

KLÖVERN

May 15, 2003

Interim Report January – March 2003

- **Profit after taxes amounted to MSEK 13.2.**
- **Properties in seven localities have been sold for MSEK 39 for a gain of MSEK 3.4.**
- **Klövern's shares are again traded on the O-list of the Stockholm Stock Exchange since April 30, 2003.**

Profits

For the period January – March, profit after taxes amounted to MSEK 13.2. This result includes gains on sales of properties in the amount of MSEK 3.4. Rental revenue amounted to MSEK 64.7 and the operating surplus was MSEK 35.9. Net financial items were MSEK –22.5.

Cash flow and financial position

The cash flow amounted to MSEK 24.3 and the equity ratio at the end of the period stood at 24.0 percent, equivalent to 26.2 percent after full conversion. Shareholders' equity was MSEK 535.1 as of March 31, 2003, liquid funds were MSEK 87.2 and interest-bearing liabilities at the same point in time was MSEK 1,553. The average interest on borrowings was 5.8 percent at the end of the period, with an average interest-fixing period of 2.5 years.

Revenue and property costs

Rental revenue amounted to MSEK 64.7 for the period January – March 2003 and property costs amounted to MSEK 28.8, making the operating surplus MSEK 35.9. As of March 31 the occupancy rate for the property holdings was 89 percent of rental values, which is unchanged compared to the situation at year-end 2002.

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 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.

Property holdings

Klövern's property holdings as of March 31, 2003 are summarized below:

Type of property	Number of properties	Floor-space, sq.m. ¹⁾	Rental value, MSEK	Economic occupancy rate, %
Offices	29	147,459	130.2	89
Industry/warehouse	30	162,921	91.9	89
Retail	9	32,137	27.1	94
Education	3	18,264	14.9	77
Residential	2	11,312	9.2	89
Other ²⁾	-	5,704	10.3	92
Total	73	377,797	283.6	89

- 1) Reclassification of space within the properties has resulted in a net change in rentable space of 900 square meters compared to the situation December 31, 2002.
2) This category includes parking and garage space with an aggregate rental value of MSEK 3.7.

Financing

As of March 31, 2003, interest-bearing liabilities stood at MSEK 1,553 with an average annual borrowing rate of 5.8 percent and an average period of fixed interest of 2.5 years. Loans maturing during 2003 had an average period fixed interest of 63 days. The average period of fixed interest was 3.8 years as of March 31.

Loan structure as of March 31, 2003

Maturity	MSEK	Average interest rate, %	Percentage of total
2003	437	5.3	28
2004	64	6.1	4
2005	415	5.8	27
2006	129	6.0	8
2007	404	6.2	26
2008	55	5.8	4
Subordinated loan	50	6.3	3
Total	1,553	5.8	100

Capital expenditures

A total of MSEK 25 was invested during the period in renovations of properties, primarily in Norrköping, Nyköping and Uppsala. The amounts have been capitalized in their entirety.

Property sales

A total of seven properties were sold for a total price of MSEK 39, for a gain of MSEK 3.4. These sales mean that Klöverl leaves seven localities where the holdings were only one smaller property per locality.

Subordinated convertible debenture loan

During 2002 Klöver AB issued a subordinated convertible debenture loan in the amount of MSEK 50. The loan – Klöver AB K2b – is listed, falls due for repayment June 30, 2004 and carries interest at a rate of 6.25 percent. Conversion to shares may take place during the period August 15, 2002 – June 18, 2004 at a conversion price of SEK 11 per share. A total of 4 545 455 class B shares may be added upon full conversion. The greater part of the subordinated convertible debenture loan – 64 percent – is held by Investment AB Öresund, who upon conversion to shares can increase its holding in Klöver AB by 2.9 million class B shares.

Reporting and accounting principles

Owing to Klöver AB's change of direction, from consulting operations to real estate during the second half of 2002, changes and complementary adjustments were made in the financial reporting. The same accounting principles and calculation methods were used as in Klöver AB's Annual Report 2002. All historical comparative data in this interim report for the first six months of 2002 are in their entirety attributable to the then Adcore's consulting business. Additional explanatory comments will be found in conjunction with the income statements, balance sheets, cash flow statements and key financial indicator reporting

Events after the end of the reporting period

Annual General Meeting held April 23, 2003

At Klöver AB's regularly scheduled Annual General Meeting held April 23, 2003 Stefan Dahlbo and Erik Paulsson were re-elected. The Meeting decided to elect the following as new members of the Board of Directors: Gustaf Hermelin, President & CEO of Klöver AB, Anna-Greta Lundh, President of Länsförsäkringar Södermanland, Bo Pettersson, President of Catella Capital AB, Johan Piehl, President of Förvaltnings AB Charrow and Anders Swensson, President of Nect Management AB. Directors Lars Evander and Ole Oftedal had requested not to be considered for re-election. At the subsequent statutory Board of Directors meeting Stefan Dahlbo was re-elected as Chairman. It was also decided to select the registered auditing firm of Ernst & Young as auditors for a term of four years and that Klöver AB's registered office will be located in Nyköping. The Meeting resolved that a provision be added to the Articles of Incorporation to the effect that all outstanding class A shares outstanding as of January 2, 2004 shall be automatically converted to class B shares on that day. This means that the Company after the conversion scheduled for January 2, 2004 will have only one class of share. The Annual General Meeting resolved to authorize the Board of Directors to issue – on one or more occasions, and with or without departure from preferential rights for shareholders – up to 20.000.000 class B shares, each share in a nominal amount of SEK 5. Payment for the new shares may be made in kind, through offset or in cash.

Klöver AB's shares again on the regular O-list

When Klöver AB (the former Adcore AB) on May 16, 2002 announced that the Company was to change its business orientation from IT consulting services to real estate operations, the Stockholm Stock Exchange decided that the Company's shares would be traded on the observation section of the O-list and that the Company would have to re-apply for listing. After completing the required process of examination during the spring of 2003, the Stockholm Stock Exchange ruled that the Company satisfies the requirements for listing of its shares on the O-list of the Exchange. The Stockholm Stock Exchange therefore decided that the Company's shares again should be traded on the O-list from April 30, 2003. Klöver AB's prospectus for re-listing on the regular O-list is available on Klöver AB's home page www.kloverb.se.

Hagströmer & Qviberg appointed to act as market maker

Klövern has entered into an agreement with Hagströmer & Qviberg Fondkommission to act as market maker in Klövern' class B share starting May 2, 2003. The purpose of market making is to increase the liquidity in the Company' shares. In brief, the agreement means that the market maker quotes a bid and offered price for Klövern's class B share and undertakes to buy and sell shares at these prices.

Schedule of financial reporting

Semi-annual report January – June 2003

August, 21 2003

Interim report January – September 2003

November 5, 2003

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

Nyköping, May 15, 2003

Klövern AB (publ)

Gustaf Hermelin

President & CEO

For further information:

An analyst meeting will be held at 8:00 a.m., Friday, May 16 at Operaterrassen in Stockholm.

Application to attend may be made via Financial Hearing's home page www.financialhearings.com

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Klövern 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. The book value of the properties amounts to 1.9 billion Swedish kronor and rental revenue on an annual basis is about MSEK 260.

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Consolidated Statements of Income MSEK	2003	2002	2002
	3 months ¹⁾	3 months ²⁾	12 months ^{3) 4)}
	Jan. – Mar.	Jan.–Mar.	Jan.–Dec.
Net revenues	64.7	112.2	96.5
Property costs	-28.8	–	–35.5
Other operating expenses	-	-111.0	–
Operating surplus	35.9	1.2	61.0
Depreciation of equipment	-0.3	-3.7	-0.5
Gross result	35.6	-2.5	60.5
Central administration	-3.3	–	-4.1
Result from property sales	3.4	–	0.0
Items affecting comparability	-	39.9	143.4
Amortization of goodwill	-	-1.9	–
Operating result	35.7	35.5	199.8
Interest income	0.6	–	2.6
Interest expense	-23.1	-1.3	-36.3
Profit after financial items	13.2	34.2	166.1
Current taxes ⁵⁾	-	–	4.3
Deferred taxes	-	–	39.2
Net profit for the period	13.2	34.2	209.6

Earnings per share before items affecting comparability and taxes before dilution and conversion, SEK	0.32	-0.01	1.71
Earnings per share before items affecting comparability and taxes after dilution and conversion, SEK	0.30	-0.01	1.61
Earnings per share before dilution and conversion, SEK	0.32	0.06	15.76
Earnings per share after dilution and conversion, SEK	0.30	0.06	13.98
Number of shares outstanding at end of period before dilution and conversion, million	41.3	575.7	41.3
Number of shares outstanding at end of period after dilution and conversion, million	45.9	621.4	45.9
Average number of shares outstanding before dilution and conversion, million	41.3	575.7	13.3
Average number of shares outstanding after dilution and conversion, million	45.9	616.9	15.1

1) Values in column for Q1 2003 contain real estate operations in Klöver AB.

2) Values in column for Q1 2002 contain the then Adcore Group's IT consulting operations.

3) Values for the full year 2002 contain real estate operations in Klöver AB for Q3 and Q4 and Q1–2 relating to operations in the then Adcore AB's IT consulting operations.

4) Operating expenses attributable to the restructuring of the operations during 2002 are reported as items affecting comparability.

5) Amounts during 2002 refer to effects in connection with the acquisition of StrandFastigheter i Nyköping AB and StrömFastigheter i Norrköping AB.

Consolidated Balance Sheets				
MSEK	Mar. 31, 2003	Mar. 31, 2002¹⁾	Dec. 31, 2002	
Fixed assets				
Deferred tax claim	200.0	198.4	200.0	
Equipment	5.3	24.0	5.4	
Intangible fixed assets	-	30.7	0.0	
Total fixed assets	205.3	253.1	205.4	
Current assets				
Properties	1,864.5	-	1 875.9	
Short-term receivables	75.2	113.5	89.2	
Liquid funds	87.2	41.6	62.9	
Total current assets	2,026.9	155.1	2 028.0	
TOTAL ASSETS	2,232.2	408.2	2 233.4	
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	535.1	159.3	522.2	
Provisions	18.7	40.9	18.7	
Subordinated convertible debenture loan	50.0	-	50.0	
Interest-bearing liabilities	1,503.5	20.0	1 502.0	
Accrued expenses and prepaid income	81.3	45.0	84.9	
Accounts payable	20.9	34.6	36.2	
Other liabilities	22.7	108.4	19.4	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,232.2	408.2	2 233.4	

Changes in shareholders' equity	Share capital	Restricted reserves	Unrestricted reserves	Total shareholders' equity
Opening balance January 1, 2003	206.6	129.9	185.7	522.2
New issue				-
Other, net			-0.3	-0.3
Net result for the period			13.2	13.2
Closing balance, March 31, 2003	206.6	129.9	198.6	535.1

1) Values in column for Q1 2002 contain the then Adcore Group's IT consulting operations.

Consolidated Statements of Cash Flow MSEK	2003 3 months Jan. – Mar.	2002 3 months¹⁾ Jan.–Mar.	2002 12 months²⁾ Jan.–Dec.
Current operations			
Profit after financial items	13.2	34.2	166.1
Adjustment for items not included in cash flow, etc.	–3.1	–34.3	–169.8
Paid income taxes	–0.2	5.7	–
Cash flow from current operations before change in working capital	9.9	5.6	–3.7
Change in working capital			
Change in operating receivables	13.6	–10.1	42.2
Change in operating liabilities	–15.4	–40.9	–86.3
Total change in working capital	–1.8	–51.0	–44.1
Cash flow from current operations	8.1	–45.4	–47.8
Investment operations			
Investment in goodwill relating to additional purchase money	–	–	–
Acquisition of subsidiaries and businesses	–	–	1.1
New issue in connection with acquisition	–	–	–
sale of subsidiaries	–	–1.6	–
Acquisition of properties	–	–	–1 145.0
Acquisition of intangible fixed assets	–	–	–
Acquisition of tangible fixed assets	–24.8	3.0	–5.9
Sale of tangible fixed assets	39.5	3.0	–5.9
Investment in financial assets	–	–	–2.2
cash flow from investment operations	14.7	4.4	–1 157.9
Financing operations			
New issue	–	–	253.3
Change in interest-bearing liabilities	1.5	–0.4	952.6
Expenses for new issues	–	–	–21.3
Change in long-term receivables	–	–0.5	–
Change in current liabilities	–	8.4	–
Change in short-term receivables	–	–	–
Option premiums received	–	–	–
Cash flow from financing operations	1.5	7.5	1 184.6
Cash flow for the period	24.3	–33.5	–21.1
Liquid funds at beginning of period	62.9	78.1	78.1
Liquid funds at end of period	87.2	44.6	57.0

1) Values in column for Q1 2002 contain the then Adcore Group's IT consulting operations.

2) Values for the full year 2002 contain real estate operations in Klövern AB for Q3 and Q4 and Q1–2 relating to operations in the then Adcore AB's IT consulting operations.

Key financial indicators	2003 3 months Jan.–Mar.	2002 3 months¹⁾ Jan.–Mar.	2002 12 months²⁾ Jan.–Dec.
Return on equity before items affecting comparability and taxes before conversion, %	2.5	neg.	7.0
Return on equity before items affecting comparability and taxes before conversion, %	2.4	neg.	7.0
Return on equity before conversion, %	2.5	24.1	64.8
Return on equity after conversion, %	2.4	24.1	60.6
Equity ratio at end of period before conversion, %	24.0	39.0	23.4
Equity ratio at end of period after conversion, %	26.2	39.0	25.6
Visible equity per share at end period before dilution and conversion, SEK	12.96	3.86	12.64
Visible equity per share at end period after dilution and conversion, SEK	12.75	3.47	12.47
Interest coverage ratio	1.6	27.3	5.6

1) Values in column for Q1 2002 contain the then Adcore Group's IT consulting operations.

2) Values for the full year 2002 contain real estate operations in Klöver AB for Q3 and Q4 and Q1–2 relating to operations in the then Adcore AB's IT consulting operations.

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.

In reported ratios after conversion, due consideration was given to effect of issued subordinated convertible debenture in the amount of MSEK 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.