

KLÖVERN

November 3, 2004

Interim Report January – September 2004

- **Rental revenues amounted to SEK 339 million (213)**
- **Net profit for the period increased to SEK 125 million (63)**
- **Earnings per share amounted to SEK 1.42 (1.33)**
- **On 2 August, properties for SEK 905 million were taken possession of in Västerås**

Profit

Net profit for the period amounted to SEK 125 million (63). Gains from sales of properties account for SEK 26 million (17) of the profit. The operating surplus was SEK 213 million (129) and net financial items were SEK -94 million (-71).

Cash flow and financial position

The cash flow amounted to SEK 68 million (167). The equity ratio at the end of the period was 33.9 per cent, in comparison with 28.5 per cent at the beginning of the year. Shareholders' equity was SEK 1,564 million in comparison with SEK 908 million at the beginning of the year. Liquid funds were SEK 279 million (211) and interest-bearing liabilities were SEK 2,834 million (2,316).

Revenue and property costs

Rental revenues amounted to SEK 339 million (213) for the period, property costs amounted to SEK 126 million (84) and operating surplus to SEK 213 million (129).

Property sales

Nine properties were sold for a total of SEK 193 million (159) during the period, with a total gain of SEK 26 million (17).

Third quarter of 2004

Net profit for the period amounted to SEK 44 million (21). Gains on sales of properties account for SEK 0 million (0) of the profit. The operating surplus was SEK 85 million (52) and net financial items were SEK -34 million (-27). The cash flow amounted to SEK 62 million (127).

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 at least 15 percent, the equity ratio shall exceed 20 percent and the interest coverage ratio should be at least 1.3 times. Klövern will also achieve sufficient operational size and stock market capitalization to create the right prospects for its share to be an attractive investment alternative for players in the stock market.

Market and property holdings

The demand situation for premises in the majority of Klöver's market segments is showing a weak improvement. The number of enquiries about premises has increased in the third quarter of the year, which means that there are good prospects for new letting during the fourth quarter of the year. The effects of acquired properties in the third quarter have entailed an increase in the occupancy ratio compared with the end of the second quarter in 2004.

Klövern's property holdings as of September 30, 2004

Type of premises	Number of properties	Area, thousand sq.m.	Rental value, SEKm	Economic occupancy ratio, %
Offices	57	273	247	84
Industry/warehouse	46	313	167	85
Retail	22	76	67	97
Education/health care/sports facilities	4	54	42	96
Restaurant/hotel	2	22	19	97
Residential	18	35	31	99
Other ¹⁾	-	-	8	88
Total	149	773	581	88

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

Contract structure as of September 30, 2004

Year of maturity ¹⁾	Number of contracts	Area thousand sq.m.	Contract value, SEKm	Proportion of contract value, %
Commercial premises				
2004	183	60	38	8
2005	461	145	113	22
2006	227	121	101	20
2007	201	132	94	18
2008	43	93	71	14
>2009	63	58	57	11
Sum	1,178	609	474	93
Residential	514	35	306	
Sum excl. garage/parking	1,692	644	504 99	
Garage/parking spaces	653	-	61	
Total	2,345	644	510 100	

1) The average leaseperiod was 2.3 years as of September 30, 2004.

Financing

At the end of the period, interest-bearing liabilities was SEK 2,834 million, in comparison with SEK 2,316 million at the beginning of the year. The average annual borrowing rate was 5.1 percent (5.6) and the average fixed-interest period 2.2 years (2.4). Loans maturing during 2004 had, at the end of the period, an average fixed-interest period of 41 days (76). The average fixed-capital period was 4.2 years (4.5).

Loan structure as of September 30, 2004

Year of maturity	SEKm	Average interest rate, %	% of total
2004	566	3.3	20
2005	545	5.5	19
2006	518	4.9	18
2007	494	5.9	18
2008	461	5.3	16
2011	250	6.5	9
Total	2,834	5.1	100

Capital expenditures

Fiftythree properties, with a total area of 212,000 sq.m., have been acquired for SEK 1,310 million. The properties are located in Borås, Norrköping, Västerås, Örebro and Örnköldsvik. A total of SEK 65 million was invested during the period in renovations of properties, primarily in Karlstad, Luleå, Uppsala, Västerås and Örebro. The amounts have been capitalized in their entirety.

Parent company

The role of the Parent Company is to handle overall Group functions and to act as owner of the Group's subsidiaries. Profit after tax in the parent company amounted to SEK -13 million (-9). As of 30 September, the parent company's liquid assets were SEK 7 million in comparison with SEK 6 million at the beginning of the year. Net investments in shares, certificates and equipment amounted to SEK 1 million (1).

Klövern's shareholders

As of September 30 2004, the number of shares outstanding in Klöver is 105,785,881 divided among approximately 32,500 owners.

Shareholder	No. of shares, Mln	Holding, %
Arvid Svensson Invest	17.0	16.1
Lantbrukarnas Riksförbund	13.2	12.5
SEB Fonder	7.1	6.7
Catella Fonder	7.0	6.7
Investment AB Öresund	5.9	5.6
Länsförsäkringar Södermanland	3.7	3.4
HQ Fonder	3.5	3.3
Gustaf Hermelin	2.5	2.4
Stiftelsen för strategisk forskning	2.4	2.3
LF Fastighetsfonden	1.8	1.7
Total 10 largest shareholders	64.1	60.7
Other shareholders	41.7	39.3
Total all shareholders	105.8	100.0

Taking possession of properties in Västerås on August 2, 2004

In accordance with the agreement between Klöver and Arvid Svensson Fastigheter, Klöver took possession of properties in Västerås on August 2, 2004, for a purchase price of SEK 905 million. The acquisition was partly financed by a new issue of 17 million Klöver shares. The acquisition means that Klöver have become an important player in Västerås and that the company has established a new geographical unit by taking over personnel with good knowledge and implantation

in the local market. After the acquisition, the number of shares in Klöver AB totals 105.8 million and Arvid Svensson Invest has become Klöver AB's largest owner with 16 per cent of the shares.

Nomination of directors

According to a resolution of the Annual General Meeting in Klöver AB held April 21, 2004 with respect to nomination of directors, the following representatives have been appointed to work out a proposal, to be presented to the regularly scheduled Annual General Meeting for decision. The representatives are: Henrik Strömbom representing Arvid Svensson Invest, Mattias Nordin for LRF, Björn Lind for SEB Fonder, Stefan Widenfelt for Catella Fonder, Mikael Nachemson for Investment AB Öresund, Klas Andersson representing other shareholders and Klöver AB's chairman of the board Stefan Dahlbo. The representatives can be reached via e-mail address styrelsenominering@klovern.se, or by telephone via Klöver AB +46+155-44 33 00.

Reporting and accounting principles

Klöver AB's accounting principles are unchanged compared to the preceding year. As from January 2004, RR29, Employee Benefits, has come into effect. Since the Group's pension commitments are based on a defined contribution scheme, application of this recommendation has not had any effects on the consolidated accounts. The Company follows the recommendations of the Swedish Financial Accounting Standards Board (SFASB) and the statements of the Emerging Issues Task Force of the SFASB. This interim report has been compiled in accordance with the recommendation of the SFASB RR20 Interim reporting.

Events after the end of the reporting period

Property sales

Klöver AB has sold seven recently acquired housing properties in Västerås for SEK 96 million without an effect on income. Klöver AB has also sold a property in Uppsala for SEK 39 million with a capital gain of SEK 6 million, which will affect Klöver AB's income in the fourth quarter of 2004.

Property acquisitions

Klöver AB has acquired six commercial properties, five of which are located in Västerås and one in Kalmar. The total purchase price amounts to SEK 118 million and the area is appr. 38,000 sq.m.

Calendar 2004-2005

Year-end Report 2004

February 9, 2005

Reports are available at Klöver AB'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, November 3, 2004, Klöver AB (publ)

Gustaf Hermelin, President & CEO

For further information:

Gustaf Hermelin, CEO, telephone +46-155-44 33 10, +46-70-560 00 00 gustaf.hermelin@klovern.se
Anders Lundquist, CFO, telephone +46-155-44 33 20, +46-70-528 43 33, anders.lundquist@klovern.se
Britt-Marie Einar, Information Manager, tel +46 155-44 33 12, +46 70-224 29 35, britt-marie.einar@klovern.se

Klöver AB 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. As of September 30, 2004 the book value of the properties amounts to appr. 4.1 billion Swedish kronor and rental revenues on an annual basis is about SEKm 510. The Klöver AB share is listed at Stockholmsbörsen's O-list Attract 40.

Klöver AB (publ), P.O. Box 1024, SE-611 29 Nyköping, Sweden Tel +46-155-44 33 00, Fax +46-155-44 33 22
Organization number 556482-5833. Registered office: Nyköping. Website: www.klovern.se

Consolidated Statements of Income SEKm	2004	2003	2004	2003	2003	Rolling
	3 months Jul.-Sep.	3 months Jul.-Sep.	9 months Jan.-Sep.	9 months Jan.-Sep.	12 months Jan.-Dec.	12 months Oct.-Sep.
Rental revenues	127.4	80.6	339.2	213.4	322.5	448.3
Property costs	-42.6	-28.4	-126.2	-84.0	-133.2	-175.4
Operating surplus	84.8	52.2	213.0	129.4	189.3	272.9
Result from property sales	0.0	0.0	26.2	16.6	19.2	28.8
Depreciation of equipment	-0.3	-0.3	-1.1	-1.1	-1.4	-1.4
Central administration	-6.5	-4.2	-18.3	-10.7	-16.9	-24.5
Operating result	78.0	47.7	219.8	134.2	190.2	275.8
Financial incomes	0.7	0.2	2.6	1.4	3.8	5.0
Financial costs	-34.6	-27.3	-96.9	-72.6	-107.2	-131.5
Profit after financial items	44.1	20.6	125.5	63.0	86.8	149.3
Current taxes ^{1,2)}	0.0	0.0	0.0	0.0	-0.2	-0.2
Deferred taxes ²⁾	0.0	0.0	0.0	0.0	0.0	0.0
Net profit for the period	44.1	20.6	125.5	63.0	86.6	149.1

Earnings per share before dilution, SEK	0.45	0.40	1.44	1.41	1.73	1.82
Earnings per share after dilution, SEK	0.45	0.38	1.42	1.33	1.65	1.78
Number of shares outstanding at end of period before dilution, million	105.8	61.0	105.8	61.0	67.4	105.8
Number of shares outstanding at end of period after dilution, million	105.8	65.4	105.8	65.4	71.9	105.8
Average number of shares outstanding before dilution, million	97.1	51.1	87.0	44.6	50.0	81.8
Average number of shares outstanding after dilution, million	97.1	55.6	88.6	49.1	54.5	84.1

1) In connection with acquisitions of shares in subsidiaries during 2003 current tax of SEKm 0.2 has affected the profit.

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

Consolidated Balance Sheets				
	SEKm	30.9.2004	30.9.2003	31.12.2003
Fixed assets				
Deferred tax claim		200.0	200.0	200.0
Equipment		5.8	6.1	6.2
Total fixed assets		205.8	206.1	206.2
Current assets				
Properties		4,094.6	2,640.3	2,889.6
Short-term receivables		38.6	59.6	58.3
Liquid funds ¹⁾		278.9	229.5	210.8
Total current assets		4,412.1	2,929.4	3,158.7
TOTAL ASSETS		4,617.9	3,135.5	3,364.9
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital and restricted reserves		1,210.7	551.5	636.3
Non-restricted reserves		353.0	248.4	272.1
Total shareholders' equity		1,563.7	799.9	908.4
Provisions		10.1	14.1	12.2
Subordinated convertible debenture loan		0.0	50.0	49.0
Interest-bearing liabilities		2,833.9	2,142.2	2,266.8
Accrued expenses and prepaid income		181.7	65.9	91.7
Accounts payable		21.7	31.6	35.1
Other liabilities		6.8	31.8	1.7
Total liabilities		3,054.2	2,335.6	2,456.5
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,617.9	3,135.5	3,364.9

1) This includes SEKm 57 (76) in funds earmarked for repayment of loans.

Changes in shareholders' equity	September 30, 2004				Dec. 31, 2003
	Share capital	Restricted reserves	Non-restricted reserves	Shareholders' equity	Shareholders' equity
Opening balance January 1	337.0	299.3	272.1	908.4	522.2
New issue	191.7	382.4	0.0	574.1	299.8
Other, net	0.0	0.3	-44.6	-44.3	-0.2
Net profit for the period	0.0	0.0	125.5	125.5	86.6
Closing balance	528.7	682.0	353.0	1,563.7	908.4

Consolidated Statements of Cash Flow SEKm	2004	2003	2004	2003	2003	Rolling
	3 months	3 months	9 months	9 months	12 months	12 months
	Jul.-Sep.	Jul.-Sep.	Jan.-Sep.	Jan.-Sep.	Jan.-Dec.	Oct.-Sep.
Current operations						
Profit after financial items	44.1	20.6	125.5	63.0	86.6	149.1
Adjustment for items not included in cash flow, etc.	0.0	-2.2	2.4	-3.5	-5.1	0.8
Paid income taxes	0.0	0.0	0.0	0.0	-0.2	-0.2
Cash flow from current operations before change in working capital	44.1	18.4	127.9	59.5	81.3	149.7
Change in working capital						
Change in operating receivables	88.2	87.6	19.6	29.6	30.9	14.5
Change in operating liabilities	43.7	29.6	81.9	-11.2	-27.1	87.6
Total change in working capital	131.9	117.2	101.5	18.4	3.8	102.1
Cash flow from current operations	176.0	135.6	229.4	77.9	85.1	251.8
Investment operations						
Sale of properties	0.0	0.0	167.1	142.2	185.1	210.0
Acquisition of properties ¹⁾	-714.0	-642.9	-1,041.4	-692.1	-899.9	-1,248.6
Acquisition of tangible fixed assets	0.0	-0.4	-0.7	-1.6	-2.2	-1.1
Cash flow from investment operations	-714.0	-643.3	-875.0	-551.5	-717.0	-1,039.7
Financing operations						
Change in interest-bearing liabilities ^{2,3)}	599.5	634.6	757.9	640.2	779.9	881.6
Dividend	0.0	0.0	-44.3	0.0	0.0	-44.3
Cash flow from financing operations	599.5	634.6	713.6	640.2	779.9	837.3
Cash flow for the period	61.5	126.9	68.0	166.6	148.0	49.4
Liquid funds at beginning of period	217.4	102.6	210.9	62.9	62.9	229.5
Liquid funds at end of period	278.9	229.5	278.9	229.5	210.9	278.9

1) The property acquisitions have been partly financed by issues in kind, totalling SEK 334 million in the first nine months of year 2004 and SEK 299 million for the full year 2003.

2) New issue due to redemption of convertible loans to shares has been carried out at SEK 49 million from January to September 2004 and SEK 1 million in the full year 2003.

3) During the first quarter of 2004, interest-bearing liabilities were reduced by SEK 191 million by the issue in kind.

Key financial indicators	2004 3 months Jul.-Sep.	2003 3 months Jul.-Sep.	2004 9 months Jan.-Sep.	2003 9 months Jan.-Sep.	2003 12 months Jan.-Dec.	Rolling 12 months Oct.-Sep.
Return on equity before dilution, %	3.1	3.0	10.2	9.5	12.1	12.6
Return on equity after dilution, %	3.1	2.9	10.2	9.2	11.7	12.4
Equity ratio at the end of the period before dilution, %	33.9	25.5	33.9	25.5	27.0	33.9
Equity ratio at the end of the period after dilution, %	33.9	27.1	33.9	27.1	28.5	33.9
Visible equity per share at the end of the period before dilution, SEK	14.78	13.11	14.78	13.11	13.48	14.78
Visible equity per share at the end of the period after dilution, SEK	14.78	13.00	14.78	13.00	13.32	14.78
Interest coverage ratio, times	2.3	1.8	2.3	1.9	1.8	2.1

Definitions

Calculation of ratios

Ratios based on average number of shares outstanding have been calculated 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 an amount of SEKm 50.

Return on equity

Profit after taxes in relation to average shareholders' equity.

Equity ratio

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

Interest coverage ratio

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

Visible equity per share

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