

KLÖVERN

May 5, 2004

Interim Report January – March 2004

- **Rental revenues amounted to SEKm 105 (65)**
- **Profit after taxes amounted to SEKm 27 (13)**
- **Earnings per share amounted to SEK 0.35 (0.30)**
- **Klövern is established in a new market after acquisition of properties in Borås for SEKm 215.**

Profits

For the period, profit after taxes amounted to SEKm 27 (13)¹⁾. Gains from sales of properties account for SEKm 4 (3) of the profit. The operating surplus was SEKm 61 (36). Net financial items were SEKm - 31 (-23).

Cash flow and financial position

The cash flow amounted to SEKm 8 (24). The equity ratio at the end of the period was 33.0 (27.0) percent, equivalent to 34.3 percent (28.5) after dilution. Shareholders' equity was SEKm 1,191 (908) as of March 31, 2004, liquid funds were SEKm 219 (211) and interest-bearing liabilities at the same point in time was SEKm 2,257 (2,316).

Revenue and property costs

Rental revenues amounted to SEKm 105 (65) for the period and property costs amounted to SEKm 44 (29), making the operating surplus SEKm 61 (36).

Property sales

Two properties were sold for a total of SEKm 28 (39) during the period, resulting in capital gains of SEKm 4 (3).

Operations

Klövern is a real estate company focused on acquiring, developing and selling high-yielding properties in large and medium-sized towns outside major city regions. Klövern seeks to expand by acquiring properties with the intention of achieving sufficient size to lay the foundations for effective management and a leading position. Klövern's financial goal is to earn a long-term return on equity of not less than 15 percent, the equity ratio shall exceed 20 percent and the

1) Values in parentheses are comparative data, which for profit data refer to the period January – March 2003 and for balance sheet data and financing to December 31, 2003.

interest coverage ratio should be at least 1.3. Klöverner will also achieve sufficient operational size and stock market capitalization to create the right prospects for its share to become an attractive investment alternative for players in the stock market.

Market and property holdings

During the first quarter of the year, market demand and rental levels in Klöverner's markets were largely unchanged compared to the last quarter of 2003. The economic occupancy rate in the portfolio of properties was 87 percent on March 31, which is a decline by one percentage point compared to the rate at the beginning of the year. Much as during the second half of 2003, the number of inquiries relating to new rental shows a weakly positive development.

Klöverner's property holdings as of March 31, 2004

Type of premises	Number of properties	Area, sq.m.	Rental value, SEKm	Economic occupancy rate, %
Offices	56	264,892	238	85
Industry/warehouse	39	293,676	154	88
Retail	11	44,318	36	95
Education/health care/sports facilities	3	28,579	21	84
Restaurant/hotel	-	5,907	5	100
Residential	1	10,335	9	97
Other ¹⁾	-	-	5	84
Total	110	647,707	468	87

1) Refers to garages, parking space, sign space and telecom masts.

Contract structure as of March 31, 2004

Year of minority ¹⁾	Number of contracts	Area, sq.m.	Contract value, SEKm	Proportion of contract value, %
Commercial premises				
2004	561	139,297	88	22
2005	275	106,476	84	21
2006	186	108,744	91	22
2007	67	58,331	43	10
2008	29	89,736	68	17
>2009	34	24,918	22	5
Sum	1,152	527,502	396	97
Residential	154	9,290	8	2
Sum not incl. garage/parking	1,306	536,792	404	99
Garage/parking	210	-	4	1
Total	1,516	536,792	408	100

1) The average leaseperiod was 2.4 years as of March 31, 2004.

Financing

As of March 31, 2004, interest-bearing liabilities was SEKm 2,257 (2,316) with an average annual borrowing rate of 5.6 percent (5.6) and an average period of fixed interest of 2.4 years (2.4), with capital tied-up for an average of 4.1 years (4.5). As of March 31, 2004, loans maturing during 2004 had an average period fixed interest of 51 days (76).

Loan structure as of March 31, 2004

Maturity	SEKm	Average interest rate, %	Percentage of total
2004	587	4.5	26
2005	445	5.9	20
2006	268	5.7	12
2007	505	6.3	22
2008	155	6.2	7
2011	250	6.5	11
Subordinated loan	47	6.3	2
Total	2,257	5.6	100

Capital expenditures

January 30, 2004 Klöverm took possession of nine properties with rentable space of about 64,000 square meters in Borås. The acquisition for the properties amounted SEKm 215. A total of SEKm 17 was invested during the period in renovations of properties, primarily in Uppsala, Karlstad, Falun and Örebro. The amounts have been capitalized in their entirety.

Klövern's extra general meeting of shareholders held January 27, 2004

At an extra general meeting of shareholders held January 27, 2004, it was decided to amend the limits for the Company's share capital to be not less than SEKm 300 and not more than SEKm 1,200, and that the Company henceforth will issue shares of a single class with one vote per share. It was also decided to increase Klöverm's share capital by up to SEKm 65, through issuance of up to 13 million shares. In a departure from the preferential rights of shareholders, only Wihlborgs Fastigheter AB had a right to subscribe for the new shares which were used to convert a loan from Wihlborgs to Klöverm. The Board of Directors was authorized – with the authorization remaining valid until the next-following regularly scheduled Annual General Meeting – to decide on new issuance of up to 20 million shares, on one or more occasions, with or without departure from the preferential rights of shareholders, each share to be in a nominal amount of SEK 5.

Conversion to a single class of shares

All class A shares outstanding were converted to class B shares in January 2004. In February, all class B shares were transformed to ordinary shares. This means that Klöverm now only has a single class of share with one vote per share.

Reporting and accounting principles

Klövern's accounting principles are unchanged compared to the preceding year. The Company follows the recommendations of the Swedish Financial Accounting Standards Board and the statements of the Emerging Issues Task Force of the Swedish Financial Accounting Standards Board. This interim report has been compiled in accordance with the recommendation of the Swedish Financial Accounting Standards Board RR20 Interim reporting.

Klövern's shareholders

As of March 31 2004, the number of shares outstanding in Klöver is 84,496,317 divided among approximately 33,800 owners.

Shareholder	No. of shares, Mln	Holding, %
Lantbrukarnas Riksförbund	13.2	15.6
SEB Fonder	6.5	7.7
Catella Fonder	4.4	5.2
Skandia Liv	4.3	5.1
Länsförsäkringar Södermanland	3.7	4.3
Nect Holding B.V.	2.9	3.5
Investment AB Öresund	2.7	3.2
HQ Fonder	2.6	3.1
Gustaf Hermelin	2.6	3.1
Stiftelsen för strategisk forskning	1.9	2.2
Total 10 largest shareholders	44.8	53.0
Other shareholders	39.7	47.0
Total all shareholders	84.5	100.0

Events after the end of the reporting period

Conversion to shares of subordinated convertible debentures

In the beginning of April 2004, SEKm 44.5 of an outstanding subordinated convertible debenture loan was converted to 4.0 million shares in Klöver. The remaining portion of the subordinated convertible debenture loan now outstanding is SEKm 2.5.

Klövern's annual general meeting of shareholders held April 21, 2004

The regularly scheduled Annual General Meeting in Klöver AB held April 21, 2004 passed a resolution declaring a dividend for year 2003 of SEK 0.50 per share. As board members Stefan Dahlbo, Gustaf Hermelin, Lars Holmgren, Anna-Greta Lundh, Erik Paulsson, Bo Pettersson and Johan Piehl were re-elected. Anders Swensson had requested not to be re-elected. The board fee is SEK 700 000. At the statutory board meeting, Stefan Dahlbo was re-elected as chairman of the board. The Annual General Meeting of Shareholders has authorised the board, until the next AGM, on one or more occasions, with or without a deviation from the right of priority of the shareholders, to decide on a new issue of at most 20,000,000 shares, each share to be at a nominal value of SEK 5, for acquisition of companies or properties. The payment for the new shares can be made by payment in kind, a set-off or cash payment. Decision in accordance with the board's proposition to make allocations to a profit sharing institution for the employees with the intention to invest in Klöver shares. Concerning nominations of board members the AGM commissioned the board to contact Klöver's five largest shareholders and one additional representative for the other shareholders at the beginning of the fourth quarter of the year. They are given the assignment of appointing one representative each, who together with the Chairman have the task of making suggestions for a slate of directors to be presented at the AGM for resolution. The names of the representatives and contact information shall be published in connection to the publishing of the interim report for the third quarter of the accounting year.

Acquisition of properties in Norrköping, Örebro and Örnsköldsvik

April 1, 2004 Klöver took four properties in possession in Norrköping, Örebro and Örnsköldsvik for a total of SEKm 120. Wihlborgs Fastigheter was the seller and the total rentable space acquired is about 17,600 square meters, yielding annual rental revenue of about SEKm 16 at the time of acquisition.

Klöver is acquiring properties in Västerås

Klöver is acquiring 43 properties in Västerås at a purchase price of SEK 905 million. The seller is Arvid Svensson Fastigheter. The properties consist of approximately 120,000 sq.m., of which 44,000 sq.m. is offices, 27,000 sq.m. shops and 28,000 sq.m. housing. The occupancy ratio is 96 percent and the yield 7.5 percent. The properties are being taken into possession on 1 August 2004. The acquisition is being financed by a new issue of 17 million Klöver shares at a price of SEK 16, amounting to a total of SEK 272 million, and taking up new loans. The acquisition in Västerås means that Klöver will be an important player and will establish a new geographical unit in Västerås by taking over staff with a good knowledge of the local market.

Klöver after completion of the acquisition

After completing the property acquisition on 1 August 2004, Klöver's property holdings will consist of 785 000 sq.m. at a book value of SEK 4.1 billion. The annual rental income is SEK 520 million. The yield in Klöver's total property holdings will be 8.1 percent after the acquisition. After the acquisition Arvid Svensson AB will be Klöver's largest shareholder.

Schedule of financial reporting

Interim Report January – June 2004

Friday August 20

Interim Report January – September 2004

Wednesday November 3

Reports are available at Klöver's website, www.klovern.se, where visitors may also subscribe to interim reports and press releases.

This interim report has not been subject to examination by the Company's auditors.

Nyköping, May 5, 2004
Klöver AB (publ)

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Klöver is a listed real estate company active in the Swedish real estate market by acquiring, developing and disposing of properties with a focus on high return on equity. After acquisitions completed as of April 1, 2004 the book value of the properties amounts to about 3.2 billion Swedish kronor and rental revenues on an annual basis is about SEKm 420. The Klöver share is listed at Stockholmsbörsen's O-list Attract 40.

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Consolidated Statements of Income SEKm	2004 3 months Jan.-Mar.	2003 3 months Jan.-Mar.	2003 12 months Jan.-Dec.	Rolling 12 months Apr.-Mar.
Net revenues	104.8	64.7	322.5	362.6
Property costs	-44.2	-28.8	-133.2	-148.6
Operating surplus	60.6	35.9	189.3	214.0
Result from property sales	4.3	3.4	19.2	20.1
Depreciation of equipment	-0.4	-0.3	-1.4	-1.5
Central administration	-5.9	-3.3	-16.9	-19.5
Operating result	58.6	35.7	190.2	213.1
Interest incomes	1.4	0.6	3.8	4.6
Interest expenses	-32.8	-23.1	-107.2	-116.9
Profit after financial items	27.2	13.2	86.8	100.8
Current taxes ^{1,2)}	0.0	0.0	-0.2	-0.2
Deferred taxes ²⁾	0.0	0.0	0.0	0.0
Net profit for the period	27.2	13.2	86.6	100.6
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Earnings per share before dilution, SEK	0.36	0.32	1.73	1.72
Earnings per share after dilution, SEK	0.35	0.30	1.65	1.65
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Number of shares outstanding at end of period before dilution, million	84.5	41.3	67.4	84.5
Number of shares outstanding at end of period after dilution, million	88.8	45.9	71.9	88.8
Average number of shares outstanding before dilution and conversion, million	75.7	41.3	50.0	58.6
Average number of shares outstanding after dilution and conversion, million	80.0	45.9	54.5	63.0

1) Acquisitions of subsidiaries during 2003 resulted in current tax amounting to SEKm 0.2.

2) Since Klövern's profit for 2004 is expected to be offset by tax loss carryforwards, current as well as deferred taxes are calculated to be 0.

Consolidated Balance Sheets			
SEKm	Mar. 31, 2004	Mar. 31, 2003	Dec. 31, 2003
Fixed assets			
Deferred tax claim	200.0	200.0	200.0
Equipment	6.3	5.3	6.2
Total fixed assets	206.3	205.3	206.2
Current assets			
Properties	3,096.8	1,864.5	2,889.6
Short-term receivables	86.5	75.2	58.3
Liquid funds ¹⁾	219.1	87.2	210.8
Total current assets	3,402.4	2,026.9	3,158.7
TOTAL ASSETS	3,608.7	2,232.2	3,364.9
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and restricted reserves	892.1	336.5	636.3
Unrestricted reserves	299.0	198.6	272.1
Total shareholders' equity	1,191.1	535.1	908.4
Provisions	12.0	18.7	12.2
Subordinated convertible debenture loan	47.0	50.0	49.0
Interest-bearing liabilities	2,209.8	1,503.5	2,266.8
Accrued expenses and prepaid income	121.3	81.3	91.7
Accounts payable	22.4	20.9	35.1
Other liabilities	5.1	22.7	1.7
Total liabilities	2,417.6	1,697.1	2,456.5
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,608.7	2,232.2	3,364.9

1) This includes SEKm 65 (76) in funds earmarked for repayment of loans.

Changes in shareholders' equity	Mar. 31, 2004				Dec. 31, 2003
	Share capital	Restricted reserves	Unrestricted reserves	Share capital	Total shareholders' Equity
Opening balance January 1	337.0	299.3	272.1	908.4	522.2
New issue	85.4	170.1	0.0	255.5	299.8
Other. net	0.0	0.3	-0.3	0.0	-0.2
Net result for the period	0.0	0.0	27.2	27.2	86.6
Closing balance at period end	422.4	469.7	299.0	1,191.1	908.4

Consolidated Statements of Cash Flow SEKm	2004 3 months Jan.-Mar.	2003 3 months Jan.-Mar.	2003 12 months Jan.-Dec.	Rolling 12 months Apr.-Mar.
Current operations				
Profit after financial items	27.2	13.2	86.6	100.6
Adjustment for items not included in cash flow, etc.	1.4	0.3	1.4	2.6
Paid income taxes	0.0	-0.2	-0.2	-0.2
Cash flow from current operations before change in working capital	28.6	13.3	87.8	103.0
Change in working capital				
Change in operating receivables	-28.2	13.6	30.9	-17.2
Change in operating liabilities	20.4	-15.4	-27.1	30.4
Total change in working capital	-7.8	-1.8	3.8	13.2
Cash flow from current operations	20.8	11.5	91.6	116.2
Investment operations				
New issue relating to acquisitions of properties	62.7	0.0	298.8	362.0
Sale of properties	23.3	36.1	185.1	172.3
Acquisition of properties	-231.6	-24.8	-1,198.7	-1,406.7
Acquisition of tangible fixed assets	-0.5	0.0	-2.2	-1.3
Cash flow from investment operations	-146.1	11.3	-717.0	-873.7
Financing operations				
New issue	192.9	0.0	1.0	192.9
Change in interest-bearing liabilities	-59.1	1.5	778.9	703.3
Expenses for new issues	0.0	0.0	0.0	0.0
Change in provisions	-0.3	0.0	-6.5	-6.8
Cash flow from financing operations	133.5	1.5	773.4	889.4
Cash flow for the period	8.2	24.3	148.0	131.9
Liquid funds at beginning of period	210.9	62.9	62.9	87.2
Liquid funds at end of period	219.1	87.2	210.9	219.1

Key financial indicators	2004 3 months Jan.-Mar.	2003 3 months Jan.-Mar.	2003 12 months Jan.-Dec.	Rolling 12 months Apr.-Mar.
Return on equity before dilution, %	2.6	2.5	12.1	11.7
Return on equity after dilution, %	2.5	2.4	11.7	11.4
Equity ratio at end of period before dilution, %	33.0	24.0	27.0	33.0
Equity ratio at end of period after dilution, %	34.3	26.2	28.5	34.3
Visible equity per share at end of period before dilution, SEK	14.10	12.96	13.48	14.10
Visible equity per share at end of period after dilution, SEK	13.94	12.75	13.32	13.94
Interest coverage ratio	1.8	1.6	1.8	1.9

Definitions

Calculation of ratios

Ratios are based on average number of shares outstanding and are computed based on weighted averages. In reported ratios after dilution, due consideration was given to the effect of issued warrants and effect of issued subordinated convertible debenture loan with amount of SEKm 50.

Return on equity

Profit after taxes in relation to shareholders' equity.

Equity ratio

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

Earnings per share

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

Visible equity per share

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

Interest coverage ratio

Profit after financial items, plus financial expenses, in relation to financial expenses.

Visible equity per share

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