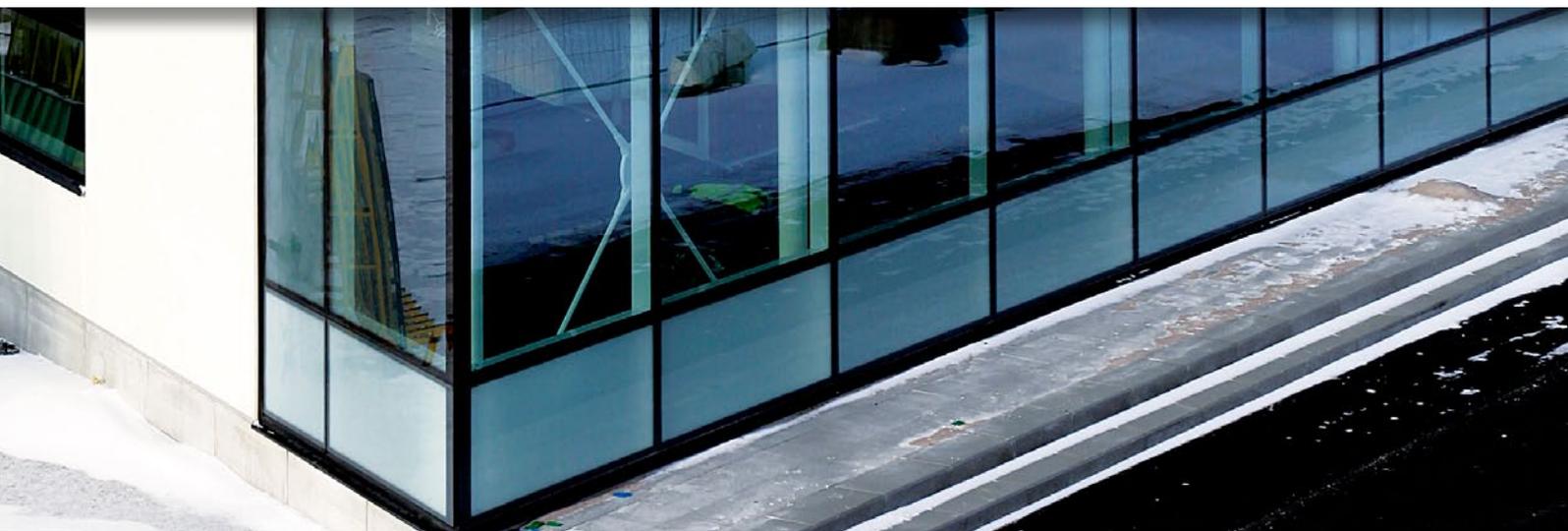




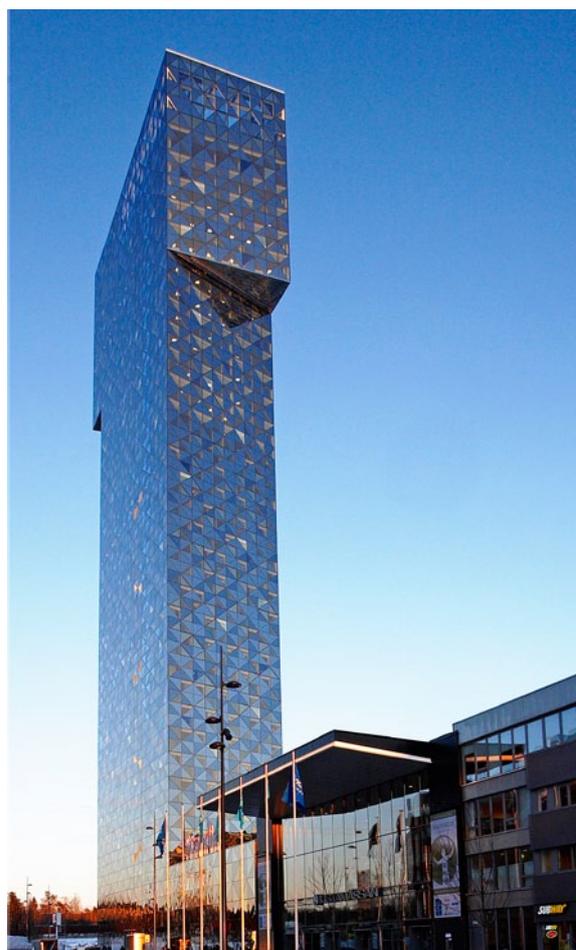
KLÖVERN  
INTERIM REPORT  
JANUARY–MARCH

| 2012



## Klövern January–March 2012

- Income increased by 19 per cent to SEK 399 million (334)
- Operating surplus increased by 27 per cent to SEK 242 million (191)
- Profit from property management increased by 1 per cent to SEK 98 million (97)
- Changes in value of properties totalled SEK 53 million (112) and changes in value of derivatives to SEK 91 million (65)
- Net profit for the period amounted to SEK 175 million (199), corresponding to SEK 0.91 per commonshare (1.24) and SEK 2.50 per preference share(-)
- Klövernt acquired the property company Dagon AB (publ) on 2 March 2012
- Klövernt has issued preference shares as part payment of the acquisition of Dagon, and as a bonus issue to shareholders in Klövernt. At the end of the period equity amounted to SEK 5,923 million (4,740).



**Victoria Tower in Kista.** Klövernt has let three of the ten floors of offices in Victoria Tower for occupation during the second and third quarter of 2012.

## Profit

SEK million	2012 Jan–Mar	2011 Jan–Mar	2011 Jan–Dec
Income	399	334	1,364
Costs	–182	–156	–578
Net financial income	–119	–81	–358
<b>Profit from property management</b>	<b>98</b>	<b>97</b>	<b>428</b>
Change in value of properties	53	112	435
Change in value of derivatives	91	65	–225
Deferred and current tax	–67	–75	–173
<b>Net profit for the period</b>	<b>175</b>	<b>199</b>	<b>465</b>

Cover: **Karlskrona 2:1 i Karlskrona.** On 2 April, the first stage of the new urban marina at Skeppsbron in Karlskrona was inaugurated. This 3,100 sq.m. property in Karlskrona was included in the acquisition of Dagon, and consists mainly of offices. The largest tenant is the County Administrative Board. The six-year lease has an annual rent of SEK 6.2 million.

## Statement by the CEO

### Full speed ahead with integration

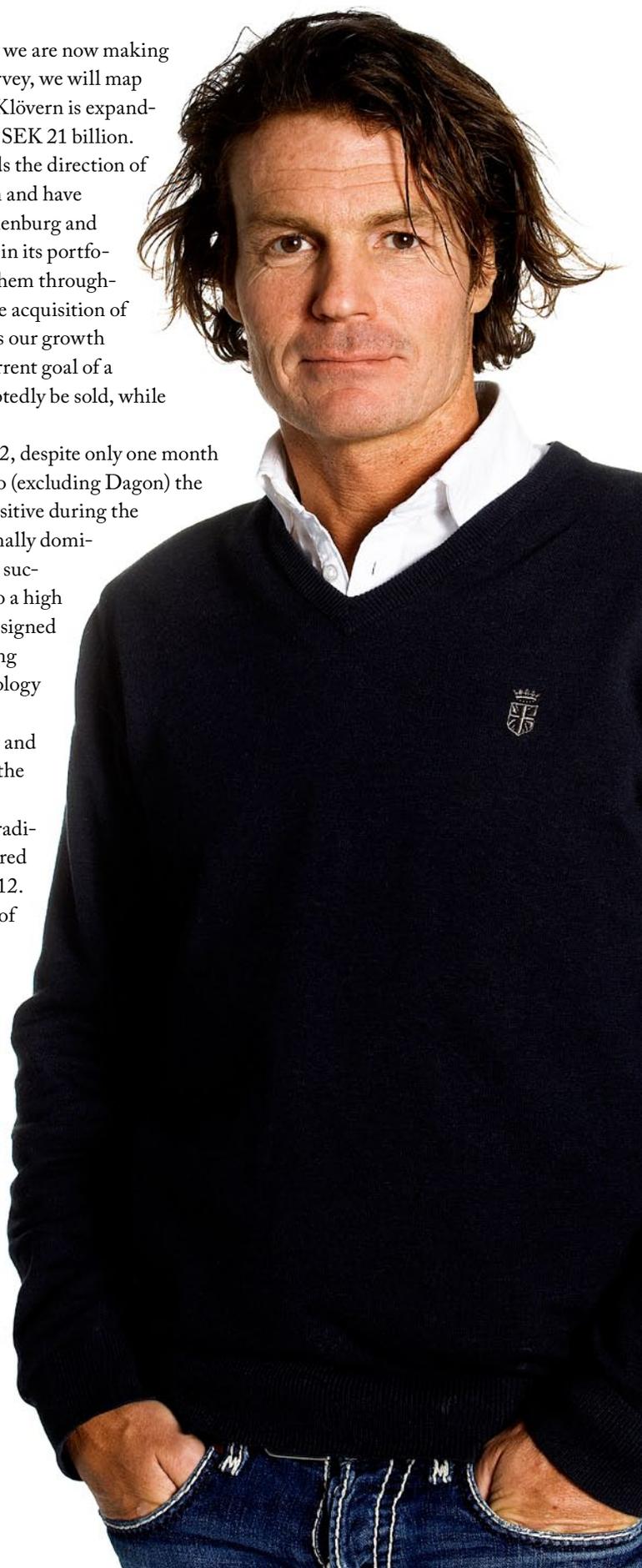
On 2 March, Klöverner acquired the listed company Dagon and we are now making swift progress with the work of integration. After an initial survey, we will map the road ahead and move on to implementation. With Dagon Klöverner is expanding from a property value of just over SEK 15 billion to almost SEK 21 billion. Our focus will be broadened both geographically and as regards the direction of properties. We have become established in the Öresund region and have increased our presence in western Sweden in the cities of Gothenburg and Halmstad. Klöverner has acquired a number of housing projects in its portfolio which can generate value regardless of whether we pursue them throughout the whole or part of the development process. However, the acquisition of Dagon is not the final destination for our development towards our growth goal. Another SEK 4 billion remains before we achieve our current goal of a property value of SEK 25 billion. Some properties will undoubtedly be sold, while more will be purchased.

Klöverner is reporting a good result for the first quarter of 2012, despite only one month of Dagon's earnings being included. For a comparable portfolio (excluding Dagon) the operating surplus has risen by 11 per cent. Net moving-in is positive during the quarter, which is unusual as the first quarter of the year is normally dominated by large vacations. This year is no exception, but we have succeeded in achieving an even higher level of moving-in owing to a high level of demand and good letting work. We have furthermore, signed lease contracts, where the tenant has not yet moved in, including three floors of offices in Victoria Tower and the Finnish technology company Sarlin in Västerås.

The turbulence in the financial market has abated somewhat and the banks' margins have fallen compared with the situation at the turn of the year. However, there is still a shortage of liquidity, which has contributed to Klöverner deciding to supplement its traditional bank borrowing with the issue of two three-year uncovered bonds totalling SEK 820 million during the first quarter of 2012. This issue will enable Klöverner to act more quickly in the event of suitable acquisition opportunities. Klöverner has also broadened the spectrum of its equity. Around 30 per cent of the acquisition of Dagon was paid for in cash and around 70 per cent in preference shares. Klöverner's shareholders were allotted preference shares in a bonus issue. The preference share is part of equity but with lower voting power than the common share. There has been great interest both in the bond and the preference share and it is not improbable that Klöverner will make use of additional forms of financing in the future.

With the acquisition of Dagon, Klöverner's vacant space increases to nearly 500.000 sq.m. It is aimed to halve this vacancy within five years. While this will require some investments, it will though lead to rising rental values. But above all it will require a high level of commitment on the part of our personnel to enable us to achieve our goal!

Rutger Arnhult  
CEO



*Income statement items refer to the period January–March and are compared with the corresponding period last year. Balance sheet items refer to the position at the end of the period and the comparative figures the most recent year-end. The quarter refers to January–March and the year January–December. Dagon's profit has been included from the date of taking possession, 2 March 2012.*

## Profit

The acquisition of Dagon AB (publ) on 2 March has led to an increase in income, costs and profit. Profit from property management, i.e. profit excluding changes in value and tax, increased to SEK 98 million (97) during the period and net profit for the period decreased to SEK 175 million (199). Apart from the effect of acquiring Dagon, profit from property management was positively affected by an increased operating surplus and negatively affected by rising financial costs. Net profit for the period was also affected by lower positive changes in value of properties than during the same period 2011. The operating margin rose to 61 per cent (57).

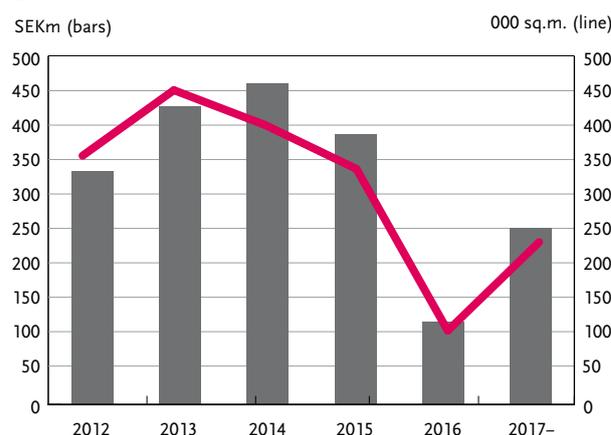
The operating surplus for a comparable portfolio rose by 11 per cent to SEK 209 million (189). This increase is due to a rise in income of 3 per cent (1), at the same time as property costs decreased by 7 per cent (9). Fair value increased by SEK 839 million or 6 per cent, primarily attributable to investments leading to higher rental income and lower operating costs.

## Income and expenses

Income during the period increased to SEK 399 million (334). SEK 48 million of the total increase in income is attributable to Dagon. The remaining part is mainly explained to indexadjustment of rents and positive net moving-in.

Property costs rose to SEK –157 million (–143) during the period, of which SEK –20 million is due to the acquisition of Dagon. Excluding Dagon, property costs decreased by SEK 6 million because of the milder winter and energy savings. The property costs include rent losses of SEK –1 million (0). Central administration costs totalled SEK –25 million (–13), SEK 2 million of

## Lease structure



the increase being attributable to Dagon's central administration costs and SEK 7 million by specific acquisition costs for the Dagon acquisition.

Net moving-in of SEK 4 million (–8) was reported for the quarter. Major new tenants include Event Design Group in Kista and IB Transport in Västerås. Vacation was dominated by 20:20 Mobile in Kista and the Swedish Municipal Workers' Union in Karlstad. The average remaining lease period was 2.9 years (2.9). The economic occupancy rate amounted to 88 per cent (89) and the area-based occupancy rate to 80 per cent (80).

## Net moving-in



\* Includes SEK 0 million from Dagon from 2 March. Dagon's net moving-in for January–March 2012 amounted to SEK 4 million.

## PROFIT FOR A COMPARABLE PORTFOLIO

	31.03.2012	31.03.2011	Change, %
Area, 000 sq.m.	1,524	1,522	0
Fair value*, SEKm	14,399	13,560	6
Required yield, %	7.1	7.1	0
Economic occupancy rate, %	89	89	0
Area-based occupancy rate, %	79	79	0
SEKm	2012 Jan–Mar	2011 Jan–Mar	Change, %
Income	343	333	3
Property costs	–134	–144	–7
<b>Operating surplus</b>	<b>209</b>	<b>189</b>	<b>11</b>

Refers to properties owned for the whole of Q1 in 2012 and 2011.

\* Excluding investments in new construction for to Ericsson in the property Isafjord 1 in Kista.

## The acquisition of Dagon

On 2 March 2012, Klöver AB acquired 98.9 per cent of the share capital and votes in Dagon AB. The acceptance period for Dagon's remaining shareholders was extended twice, after the first extension the percentage of acceptance amounted to 99.8 per cent. The second extension was terminated on 16 April and the final acceptance level is expected to be published on 18 April. Klöver AB will demand compulsory redemption of the remaining shares. Due to the coming compulsory redemption process, the consolidated accounts have been prepared as if 100 per cent had been acquired.

The company was included in the Group from 2 March 2012 as control existed from this date. The acquired business contributed a turnover of SEK 48 million, profit from property management of SEK 10 million and net profit for the period of SEK 5 million for the period 2 March 2012 to 31 March 2012. If the acquisition had taken place on 1 January 2012, the company would have contributed a turnover of SEK 142 million, profit from property management of SEK 19 million and net profit for the period of SEK 33 million.

ACQUIRED NET ASSETS, SEK M (PRELIMINARY)	
Investment properties	5,711
Deferred tax asset	132
Other assets	128
Interest-bearing liabilities	-3,928
Reported deferred tax liability	-226
Other liabilities	-287
Additional deferred tax according to the preliminary acquisition analysis	-404
<b>Acquired net assets</b>	<b>1,126</b>
Paid purchase price	-456
Liquid funds in acquired subsidiaries	34
<b>Impact on consolidated liquid funds</b>	<b>-422</b>

ESTIMATE GOODWILL, SEK M (PRELIMINARY)	
Purchase price	
– paid in cash	456
– new issue	1,039
– loans in connection with acquisition	0
– not accepted shares in connection with acquisition	15
Offer value, Dagon's shares, 100% of the shares	1,510
Acquired net assets	-1,126
<b>Goodwill</b>	<b>384</b>

An adjustment of the deferred tax liability in the balance sheet has been made in conjunction with the preparation of the acquisition calculation and with the classification of the acquisition as a business combination. Properties and financial instruments have been valued at fair value. Other

balance sheet items have not been revalued. It cannot be excluded that some values do not fully reflect the fair values because of the short period that has elapsed between the acquisition date and the end of the accounting period as well as the large quantity of assets and liabilities that have been valued. The acquisition balance that has been prepared is therefore regarded as preliminary.

The fair value of the acquired assets as at the acquisition date amounted to SEK 67 million, which corresponds to the amount that is expected to be paid. Goodwill arises mainly through deferred tax calculated in accordance with accounting rules and the value of deferred tax determined in negotiations between the parties in transactions. For accounting purposes, deferred tax is calculated as the difference between fair values and tax values. In transactions, deferred tax is usually valued on the basis of the probability of it falling due for payment as well as a time factor when any payment will be made.

No goodwill is deductible for tax purposes.

## Cash flow

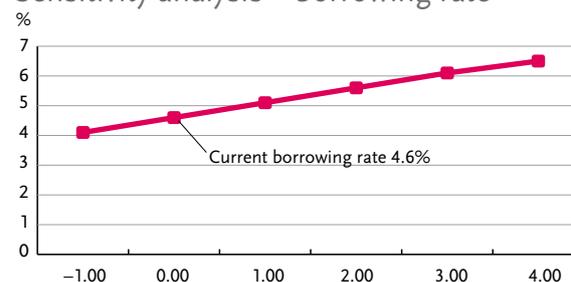
The cash flow from current operations was SEK 307 million (74). Income tax paid amounted to SEK 0 million (0). Investment operations have affected the cash flow by SEK -702 million (-159) net, mainly as a result of the acquisition of Dagon and investments in existing properties. The cash flow from financing activities has been affected by SEK 729 million (145). Altogether, the cash flow for the period totals SEK 334 million (60).

## Financing

At the end of the period, interest-bearing liabilities amounted to SEK 14,031 million (9,345). The increase is primarily due to the acquisition of Dagon, and investments in existing properties. During the period, Klöver AB has issued two bonds totalling SEK 820 million. The average financial interest rate for the whole of the financial portfolio amounted to 4.6 per cent (4.2) at the end of the period. Excluding bonds, derivatives and the cost of unutilized credit agreements and the overdraft facility, the interest rate amounted to 4.0 per cent (3.9).

The average fixed-interest term was 3.0 years (2.7). Credit volumes with swap agreements are treated as

## Sensitivity analysis – borrowing rate



Change in the market of X percentage points.

having fixed interest. The average period of tied-up capital was 2.2 years (1.9). During the first quarter of 2012, SEK 2.2 billion of credit facilities with tied-up capital until 2012 has been refinanced until 2014 and 2015 respectively. Unutilized credit volumes, including not utilized overdraft facilities of SEK 300 million (250), totalled SEK 2,237 million (1,078).

At the end of the period, Klöver had interest rate caps of SEK 1,355 million (1,500), of which SEK 500 million matures 2013 and SEK 855 million matures 2014. The interest rate caps have redemption rates of 4.25–5.00 per cent. Swap agreements totalled SEK 6,675 million (4,800) with an average remaining term of 6.1 years (5.1). During the first quarter, Klöver has extended the period of fixed interest by a swap exchange.

Klöver's interest swaps and interest caps effectively limit the interest rate risk. An increase in the short market rates of one percentage point would increase Klöver's average borrowing rate by 0.5 percentage points and Klöver's financial costs by SEK 74 million. Rising long market rates have led to increasing values of derivatives. The change in value of derivatives amounted to SEK 91 million (65) during the period and the value was SEK 241 million (–242) on 31 March. The change in value does not affect the cash flow. On maturity, the value of the derivative is always zero.

## Property transactions

During the first quarter, 124 properties (1), included in Dagon have been acquired. The bid value amounted to SEK 1,510 million, the property value amounted to SEK 5,711 million and the lettable area to 818,000 sq.m.

Klöver has not sold any properties during the first quarter (0).

## Investments and building rights

Investments in existing properties often take place in connection with new letting with the aim of customizing and modernising the premises and thus increasing the rental value. During the period, a large number of projects, in the form of new construction and refurbishment, were carried out at existing properties. In all SEK 278 million (176) was invested during the first quarter. In all, 381 projects (214) are in process with an estimated expenditure totalling SEK 1,647 million (1,287). In all, SEK 506 million (588) remains to be invested in these projects.

At the end of the period, assessed building rights and building rights with local plans totalled 1,251,000 sq.m. (936,000). 478,000 sq.m. (335,000) of the building rights are included in local plans. Over half of the building rights consist of offices and nearly one-third of residential. The building rights are valued at SEK 845 million (497), which corresponds to SEK 675 per sq.m (531).

### FIXED INTEREST AND TIED-UP CAPITAL

Year due	Fixed interest		Contract volume, SEKm	Tied-up capital	
	Loan volume, SEKm	Interest, %		Utilized, SEKm	Unutilized, SEKm
Floating	7,266	4.4	–	–	–
2012	84	4.9	3,669	2,776	893
2013	6	4.6	3,284	3,284	–
2014	145	6.8	6,564	5,220	1,344
2015	1,700	4.6	2,555	2,555	–
2016	400	4.8	–	–	–
2017	1,030	4.9	–	–	–
2018	900	4.9	–	–	–
Later	2,500	4.8	196	196	–
<b>Total</b>	<b>14,031</b>	<b>4.6</b>	<b>16,268</b>	<b>14,031</b>	<b>2,237</b>

### KLOVERN'S LARGEST PROJECTS IN PROCESS

City	Property	Project type	Lettable area property, sq.m.	Project area, sq.m.	Economic occupancy rate after project, %	Estimated investment, SEKm	Remaining investment, SEK m	Increase in rental value due to project, SEKm	Rental value after project, SEKm	Estimated completion, year
Kista	Isafjord 1	Office/customer center	57,512	36,000 <sup>1)</sup>	100	662	159	42 <sup>2)</sup>	133	2012
Karlskrona	Skeppsbron 1	Office	3,007	3,007	100	70	10	7	7	2012
Kista	Lidarände 1	Office	19,195	3,700	100	43	1	6	27	2012
Nyköping	Mjölksflaskan 8 <sup>3)</sup>	Health care	8,035	3,560	93	38	36	3	9	2013
Härnösand	Ön 2:41	Archive	29,467	2,600	87	34	6	3	24	2012
Norrköping	Kopparhammaren 2 <sup>3)</sup>	Education/office	36,537	3,585	91	28	12	3	10	2012
Norrköping	Reläet 9	Keep fit	32,154	2,900	75	24	2	2	17	2012
Falun	Falun 8:9	Office	34,943	1,354	92	15	3	2	28	2012
<b>Total</b>			<b>220,850</b>	<b>56,706</b>		<b>914</b>	<b>229</b>	<b>68</b>	<b>255</b>	

<sup>1)</sup> Of which 27,000 sq.m. is for a new building and 9,000 sq.m. is for refurbishment of an existing building.

<sup>2)</sup> Of which SEK 6 million from the third quarter of 2011.

<sup>3)</sup> Projects which has started or expanded during the quarter.

## Profit and key ratios

The tables below show income statement items and key ratios broken down for Klöverns prioritized cities. The profit table shows current operations, which include properties sold and investments made during the period. The key ratio table refers to the situation at the respective end of each quarter, however, and the figures in the two tables are accordingly not wholly comparable.

FAIR VALUE, SEKm	2012	2011
	JAN-MAR	JAN-DEC
Fair value as at 1 January	14,880	13,493
Acquisitions	5,711	315
Investments	278	685
Sales	–	–48
Changes in value	53	435
<b>Fair value at the end of period</b>	<b>20,922</b>	<b>14,880</b>

### PROFIT PER BUSINESS UNIT AND MARKET AREA

	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Jan–Mar	Jan–Mar	Jan–Mar	Jan–Mar	Jan–Mar	Jan–Mar	Jan–Mar	Jan–Mar	Jan–Mar	Jan–Mar
Borås	13	13	–6	–6	7	7	54	54	7	1
Linköping	54	55	–18	–20	36	35	67	64	10	2
Norrköping	34	29	–15	–15	19	14	56	48	10	17
Nyköping	25	25	–9	–11	16	14	64	56	19	9
<b>South</b>	<b>126</b>	<b>122</b>	<b>–48</b>	<b>–52</b>	<b>78</b>	<b>70</b>	<b>62</b>	<b>57</b>	<b>46</b>	<b>29</b>
Karlstad	46	46	–16	–17	30	29	65	63	7	8
Västerås	36	34	–18	–20	18	14	50	41	15	12
Örebro	13	12	–4	–5	9	7	69	58	3	1
<b>West</b>	<b>95</b>	<b>92</b>	<b>–38</b>	<b>–42</b>	<b>57</b>	<b>50</b>	<b>60</b>	<b>54</b>	<b>25</b>	<b>21</b>
Kista	84	79	–31	–30	53	49	63	62	132	118
Täby	19	16	–8	–7	11	9	58	56	5	2
Uppsala	24	20	–12	–12	12	8	50	40	6	6
<b>East</b>	<b>127</b>	<b>115</b>	<b>–51</b>	<b>–49</b>	<b>76</b>	<b>66</b>	<b>60</b>	<b>57</b>	<b>143</b>	<b>126</b>
<b>Dagon*</b>	<b>48</b>	<b>–</b>	<b>–20</b>	<b>–</b>	<b>28</b>	<b>–</b>	<b>58</b>	<b>–</b>	<b>64</b>	<b>–</b>
<b>Other**</b>	<b>3</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>3</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>399</b>	<b>334</b>	<b>–157</b>	<b>–143</b>	<b>242</b>	<b>191</b>	<b>61</b>	<b>57</b>	<b>278</b>	<b>176</b>
Dagon Jan–Mar	142		–65		77		54		88	

\* From the date of taking possession, 2 March 2012.

\*\* Income consists of rental guarantees and lease redemption payments. Costs consist of items that are not directly attributable to normal real estate operations.

### KEY RATIOS PER BUSINESS UNIT AND MARKET AREA

	Fair value, SEKm		Required yield*, %		Area, 000 sq.m.		Rental value, SEKm		Econ. occupancy rate, %	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Borås	451	432	7.6	7.6	84	84	58	56	95	97
Linköping	2,203	2,169	7.2	7.2	282	282	259	255	86	87
Norrköping	1,310	1,166	7.2	7.2	169	163	152	133	90	87
Nyköping	953	908	7.6	7.7	133	133	115	111	89	89
<b>South</b>	<b>4,917</b>	<b>4,675</b>	<b>7.3</b>	<b>7.4</b>	<b>668</b>	<b>662</b>	<b>584</b>	<b>555</b>	<b>88</b>	<b>88</b>
Karlstad	1,732	1,582	7.1	7.3	202	201	200	193	91	94
Västerås	1,330	1,247	7.4	7.4	217	217	171	164	86	85
Örebro	456	430	7.2	7.2	58	58	53	52	94	95
<b>West</b>	<b>3,518</b>	<b>3,259</b>	<b>7.2</b>	<b>7.3</b>	<b>477</b>	<b>476</b>	<b>424</b>	<b>409</b>	<b>90</b>	<b>91</b>
Kista	5,079	4,504	6.4	6.5	254	254	376	361	91	88
Täby	666	575	7.3	7.4	76	68	82	71	93	97
Uppsala	982	751	8.4	8.6	85	67	125	102	81	79
<b>East</b>	<b>6,727</b>	<b>5,830</b>	<b>6.8</b>	<b>6.9</b>	<b>415</b>	<b>389</b>	<b>583</b>	<b>534</b>	<b>89</b>	<b>88</b>
<b>Dagon</b>	<b>5,760</b>	<b>–</b>	<b>7.5</b>	<b>–</b>	<b>818</b>	<b>–</b>	<b>665</b>	<b>–</b>	<b>85</b>	<b>–</b>
<b>Total</b>	<b>20,922</b>	<b>13,764</b>	<b>7.2</b>	<b>7.1</b>	<b>2,378</b>	<b>1,527</b>	<b>2,256</b>	<b>1,498</b>	<b>88</b>	<b>89</b>

\* Yield requirements have been calculated excluding building rights.

## Properties and changes in value

As at 31 March 2012, Klöver's portfolio consisted of 379 properties (255). The rental value totalled SEK 2,256 million (1,554) and the fair value of the properties was SEK 20,922 million (14,880). The total lettable area amounted to 2,378,000 sq.m. (1,561,000).

During the period, the change in value of the properties totalled SEK 53 million (112). The changes in value include realized changes in value of SEK 0 million (1) and unrealized changes in value of SEK 53 million (111). The unrealized changes in value do not affect the cash flow.

On average, Klöver's property portfolio has been valued, as at 31 March, with a required yield of 7.2 per cent (7.1). The unrealized changes in value have arisen to a great extent through positive net moving-in and newly signed leases, which has led to increased rental levels and thus also a higher market rent and lower operating costs mainly deriving from energy optimizations at the properties.

Klöver values 100 per cent of its property each quarter of which 20–30 per cent externally. External valuations have been performed by DTZ Sweden, Savills, CBRE and Widehov Konsult. Every property in the portfolio is externally valued at least once during a rolling 12-month period. DTZ has served as advisor when the required yields have been determined in most of the internal valuations. See Klöver's annual report for 2011 for a more detailed description of valuation principles.

## The share and shareholders

During the quarter, Klöver has made a bonus issue and a new issue of preference shares. The bonus issue was made to all of Klöver's common shareholders and consisted of 4,163,609 preference shares. In the bonus issue, capital was transferred corresponding to SEK 3.30 per common share to the preference shareholders. The new issue was for payment to Dagon shareholders, who accepted Klöver's public offer during the ordinary acceptance period. A total of 7,544,531 preference shares were issued in the new issue.

Klöver's common and preference shares are listed on NASDAQ OMX Stockholm Mid Cap. On 30 March, the share price was SEK 25.10 per common share (25.90) and SEK 135.50 per preference share (-), corresponding to a total capitalization of SEK 5,584 million (4,165). During the period 22.7 million common shares (19.0) were traded, corresponding to 352,000 shares (333,000) per day. 2.9 million (-) preference shares were traded, corresponding to 63,000 shares per day (-). The total share turnover amounted to SEK 982 million (662).

At the end of the period, the number of shareholders was 27,694 (27,213) and 82 per cent (84) of the share-capital were Swedish-owned.

Klöver's holding of repurchased shares amounts to 5,884,999, corresponding to 3.4 per cent of the total number of registered common shares and 1.2 percent of the total number of registered preference shares. No new repurchases have taken place during the year.

SHAREHOLDERS				
31.03.2012	No common shares, thousands	No preference shares, thousands	Share capital, %	Share votes, %
Corem Property Group	32,200	805	19.2	19.9
Arvid Svensson Invest	24,159	2,456	15.5	15.1
Rutger Arnhult via companies*	13,738	263	8.1	8.5
Brinova Inter	9,861	246	5.9	6.1
Länsförsäkringar funds	7,646	–	4.4	4.7
Swedbank Robur funds*	4,576	51	2.7	2.8
Handelsbanken funds*	3,751	0	2.2	2.3
JPM Chase NA	3,495	86	2.1	2.2
SEB Investment Management	2,816	53	1.7	1.7
BNP Paribas Security Services	2,838	–	1.6	1.8
<b>Total largest shareholders</b>	<b>105,080</b>	<b>3,960</b>	<b>63.4</b>	<b>65.1</b>
Other shareholders	55,723	7,462	36.6	34.9
<b>Total outstanding shares</b>	<b>160,803</b>	<b>11,422</b>	<b>100.0</b>	<b>100.0</b>
Repurchased own shares	5,741	143		
<b>Total registered shares</b>	<b>166,544</b>	<b>11,565</b>		

\* Owner group.

## Organization

Rutger Arnhult took up his position as CEO on 1 January 2012.

Klövern's business model entails closeness to the customer by having our own staff at all business units. At the end of the period, the number of employees in Klöver was 183 (132), of which 50 persons were included in the acquisition of Dagon (-). The average age was 46 years (45) and the proportion of women was 42 per cent (44).

## The tax situation

### *Outcome of tax case*

In March, the Stockholm County Administrative Court quashed the tax supplement of SEK 493 million, which had previously been imposed on Klöver in tax assessment for 2003. According to the Administrative Court judgment, while Klöver had submitted incorrect information, the court considered that it was manifestly inequitable for the tax supplement to be imposed. The Tax Agency has until 13 May 2012 to appeal against the Administrative Court judgment to the Administrative Court of Appeal. Since the Tax Agency's decision, Klöver has had a respite on payment of the tax surcharge.

### *Tax for the year*

Deferred tax of SEK -2 million (-8) has been charged to profit of current real estate operations. Furthermore, among other things, the change in the difference between fair value and residual value of properties and derivatives for tax purposes has entailed deferred tax of SEK -65 million (-67). In total, a cost for deferred tax at SEK -67 million (-75) is included and no current tax (-).

## Significant risks and uncertainty factors

A property company is exposed to various risks and possibilities in its business activities. Internal regulations and policies limit exposure to different risks. Klöver's significant risks and exposure and their management are described on pages 62-65 of the 2011 Annual Report. The exposure has changed due to the acquisition of Dagon. For more information, see Dagon's interim report January-March 2012.

## Accounting policies

This interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting and, in the case of the parent company, the Annual Accounts Act. The accounting

policies applied in this interim report are in essential parts those described in note 1 of Klöver's Annual report for 2011.

## Dividend

At the beginning of the second quarter of 2012, Klöver has paid dividend of SEK 2.50 per preference share in Klöver. The record day was 30 March 2012.

The Board is recommending to the Annual General Meeting a dividend for the 2011 financial year of SEK 1.25 per common share (1.50) and SEK 10.00 (-) per preference share, distributed at SEK 2.50 per quarter starting from the second quarter of 2012. The record day for dividend to common shareholders is proposed to be 20 April, the expected payment date being 25 April 2012. The record day for the preference shareholders is the last weekday of the respective calendar quarter and the payment date around three banking days later, see the Calendar.

## Events after the end of the period

Klövern has concluded a lease contract for letting of another floor at Victoria Tower in Kista. From 1 July, Syntronic is leasing a floor consisting of 550 sq.m., with a total annual rent of SEK 1.4 million, on a four-year lease at Victoria Tower in Kista. Klöver has already let a floor with 550 sq.m. for moving in on 1 May 2012 and will also move its own Kista office to a 450 sq.m. floor.

At the end of the first extended acceptance period on 2 April 2012, for the public offer for all shares in Dagon AB (publ), shareholders representing 99.8 per cent of the total number of outstanding shares had accepted the offer, wherein another 66,638 preference share were issued. The outcome after the second extension period is estimated to be published 18 April 2012. Klöver intends to apply for delisting of Dagon in the near future.

## Annual General Meeting

The 2012 Annual General Meeting will take place at Kistamässan in Kista, Stockholm at 4pm on 17 April 2012.

Nyköping, 17 April 2012

Board of Directors in Klöver AB (publ)

This report has not been reviewed by Klöver's auditors.

## Consolidated Statement of Income

SEKm	2012 3 months Jan–Mar	2011 3 months Jan–Mar	2011 12 months Jan–Dec	Rolling 12 months Apr–Mar
Income	399	334	1,364	1,429
Property costs	–157	–143	–507	–521
<b>Operating surplus</b>	<b>242</b>	<b>191</b>	<b>857</b>	<b>908</b>
Central administration	–25	–13	–71	–82
Net financial items	–119	–81	–358	–396
<b>Profit from property management</b>	<b>98</b>	<b>97</b>	<b>428</b>	<b>430</b>
Changes in value, properties	53	112	435	376
Changes in value, derivatives	91	65	–225	–199
<b>Profit before tax</b>	<b>242</b>	<b>274</b>	<b>638</b>	<b>607</b>
Current tax	–	–	0	0
Deferred tax	–67	–75	–173	–166
<b>Net profit for the period</b>	<b>175</b>	<b>199</b>	<b>465</b>	<b>441</b>
Other comprehensive income	–	–	–	–
<b>Comprehensive income for the period</b>	<b>175</b>	<b>199</b>	<b>465</b>	<b>441</b>
Earnings per common share, SEK	0.91	1.24	2.89	2.56
Earnings per preference share, SEK	2.50	–	–	2.50
No. of common shares outstanding at the end of the period, million	161	161	161	161
No. of preference shares outstanding at the end of the period, million	11	–	–	11
Average no. of outstanding common shares, million	161	161	161	161

There are no outstanding warrants or convertibles.

## Consolidated Balance Sheet

SEKm	31.03.2012	31.03.2011	31.12.2011
<b>Assets</b>			
Goodwill	384	–	–
Investment properties	20,922	13,764	14,880
Machinery and equipment	10	8	8
Derivates	–	51	–
Deferred tax assets	523	397	397
Other receivables	192	146	94
Liquid funds	345	96	11
<b>Total assets</b>	<b>22,376</b>	<b>14,462</b>	<b>15,390</b>
<b>Shareholder's equity and liabilities</b>			
Shareholder's equity	5,923	4,715	4,740
Minority interest	0	–	–
Deferred tax liability	1,364	575	673
Interest-bearing liabilities	14,031	8,662	9,345
Derivatives	241	–	242
Accounts payable	139	102	49
Other liabilities	107	40	34
Accrued expenses and prepaid income	571	368	307
<b>Total shareholder's equity and liabilities</b>	<b>22,376</b>	<b>14,462</b>	<b>15,390</b>

## Change in Consolidated Shareholders' Equity

SEKm	
<b>Shareholders' equity 01.01.2011</b>	<b>4,516</b>
Dividend	-241
Net profit for the year	465
<b>Shareholders' equity 31.12.2011</b>	<b>4,740</b>
New issue	1,038
Dividend preference shares	-29
Net profit for the period	175
<b>Shareholders' equity 31.03.2012</b>	<b>5,923</b>

Note that the rounding to SEKm means that the amounts don't summarize.

## Consolidated Statement of Cash Flow

SEKm	2012 3 months Jan-Mar	2011 3 months Jan-Mar	2011 12 months Jan-Dec
<b>Current operations</b>			
Profit from property management	98	97	428
Adjustment for items not included in the cash flow	0	2	6
Income tax paid	-	-	-1
<b>Cash flow from current operations before change in working capital</b>	<b>98</b>	<b>99</b>	<b>433</b>
<b>Changes in working capital</b>			
Change in operating receivables	-5	-17	35
Change in operating liabilities	214	-8	-127
Total change in working capital	209	-25	-92
<b>Cash flow from current operations</b>	<b>307</b>	<b>74</b>	<b>341</b>
<b>Investment operations</b>			
Divestment of properties	-	39	48
Acquisition of and investment in properties	-278	-198	-1,000
Acquisition of subsidiaries	-422	-	-
Acquisition of machinery and equipment	-2	0	-1
<b>Cash flow from investment operations</b>	<b>-702</b>	<b>-159</b>	<b>-953</b>
<b>Financing operations</b>			
Change in interest-bearing liabilities	758	145	828
Dividend	-29	-	-241
<b>Cash flow from financing operations</b>	<b>729</b>	<b>145</b>	<b>587</b>
<b>Cash flow for the period</b>	<b>334</b>	<b>60</b>	<b>-25</b>
Liquid funds at the beginning of the period	11	36	36
<b>Liquid funds at the end of the period</b>	<b>345</b>	<b>96</b>	<b>11</b>

## Parent Company Statement of Income

SEKm	2012 3 months Jan–Mar	2011 3 months Jan–Mar	2011 12 months Jan–Dec
Net sales	28	27	108
Cost of services sold	–20	–21	–81
<b>Gross profit</b>	<b>8</b>	<b>6</b>	<b>27</b>
Central administration	–16	–13	–69
<b>Operating profit</b>	<b>–8</b>	<b>–7</b>	<b>–42</b>
Interest income	0	0	466
Interest costs	–5	–1	–3
<b>Profit after financial items</b>	<b>–13</b>	<b>–8</b>	<b>421</b>
Current tax	–	–	–
Deferred tax	–3	–8	–8
<b>Net profit for the period</b>	<b>–16</b>	<b>–16</b>	<b>413</b>

## Parent Company Balance Sheet

SEKm	31.03.2012	31.03.2011	31.12.2011
<b>Assets</b>			
Machinery and equipment	2	2	2
Participation in group companies	1,838	320	320
Receivables from group companies	4,128	3,475	4,110
Deferred tax assets	394	397	397
Accounts receivables	16	5	10
Liquid funds	222	108	8
<b>Total assets</b>	<b>6,600</b>	<b>4,307</b>	<b>4,847</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	4,079	2,898	3,086
Interest-bearing liabilities	1,220	–	–
Liabilities to group companies	1,167	1,352	1,719
Accounts payable	23	6	8
Other liabilities	62	12	9
Accrued expenses and prepaid income	49	39	25
<b>Total shareholders' equity and liabilities</b>	<b>6,600</b>	<b>4,307</b>	<b>4,847</b>

## Acquisition analysis

### Acquired net assets, SEKm (preliminary)

Investment properties	5,711
Deferred tax asset	132
Other assets	128
Interest-bearing liabilities	–3,928
Reported deferred tax liability	–226
Other liabilities	–287
Additional deferred tax according to the preliminary acquisition analysis	–404
<b>Acquired net assets</b>	<b>1,126</b>
Paid purchase price	–456
Liquid funds in acquired subsidiaries	34
<b>Impact on consolidated liquid funds</b>	<b>–422</b>

### Estimate goodwill, SEKm (preliminary)

Purchase price	
– paid in cash	456
– new issue	1,039
– loans in connection with acquisition	0
– not accepted shares in connection with acquisition	15
<b>Offer value, Dagon's shares, 100% of the shares</b>	<b>1,510</b>
Acquired net assets	–1,126
<b>Goodwill</b>	<b>384</b>

Please see p.5 for more information about the acquisition of Dagon.

## Key ratios

	2012-03-31 3 months Jan-Mar	2011-03-31 3 months Jan-Mar	2012-03-31 rolling 12 months Apr-Mar	2011	2010	2009	2008	2007
<b>Property</b>								
Number of properties	379	248	379	255	250	217	217	220
Lettable area, 000 sq.m.	2,378	1,527	2,378	1,561	1,528	1,392	1,382	1,394
Rental value, SEKm	2,256	1,498	2,256	1,554	1,486	1,385	1,360	1,309
Fair value properties, SEKm	20,922	13,764	20,922	14,880	13,493	12,032	11,895	12,154
Direct yield requirement valuation, %	7.2	7.1	7.2	7.1	7.2	7.2	7.1	6.6
Operating margin, %	61	57	63	63	60	62	62	63
Occupancy rate, economic, %	88	89	88	89	89	89	90	88
Occupancy rate, area-based, %	80	79	80	80	79	80	82	80
Average lease term, years	2.9	2.9	2.9	2.8	2.8	3.0	3.1	2.9
<b>Financial</b>								
Return on equity, %	3.5	4.3	9.3	10.1	14.0	5.8	-10.7	28.1
Equity ratio, %	26.5	32.6	26.5	30.8	32.1	32.7	32.3	37.4
Leverage, %	67	63	67	63	63	64	64	58
Leverage properties, %	61	63	61	63	63	64	64	58
Interest coverage ratio	1.8	2.2	2.1	2.2	2.8	3.2	2.0	2.2
Average interest, %	4.6	3.9	4.6	4.2	3.6	2.7	4.2	4.6
Average fixed-interest period, years	3.0	2.3	3.0	2.7	2.4	3.2	1.1	1.4
Average period of tied-up capital, years	2.2	2.0	2.2	1.9	2.0	1.8	2.6	3.7
Interest-bearing liabilities, SEKm	14,031	8,662	14,031	9,345	8,517	7,646	7,645	7,007
<b>Share</b>								
Earnings per common share, SEK	0.91	1.24	2.56	2.89	3.76	1.48	-2.92	7.36
Earnings per preference share, SEK	2.50	—	2.50	—	—	—	—	—
Equity per share, SEK	34.4	29.3	34.4	29.5	28.1	25.6	25.1	29.4
Share price common share at end of period, SEK	25.1	34.5	25.1	25.9	34.0	22.9	18.2	25.5
Share price preference share at end of period, SEK	135.5	—	135.5	—	—	—	—	—
Market capitalization, SEKm	5,584	5,548	5,584	4,165	5,467	3,682	2,929	4,227
Total no. of registered common shares at end of period, million	166.5	166.5	166.5	166.5	166.5	166.5	166.5	166.5
Total no. of outstanding common shares at end of period, million	160.8	160.8	160.8	160.8	160.8	160.8	160.8	165.8
Total no. of outstanding preference shares at end of period, million	11.4	—	11.4	—	—	—	—	—
Dividend per common share, SEK	—	—	—	1.25*	1.50	1.25	1.00	1.50
Dividend per preference share, SEK	—	—	—	10.00*	—	—	—	—
Dividend in relation to profit from property management, %	—	—	—	56*	55	41	46	64

\* Proposed dividend.

# Definitions

## Property

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### Area-based occupancy rate

Let area in relation to total lettable area.

### Direct yield requirement, valuation

The required yield of property valuations on the residual value.

### Economic occupancy rate

Lease value in relation to rental value at the end of the period.

### Lease value

Rent for premises, index and rent supplement according to lease.

### Net moving-in

Lease value of tenants moving in less lease value of moving-out tenants.

### Operating margin

Operating surplus in per cent of total income.

### Operating surplus

Total income less rent losses, operating and maintenance costs, property administration, site leasehold charges and property tax.

### Other income

Income from rental guarantees and redemption of leases.

### Profit from property management

Profit before changes in value and tax.

### Realized change in value

Property sales during the period after deduction of the properties' most recent reported fair value and selling expenses.

### Rental value

Lease value plus assessed market value for space not rented at end of period.

### Unrealized change in value

Change in fair value of the property portfolio after deduction of investments made.

## Finance

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### Equity ratio

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

### Interest coverage ratio

Profit from property management plus financial costs in relation to financial costs.

### Leverage

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

### Leverage, properties

Property-related interest-bearing liabilities in relation to the fair value of the properties at the end of the period.

### Return on equity

Profit for the period in relation to average equity.

## Share

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### Earnings per common share

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

### Earnings per preference share

The preference share's part of the profit corresponding to the periods accumulated yearly dividend of SEK 10 per preference share.

### Equity per share

Shareholders' equity in relation to outstanding common and preference shares at balance sheet date. Preference shares in connection with the liquidation of the Company, preferential rights to SEK 150 kr of equity plus the period's share of accumulated entitlement to annual dividend of SEK 10 kr.

This information in the interim report is such that Klöver AB (publ) is obliged to publish under the Securities Market Act and/or the Financial Instruments Trading Act. The information was made available for publication on 17 April 2012.

*Klövern is a real estate company committed to working closely with customers to meet their needs of premises and services in Swedish growth regions. Klöver is one of the larger real estate companies in Sweden specializing in commercial premises.*

As at 31 March 2012, the properties were valued at SEK 20.9 billion and the rental value was SEK 2.3 billion. The Klöver share is listed on NASDAQ OMX Stockholm Mid Cap.

The company is organized with a service office and headquarters in Nyköping and business units in prioritized cities. The service office is responsible for management, economy, financing, transactions, rental administration, information and investor relations as well as business support to the business units.

The business units focus on contact with the customer. Having our own staff where the tenants are located ensures fast service and good knowledge of the market.



Klövern's personnel.

#### Vision

*Klövern is creating the communities of tomorrow.*

We aim to be an active player in the creation of city districts, areas and business clusters.

Klövern's primary task is to provide premises but, if we are also able to contribute to strengthening the cities where we operate, this will also benefit Klöver and Klöver's shareholders.

#### Business concept

*Klövern shall with availability and commitment meet the customer's need of premises and services in Swedish growth regions.*

Klövern's base product is, of course, our premises. Klöver focuses on commercial premises in the framework of Business and Science Parks, small enterprise parks and city properties.

Our way of providing premises, i.e. with availability and commitment, together with the fact that we want to meet the customer's needs and not just sell a finished product says a lot about Klöver's method of work.

#### Motto

*Making the customer's day easier every day.*

If our tenants feel that we make their life easier, this will be a weighty argument when lease contracts expire and it is time for renegotiation.

Klövern shall make their life easier today and tomorrow. This means quite simply being a step ahead and anticipating tomorrow's needs. Satisfied tenants are a prerequisite for achieving the goal of positive net moving-in and a low tenant turnover rate

# Calendar

<u>Annual General Meeting</u>	17 April 2012
<u>Final day for trading conferring right to dividend for common shareholders (proposed)</u>	17 April 2012
<u>Record day for dividend to common shareholders</u>	20 April 2012
<u>Expected dividend payment date from Euroclear for common shareholders</u>	25 April 2012
<u>Final day for trading conferring right to dividend for preference shareholders (proposed)</u>	26 June 2012
<u>Record day for dividend to preference shareholders</u>	29 June 2012
<u>Expected dividend payment date from Euroclear for preference shareholders</u>	4 July 2012
<u>Interim report, January–June 2012</u>	10 July 2012
<u>Final day for trading conferring right to dividend for preference shareholders (proposed)</u>	25 September 2012
<u>Record day for dividend to preference shareholders</u>	28 September 2012
<u>Expected dividend payment date from Euroclear for preference shareholders</u>	3 October 2012
<u>Interim report, January–September 2012</u>	23 October 2012
<u>Final day for trading conferring right to dividend for preference shareholders (proposed)</u>	21 December 2012
<u>Record day for dividend to preference shareholders</u>	28 December 2012
<u>Expected dividend payment date from Euroclear for preference shareholders</u>	4 January 2013
<u>Year-end report 2012</u>	13 February 2013
<u>Final day for trading conferring right to dividend for preference shareholders (proposed)</u>	26 March 2013
<u>Record day for dividend to preference shareholders</u>	28 March 2013
<u>Expected dividend payment date from Euroclear for preference shareholders</u>	4 April 2013

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# KLÖVERN