 2005 planned for February, May, August and November. The agenda for regularly scheduled meetings include a report by the CEO, a financial report, purchases and sales, and dealing with Klövernt's interim reports. From 1 January and until the Annual General Meeting held on April 21, 2004, the Board of Directors consisted of Stefan Dahlbo (Chairman), Gustaf Hermelin, Lars Holmgren, Anna-Greta Lundh, Erik Paulsson, Bo Pettersson, Johan Piehl and Anders Swansson. At the Annual General Meeting, Stafan Dahlbo (Chairman), Gustaf Hermelin, Lars Holmgren, Anna-Greta Lundh, Erik Paulsson, Bo Pettersson and Johan Piehl were re-elected as directors. Anders Swenson declined to be re-elected. After decision the Annual General Meeting of Klövernt on April 21, 2004, on the procedure for nomination of directors, the following representatives were appointed to produce a recommendation for the Board to be presented to the Annual General Meeting for decision.; Henrik Strömbom for Arvid Svensson Invest, Mattias Nordin for LRF, Björn Lind for SEB Fonder, Stefan Wildenfelt for Catella Fonder, Mikael Nachemson for Investment AB Öresund, Klas Andersson representing other shareholders and Klövernt's Chairman of the Board, Stefan Dahlbo. The representatives have had one meeting in 2004 with a view to preparing a slate of directors. Representatives can be contacted by e-mail styrelsenominering@klovern.se or by telephone at Klövernt +46-155 44 33 00.

All directors jointly handle compensation and auditing issues. Compensation issues have been considered at a meeting of the Board of Directors, at which the CEO did not participate. The Company's auditors have reported planning and observations from the audit at the three board meetings.

Transition to one class of shares

In accordance with the resolution made at the Annual General Meeting of Klövernt AB on April 23, 2003, that all class A shares in Klövernt were to be converted into

class B shares, a request was filed with Stockholmsbörsen to delist Klöverns class A shares from the O-list effective as of January 2, 2004. This meant that the last day for trading Klöverns class A share was December 30, 2003. In January 2004, all A class shares were converted to class B shares. Following a resolution at the Extraordinary General Meeting of Shareholders held January 27, 2004, only one class of shares – Klövern – with one vote per share exists.

Transition to IFRS in 2005

As from 2005, all listed companies in the EU will be reporting according to International Financial Reporting Standards (IFRS), which also include the current International Accounting Standards (IAS). The recommendations of the Swedish Financial Accounting Standards Board substantially agree with existing IAS/IFRS, and Klöverns consolidated accounts consequently are largely already adapted to the new regulatory framework. The Klövern Group's financial reporting for 2005 will take place in accordance with IFRS and comparison figures for 2004 will be recalculated. The most important effects of the transition to IFRS for Klövern will be reporting of properties and to a limited extent also of financial instruments. For 2004, an application of IFRS would have entailed an increase in shareholders' equity of SEK 70 million, on value regulation of properties and reduction of shareholders' equity of SEK 0.2 million, depending on the value adjustment of financial instruments. Effects in connection with the transition to IFRS are described in note 19 on page 50.

Transactions by close-associated companies

In connection with the acquisition of properties in Västerås during 2004, Arvid Svensson AB entered into tenancy agreements where Arvid Svensson AB are tenants. The total annual contract value is SEK 14 million. The Board of Director's takes the view that the contract has been made on market terms. Payment to the CEO and the Board of Directors are shown in note 3.

Events after the end of the period covered by the report

The Board of Directors was authorised at an extraordinary meeting of shareholders on 20 January 2005 to decide, on one or several occasions until the next Annual General Meeting, with or without setting aside the prior-

ity right of shareholders, on a new issue of at most 10,000,000 shares with each share of a nominal SEK 5, for acquisition of companies or properties. Payment for the new shares is to take place by payment in kind, set-off or in cash. Three properties have been sold, located in Halmstad, Västerås and Örnköldsvik, for a total of SEK 68 million.

Outlook for 2005

In Klöverns view, the market will continue to be cautious in 2005, primarily for offices and industry. At the start of the year, long interest rates have decreased and there have been unchanged levels on short rates, which will be favourable for Klövern if it continues. The operational measures will be focused on new letting and activities to strengthen the link between the landlord and tenants. Property acquisitions will primarily be made with a view to reinforcing Klöverns position on existing markets. The volume of property sales is expected to increase as a natural part of the company's expansion and the continuous evaluation of the portfolio.

Dividend

Klöverns aim on a long-term basis is to transfer at least 50 per cent of profit after taxes to its shareholders through dividends or alternatively, repurchase of shares. When assessing the magnitude of the transfer, the Company's investment alternatives, its financial position and its capital structure are to be taken into account. For the 2004 financial year, the Board of Directors proposes an increase in dividend to SEK 0.75 per share.

Proposed allocation of earnings

According to the Consolidated Balance Sheet, the Group's unrestricted equity amounts to SEK 420,464 thousands. It is proposed that SEK 60 thousands be transferred to restricted reserves.

The Board of Directors propose that the earnings available for disposition be allocated as follows:

Amount available for allocation	SEK 367,998,512
Dividends to the shareholders	SEK 84,289,411
To be carried forward	SEK 293,709,101

Klövern AB (publ)
Registration no. 556482-5833

Financial Reports

Statements of Income

Amounts in SEK thousands	Note	Group		Parent Company	
		2004	2003	2004	2003
Rental revenue	1	484,627	322,504	37,864	10,981
Property costs	2	-199,065	-133,246	-	-
Operating surplus		285,562	189,258	37,864	10,981
Result from sale of properties	1	39,652	19,244	-	-
Central administration	3	-29,723	-16,922	-55,507 ¹⁾	-19,308
Depreciation of tangible fixed assets	4	-1,539	-1,355	-523	-298
Operating profit		293,952	190,225	-18,166	-8,625
Profit after financial items					
Interest income and similar items	5	3,018	3,767	89	254
Interest expense and similar items	6	-132,142	-107,166	33	-3,976
Profit before taxes		164,828	86,826	-18,044	-12,347
Tax on the year's result	7	28,120	-216	28,036	-
Net profit for the year		192,948	86,610	9,992	-12,347
Earnings per share before dilution, SEK		2.10	1.73	0.11	-0.25
Earnings per share after dilution, SEK		2.08	1.65	0.11	-0.25
Number of shares outstanding at end of period before dilution, million		105.8	67.4	105.8	67.4
Number of shares at end of period after dilution, million		105.8	71.9	105.8	71.9
Average number of shares before dilution, million		91.7	50.0	91.7	50.0
Average number of shares after dilution, million		92.9	54.5	92.9	54.5
Dividend per share, SEK		0.75 ²⁾	0.50	0.75 ²⁾	0.50

1) As from 1 July 2004, most (95 per cent) of the Group's staff are employed in the parent company. The parent company's earnings consist of intra-group services. SEK 29,723,000 of the parent company's costs are for the Group's central administration.

2) Recommendation by the board.

Balance sheets

Amount in SEK thousands	Note	Group		Parent Company	
		2004	2003	2004	2003
ASSETS					
Fixed assets					
<i>Tangible fixed assets</i>					
Equipment	8	5,690	6,181	1,723	1,264
		5,690	6,181	1,723	1,264
<i>Financial fixed assets</i>					
Shares in group companies	9	–	–	182,992	182,992
Due from group companies		–	–	633,698	465,368
Deferred tax claim	10	231,000	200,000	231,000	200,000
		231,000	200,000	1,047,690	848,360
Total fixed assets		236,690	206,181	1,049,413	849,624
Current assets					
<i>Inventories</i>					
Properties	11	4,123,076	2,889,564	–	–
		4,123,076	2,889,564	–	–
<i>Current receivables</i>					
Accounts receivable		9,880	9,874	2	84
Due from group companies		–	–	761,897	79,299
Other receivables		43,429	39,556	347	26,243
Prepaid expenses and accrued income		9,853	8,868	4,332	3,276
		63,162	58,298	766,578	108,902
Liquid funds		111,002	210,849	12,790	5,800
Total current assets		4,297,240	3,158,711	779,368	114,702
TOTAL ASSETS		4,533,930	3,364,892	1,828,781	964,326

Balance sheets

Amount in SEK thousands	Note	Group		Parent Company	
		31.12.2004	31.12.2003	31.12.2004	31.12.2003
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	12				
<i>Restricted equity</i>					
Share capital		528,929	337,042	528,929	337,042
Premium reserve		–	–	656,488	274,281
Restricted reserves		681,731	299,251	24,970	24,970
		1,210,660	636,293	1,210,387	636,293
<i>Unrestricted equity</i>					
Unrestricted reserves		227,516	185,450	358,007	233,976
Net profit for the year		192,948	86,610	9,992	–12,347
		420,464	272,060	367,999	221,629
Total shareholders' equity		1,631,124	908,353	1,578,386	857,922
Provisions					
Other provisions	13	11,483	12,235	11,483	12,235
Total provisions		11,483	12,235	11,483	12,235
Long-term liabilities					
Subordinated convertible loans	14	–	49,005	–	49,005
Other liabilities to credit institutions	15,16	2,698,683	2,044,733	–	1,860
Other liabilities	17	4,730	222,129	–	–
Total long-term liabilities		2,703,413	2,315,867	–	50,865
Current liabilities					
Accounts payable		45,892	35,051	7,039	5,245
Due to Group companies		–	–	218,467	33,693
Income tax liability		3,747	–	3,426	–
Other liabilities		1,691	2,015	1,192	1,197
Accrued expenses and prepaid income	18	136,580	91,371	8,788	3,169
Total current liabilities		187,910	128,437	238,912	43,304
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,533,930	3,364,892	1,828,781	964,326

Pledged assets and contingent liabilities

Amount in SEK thousand	The Group		Parent Company	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003
Pledged assets				
<i>For own liabilities</i>				
Property mortgages	3,215,009	2,347,662	–	–
Corporate mortgages	5,000	5,000	–	–
Escrow funds	1,201	76,316	–	–
Total pledged assets	3,221,210	2,428,978	–	–
Contingent liabilities				
Guarantee for subsidiaries	–	–	2,230,573	1,642,100
Other contingent liabilities	–	–	4,049	–
Total contingent liabilities	–	–	2,234,622	1,642,100

Change in shareholders' equity

The Group, SEK thousands	Share capital	Restricted reserves		Unrestricted equity	Total equity
Equity 31.12.2002	206,620	129,850		185,705	522,175
New issue ¹⁾	129,969	168,858		–	298,827
Redemption of subordinated convertible loan	453	543		–	996
Adjustment	–	–		–255	–255
Net profit for the year	–	–		86,610	86,610
Equity 31.12.2003	337,042	299,251		272,060	908,353
New issue ¹⁾	169,612	355,477		–	525,089
Redemption of subordinated convertible loan	22,275	26,730		–	49,005
Provision to legal reserve	–	273		–273	0
Dividend	–	–		–44,271	–44,271
Net profit for the year	–	–		192,948	192,948
Shareholders' equity 31.12.2004	528,929	681,731		420,464	1 631,124

Parent Company, SEK thousands	Share capital	Premium reserve	Legal reserve	Restricted reserves	Total equity
Shareholders' equity, 31.12.2002	206,620	104,880	24,970	136,916	473,386
New issue ¹⁾	129,969	168,858	–	–	298,827
Redemption of subordinated convertible loan	453	543	–	–	996
Group contribution	–	–	–	97,060	97,060
Net profit for the year	–	–	–	–12,347	–12,347
Shareholders' equity, 31.12.2003	337,042	274,281	24,970	221,629	857,922
New issue ¹⁾	169,612	355,477	–	–	525,089
Redemption of subordinated convertible loan	22,275	26,730	–	–	49,005
Dividend	–	–	–	–44,271	–44,271
Group contribution	–	–	–	180,649	180,649
Net profit for the year	–	–	–	9,992	9,992
Shareholders' contribution, 31.12.2004	528,929	656,488	24,970	367,999	1,578,386

1) Non-cash issues in connection with acquisition.

Statements of Cash flow

Amount in SEK thousands	The Group		Parent Company	
	2004	2003	2004	2003
Current operations				
Profit after financial items	164,828	86,610	-18,044	-12,347
Adjustment for items not included in cash flow, etc.	5,391	-5,110	-229	90,893
Current taxes	-2,880	-216	-2,964	-
Cash flow from operations before changes in working capital	167,339	81,284	-21,237	78,546
<i>Cash flow from changes in working capital</i>				
Increase(-)/Decrease(+) in operating receivables	-4,864	30,923	-477,027	-44,610
Increase(+)/Decrease(-) in operating liabilities	59,473	-27,061	195,608	-27,267
Cash flow from current operations	221,948	85,146	-302,656	6,669
Investment operations				
Disposal of properties	307,650	185,056	-	-
Acquisition of properties ¹⁾	-1,211,540	-899,890	-	-
Acquisition of tangible fixed assets	-1,085	-2,187	-982	-1,530
Investment in financial assets	-	-	405,764	-2,311
Cash flow from investment operations	-904,975	-717,021	404,782	-3,841
Financing operations				
Loans raised/repaid ^{2), 3)}	627,451	779,837	-50,865	-3,228
Dividend	-44,271	-	-44,271	-
Cash flow from financing operations	583,180	779,837	-95,136	-3,228
Cash flow for the year	-99,847	147,962	6,990	-400
Liquid funds at beginning of year	210,849	62,887	5,800	6,200
Liquid funds at end of year⁴⁾	111,002	210,849	12,790	5,800

1) The property acquisitions have been partly financed by non-cash issues, totalling SEK 334 million in 2004 and SEK 299 million in 2003.

2) New issue due to redemption of subordinated convertible loans to shares has taken place at SEK 49 million in 2004 and SEK 1 million in 2003.

3) During the first quarter of 2004, SEK 191 million of loans were redeemed by a non-cash issue.

4) Liquid funds consist of cash and bank deposits.

Supplementary information to the statements of cash flow

Amount in SEK thousands	The Group		Parent Company	
	2004	2003	2004	2003
Interest received	3,018	3,767	89	254
Interest paid	-132,142	-93,279	33	-4,175
Interest paid, current operations	-133,662	-90,170	-1,487	-1,066
Interest paid, financing operations ¹⁾	1,520	-3,109	1,520	-3,109

1) Refers to interest on convertible debenture loans.

Accounting Principles and Comments to the Financial Statements

Amounts in SEK thousand unless otherwise stated

General accounting principles

The Annual Accounts have been prepared in accordance with the Swedish Annual Accounts Act and the recommendations of the Swedish Financial Accounting Standards Council and the Emerging Issues Task Force. Klöver's accounting principles are unchanged from the preceding year. RR29, Employee benefits came into force from 1 January 2004. Since the Group's pension commitments are fee-based, this recommendation has not had any effects on the Group's accounting. Effects in connection with the transition to IFRS are described in Note 19 on page 50.

Consolidated accounting

The consolidated financial statements are prepared in accordance with recommendation RR1:00 of the Swedish Financial Accounting Standards Council. The consolidated financial statements have been prepared according to the purchase method of accounting, which means that assets and liabilities are carried at market value according to an acquisition analysis compiled. The consolidated financial statements include those companies in which the Parent Company, directly or via subsidiaries, holds more than 50 per cent of the votes, or in other ways has a controlling influence as defined in Chapter 1, section 4, of the Swedish Annual Accounts Act.

Reporting by segment

Klöver applies RR25, Reporting by segment. However, since the operations consist of one branch of business and one geographical area, no additional information is provided but reference is made to the statement of income and balance sheet for the Group.

Information about sick leave

Information is to be provided on sick leave in companies with more than ten employees. As from 2004, most (95 per cent) of the Group's staff are employed in the parent company. In 2003, the average number of employees was less than ten persons in all companies and, accordingly, no report on sick leave is made for this year.

Valuation principles

Valuation of assets, liabilities and provisions is based on acquisition values unless otherwise specifically stated below.

Inventories

The Group's properties (buildings, land improvements and land) are reported in the consolidated balance sheet as current assets. The reason why the properties are classified as current assets is that turnover of properties is an important part of Klöver's core business. The rate of turnover of the Company's properties may vary over time. Management is constantly working with the Company's property sales process, as regularly reported to the Board of Directors. No deduction for depreciation is made. In remodelling and renovation situations, the portion of the investment deemed to constitute maintenance is expensed. Specific tenant adaptations are expensed during the period of tenancy. Properties are valued at the lower of cost or market. When discrepancies arise between reported value and assessed market value, requisite writedown is effected or previously made writedowns are reversed. Market value estimates are based on external and internal appraisals performed on an ongoing basis accordingly to generally accepted valuation principles. These principles are essentially based on present value composition of each respective property's estimated cash flow on the basis of market cost of capital and required return.

Revenue

Rental revenue is reported on a straight-line basis over the life of the respective rental contracts. Revenue relating to sales of properties is booked on the contract date unless another date is entailed by the purchasing documents.

Taxes

Total taxes are comprised of current taxes and deferred taxes. Taxes are reported in the income statement except when the underlying transaction is reported directly against equity, in which case the accompanying tax effect is carried to equity. Current taxes are taxes payable or to be refunded relating to the current year. Adjustments of current taxes attributable to prior periods are also included here. Deferred taxes are computed according to the balance sheet method, based on temporary differences between reported values and values for tax purposes of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to be settled and on the tax rates (28 per cent) and taxation rules resolved or advised as of the balance-sheet date. Deferred tax claims in deductible temporary differences and tax loss carryforwards are reported to the extent it is probable that they will entail lower tax payments in the future.

Statements of cash flow

The statements of cash flow are compiled using the indirect method, which means that the net result is adjusted for items that have not given rise to cash receipts or payments, and for income and costs that relate to the cash flows of investment and financing operations.

Pension costs

Pension commitments to the employees of Klöver are fee-determined and are fulfilled by payments expensed during the time benefits are earned.

Provisions

Other provisions refer to provisions for disputes or obligations. The size of provisions set aside is equivalent to the Company's best estimate of the probability that such dispute or obligation will lead to the utilization of the Company's (or its subsidiaries') resources, as well as the currently assessed (expected) cost to settle such disputes or obligations.

Receivables

Receivables are carried at the amount at which, after individual assessment, they are expected to be received.

Borrowing costs

Borrowing costs are reported in accordance with recommendation RR21 of the Swedish Financial Accounting Standards Council, which means that borrowing costs are charged in the period during which they arise.

Principles of depreciation of fixed assets

Depreciation according to plan is based on the original cost, less estimated residual value and assets are depreciated over their expected period of gainful use.

The following depreciation periods are used:	Period of use	
	The Group	Parent Company
Tangible fixed assets		
Equipment	5 years	5 years

Leasing – lessee

Leasing contracts where essentially all risks and benefits associated with ownership fall on the lessee are classified as operational leasing contracts. All of the Group's leasing contracts are classified as operational leasing contracts. Leasing fees are reported as a cost in the income statement and are distributed on a straight-line basis over the life of the contract. The extent of leasing is very limited.

Liquid investments

Liquid investments are valued at the lower of cost and market.

Financial instruments

Fixed interest has been achieved to a small degree in the form of extending loans with interest rate swaps. The effect on results of payment streams attributable to interest rate swaps is allocated to the period to which they refer. Financial items have thus not been affected by market valuation of interest rate swap agreements entered into.

Group contributions

Group contributions are valued according to the economic purport. Since the group contributions do not constitute compensation for goods or services, they are carried directly to retained earnings after deduction of their tax effect.

Stock options and subordinated convertible debenture loans

Subscription options

The last remaining stock option programme expired in November 2004 and was not taken up for subscription of shares by any shareholder. Effect of stock options issued: the level of the subscription prices at the beginning of 2003 as well as at the end of the year makes for no effect on dilution and key financial indicators.

Subordinated convertible debenture loans

The loan expired in 2004 and was converted in its entirety into 4,545,455 shares during 2003 and 2004. Conversion was possible from August 15, 2002 to June 18, 2004.

Before dilution: The outstanding subordinated convertible debenture loan has not been converted to shares. This means that the subordinated convertible debenture loan is regarded as an interest-bearing liability and interest thereon is charged to net financial items as an interest expense.

After dilution: The subordinated convertible debenture loan is regarded as converted to shares in its entirety, which means that it is regarded as equity and the number of shares outstanding will increase as a result of conversion. The interest expense for the subordinated convertible debenture loan has been reversed, which means that the net of financial items has been improved.

Notes

Note 1 Revenues

	2004	2003
<i>The Group</i>		
Rental revenue	484,627	322,504
<i>Parent Company</i>		
Revenue	37,864	10,981
Revenue in the Parent Company refers to invoiced administrative management to subsidiaries.		
Operational leasing – The Group as lessor, SEKm		
Contractual rental revenue, year 1	166	113
Contractual rental revenue, years 2–5	301	254
Contractual rental revenue, after 5 years	54	15
	521	382

Property sales

The purchase price for sold properties amounts to SEK 347,302 thousands (204,300 thousands). The book value and selling expenses totalled SEK 307,650 thousands (185,056 thousand) and the result was SEK 39 652 thousands (19,244 thousands).

Note 2 Property expenses

	2004	2003
<i>The Group</i>		
Operating and maintenance costs	-182,356	-120,968
Property taxes and site leasehold fees	-16,709	-12,278
	-199,065	-133,246

Note 3 Employees, personnel costs and fees to the Board of Directors and auditors

Average number of employees	2004	of which men	2003	of which men
<i>Parent Company</i>				
Sweden	32	61%	8	50%
Parent Company total	32	61%	8	50%
<i>Subsidiaries</i>				
Sweden	13	64%	17	65%
Subsidiary total	13	64%	17	65%
Group total	45	62%	25	60%

At year-end 2004, the Board of Directors in the Parent Company consisted of 7 members (8) 1 of whom was a woman (1). The number of senior managers in the Parent Company was 5 (4), 1 of whom was a woman (0). From 1 July 2004, most (95 per cent) of the Group's staff are employed in the Parent Company.

Staff sick leave (expressed in per cent)

	Parent Company 2004	The Group 2004
Total sick leave in relation to the total ordinary working hours	2.3%	2.2%
Share of total sick leave of 60 days duration or more (long-term sick leave)	0.6%	0.9%
Sick leave for women in relation to the total ordinary working hours for women	1.1%	1.1%
Sick leave for men in relation to the total ordinary working hours for men	3.1%	2.9%
Sick leave for age group 29 and younger in relation to the total ordinary working hours for the age group	8.9%	8.9%
Sick leave for age group 30–49 in relation to the total ordinary working hours for the age group	1.2%	1.1%
Sick leave for the age group 50 and older in relation to the total ordinary working hours for the age group	2.5%	3.1%

Salaries, other compensations and social benefits

	2004		2003	
	Salaries and remunera- tions expense	Social security expense	Salaries and remunera- tions	Social security expense
<i>Parent Company</i>	16,256	7,267	6,414	3,260
• (of which pension cost) ¹⁾		(1,851)		(1,165)
<i>Subsidiaries</i>	4,381	2,344	5,952	2,819
• (of which pension cost)		(917)		(700)
Group total	20,637	9,611	12,366	6,079
• (of which pension cost) ²⁾		(2,768)		(1,865)

1) 371 of the Parent Company's pension costs (276) refers to the group Board of Directors and President.

2) 371 of the Group's pension costs (276) refers to the group Board of Directors and President.

Salaries and other compensation distributed among Directors, President and other employees

	2004		2003	
	Board of Directors and President	Other employees	Board of Directors and President	Other employees
<i>Parent Company</i>	2,574	13,682	2,099	4,314
• (of which bonus, etc.)	(500)	(–)	(305)	(–)
Parent Company total	2,574	13,682	2,099	4,314
• (of which bonus, etc.)	(500)	(–)	(305)	(–)
<i>Subsidiaries</i>	(–)	4,381	(–)	5,952
• (of which bonus, etc.)	(–)	(–)	(–)	(–)
Subsidiaries total	(–)	4,381	(–)	5,952
• (of which bonus, etc.)	(–)	(–)	(–)	(–)
The Group total	2,574	18,063	2,099	10,266
• (of which bonus, etc.)	(500)	(–)	(305)	(–)

Note 3 continued

Principles for compensation to senior management

Compensation and benefits to the President & CEO and other members of senior management are decided by the Company's Board of Directors. Fees to the Chairman of the Board and the directors are decided upon in accordance with the decision of the Annual General Meeting. No director's fee is paid to a director, who is in the Company's employment.

The President & CEO has received a result-based salary amounting to one per cent of the Company's profit before tax, to the extent that this amount exceeds set operational goals for the property management operations. The maximum bonus is SEK 500,000 per year. There is no incentive programme for other senior managers. There are no option programmes.

The President & CEO has the right to a company car. While in the employment of the Company, the pension premium amounts to 25 per cent of the pensionable salary. By pensionable salary is meant basic salary. The retirement age of the President & CEO is 65. The following periods of notice apply to the President & CEO: in the event of termination at the Company's initiative, the period of notice is 12 months. In the event of termination at the President's initiative, the period of notice is 6 months. In the event of termination at the Company's initiative, full salary and benefits as described above are payable during the period of notice. The compensation is reduced by any income earned from any other employer. In the event of termination at the President's initiative, full salary and benefits are payable during the period of notice while the employment continues.

One of the other senior managers has the right to a company car and home service. During the period of employment with the Company, the pension premium for other senior managers will amount to 13–25 per cent of the pensionable salary. By pensionable salary is meant basic salary. The retirement age of other members of senior management is 65.

The period of notice for termination at the Company's initiative is 6–12 months and at the employee's initiative 6 months. Otherwise, the same rules apply as for the President & CEO.

Klövern has a profit-sharing foundation that covers all employees. The provision to the foundation is based on Klövern's result.

Compensation to the Board of Directors

The Board of Directors received a total of SEK 700,000 (600,000) to be distributed among the directors. The Chairman's fee is SEK 200,000 (150,000) and the fee paid to other directors amounts to SEK 100,000 (75,000) per member.

Compensation to the President & CEO

The President & CEO has received a salary of SEK 1,374 thousand (1,179 thousand) and the benefit of a company car and board of SEK 48 thousand (44 thousand). The President & CEO has also received a result-based salary amount to SEK 500 thousand (305 thousand).

Remuneration to other members of senior management

Salary and benefits totalling SEK 3,374 thousand (2,461 thousand) have been paid to the other four (three) members of senior management during the year.

Remuneration and other benefits during the year

	Basic salary/ board fee	Variable remuneration	Other benefits	Pension cost	Financial instruments	Other remuneration	Total
Chairman of the Board	200	–	–	–	–	–	200
President & CEO	1,374	500	48	371	–	–	2,293
Other senior managers (4 persons)	3,496	–	112	632	–	–	4,240
Total	5,070	500	160	1,003	–	–	6,733

Fees and reimbursement to auditors

	Group		Parent Company	
	2004	2003	2004	2003
<i>Ernst & Young</i>				
• Audit assignment	662	600	195	185
• Other assignments	820	785	710	690
<i>Deloitte</i>				
• Audit assignment	–	27	–	27
• Other assignments	1,027	1,263	1,027	1,263

From the Annual General Meeting on April 23, 2003, only Ernst & Young is auditors in Klövern.

Note 4 Depreciation of tangible fixed assets

	2004	2003
<i>The Group</i>		
Depreciation according to plan by class of asset		
• Equipment	–1,539	–1,355
	–1,539	–1,355
<i>Parent Company</i>		
Depreciation according to plan by class of asset		
• Equipment	–523	–298
	–523	–298

Note 5 Interest income and similar items

	2004	2003
<i>The Group</i>		
Interest income, other	3,018	3,767
	3,018	3,767
<i>Parent Company</i>		
Interest income, Group companies	–	–
Interest income, other	89	254
	89	254

Note 6 Interest expenses and similar items

	2004	2003
<i>The Group</i>		
Interest expense, other	–132,142	–107,166
	–132,142	–107,166
<i>Parent Company</i>		
Interest expense, Group companies	–	–
Interest expense, other	33	–3,976
	33	–3,976

Note 7 Tax expense in the year's result

The Group	2004	2003
Current taxes	-47,585	-24,968
Deferred tax revenue on capitalized tax value of tax loss carryforward	44,705	24,752
Revaluation of tax claim	31,000	-
Reported tax revenue/tax expense	28,120	-216

Difference between actual tax expense and tax expense according to current percentage rate

The Group	2004	2003
<i>Reported profit before taxes</i>	164,828	86,826
Tax according to current rate (28%)	-46,152	-24,311
Deferred tax revenue on capitalized tax value of tax loss carryforward during the year	44,705	24,752
Tax effect of costs that are not tax deductible	-1,433	-657
Revaluation of tax claim	31,000	-
Total reported taxes in the Group	28,120	-216

Note 8 Equipment

	2004		2003	
	The Group	Parent Company	The Group	Parent Company
<i>Accumulated acquisition cost</i>				
Opening balance	14,557	1,570	12,720	40
Purchases	1,172	982	2,176	1,530
Acquisition of subsidiaries	-	-	61	-
Sales and disposals	-431	-	-400	-
	15,298	2,552	14,557	1,570
<i>Accumulated depreciation according to plan</i>				
Opening balance	-8,376	-306	-7,359	-8
Acquisition of subsidiaries	-	-	-42	-
Sales and disposals	307	-	380	-
Year's depreciation according to plan on acquisition values	-1,539	-523	-1,355	-298
	-9,608	-829	-8,376	-306
Reported value at the end of period	5,690	1,723	6,181	1,264

Note 9 Shares in Group companies

	2004	2003
<i>Accumulated acquisition cost</i>		
Opening balance	182,992	181,226
Purchases	-	1,766
Reported value at the end of the period	182,992	182,992

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

Subsidiary / Reg.no. / Registered office	Number of shares	Share in % ¹⁾	Book value
Klövern Strand AB, 556542-0098, Nyköping	80,000	100	126,395
Klövern Ström AB, 556603-1067, Norrköping	104,000	100	53,631
Klövern Adam AB, 556494-9699, Nyköping	1,000	100	100
Klövern Komp Adam AB, 556643-6647 Nyköping	1,000	100	100

Subsidiary / Reg.no. / Registered office	Number of shares	Share in % ¹⁾	Book value
Klövern Barkenlund AB, 556554-8772, Nyköping	1,000	100	1,766
Klövern Bobby AB, 556594-9780, Nyköping	1,000	100	100
Klövern Charbel AB, 556594-9814, Nyköping	1,000	100	100
Klövern Dante AB, 556594-9830, Nyköping	1,000	100	100
Klövern Ett AB, 556610-3106, Stockholm	1,000	100	100
Klövern Komp Ett AB, 556613-4085, Stockholm	1,000	100	100
Other subsidiaries, inactive			500
			182,992

1) Refers to the ownership stake of capital, which is also equivalent to the proportion of votes for the total number of shares outstanding.

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Note 10 Deferred tax claim

	Deferred tax claim
The Group	
Opening balance	200,000
Current taxes	-44,705
Deferred tax revenue on tax value of tax loss carryforwards capitalized during the year	44,705
Revaluation of tax claim	31,000
Reported value at end of period	231,000

Deferred tax claim is in its entirety attributable to tax loss carryforwards. The valuation of the deferred tax claim is based on the assessment of the Board of Directors of the Company's current earnings capacity.

Note 12 continued

Change in share capital

	Date	Number of A shares	Number of B shares	Number common shares	Par value SEK/share	Share capital, SEK
Opening balance	1.1.2004	3,723,239	63,685,083	–	5	337,041,610
Conversion of A shares to B shares	12.01.2004	-3,723,239	3,723,239	–	5	0
Redemption of convertible loan to B shares	19.01.2004		182,000	–	5	910,000
New issue of B shares	13.02.2004		4,180,000	–	5	20,900,000
Conversion of B shares to common shares	18.02.2004		-71,770,322	71,770,322	5	0
New issue of common shares	18.02.2004			12,725,995	5	63,629,975
Redemption of convertible loan to common shares	6.04.2004			4,045,227	5	20,226,135
Redemption of convertible loan to common shares	7.05.2004			136,500	5	682,500
Redemption of convertible loan to common shares	2.07.2004			91,228	5	456,140
New issue of common shares	16.02.2004			17,016,609	5	85,083,045
Closing balance	31.12.2004	0	0	105,785,881	5	528,929,405

Dividend

The Board of Directors of Klöver AB proposes to the Annual General Meeting that a dividend of SEK 0.75 be paid for the financial year 2004, a total of SEK 84.3 million. The amount is based on the total number of shares outstanding (105,785,881) as at 31 December 2004 and the shares (6,400,000) that are expected to be added in the event of new issue in connection with acquisitions during March 2005.

Note 13 Other provisions

Other provisions refer to provisions for disputes or commitments. The size of provisions is equivalent to the Company's best assessment of (a) the probability that such disputes or commitments will result in utilization of the Company's (or its subsidiaries') resources, and (b) the currently estimated cost to settle such dispute or commitment. The provision for disputes was reduced during the year by SEK 752,000 because of settlements of certain prior disputes for which provisions had been set aside. These settlements entailed a total cost of SEK 750,000. It is not possible to assess at present when provisions may be utilized.

Other provisions	The Group	Parent Company
Opening balance	12,235	12,235
Settlement of disputes	-752	-752
Reported value at end of period	11,483	11,483

Note 14 Convertible loan

The loan matured in 2004 and was converted in its entirety into 4,545,455 shares during 2003 and 2004. The loan was issued in 2002 and amounted to SEK 50,000,000 with 6.25 per cent in annual interest. The loan entitled the holder to exchange for B shares/common shares with a nominal value of SEK 5 at a conversion price of SEK 11. It was possible to effect conversion was possible during the period August 15, 2002 to June 18, 2004.

Note 11 Inventories

The tax assessment value of the properties amounts to a total of SEK 2,157,970 thousand (1,743,998 thousand) of which the building value is SEK 1,779,320 thousand (SEK 1,454,979 thousand).

The residual value of the buildings for tax purposes is SEK 3,503,217 thousand (SEK 2,351,086 thousand).

Note 12 Shareholders' equity

As of December 31, 2004 the share capital in Klöver amounted to SEK 528,929,405. The total number of shares outstanding at the end of the year was 105,785,881, each with a nominal value of SEK 5 and entitling their holders to one vote per share. All shares are fully paid and confer equal right to dividend. During 2002, Klöver issued a subordinated convertible debenture of SEK 50 million. The remaining portion of the loan was converted in its entirety to 4,454,955 shares in 2004. During January and February 2004 all shares were converted into common shares with one vote per share.

Note 15 Other liabilities to credit institutions, long-term

	2004		2003	
	The Group	Parent Company	The Group	Parent Company
Due date, 1-5 years from the balance-sheet date	2,047,846	–	1,397,355	1,860
Due date, later than five years from the balance-sheet date	650,837	–	647,378	–
	2,698,683	–	2,044,733	1,860

Fixed interest has been achieved to a small degree by loans, totalling SEK 29.6m, being extended with interest rate swaps.

When interest rate swaps are used to achieve fixed-interest financing, thereby hedging future interest payments, a market value of the swap arises. This market value varies depending on changes in market interest rates and also depending on the remaining time to maturity.

The market value of Klöver's interest rate swaps amounted to SEK -0.2 m at year-end. In accordance with Klöver's accounting principles, the market value of the interest swap is not reported in the financial statements. Interest is instead charged over the life of the interest rate swaps.

Financial risks

Financial risks are managed within the framework of the financial policy adopted by the Board of Directors. The following risks are identified in this financial policy:

Interest risk

By interest risk is meant the risk of impact on earnings of changes in market interest rates. The effect of a change in market rates on earnings largely depends on periods of fixed interest chosen.

The average period of fixed interest for Klöver was 2.1 years at year-end.

Klövern's financial policy contains a rule to the effect that the total interest rate risk in the debt portfolio must not be greater than if a change of the floating interest rate by one percentage point causes more than 0.3 per cent change of the average interest rate on the total loan portfolio. If the floating interest as of December 31, 2004 had been one percentage point higher, Klöver's interest cost for 2004 would have increased by SEK 4.5 million, or 0.2 per cent of the total debt portfolio.

Currency risk

By currency risk is meant the risk of impact on the net of financial items of changes in foreign exchange rates. Klöver has no currency risk since all borrowing is done in SEK.

Refinancing risk

Refinancing risk is the risk that financing is not available or is available only at very onerous terms at a certain point in time.

To minimize the refinancing risk in accordance with Klöver's financial policy, credit agreements have been entered into with principal credit institutions. The maturity dates of loans have also been spread over several years. At year-end, the average period of fixed interest was 4.0 years.

Counterparty risk

By counterparty risk is meant the risk that a counterparty is unable to perform delivery or payment. Counterparty risks arise in financial operations mostly in investing liquidity surpluses, interest swap agreements, and in the case of long-term credit commitments. In order to minimize counterparty risks, Klöver works, in accordance with the financial policy, only with banks and credit institutions with a high credit rating.

Liquidity risk

By liquidity risk is meant the risk of not having access to liquid funds to fulfil one's payments obligations. Klöver prevents the liquidity risk by maintaining good liquidity and having access to the necessary credit.

Note 16 Pledged assets to credit institutions

	2004		2003	
	The Group	Parent Company	The Group	Parent Company
Real estate mortgages	3,215,009	–	2,324,162	–
Corporate mortgages	5,000	–	5,000	–
Escrow funds	1,201	–	76,316	–
	3,221,210	–	2,405,478	–

Note 17 Other liabilities, long-term

	2004		2003	
	The Group	Parent Company	The Group	Parent Company
Due date, 1–5 years from the balance-sheet date	4,730	–	32,026	–
Due date later than five years from the balance-sheet date	–	–	190,103	–
	4,730	–	222,129	–
Pledged assets for other liabilities				
• Real estate mortgages	–	–	23,500	–

Note 18 Accrued expenses and prepaid income

	2004		2003	
	The Group	Parent Company	The Group	Parent Company
Invoiced rents for the first quarter 2005/2004	72,654	–	51,766	–
Accrued interest expense	25,868	–	23,980	1,562
Property taxes	6,601	–	2,672	–
Estimated stamp due on property acquisitions	14,995	–	861	–
Other items	16,462	8,788	12,092	1,607
	136,580	8,788	91,371	3,169

Note 19 Transition to IFRS

Effect on net profit for the year

SEKm

Net profit for 2004 according to current accounting principles	193
Property sales reported during the year	-40
The year's changes in value, properties, realised	30
The year's changes in value, properties, not-realised	30
Net profit for 2004 according to IFRS (prel.)	213

Effect on shareholders' equity

SEKm

Shareholders' equity on December 31, 2003 according to current accounting principles	908
Unrealised changes in value properties as at 31 December 2003	50
Shareholders' equity on January 1, 2004 according to IFRS (prel.)	958
Shareholders' equity on December 31, 2004 according to current accounting principles	1,631
Adjustment of opening balance, January 1, 2004, see above	50
Adjusted for reported result, property sales	-40
Adjusted for changes in value, properties, realised	30
Adjusted for changes in value, properties, unrealised	30
Shareholders' equity, December 31, 2004 according to IFRS (prel.)	1,701

Comments

As from 2005, all listed companies in the EU are to prepare consolidated accounts in accordance with the International Financial Reporting Standards (IFRS), which also includes the currently applica-

ble International Accounting Standards (IAS). The recommendations of the Swedish Financial Accounting Standards Council substantially comply with the existing IAS/IFRS, which means that Klöverns consolidated accounts are already largely adjusted to the new regulatory framework. The Klöverns Group's financial report for 2005 will be prepared in accordance with IFRS and comparison figures for 2004 will be recalculated. The most important effect for Klöverns of the transition to IFRS relates to reporting of properties and to a limited extent financial instruments as well. The most important changes in the accounting principles for the Klöverns Group are described and commented on below. The effects of the transition to IFRS, which are presented as preliminary and based on the current standards, which may be amended up to December 31, 2005.

Investment properties (IAS 40)

The properties will be valued at their actual value in the balance sheet with unrealised changes in value in the statement of income. Previously, Klöverns properties have been reported as properties for resale (inventories) at the lowest of acquisition and actual value. Gains from property sales will be changed to realised changes in value which are calculated as the difference between the sales price and the most recent valuation. Previously, gains from property sales consisted of difference between the sales price and the book value of the properties.

Financial instruments (IAS 39)

During 2004, Klöverns has only had a marginal use of interest derivatives in management of the debt portfolio. Interest derivatives are to be valued at their actual value in the balance sheet, which differs from the present situation where the value is stated in the notes to the statements of income and balance sheets. As at December 31, 2004, the market value of Klöverns financial instruments is SEK -0.2m.

Nyköping, February 28, 2005

Stefan Dahlbo
Chairman

Gustaf Hermelin
President & CEO

Lars Holmgren

Anna-Greta Lundh

Erik Paulsson

Bo Petterson

Johan Piehl

Our audit report was submitted on March 1, 2005.

Ernst & Young AB

Björn Fernström
Authorized public accountant

Audit Report

To the Annual General Meeting in Klöver AB

Reg. no. 556482-5833

I have examined the Annual Accounts, the consolidated financial statements, the accounting records and the management by the Board of Directors and the President of Klöver AB for the financial year ending December 31, 2004. Responsibility for the accounting records and management and for compliance with the Annual Accounts Act rests with the Board of Directors and the President. My responsibility is to render my opinion on the Annual Accounts, the consolidated financial statements and the management based on my audit.

The audit was performed in accordance with generally accepted auditing standards in Sweden. This means that I have planned and performed the audit in such a way as to obtain reasonable assurance that the Annual Accounts and the consolidated financial statements contain no material errors. The audit procedure includes examination of a sample of supporting documentation for amounts and other information in the accounting records. An audit also includes a test of the accounting principles, and the Board of Director's and the management's application thereof, and forming an opinion of the aggregate information contained in the Annual Accounts and the consolidated financial statements. I have examined significant decisions, actions and circumstances in the company to be able to form an opinion as to whether any Director or the President is liable for damages to the Company, or in any other way has acted contrary to the Companies Act, the Annual Accounts Act or the Articles of Association. I am of the opinion that my audit gives me reasonable ground for my statements below.

The Annual Accounts and the consolidated financial statements are prepared in accordance with the Swedish Annual Accounts Act and therefore provide a true and fair picture of the Company's and the Group's performance and financial position in accordance with generally accepted accounting standards in Sweden. The Administration Report complies with the other parts of the Annual Accounts.

I recommend that the Annual General Meeting adopts the Statement of Income and the Balance Sheet for the Parent Company and the Group, deals with the profit in the Parent Company in accordance with the recommendation contained in the Administration Report and that the members of the Board of Directors and the CEO be granted discharge from liability for the financial year.

Stockholm, March 1, 2005

Ernst & Young AB

Björn Fernström

Authorized Public Accountant

Board of Directors



Stefan Dahlbo, born 1959
Chairman since 2002.
Executive Vice President
Investment AB Öresund.
Other assignments: Chairman,
HQ Fonder AB. Director,
Hagströmer & Qyiberg AB,
Johnson Pump AB, Nobia AB
and Wihlborgs Fastigheter AB.
Education: Graduate in business
administration.
Share ownership in Klöver:
27,666 shares, privately and via
company.



Erik Paulsson, born 1942
Director since 2002.
President and CEO Wihlborgs
Fastigheter AB.
Other assignments: Chairman,
SkiStar AB. Director, Wihlborgs
Fastigheter AB and Nolato AB.
Education: Compulsory compre-
hensive school.
Share ownership in Klöver:
1,999,390 shares, privately, via
family and company.



Gustaf Hermelin, born 1956.
Director since 2003.
President and CEO Klöver AB.
Other assignments: None
Education: Studies in economics,
Stockholm School of Economics.
Share ownership in Klöver:
2,546,277 shares, privately, via
family and company.



Bo Pettersson, born 1958
Director since 2003.
President Case Investment AB
Other assignments: Director
Sardus.
Education: Graduate in business
administration.
Share ownership in Klöver:
100,000 shares privately.



Lars Holmgren, born 1952.
Director since 2003.
Chief Financial Officer
Federation of Swedish Farmers
(LRF).
Other assignments: Among others,
Chairman, SwedeAgri Invest AB,
LRF Samköp AB and LRF
Leasing AB. Director, Spira AB,
LRF Försäkring Skadeförsäk-
ringsaktiebolag and LRF
Försäkring Livförsäkrings-
aktiebolag.
Education: Chemical economist.
Share ownership in Klöver: 0
shares.



Johan Piehl, born 1955
Director since 2003.
President Förvaltnings AB
Charrow.
Other assignments: Director, HQ
Fonder AB.
Education: Market economist.
Share ownership in Klöver:
580,100 shares, privately, via
family and company.



Anna-Greta Lundh, born 1955
Director since 2003.
President and CEO Länsförsäk-
ringar Södermanland.
Other assignments: Director,
Länsförsäkringar AB and
Södermanlands Nyheter.
Education: Graduate in business
administration.
Share ownership in Klöver:
6,000 shares, privately.

Management and Auditors

Management



Gustaf Hermelin, born 1956. President and Chief Executive Officer, employed since 2002. *Previous employment:* President, StrömFastigheter AB and StrandFastigheter AB 2001–2002, Regional manager, Storheden/Wihlborgs 1998–2001, President, etc., Oskarsborg 1994–1997. *Education:* Studies in economics at Stockholm School of Economics. *Assignments:* None. *Share ownership in Klöver:* 2,546,277 shares, privately, via family and company.



Anders Lundquist, born 1963. Chief Financial Officer, Vice President, employed since 2002. *Previous employment:* CFO, Synoptik Sweden 2001–2002, Director of Corporate Communications, Wihlborgs Fastigheter 1998–2001, CFO, NK Cityfastigheter 1993–1998, Product manager, O Kavli AB 1992–1993, CFO, O Kavli AB 1991–1992, Controller AB Nordiska Kompaniet 1988–1991. *Education:* University studies in economics. *Assignments:* None. *Share ownership in Klöver:* 53,066 shares, privately.



Thomas Nilsson, born 1951. Real Estate Manager, employed since 2002. *Previous employment:* Consultancy assignments in, among others, Storheden, Wihlborgs and StrandFastigheter 1995–2002, President, Skavsta Flygplats AB 1991–1995, President, Nyköpings Industrihus 1982–1994, Chief Economic Development Officer, Municipality of Nyköping, 1981–1983. *Education:* BSc, Business Administration. *Assignments:* None. *Share ownership in Klöver:* 250,991 shares, via company.



Caesar Åfors, born 1959. Finance Manager, employed since 2002. *Previous employment:* Consultancy assignments in StrandFastigheter 1999–2002, Self-employed 1997–1998, Estate agent, Areal AB 1990–1997. *Education:* MSc in Forestry. *Assignments:* None. *Share ownership in Klöver:* 661,464 shares, via company.



Britt-Marie Einar, born 1965. Corporate Communications Officer, employed since 2004. *Previous employment:* Information and IR manager, Fastighets AB Tornet 1999–2003, Financial journalist, Veckans Affärer 1997–1999, Financial journalist Finanstidningen 1990–1997, Treasurer, Östgöta Enskilda Bank 1989–1990. *Education:* Graduate in business administration. *Assignments:* None. *Share ownership in Klöver:* 1,000 shares, privately.

Auditor

Ernst & Young AB
Björn Fernström, born 1950.
Authorized public accountant.
The Company's auditor since 2000.

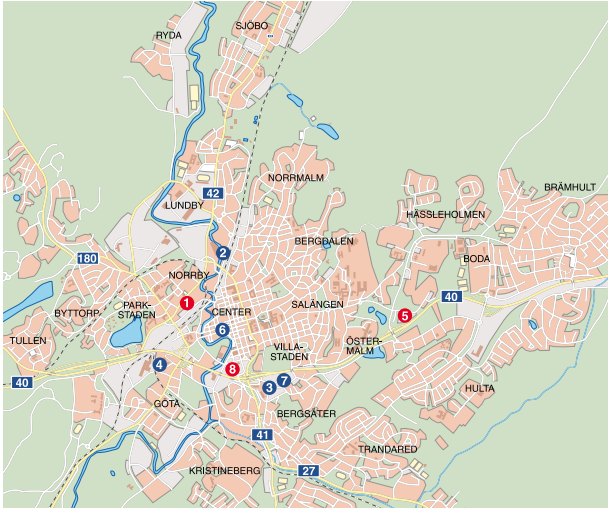
Specification of properties

Map reference	Municipality	Property	Address	Building year/ appraisal year	Office, sq.m.	Industrial/ware- house, sq.m.	Retail, sq.m.	Education/ health care/physical recreation, sq.m.	Restaurant/ hotel, sq.m.	Residential, sq.m.	Total, sq.m.	Rental value, SEK/m	Tax assess- ment, SEK/m	Economic occupancy rate, %
1	Borås	Gjutaren 10*	Norrbj Tvärgata 7, Norrbj Långg 18	1963	1,046	7,803	–	–	–	–	8,849	3.8	8	92
2	Borås	Grävlingen 5*	Skaraborgsvägen 21, 21A	1974/90	6,673	–	613	–	–	–	7,286	5.9	32	86
3	Borås	Katrinedal 2*	Katrinedalsgatan 14–20, Åsboholmsg 10–12	1963	3,068	2,646	1,276	1,715	280	–	8,985	5.6	24	78
4	Borås	Laxöringen 1*	Bockasjögatan 10	1960	1,851	1,213	–	–	–	–	3,064	1.4	3	54
5	Borås	Milen 7*	Solvarvsgatan 4–6	1969/89	2,405	7,531	–	–	–	–	9,936	5.6	16	97
6	Borås	Nestor 1*	Lilla Brogatan 17, Stora Brog 18, Västerlångg 31	1963	1,238	–	1,148	–	–	–	2,386	2.7	14	100
7	Borås	Näckrosen 3*	Katrinedalsgatan 1–3, Åsboholmsg 25 & 27	1990	4,026	1,242	–	–	–	–	5,268	5.0	20	100
8	Borås	Uranus 16*	Bryggaregatan 18–20	1960	–	4,963	–	2,227	–	–	7,190	2.7	6	94
1	Eskilstuna	Eskilshem 1:8	Nystrandsgatan 3	1972	190	1,470	1,915	–	–	–	3,575	1.2	6	18
2	Eskilstuna	Nötknäpparen 24	Gustafsvägen 5 A	1956	–	365	1,899	–	–	–	2,264	0.6	2	100
3	Eskilstuna	Valhalla 2:19	Fraktgatan 11	1974	365	–	1,507	–	–	–	1,872	0.9	3	92
4	Eskilstuna	Valpen 3	Björksgatan 5–7	1993	–	4,134	–	–	–	–	4,134	5.0	Spec.prop.	100
5	Eskilstuna	Vägskalen 24	Kriebensgatan 5	1936	100	–	77	2,310	–	1,042	3,529	4.3	21	97
	Fagersta	Ratten 9*	Kristiansbergsvägen 10	1975	–	380	423	–	–	–	803	0.6	1	98
	Falun	Hattmakaren 16	Nybrogatan 21	1980	2,350	455	953	–	–	–	3,758	2.6	14	35
	Gävle	Brynäs 12:1	Fältskärsleden 10	1972	2,018	4,090	133	–	–	–	6,241	5.6	Spec.prop.	82
	Halmstad	Kilot 1	Bolmensgatan 1	1986	1,282	5,612	–	–	–	–	6,894	5.0	Spec.prop.	81
	Härnösand	Tullen 10	Köpmangatan 13	1983	2,320	2,189	–	–	–	–	4,509	3.0	8	50
1	Kalmar	Bryggaren 2, 24	Storgatan 46, 50	1986/87	578	–	–	–	–	144	722	0.6	4	96
2	Kalmar	Fredriksdal 1	Smedjegatan 2	1982	–	3,498	–	–	–	–	3,498	2.2	Spec.prop.	56
3	Kalmar	Guldfisken 2	Esplanaden 30	1947	2,953	76	–	–	–	–	3,029	2.6	13	98
4	Kalmar	Gumsen 31*	Verkstadsgatan 5	1963	–	2,060	–	–	–	–	2,060	0.4	3	25
5	Kalmar	Gumsen 32*	Verkstadsgatan 3	1963	1,289	1,692	–	925	–	–	3,906	1.9	5	100
6	Kalmar	Gumsen 33*	Smedjegatan 9	1963	1,561	1,852	–	480	–	159	4,052	1.3	3	69
7	Kalmar	Gumsen 35*	Torsåsgatan 6–10	1954/77	–	6,630	–	–	–	–	6,630	2.0	6	91
8	Kalmar	Gumsen 36*	Torsåsgatan 12–14	1967	2,298	2,503	–	4,136	1,007	–	9,944	4.4	Spec.prop.	50
9	Kalmar	Korpen 18	Fabriksgatan 31	1976	2,302	–	–	1,434	–	–	3,736	3.5	Spec.prop.	96
10	Kalmar	Korpen 20	Fabriksgatan 29, Nygatan 30	1979	3,908	563	–	1,911	–	–	6,382	5.9	32	90
11	Kalmar	Lärlingen 5	Kaggsgatan 40 B–D, 42, 44, Strömgatan 7B, C	1960	3,708	57	805	–	–	–	4,570	4.5	24	92
12	Kalmar	Matrosen 1*	Tjärhovsgatan 1	1995	1,293	–	–	889	–	–	2,182	2.6	12	100
13	Kalmar	Mästaren 28	Fiskaregatan 20, Kaggsgatan 30	1962	503	21	828	–	–	–	1,352	1.7	9	90
14	Kalmar	Tengjutaren 1	Larmgatan 40, Strömgatan 2	1979	1,364	–	–	–	–	297	1,661	1.4	9	93
1	Karlstad	Barkassen 7	Lagergrens gata 4	1990	12,084	–	425	–	61	–	12,570	13.8	78	88
2	Karlstad	Gångjärnet 2	Blockgatan 29	1964	158	2,814	–	–	–	–	2,972	2.0	8	99
3	Karlstad	Hammaren 21	Gjuterigatan 27–29	1990	774	1,172	–	–	–	–	1,946	1.2	4	100
4	Karlstad	Herrhagen 1:10	Hamnpirsgatan 4	1986/87	1,040	475	–	–	–	–	1,515	1.2	6	100
5	Karlstad	Kanoten 6&9	Kanikensbanken 12	1990	8,894	–	–	–	–	–	8,894	8.0	49	100
6	Karlstad	Monitorn 9	Ö:s Torggatan 2A	1993	3,042	8	154	–	–	–	3,204	4.7	26	97
7	Karlstad	Passadvinden 3	Regnvindsgatan 17	1990	333	3,378	–	–	–	–	3,711	1.9	7	99
8	Karlstad	Skepparen 15	Orrholmsgatan 4–6	1954	2,072	1,854	–	17,927	–	–	21,853	19.6	Spec.prop.	93
9	Karlstad	Stolpen 1	Ventilgatan 5	1964	4,304	–	–	–	–	–	4,304	3.5	6	93
10	Karlstad	Sågen 1	Faktorigatan 13, Industrigatan 1	1986	3,283	–	–	–	–	–	3,283	3.0	14	100
11	Karlstad	Sågen 2	Faktorigatan 15	1988	1,735	–	–	–	–	–	1,735	1.5	7	100
12	Karlstad	Sälgen 6	Älvgatan 39	1949	1,574	–	–	–	–	–	1,574	1.5	4	100
13	Karlstad	Tornadon 2	Blekegatan 9	1975	–	12,535	–	–	–	–	12,535	5.6	20	77
14	Karlstad	Uggen 1	Sågverksgatan 32	1989	951	784	–	–	–	–	1,735	0.9	3	100
	Katrineholm	Nejlilan 13	Fredsgatan 30–32	1951	288	1,732	–	–	–	545	2,565	2.0	Spec.prop.	93
	Katrineholm	Rådmannen 3	Västgöttagatan 16	1955/78	–	18,272	–	–	180	–	18,452	11.8	16	99
	Kristianstad	Kristiansstad 5:56	Vattentornsvägen 9	1972	–	1,783	–	–	–	–	1,783	1.5	Spec.prop.	100
	Kristinehamn	Uroxen 14	Kungsgatan 28	1954	1,915	1,004	84	–	–	–	3,003	2.4	6	94
	Kumla	Transistorn 2	Montörgatan 2, Radiogatan 9	1972/98	–	35,521	–	–	–	–	35,521	23.3	59	100
	Köping	Drotten 2	V:a Långgatan 6	1988	2,397	1,204	–	–	–	–	3,601	3.0	11	72

* Acquired during 2004.

Office
 Industry/warehouse
 Retail
 Education/health care/
physical recreation
 Restaurant/hotel
 Residential
 Land

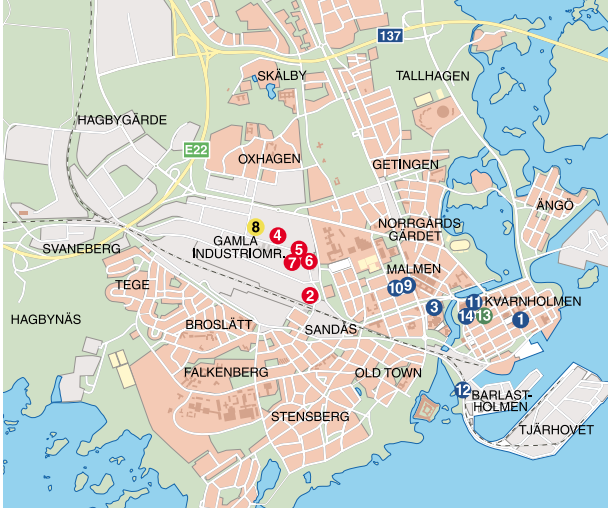
Borås



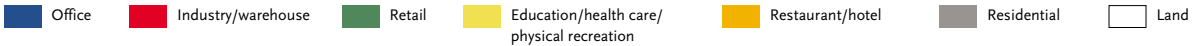
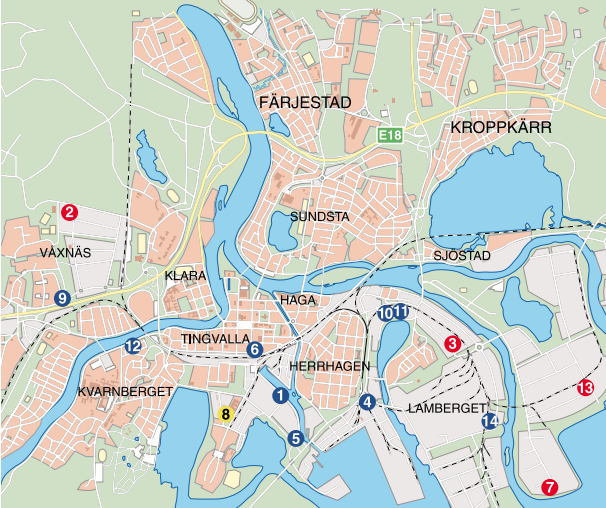
Eskilstuna



Kalmar



Karlstad



Specification of properties

Map reference	Municipality	Property	Address	Building year/ appraisal year	Office, sq.m.	Industrial/ware- house, sq.m.	Retail, sq.m.	Education/ health care/physical recreation, sq.m.	Restaurant/ hotel, sq.m.	Residential, sq.m.	Total, sq.m.	Rental value, SEK/m	Tax assess- ment, SEK/m	Economic occupancy rate, %
1	Linköping	Brevduvan 17	Kungsgatan 20	1918	7,786	100	–	–	–	257	8,143	9.1	53	98
2	Linköping	Glasberget 1	Attorpsgatan 5	1990	7,244	705	–	1,270	–	–	9,219	8.1	35	91
3	Linköping	Guvernören 13	Norra Oskarsgatan 18	1968/71	675	2,450	–	–	–	–	3,125	1.4	2	84
4	Linköping	Gymnasten 2	Roxengatan 7	1977	1,772	–	–	–	310	–	2,082	1.8	9	88
5	Linköping	Idétävlingen 4	Wallenbergsgata 4	1990/00	20,181	1,515	–	385	570	–	22,651	23.1	120	46
	Luleå	Djuret 3	Blomgatan 17–19	1983	463	6,777	107	–	198	15	7,560	5.2	Spec.prop.	99
	Luleå	Rättan 18	Kungsgatan 19–23	1953	3,387	437	10	–	–	–	3,834	4.1	19	90
	Lycksele	Stadshuset 7	Storgatan 24	1985	275	776	394	–	–	–	1,445	1.0	Spec.prop.	94
	Mark	Kyrkängen 9	Kyrkogatan 2	1929	–	–	653	–	–	–	653	0.9	4	100
	Mörbylånga	Färjestaden 1:292	Storgatan 26	1985	200	–	–	–	–	–	200	0.2	1	100
	Norberg	Norbergsby 10:24, 10:66*	Nygatan 2	1988	–	–	2,668	–	–	–	2,668	1.9	1	100
1	Norrköping	Bronsen 2	Tenggatan 4	1971	3,779	4,380	–	890	–	–	9,049	4.9	19	76
2	Norrköping	Malmen 5	Koppargatan 18	1979/82	750	2,700	416	–	–	–	3,866	2.0	7	70
3	Norrköping	Omformaren 5*	Hagagatan 4	1968	513	4,000	–	–	–	–	4,513	2.1	5	28
4	Norrköping	Omformaren 6*	Hagagatan 6	1951/86	–	622	4,178	3,065	–	–	7,865	3.8	9	100
5	Norrköping	Omformaren 7*	Hagagatan 10	–	–	–	–	–	–	–	–	0.3	1	100
6	Norrköping	Pelikanen 14	Hospitalsgatan 20	1972	1,745	–	–	116	–	–	1,861	1.4	6	78
7	Norrköping	Platinan 1	Platinagatan 1	1988	–	–	3,875	–	–	–	3,875	1.8	7	100
8	Norrköping	Reläet 9	Ståthögavägen 48	1974/93	1,794	32,820	–	–	600	–	35,214	13.9	65	37
9	Norrköping	Rotfjärilen 1	Svärmaregatan 1:3	1992/93	3,953	1,792	–	–	–	–	5,745	4.4	14	85
10	Norrköping	Silvret 2	Koppargatan 28	1988/98	–	6,866	–	–	–	–	6,866	2.4	17	100
11	Norrköping	Skeppet 13*	Hospitalsgatan 26	1929/93	90	–	1,817	–	676	976	3,559	4.4	22	98
12	Norrköping	Spolaren 2	Maskingatan 10	1976	–	368	4,774	–	–	–	5,142	2.6	10	100
13	Norrköping	Stålet 3	Malmgatan 18	1969	1,545	8,581	–	–	–	–	10,126	4.1	Spec.prop.	74
14	Norrköping	Svärdet 8	Hospitalsgatan 17 m fl	1967	7,693	40	–	–	365	–	8,098	9.0	36	100
	Norrköping	Åby 20:2*	Nyköpingsvägen 28	1974	–	–	419	1,352	346	–	2,117	1.6	6	100
1	Nyköping	Ana 11	Spelhagsvägen m fl	1940/87	11,470	28,037	–	3,655	–	–	43,162	21.1	74	85
2	Nyköping	Ana 13	Spelhagsvägen m fl	2003	680	–	–	–	–	–	680	0.8	3	100
3	Nyköping	Bagaren 20	Östra Storgatan 5, S:t Annegatan 6	1962	1,155	40	423	–	352	–	1,970	1.4	6	60
4	Nyköping	Brandholmen 1:9	Pontongatan 11	1962	346	7,842	–	–	–	97	8,285	3.3	10	53
5	Nyköping	Brädgården 1	Ringvägen 58–60	–	–	–	–	–	–	–	–	0.0	1	0
6	Nyköping	Fabrikatet 1,4,5	Materialvägen 3	1980	–	1,155	–	3,564	–	–	4,719	2.5	8	58
7	Nyköping	Fors 11	Repslagaregatan 43	1946/69	8,208	2,527	335	137	211	–	11,418	9.9	42	83
8	Nyköping	Furan 2	Domänvägen 11	2001	–	17	–	2,838	–	–	2,855	2.7	Spec.prop.	100
9	Nyköping	Kompaniet 29	Folkkungavägen 1	1986	779	–	–	305	742	–	1,826	1.9	8	100
10	Nyköping	Lansen 13	Gasverksvägen 2, Östra Längdgatan 5 & 7	1977/91	4,303	1,027	542	–	–	–	5,872	4.8	24	92
11	Nyköping	Nyköpings Bruk 7	Västra Kvarngatan 62	1991	1,880	–	–	–	–	–	1,880	1.8	9	100
12	Nyköping	Riksbanken 5	Östra Storgatan 3	1991	2,187	90	–	–	–	–	2,277	2.1	11	99
13	Nyköping	Skölden 2	Gasverksvägen 15	1989	2,035	–	–	–	–	–	2,035	1.4	6	97
14	Nyköping	Spelhagen 1:7	Västra Skeppsbron 6	1929	91	5,326	–	–	–	–	5,417	1.7	4	100
15	Nyköping	Spinnerskan 2	Periodgängen 11	1969	–	4,210	–	–	–	–	4,210	2.2	3	100
16	Nyköping	Spånten 7	Spelhagsvägen m fl	1940/87	–	–	–	–	–	–	0	0.0	1	0
17	Nyköping	Stensötan 5	Idbäcksvägen 8B	1973	173	1,488	3,285	–	–	–	4,946	3.1	6	99
18	Nyköping	Stockrosen 7	Krumkåkaregatan 4	1940	155	1,373	–	578	–	–	2,106	0.9	2	78
19	Nyköping	Säven 4	Norrköpingsvägen 9	1987	–	1,853	–	–	–	–	1,853	2.2	Spec.prop.	100
	Nässjö	Brevet 1	Storgatan 47	1980	–	2,856	1,775	–	–	–	4,631	2.0	Spec.prop.	97
	Nässjö	Posten 1	Postgatan 1A–1B	1955	1,992	–	1,050	–	–	111	3,153	1.6	7	51
	Sandviken	Säterjäntan 3	Västerleden 30	1987	–	933	–	–	–	–	933	0.8	Spec.prop.	100
	Sundsvall	Borgmästaren 10	Köpmangatan 19	1956	3,378	1,625	–	754	–	–	5,757	4.9	25	57
	Umeå	Stigbygeln 2	Signalvägen 12	1973	–	3,959	–	–	–	–	3,959	3.2	Spec.prop.	84
	Uppsala	Boländerna 21:4	Verkstadsgatan 10-14	1968	5,900	2,358	388	–	–	–	8,646	6.7	29	99
	Uppsala	Kungsängen 10:1	Kungsgatan 48-50	1920/66	5,367	1,664	781	–	–	952	8,764	11.2	42	98
	Uppsala	Kvarngärdet 30:2	Kvarntorget 3	1964	644	–	3,162	–	338	–	4,144	3.9	21	95

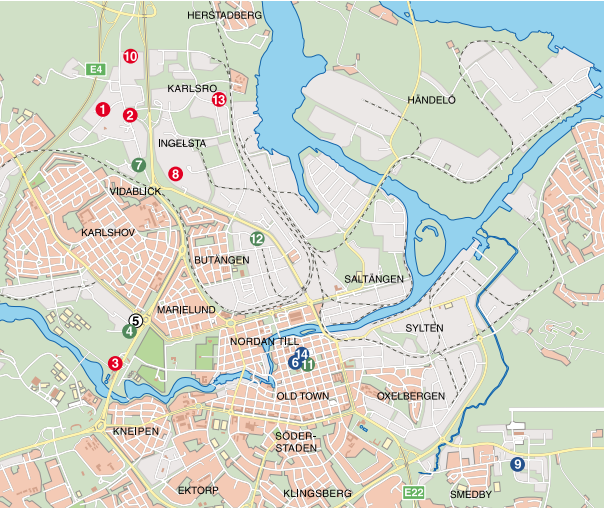
* Acquired during 2004.

Office
 Industry/warehouse
 Retail
 Education/health care/
physical recreation
 Restaurant/hotel
 Residential
 Land

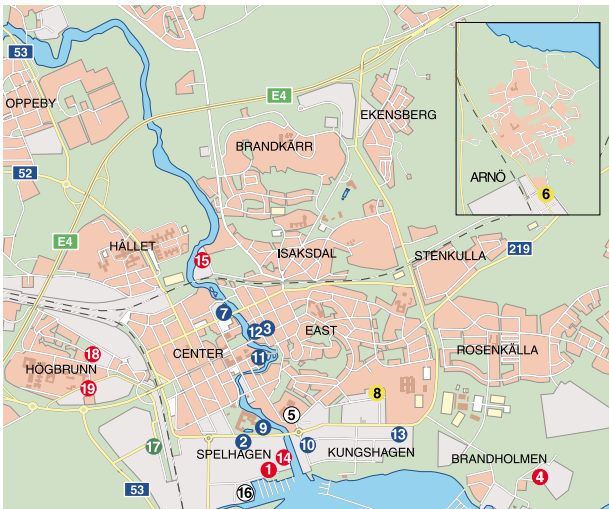
Linköping



Norrköping



Nyköping

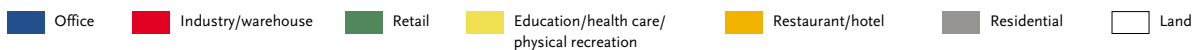


- Office
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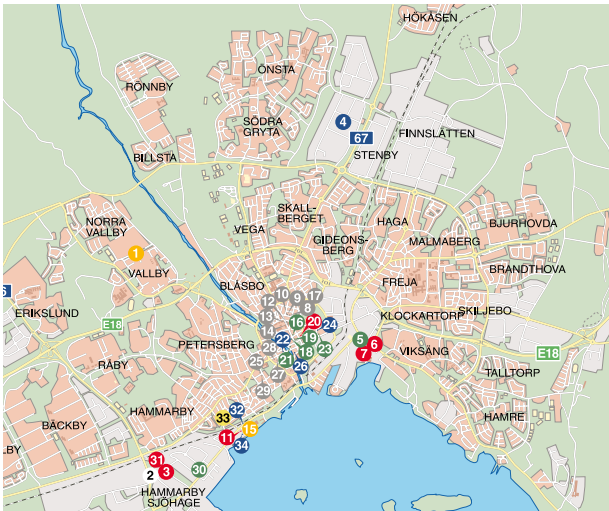
Specification of properties

Map reference	Municipality	Property	Address	Building year/ appraisal year	Office, sq.m.	Industrial/ware- house, sq.m.	Retail, sq.m.	Education/ health care/physical recreation, sq.m.	Restaurant/ hotel, sq.m.	Residential, sq.m.	Total, sq.m.	Rental value, SEK/m	Tax assess- ment, SEK/m	Economic occupancy rate, %
1	Västerås	Allmogekulturen 5*	Svalgängen	1991	4,523	2,014	–	2,498	6,310	–	15,345	12.0	42	77
2	Västerås	Bogserbåten 1*	Saltängsvägen 22	–	–	–	–	–	–	–	–	0.0	0	–
3	Västerås	Briggen 3*	Saltängsvägen 14–16	1963	–	4,894	–	–	–	–	4,894	3.2	7	100
4	Västerås	Friedningen 18*	Elledningsgatan 5b	1988	940	–	–	–	–	–	940	0.4	2	100
5	Västerås	Gastuben 10*	Björnövägen 8	1964	–	–	2,442	–	–	–	2,442	2.3	7	100
6	Västerås	Gastuben 3*	Björnövägen 8	1964	–	880	–	–	–	–	880	0.4	1	96
7	Västerås	Gastuben 5*	Björnövägen 8	1967	–	360	–	–	–	–	360	0.1	1	100
8	Västerås	Grimm 6*	Rudbecksgatan 4	1938/92	–	115	–	–	–	938	1,053	0.8	6	100
9	Västerås	Grimm 7*	Rudbecksgatan 6	1939/90	–	–	–	120	–	1,033	1,153	1.0	7	94
10	Västerås	Grimm 8*	Tessingatan 6	1936/90	25	61	–	–	–	1,092	1,178	1.1	7	87
11	Västerås	Gustavsvik 13*	Sjöhagsvägen 3–7, Stenborgsgatan	1962	7,772	20,209	–	–	450	–	28,431	13.3	27	97
12	Västerås	Helge 1*	Vasagatan 34	1987	593	–	–	–	–	1,063	1,656	1.5	10	81
13	Västerås	Helge 2*	Vasagatan 32	1929/99	–	–	171	–	–	1,025	1,196	1.1	7	93
14	Västerås	Helge 6*	Vasagatan 30	1984	–	–	–	–	–	683	683	0.6	4	99
15	Västerås	Icander 1*	Stenborgsgatan 1	1987	–	–	–	–	3,000	–	3,000	1.0	10	100
16	Västerås	Inge 10*	Smedjegatan 8	1960	272	185	2,602	351	1,185	1,259	5,854	5.3	28	91
17	Västerås	Johanneslund 8*	Nygårdsgatan 16–18	1930/85	–	65	–	–	–	1,916	1,981	1.8	13	95
18	Västerås	Klas 8*	Smedjegatan 13	1956	1,676	25	1,895	1,444	–	250	5,290	5.2	28	92
19	Västerås	Knut 26*	Vasagatan 20	1953	–	–	1,609	85	–	733	2,427	2.1	12	100
20	Västerås	Kol 13	Koppbergsvägen 25	1955	1,258	2,858	223	–	–	95	4,434	4.1	Spec.prop.	86
21	Västerås	Leif 16*	Hantverkargatan 2	1930/64	5,581	455	8,969	315	4,253	1,375	20,948	27.9	132	96
22	Västerås	Livia 17*	Stora gatan 44-46	1931/99	4,970	394	528	1,046	475	797	8,210	6.9	32	96
23	Västerås	Ludvig 17*	Mimergatan 4, Östermalmsgatan	1960	–	–	240	–	–	–	240	0.1	0	100
24	Västerås	Ludvig 18–21*	Mimergatan 6, Östermalmsgatan	1960	2,182	372	190	–	125	354	3,223	2.4	10	87
25	Västerås	Magna 7*	Floragatan 15	1929/90	47	–	–	–	–	1,294	1,341	1.1	8	100
26	Västerås	Manfred 6*	Erik Hars gata 2	1988	2,728	180	–	–	–	1,369	4,277	4.3	23	92
27	Västerås	Mina 13*	Källgatan 11 b	1958	–	30	478	–	–	1,020	1,528	1.3	8	99*
28	Västerås	Mina 17*	Storagatan 49-51	1962/65	540	262	777	147	220	1,698	3,644	3.1	18	100
29	Västerås	Nanna 4*	Floragatan 13	1958/90	–	–	–	50	–	1,207	1,257	1.0	8	99
30	Västerås	Sjöhagen 12*	Sjöhagsvägen 14	1952/80	464	2,504	4,263	–	–	–	7,231	5.3	8	100
31	Västerås	Skonerten 2*	Saltängsvägen 18	1966/87	–	4,720	–	–	–	–	4,720	3.9	7	100
32	Västerås	Stensborg 2*	Sjöhagsvägen 2	1977	1,271	–	–	–	–	–	1,271	0.9	2	100
33	Västerås	Stensborg 4*	Sjöhagsvägen 4	1989	–	–	–	1,675	–	–	1,675	1.2	6	100
34	Västerås	Västerås 2:5*	Stenborgsgatan 4	1989	1,450	–	–	–	–	–	1,450	1.0	4	100
1	Örebro	Barkenlund 11	Vasastrand 11	1989	2,604	202	–	–	–	–	2,806	2.9	18	100
2	Örebro	Fåraherden 1	Riagatan 1,3	1992	1,800	–	–	–	–	752	2,552	2.2	15	62
3	Örebro	Kitteln 11	Storgatan 7-9, Engelbrektsg 8	1964	4,481	2,046	5,151	–	434	597	12,709	16.1	86	91
4	Örebro	Olaus Petri 3:234*	Östra Bangatan 7	1979	5,880	317	–	–	3,045	–	9,242	8.8	45	100
5	Örebro	Oxbacken 7	Krontorpsgatan 1	1988	2,682	–	–	–	–	–	2,682	2.0	11	79
6	Örebro	Rådhuset 1	Drottninggatan 3, Engelbrektsgatan 2	1950	1,480	100	–	–	800	–	2,380	2.7	15	99
7	Örebro	Vindhjulet 3	Tunnlandsgatan 1–5	1970	17,483	91	–	1,423	–	–	18,997	16.2	74	95
	Örnsköldsvik	Bryssel 11*	Köpmangatan 9	1969	2,769	–	–	–	–	–	2,769	2.4	12	77
	Östersund	Snäckan 25	Rådhusgatan 100	1985	1,958	1,424	–	–	–	–	3,382	2.8	Spec.prop.	51
Total					287,550	333,653	72,830	62,017	26,533	25,145	807,728	596.3	2,193	87

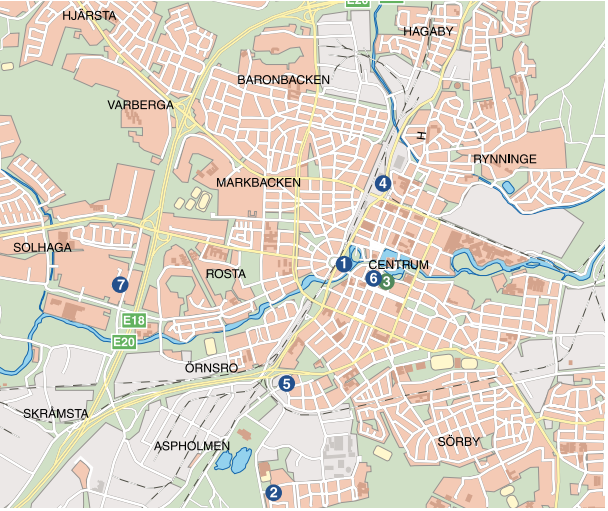
* Acquired during 2004.



Västerås



Örebro



- Office
- Industry/warehouse
- Retail
- Education/health care/physical recreation
- Restaurant/hotel
- Residential
- Land

Properties sold

Municipality	Property	Address	Building year appraisal year	Office, sq.m.	Industrial warehouse, sq.m.	Retail, sq.m.	Education/health care/physical recreation, sq.m.	Residential, sq.m.	Restaurant/hotel, sq.m.	Total, sq.m.	Tax assessment, SEKm
Bollnäs	Gärdet 6:4	Postgränd 5	1983	761	1,045	429	–	–	–	2,235	1.9
Borgholm	Höken 2	Ö Kyrkogatan 29, 31	1983	1,478	–	–	230	–	–	1,708	1.4
Borgholm	Ryssland 7	Storgatan 17	1990	396	–	263	–	–	–	659	0.7
Borås	Katrinedal 11*	Landerigatan 1, Åsboholmsg 6–8A	1975	–	9,631	–	1,020	–	–	10,651	1.3
Enköping	S:t Ilian 23:4	Drottninggatan 42–44	1945	–	1,558	–	–	162	–	1,720	1.3
Falun	Hattmakaren 15	Östra Hamngatan 32, Slaggatan 13	1979	1,746	–	960	–	–	–	2,706	2.5
Falun	Kardmakaren 21	Engelbrektsg 50–56	1990	1,110	47	–	–	5,124	–	6,281	7.0
Falun	Sparbanken 7	Åsgatan 39, Mäster Pers Gränd 1	1929	910	88	659	648	–	545	2,850	2.3
Linköping	Elden 12	Läroverksgatan 30, Storgatan 58	1969	1,280	70	242	–	1,004	–	2,596	2.2
Karlskrona	Ingenjören 7	Blåportsgatan 7	1984	–	1,818	–	–	–	–	1,818	1.6
Torsby	Vasserud 3:13	Vitsandsvägen 82	1975	–	3,334	–	–	–	–	3,334	0.7
Uppsala	Boländerna 21:5	Verkstadsgatan 16	1998	–	–	3 384	–	–	–	3,384	3.4
Västerås	Adam 1*	Skogsvägen 10–12	1947/80	–	–	142	–	1,299	–	1,441	1.3
Västerås	Bergudden 5*	Högbergsgatan 1a	1939/89	–	–	–	–	469	–	469	0.4
Västerås	Gråstenen 9*	Kronvägen 22	1939/90	83	–	–	–	381	–	464	0.4
Västerås	Gudmund 1*	Tessingatan 12	1937/97	–	–	–	–	1,141	–	1,141	1.2
Västerås	Gudmund 7*	Vallingatan 6	1938/88	–	14	145	–	933	–	1,092	1.0
Västerås	Lagmannen 9*	Bågevägen 15	1945/88	75	1	–	–	725	–	801	0.8
Västerås	Maskrosen 1*	Emausgatan 29–33	1945/85	33	–	367	253	4,626	–	5,279	4.7
Örebro	Tennstopet 5	Drottninggatan 25, Våghustorget 1	1987	1,855	268	987	–	90	–	3,200	4.2
Total				9,727	17,874	7 578	2,151	15,954	545	53,829	40.3

* Acquired during 2004.

Definitions

Accounting-related

Calculation of ratios

Ratios based on the average number of shares outstanding are calculated based on weighted averages. Due consideration was given to new issues and conversion into shares. In reported ratios after dilution, due consideration was given to the effect of issued convertible debenture.

Effect of options issued: the level of subscription prices for options in existence in 2003 and 2004, means that options have not had any effects on dilution and ratios.

Before dilution: The convertible debenture loan has not been converted to shares. This means that the debenture loan is classified as an interest-bearing liability and interest thereon is charged to interest expense.

After dilution: The convertible debenture loan is regarded as fully converted to shares, which means that it is regarded as equity and the number of outstanding shares increases as a consequence of conversion. The interest expense for the convertible loan is reversed, which means that the net of financial items improves and profit increases.

Debt equity ratio

Interest-bearing liabilities relative to equity.

Earnings per share

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

Equity ratio

Reported shareholders' equity in relation to total assets at end of period.

Interest coverage ratio

Profit after financial items, plus financial expenses, divided by financial expenses.

Leverage, real estate

Interest-bearing liabilities concerning properties relative to book value of the property portfolio.

Return on equity

Profit after tax in relation to shareholders' equity in average.

Value added per employee

Operating profit excluding result of property sales plus wage costs including wage overheads divided by the average number of employees.

Visible equity per share

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

Real-estate related

Direct yield

Operating surplus on properties owned at the end of the period (properties acquired or completed during the period have been counted as if they had been owned or completed for the whole year while properties sold have been excluded) as a percentage of the book value at the end of the period.

Economic occupancy rate

Rental revenue reported during the period in per cent of rental value at the end of the period. Properties acquired during the period are included as if owned during the entire period.

Property category

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

Property costs

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

Rental revenue

Rents debited incl. supplement as heating and property tax.

Rental value

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

Two-year review

STATEMENT OF INCOME		
SEKm	2004	2003
Rental revenue	485	322
Property costs	-199	-133
Operating surplus	286	189
Result from sale of properties	40	19
Central administration	-30	-17
Depreciation of tangible fixed assets	-2	-1
Operating profit	294	190
Resultat from financial items	-129	-103
Result before taxes	165	87
Taxes on the year's result	28	-
Result for the year	193	87

BALANCE SHEET		
SEKm	2004	2003
Equipment	6	6
Financial fixed assets	231	200
Properties	4,123	2,890
Other assets	63	58
Liquid funds	111	211
Total assets	4,534	3,365
Shareholders' equity	1,631	908
Interest-bearing liabilities	2,703	2,316
Other liabilities	198	141
Total shareholders' equity and liabilities	4,534	3,365

STATEMENTS OF CASH FLOW		
SEKm	2004	2003
Cash flow from current operations	222	85
Cash flow from investment operations	-905	-716
Cash flow from financing operations	583	779
Cash flow for the year	-100	148
Liquid funds at beginning of year	211	63
Liquid funds at end of year	111	211

PROPERTY-RELATED RATIOS		
	2004	2003
Rentable space, thousand sq.m.	808	588
Rental value, SEKm	596	434
Book value, properties, SEKm	4,123	2,890
Occupancy rate, area, %	84	85
Economic occupancy rate, %	87	88

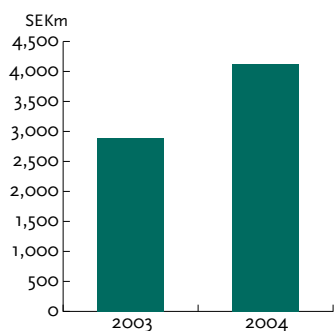
FINANCIAL RATIOS		
	2004	2003
Equity ratio after dilution, %	36.0	28.4
Interest coverage ratio, times	2.2	1.8
Debt equity ratio, %	1.7	2.5
Leverage, real estate, %	66	78
Return on equity before dilution, %	15.2	12.1
Return on equity after dilution, %	15.2	11.7
Average interest on interest-bearing liabilities, %	5.1	5.6
Interest-bearing liabilities, SEKm	2,703	2,316

DATA PER SHARE AND SHARE DATA		
	2004	2003
Number of shares at end of period		
after dilution, million	105.8	71.9
Average number of shares before dilution, million	91.7	50.0
Average number of shares after dilution, million	92.9	54.5
Earnings per share before dilution, SEK	2.10	1.73
Earnings per share after dilution, SEK	2.08	1.65
Dividend, SEK	0.75 *	0.50
Share price at end of year, SEK	19.40	16.00
Market capitalization, SEKm	2,052	1,079
Book value of properties per share, SEK	39.0	40.2
P/E-ratio	9.3	9.7

* Recommendation of the Board of Directors

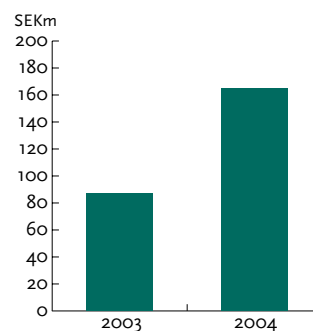
Klövern's comparison figures cover two years. The reason for this is that the company has only been operational as a property company for two full years. In the course of time, the review will be expanded to cover at least five years.

Properties



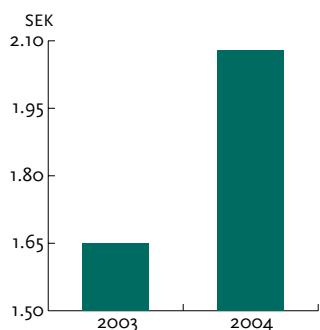
The book value of the properties has increased by more than SEK 1 billion since 2003, primarily due to acquisitions.

Profit before taxes



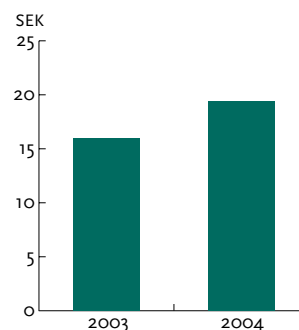
Profit before taxes has increased greatly between 2003 and 2004, primarily due to a large increase in the property holding.

Earnings per share



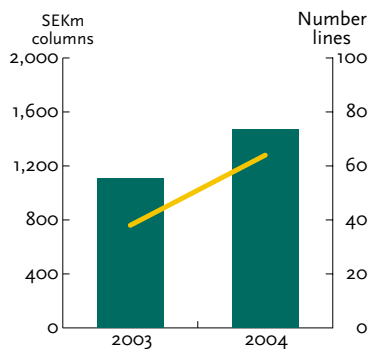
Earnings per share have increased despite a great increase in the number of outstanding shares.

Share price at year-end



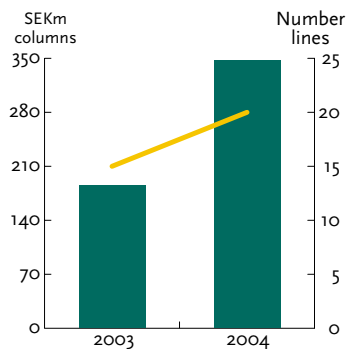
The share price increased by 40 per cent in 2003 and 21 per cent in 2004.

Property acquisitions



During 2002, two large property holdings were acquired which formed the basis for Klöver. Acquisitions have exceeded SEK 1 million per year between 2003 and 2004 as well.

Property sales



In 2003 and 2004, fully-developed properties, properties at non-priority locations and residential properties have been divested.

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