



Klövern in brief



Closeness to the customer in two senses

Klövern is represented by its own staff in all ten prioritized cities. Our own staff, who are physically present at the customer's chosen location, are a guarantee of swift service and good knowledge of the market. Being close also means having good knowledge about the tenant and their day-to-day situation. We can then provide that something extra and personal as landlord and owner of the property.

Commitment above the ordinary

Klövern's motto – making the customer's day easier every day – is firmly anchored in the company. Making the customer's day easier means, of course, doing one's best to solve the problems that crop up, but also being proactive, being a step ahead. Klöverns employees are not just anybody. We consider that we have unusually good and committed personnel, who really care about both the tenants and the company.

Creating the communities of tomorrow

Klövern's vision is to be an active property owner in all cities. We do not only care about the tenants and the buildings but also the development of the cities where we are located. We make a contribution to the growth of city neighbourhoods, participate in business sector and community organizations, and have a close dialogue with municipalities and other authorities. If things go well for the city, they go well for us. One plus one can make more than two.

Klövern is a real estate company that with availability and commitment shall meet the customer's needs of premises and services in Swedish growth regions. Klöverns is one of the larger listed real estate companies in Sweden focusing on commercial premises.

Profit from property management amounted to SEK 439 million, corresponding to SEK 2.73 per share.

The value of the Klöverns share rose by 48 per cent to SEK 34.

The Board is proposing an increase in dividend of SEK 0.25 to SEK 1.50 per share.

Equity per share increased by SEK 2.50 to SEK 28.

The equity ratio was 32 per cent.

The economic occupancy rate was 89 per cent and the area-based rate 79 per cent.

The property value increased by SEK 1.5 billion to SEK 13.5 billion.

The lettable area increased by 140,000 sq.m. to 1,530,000 sq.m.

Net profit for the year, SEKm	2010	2009
Income	1,243	1,254
Expenses	-562	-540
Net financial income	-242	-221
Profit from property management	439	493
Changes in value, properties	298	-231
Changes in value, derivatives	23	34
Deferred and current tax	-155	-59
Net profit for the year	605	237

The return on the Klöver share

The Klöver share has produced an average total return of almost 16 per cent in the past five years and the return on equity amounts to almost 12 per cent. Dividend amounts to an average of 52 per cent of the profit from property management during the same period.

A financial investment always requires striking a balance between the risk an investor is prepared to take and the desired yield. Different types of investments bear risk to a varying extent, but also, correspondingly, provide opportunities for yield. The least risky investment, government bonds, provides a yield that is referred to as the risk-free rate. In particular years, the yield on an investment can vary both upwards and downwards compared with other equivalent investments. There may be various explanations for deviations over longer periods of time. The Klöver share has developed on a par with the average for other real estate companies, but we believe that the shared basic values of availability and commitment are an advantage in the long term. We have a local presence with our own staff dedicated to their work and their customers. This provides a good basis for being able to deliver a good yield in the future.

The total return to the shareholder consists of dividend and the change in price of the share. When dividend is measured in per cent, dividend yield, the paid or proposed dividend for a year is set in relation to the price at the previous year-end. There are no goals for the development of share price although it is implicitly understood that the company shall develop better than comparable real estate companies and that Klöver should be able to communicate this in such a good way that share price development over time is also better than for equivalent real estate companies.

Net worth

Equity per share is the same as net worth per share. At year-end 2010, the net worth was SEK 28.10 per share, which can be compared with the share price of SEK 34.00. After adjustment for estimated deferred tax on the difference between fair value and the tax value of properties and derivatives, net worth amounts to SEK 29.80 per share.

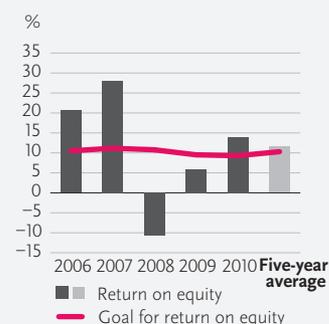
Dividend yield



Total return



Return on equity



2002

In May, the then IT company Adcore splits its operations and Adcore AB changes name to Klöver AB focusing on real estate operations. Klöver acquires Postfastigheter for SEK 1.3 billion as well as properties in Nyköping and Norrköping for SEK 620 million. Gustaf Hermelin takes up post as CEO.

2003

Klöver is listed on the stock exchange's "O" list. Properties in Kalmar, Karlstad, Linköping, Norrköping, Örebro and Kumla are acquired in August for SEK 1,107 million. During the year, 15 properties are sold at unprioritized locations for SEK 185 million.

2004

In January, Klöver becomes established in Borås through acquisition of properties for SEK 210 million. During the year, establishment also takes place in Västerås through acquisition of 41 properties with a value of SEK 1 billion. Sale of 20 properties for SEK 307 million.

2005

Altogether 36 properties are sold for a price of SEK 557 million. Klöver acquires properties, mainly in Linköping for SEK 1,350 million. In December, six properties are acquired in Norrköping for SEK 355 million, the majority of the properties being in the industrial landscape.

Dividend yield

Real estate companies generally provide relatively high dividend and thus also dividend yield. The explanation is that profit from property management is relatively predictable over time, in relation to other industries, and thus the variations in dividend are not so great. The proposed dividend for the 2010 financial year of SEK 1.50 would mean a dividend yield of 4.4 per cent.

Total return

During 2010, the price of the Klöver share rose by 48.5 per cent and the dividend paid was equivalent to a dividend yield of 5.5 per cent. For 2010, dividend yield will thus be 54.0 per cent. Dividend yield, including the proposed dividend for 2010, for the Klöver share has amounted to 5.1 per cent on average over the past five years. The Klöver share has increased annually by an average of 10.4 per cent in the period from 2006 to 2010. Together, dividend and the share price trend provide an average total return of 15.5 per cent during the past five-year period.

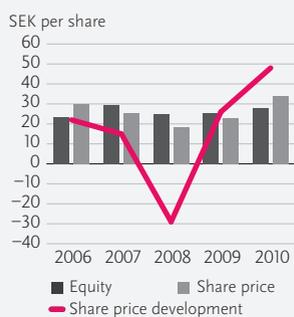
Return on equity

Klöver's goal for return on equity over a business cycle will be increased in 2011 from the risk-free rate plus at least seven percentage points to the risk-free rate plus at least nine percentage points. The risk-free rate has been 3.3 per cent on average from 2006 to 2010. It was 2.3 per cent in 2010. Accordingly, the aim has been for Klöver's return on equity to have been at least 10.3 on average in the past five years and this goal has been exceeded. Return on equity has averaged 11.6 per cent during the period.

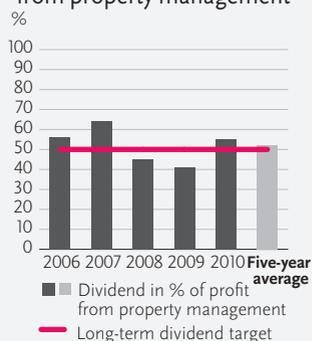
Dividend

Klöver's policy is that dividend over time shall amount to at least 50 per cent of the profit from property management. The dividend for the financial years 2006 to 2010 has been SEK 1.30 per year on average in comparison with the profit from property management which has been SEK 2.51 on average. Dividend has amounted to 52 per cent on average during the past five years. For 2010, the proposal is equivalent to 55 per cent of the profit from property management.

Equity and share price



Dividend as a percentage of profit from property management



Profit from property management and dividend



2006

Klöver acquires Pfizer's head office and production facility in Uppsala for SEK 235 million. In June, seven properties are acquired in Nyköping, among other places, for SEK 245 million. At the end of 2006, Klöver acquires 46 properties in Kista and Täby for a property value of SEK 4.1 billion.

2007

Klöver starts construction of – Kista Expo Center – Kista Mässan as well as renegotiating existing and entering into new leases with Ericsson for around 50,000 sq.m. The Kalmar and Eskilstuna units and another twelve properties are sold for SEK 1,236 million. Acquisitions totalling 47 properties in, among other places, Karlstad, Västerås and Nyköping for SEK 989 million.

2008

Kistamässan opens in early September. Sale of three properties in Karlstad, Kista and Nyköping for SEK 327 million. Three properties, one of which is a freehold purchase of a site leasehold, are acquired in Kista for a total of SEK 135 million.

2009

Kistamässan is completed in May and the first sod is cut for Victoria Tower adjacent to the exhibition facility. Klöver sells four properties in Karlstad, Linköping and Nyköping for SEK 162 million and acquires five properties in Borås, Kista and Nyköping as well as 17 site leaseholds in Karlstad for a total of SEK 179 million.

Investor Relations

The flow of information from Klövern shall be characterized by openness, reliability and swiftness. Klövern's IR activities and information to markets take place in accordance with current legislation, Nasdaq's OMX rules for issuers, the Swedish Code of Corporate Governance, Klövern's Information and IR policy and generally known recommendations.

Presentations of the company are made mainly by quarterly reports, press releases and regular meetings with shareholders, analysts and potential investors. During 2010, Klövern has, among other activities, participated in capital market days in Båstad, arranged its own quarterly presentations, visited investors in the UK, and participated in several presentations arranged by banks and securities brokers as well as having its own meetings in Sweden with Swedish and foreign investors.

All interim reports, presentations and annual reports are published on the website and can be downloaded, both in Swedish and in English, from Klövern's website, www.klovern.se.

Klövern's website also contains current information about the company and the development of the share and information about how to subscribe to press releases and reports. Interim and annual reports are distributed by post on request.

The number of analysts monitoring Klövern has increased to 11 (8) during the year.

Company	Analyst
ABG Sundal Collier	Fredrik Cyon
Carnegie Investment Bank	Tobias Kaj
Danske Bank	Peter Trigarczyk
DnB Nor	Simen Mortensen
Erik Penser Bankaktiebolag	Johan Edberg
Handelsbanken	Albin Sandberg
Nordea	Jonas Andersson
SEB Enskilda	Bengt Claesson
Swedbank	Andreas Daag
Ålandsbanken	Erik Nyman
Öhman	David Zaudy

2010 – Q1

Klövern sells three properties in Linköping, Västerås and Nyköping for SEK 91 million. Letting in Norrköping Science Park to the Municipality of Norrköping and Gaia, among other tenants, of a total of 1,850 sq.m.

2010 – Q2

Klövern signs a ten-year lease contract with Ericsson for 36,000 sq.m. including new construction of 27,000 sq.m. and an investment of SEK 660 million. Sale of a property in Örebro for SEK 142 million. Changes in Klövern's management.

2010 – Q3

Acquisition of a property in Nyköping for SEK 12 million and sale of four properties in Örebro, Linköping and Täby for a total of SEK 103 million. Letting in Uppsala Business Park to Gammatdata Mätteknik and Anticimex totalling 1,660 sq.m.

2010 – Q4

Acquisition of 37 properties in Linköping, Norrköping and Örebro for SEK 1,055 million and sale of part of a property in Karlstad for SEK 32 million. SweTree Technologies leases 1,100 sq.m. in Uppsala Business Park.

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Cover: Norrköping Kvarnholmen 4.

Statement by the CEO

The property market is picking up speed, values are increasing, and there is a healthy level of demand for premises. Despite the cold weather, Klöver achieved good profit from property management for 2010. During the year, we have honed the letting organisation and regrouped our forces to continue to achieve good results.

The downturn that followed the financial crisis in 2008 was of short duration and the effects on the real estate business were mild. In fact, Klöver, like many other companies in the industry, has achieved very good results during the past two years. Anticipated bankruptcies and customer losses became instead net moving-in and rising rental levels in combination with unusually low interest costs. All in all, this led to profit from property management in 2010 being the second-highest in Klöver's history.

Klöver achieved its goal of growing by at least SEK 1 billion per year in 2010. After some years of credit shortage in the market, the situation improved during the year, which has had an impact both on our company and on the real estate industry as a whole. The fact that the transaction market is now on the move again is undoubtedly a contributory factor for the rise in property prices. Another important factor is rising market rents.

In all, properties were sold for over SEK 100 billion in the Swedish market during the year and Klöver was purchaser in a major transaction. On 1 October, we took possession of properties for SEK 1.1 billion in Linköping, Norrköping and Örebro. The portfolio had a high level of vacancies – 26 per cent, which was, of course, reflected in the price. We expect to be able to reduce the vacancy level substantially during 2011 and have already early this year restructured by reselling two properties in Linköping to a local purchaser.

The economic occupancy rate remains at 89 per cent, despite the SEK 1.1 billion acquisition with vacancies during the autumn, which is an indication of the strength of an organisation, with increased focus on letting. Measured in terms of area, vacancy is almost double. We have employed people with a recognised good track record for letting, which has had an impact on net moving-in, i.e. the number of tenants moving-in less those vacating. Net moving-in amounted to SEK 16 million during 2010.

Besides the large number of tenants moving-in, Klöver has also signed a number of lease contracts with

tenants who have not yet moved in. In early 2011, for example, the biotech company Svanova is moving into Uppsala Business Park and later during the year, the Municipality of Norrköping and other tenants will move into the property Kopparhammaren 7 in Norrköping Science Park. It is, of course, a feather in Klöver's cap that we succeeded in signing the largest lease contract in Sweden during 2010. Ericsson is moving into 36,000 sq.m. in Kista in April 2012, three quarters of this space being a completely new building. In all, lease contracts were concluded with tenants moving-in now and subsequently for SEK 189 million during the year.

Ericsson's new building is the first, of hopefully several, concept buildings that Klöver is producing. Klöver's concept buildings can vary in size depending on city and requirements, but, regardless of size, the office building makes efficient use of space, is flexible and energy efficient. New building has definitely become an alternative to acquisition or refurbishment space with rising rental levels for high-quality premises in good locations. The intention is to create the meeting places of the future in an inspiring and developing "whole" which also has scope for future changes and extensions. Environments that can moreover hold their own in tough global competition from China and India. Apace with increased new production, holistic thinking is becoming increasingly important in tackling and responding to environmental and sustainability issues.

With the focus on everything from choice of materials to energy-related issues, it is important to strike the right balance between short-term financial gains and long-term sustainable finances.

The year has meant a lot of work building an organisational structure that can cope with meeting our customers' increasing demands and a desire to move the company forward into the future. During the year, we have therefore organised our ten business units in three market areas, South, West and East. Our hope is that this will make us even more technically and administratively competent and enable our business units to make swifter and

better decisions. This will be possible as our units will have access to cutting-edge expertise within our three main areas administration/operation, market/letting and project development.

What does the future have in store for us?

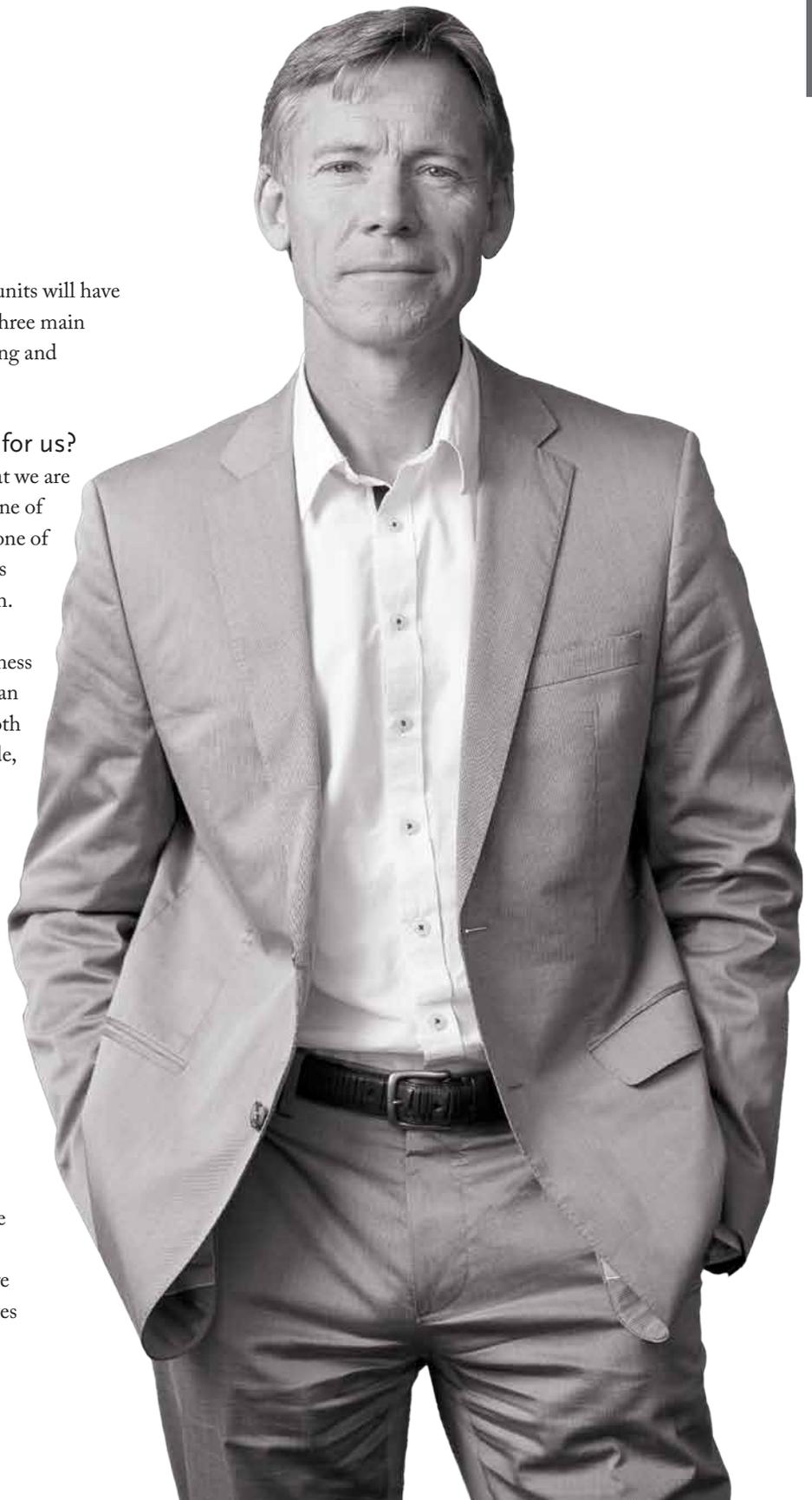
First and foremost, we should be grateful that we are in Sweden. Besides our physically living in one of the world's most secure countries, we are in one of the western world's most successful countries when it comes to budget stability and growth. That's not a bad reality to be in.

However, we cannot just rely on our business environment. We have to do everything we can to make our contribution by hard work on both the income and costs side. On the income side, this means making active efforts to let our 315,000 square metres of vacant space and endeavouring to raise rents to what we consider to be the correct level. On the costs side, it means ensuring that customers pay for what they receive and restricting the impact of price changes of, for example, electricity charges and interest rates to the desired level.

Klövern is now strong and has a very good position for continued good development. We are motivated and organized to continue our task of creating tomorrow's communities by offering attractive environments and efficient offices. In this way, people will be stimulated and develop at their workplace. Motivated personnel create competitive and profitable businesses, which in turn creates the conditions for continued growth.

Nyköping, 28 February 2011

Gustaf Hermelin
CEO



Business plan – goals and outcomes

After a couple of years of minor changes in the property portfolio, Klöver made renewed progress with its growth ambition during 2010. Properties for over SEK 1 billion centred on Linköping were acquired at the end of the year.

Klövern's business plan was produced at the end of 2007 to apply until year-end 2012. The plan is reviewed every year with marginal changes in the first two reviews. Somewhat more extensive changes were made in the review at year-end 2010, partly due to changes in the business environment but also because of a wish to move positions forward and to develop the business plan into an effective instrument of control for the business. The foundations of the business plan, our vision, business concept and our motto remain the same.

Vision

Klövern creates the communities of the future.

The ambition is to be an active participant in creating city neighbourhoods, areas and business clusters. Klöver's primary task is to provide premises, but if we are also able to contribute to strengthening the cities where we operate, it will also benefit Klöver and Klöver's shareholders.

Business concept

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

Klövern's base product is, of course, our premises. Klöver concentrates on commercial premises within Business and Science Parks, small enterprise parks and city properties. Our way of providing premises, with availability and commitment, combined with our aim to meet the

customer's needs and not just sell a finished product, says a lot about Klöver's chosen approach. The focus is on the customer and it is our job to ensure that the customer is satisfied, naturally within the framework of the financial targets. The availability and commitment that Klöver seeks to provide can only be achieved with our own staff.

The market is limited to Sweden and expansive locations with a growing population and business sector. Klöver currently focuses on being market leader in ten cities in central Sweden, with a business unit in each city. To optimize the business, the ten business units work together in three geographical areas and share highly qualified resources in, for example, project activity and letting:

South: Borås, Linköping, Norrköping and Nyköping.

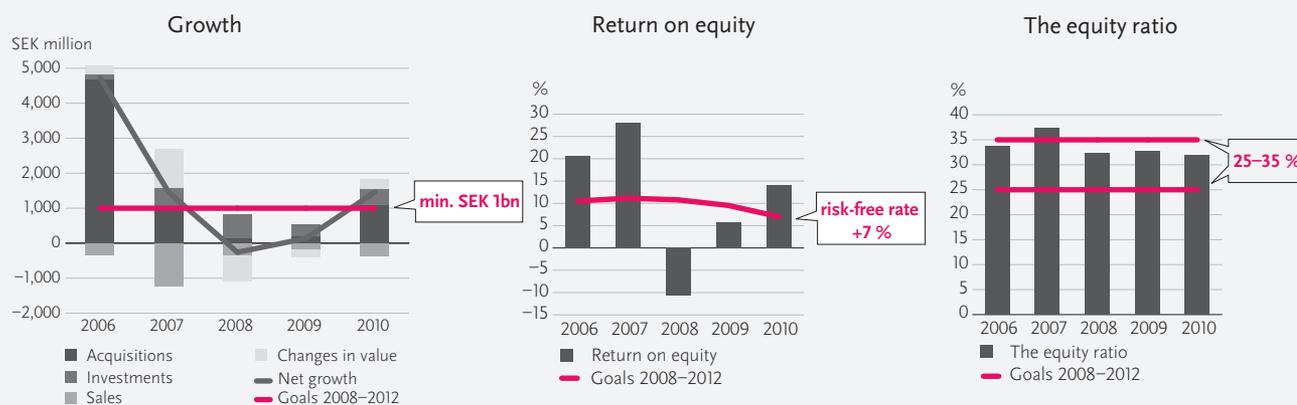
West: Karlstad, Västerås and Örebro.

East: Kista, Täby and Uppsala.

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 leases expire and it is time to renegotiate. Klöver shall make their day easier today and tomorrow. To put it simply, this means being proactive, being a step ahead and anticipating future needs. Satisfied tenants are an important prerequisite to achieve the goals of positive net moving-in and a low turnover rate.



Growth

Klövern should have a net growth of at least SEK 1 billion per year and in the long term a property value of at least SEK 25 billion.

A larger company makes possible a larger number of major institutional, in particular foreign, investors. Some of these have investment rules that entail restrictions on investing in companies with a market value of less than EUR 1 billion, approximately SEK 8.8 billion. Klöverns market value was around SEK 5.5 billion at year-end 2010. Growth can take place both through value-creating investments, new construction and refurbishment in our own portfolio and acquisition of properties.

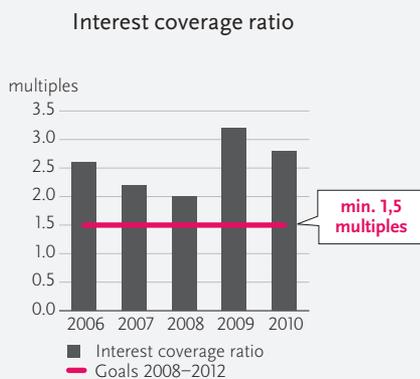
After a couple of years with, in principle, an unchanged size of the property portfolio, the value increased by SEK 1,461 million in 2010. The increase was due to net acquisitions of SEK 699 million, investments of SEK 464 million and changes in value of SEK 298 million. The average growth in the past five years amounts to SEK 1,505 million.

Return on equity

Return on equity shall amount to at least the risk-free rate plus seven percentage points.

The goal was increased by two percentage points from 2011 onwards. The risk-free rate is measured as the five-year government bond rate. The goal is regarded as an average over a number of years, since the required return is partly affected by factors over which Klöverns has no control.

Return on equity amounted to 14 per cent in 2010. During the past five years, the average return has been just under 12 per cent, which is above the long-term goal.



The equity ratio

The equity ratio shall be in the interval 25 to 35 per cent.

At the same time as making optimal use of equity, it is important to secure long-term survival and make attractive investments possible.

The equity ratio has been above the lower threshold every year and has been in the upper part or even above this interval as a rule. The equity ratio was 32 per cent 2010.

The interest coverage ratio

The interest coverage ratio shall be at least 1.5 multiples.

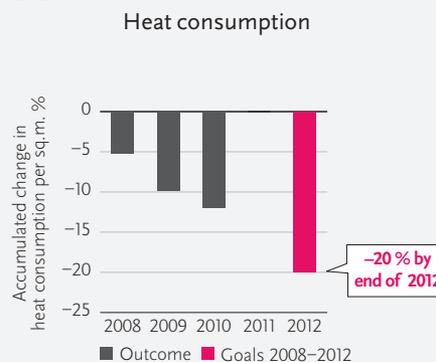
Interest expense is the single largest cost item for Klöverns, and it is therefore important that earning capacity covers the current level of interest expense by a broad margin. An interest coverage ratio of 1.5 multiples means that profit after financial items exceeds interest expense by 50 per cent.

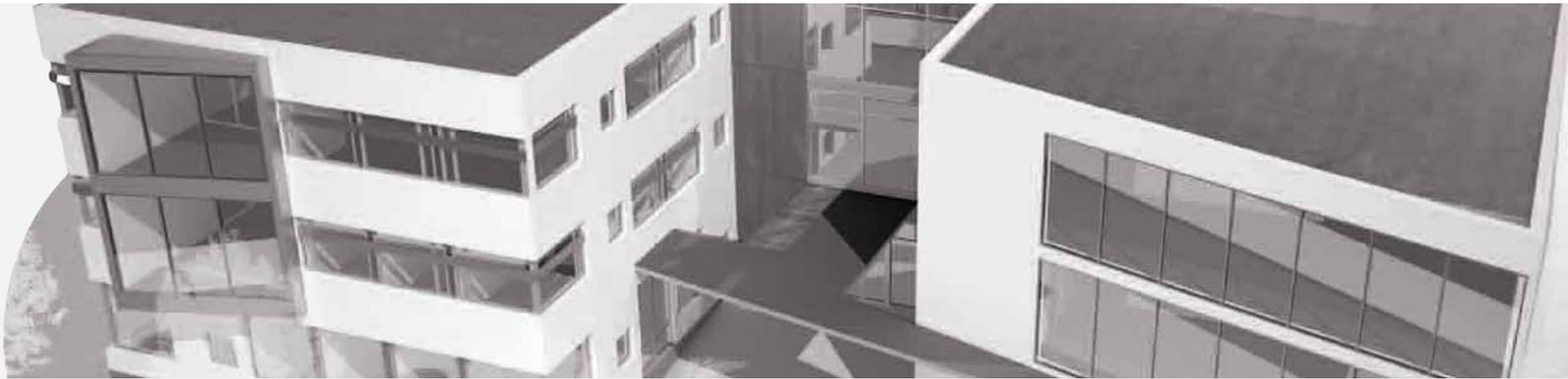
Klövern has adopted a relatively cautious interest rate strategy with protection against interest rate increases in the form of interest caps and interest swaps. This has initially raised the interest expense but also ensures an even level of expense over time. The interest coverage ratio has exceeded the goal every year. It amounted to 2.8 multiples in 2010.

Heat consumption

Heat consumption shall be reduced by 20 per cent for the period 2008–2012

Klövern works actively to reduce the energy consumption at the properties. Consumption of heat, adjusted for a normal year, decreased by a total of 12 per cent during 2008–2010, the reduction during 2010 accounting for two percentage points.





Turnover rate

The tenant turnover rate shall be at most 7 per cent per year.

Structured meetings with tenants can enable us to anticipate future needs and increase customer loyalty. Limiting the tenant turnover rate has a positive effect on the result by lower income loss due to periods of vacancy and reduced costs for tenant customizations.

During 2010, turnover amounted to 6.3 per cent and the average for the past five years is 6.6 per cent.

Operating margin

The operating margin in a comparable portfolio should increase by one percentage point annually.

The operating margin, the operating surplus as a percentage of income, is an important key ratio in Klöver's internal evaluation of the real estate operations and is continuously measured for every property.

The goal was not met in 2010 when costs for snow and ice clearance and heating increased sharply due to

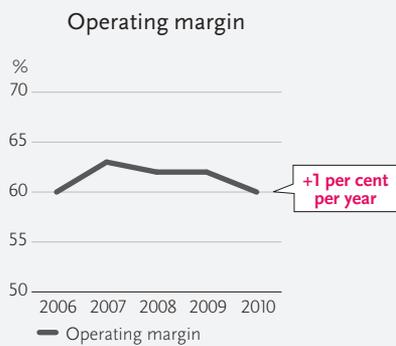
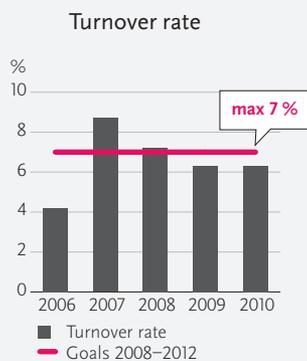
cold temperatures and a lot of snow at the beginning and the end of the year. The operating margin, in a comparable portfolio, amounted to 60 per cent (63), including one-off effects, at the end of 2010.

Dividend

The dividend shall exceed 50 per cent of the profit from property management in the long term.

The profit from property management shows how the real estate operations develop, including financing and central administration costs.

When assessing the size of the dividend, consideration shall be given to the company's investment alternatives, financial position and capital structure. To the 2011 annual general meeting is proposed a dividend of SEK 1.50 per share, for the 2010 financial year, which corresponds to 55 per cent of the profit from property management. During the past five years, Klöver has distributed an average of 52 per cent of the profit from property management.



Klövern sees an advantage in being a large player in a small market instead of a small player in a large market.



Klövern's concept building.

Customers

With the customer in focus, Klöver shall, with availability and commitment, meet the need of premises and services in Swedish growth regions. Klöver's staff shall make the customer's day easier every day.

Availability and commitment

Klöver concentrates on commercial premises with a mixture of private, listed and public sector companies. The company is represented by its own staff in all ten prioritized cities. Having our own staff, who are physically present where the tenant is located, guarantees swift service and good knowledge of the market, as well as being an essential foundation of the business concept as a whole.

The motto – making the customer's day easier every day – is firmly anchored in the company. Making easier means, of course, doing one's best to solve problems that crop up, but also being proactive, being a step ahead.

This approach to providing premises, with availability and commitment, as well as an endeavour to meet the needs of the customer and not only sell a finished product, provides a good description of how Klöver works. The focus is on the customer.

Klöver's ten largest tenants

Tenant	Contract value, SEKm	Proportion of total contract value, %	Average remaining contract period, years	Number of contracts	Area. 000 sq.m.
LM Ericsson AB	170	13	3.3	25	93
TeliaSonera AB	28	2	4.0	38	21
Posten Norden AB	22	2	3.6	35	19
Kistamässan AB	20	2	3.6	2	16
Orexo AB	19	1	3.9	12	7
Municipality of Linköping	16	1	2.1	20	13
Östergötland County Council	16	1	2.8	10	12
Municipality of Karlstad	14	1	3.9	22	13
Swedish Transport Agency	14	1	1.6	14	16
ULTRA Education (John Bauer)	12	1	4.0	4	9
Total	331	25	3.7	182	219



Tobias, property manager and in charge of the property technicians at Klöver's business unit in Nyköping has two-year upper secondary school education. His career has been based on his practical ability, doing his job really well, being genuinely interested in people and focusing on the customer. Tobias talks about his work in the film "Commitment enabled advancement" on Klöver's website, klovern.se (in Swedish).

Net moving-in

Satisfied tenants are an important prerequisite to achieve positive net moving-in and letting work has been successful during the year. Tenants moving-in amounted to SEK 99 million (77) and vacating tenants to SEK –83 million (–78), Klöver's net moving-in, i.e. tenants moving-in less vacating tenants during the year, totalled SEK 16 million (–1).

Among the tenants moving-in may be mentioned Kemwell in Uppsala Business Park with a 16.5 year lease for 9,000 sq.m. and an annual rent of SEK 14 million. Kemwell is moving-in to what was previously an empty building in stages starting in July 2010.

Future moving-in

The contract value for tenants moving-in during 2010 together with lease contracts signed during 2010, where the tenant has not yet moved in, totalled SEK 189 million.

Klöver has, among other contracts, signed a ten-year lease contract with Ericsson for a total of 36,000 sq.m. in Kista. Moving-in after new construction and refurbishment is expected to take place in April 2012 and the annual rent will be SEK 66 million. This is the largest lease contract entered into in Sweden during 2010, both in terms of area and of contract value.

The Municipality of Norrköping has signed a contract for 1,000 sq.m. for the cinema Cnema at the property Kopparhammaren 7 in Norrköping. The lease has a 15-year term and the annual rent amounts to almost SEK 3 million. Moving-in will take place during the summer of 2011.

Customer structure and contract value

Klöver's business orientation means that 99 per cent of the contract value consists of commercial leases. At the year-end, private companies accounted for 51 per cent (49), listed companies for 33 per cent (34) and public sector activities for 16 per cent (17) of the contract value. In all, Klöver had 4,476 leases (4,100) with almost 2,800 tenants at year-end and the average lease term was 2.8 years (3.0).

The share of the ten largest customers amounts to 25 per cent (27) at year-end and the average lease term to 3.7 years (4.0).

Klöver's total contract value amounted to SEK 1,325 million (1,234) at year-end.

Rent losses

Despite the after-effects of the financial crisis and problems in certain industries, Klöver's rent losses are very low. The close collaboration with the customers, together with good knowledge of the local market, is the most important explanation for rent losses continuing to be negligible. In 2010, they amounted to 0.3 per cent (0.4) or SEK 3 million (5) of total income.

Turnover rate

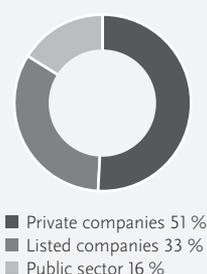
Limiting the tenant turnover rate has a positive effect on the result by reduced costs for tenant customizations, which also reduces the loss of income due to periods of vacancy. Structured meetings with customers enable us to anticipate needs and increase customer loyalty.

During 2010, tenant turnover rate amounted to 6.3 per cent (6.3) and the average for the past five years is 6.6 per cent.

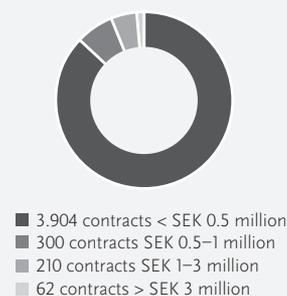


The average contract term was 2.8 years as at 31 December 2010.

Contract value by customer category



No. of lease contracts/contract size



Responsible entrepreneurship

Klövern works for sustainable development for the benefit of its shareholders, customers and co-workers as well as for the environment and the community. Klöver's personnel manage and develop properties where about 50,000 people work.

Sustainability

A secure and stable working environment leads to personal feeling satisfaction and togetherness. Personnel are able to influence their work tasks and feel that they are participating in the business and the development of the company.

Klövern's environmental policy and environmental responsibility are the foundation for the environmental work carried out by the organisation. Properties consume large amounts of energy and more efficient use of energy is the most important parameter in environmental work.

Klövern contributes to social responsibility both on a small-scale and more broadly; from participation in community development to collaboration with municipalities, the business sector and sponsoring of local sports associations.

Environment

Klövern shall contribute to a long-term sustainable environmental development by offering environmentally compliant premises, managed and developed with the minimum possible use of resources and the least possible environmental impact on the basis of reasonable inputs.

Environmental responsibility

Targeted environmental work takes place continuously in order to achieve steady improvements. Current legislation and environmental requirements, together with the environmental policy and action plan, serve as the basis for this work involving personnel and tenants as well as suppliers and entrepreneurs.

Environmental work and goals

Klövern's environmental work is well integrated into the everyday work of all personnel. The environmental goals drawn up in 2007 are based on the environmental policy and apply for the period 2008–2012.

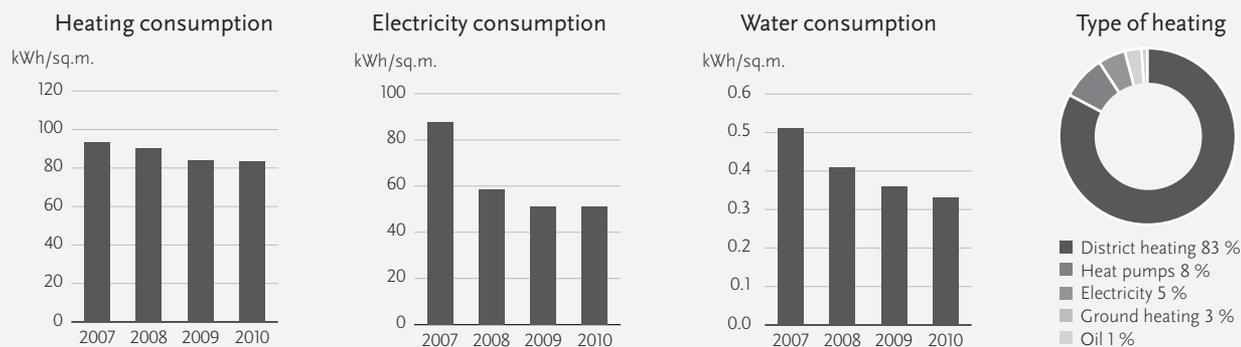
Reduced use of energy

During the year, heating consumption has decreased by 1,874 MWh (3,654). This means that the properties have a consumption of 83 kWh per sq.m. (84). Klöver's acquisition of a large property portfolio during the fourth quarter increased consumption by just over 1.3 kWh per sq.m. According to Klöver's environmental goals, heating consumption shall be reduced by 20 per cent between 2008 and year-end 2012. The reduction up to year-end 2010 totalled 12 per cent, of which 2010 accounted for two percentage points.

The total electricity consumption, including part of tenants' consumption, has risen during the year by 1,563 MWh (2,453). The increase in electricity consumption is partly attributable to acquisitions during the year, which has increased consumption slightly. The properties' average consumption amounted to 51 kWh per sq.m. (51). Since the environmental goals were set, electricity consumption has decreased by a total of 11 per cent.

Work on reducing energy consumption is continuing with the focus on the properties with the highest energy consumption per sq.m.

A feasibility study has been carried out in which a detailed examination has been made of every property to



find property-specific solutions for improved energy efficiency.

A water-saving project was started during 2008 and completed in 2009. This project led to an approximately 30 per cent saving between 2007 and 2010. Water consumption has decreased from 0.5 cu.m. per sq.m. to 0.3 cu.m. per sq.m.

Energy system

Klövern has successfully started to use an energy system that makes use of heat and cold. The system is based on there being a simultaneous requirement of heating and cooling. A cooling and heating pump produces energy according to a factor of one to seven, i.e. consumption of one kWh electricity produces four kWh heating and three kWh cooling. This is an extremely efficient way of producing energy, which can advantageously be used where requirements may vary between different buildings or external walls facing in different directions. The result will be low energy consumption.

Maintenance

Through a structured method of work throughout the whole organisation, Klövern has developed energy efficiency and systematized maintenance.

Klövern's concept building

A start has been made on constructing Klövern's first concept building in Kista, which is being built to meet the "Green Building" requirements*. It is being constructed as a result of a newly-signed lease contract with Ericsson, which included a new office building of almost 27,000 sq.m. In collaboration with Ericsson, the building will also comply with LEED gold level**. An especially large number of cycle parking spaces and fewer garage places are being built to encourage use of environmentally friendly means of transport.

* Green Building is the EU programme for reducing energy consumption in premises with a view to promoting improved energy efficiency in office and industrial buildings. To be certified, new buildings must consume 25 per cent less energy than specified in the National Board of Housing, Building and Planning's guidelines for new construction.

** LEED "Leadership in Energy and Environmental Design" is a world-leading system for environmental classification of buildings developed by the US Green Building Council. LEED contains more environmental aspects than Swedish systems do and there are to date no Swedish interpretations of these requirements. Based on the number of points that a construction project achieves, it can achieve four different levels within LEED: certified, silver, gold or platinum.

Computerized meter reading

During the year, a hand-held computer system containing computerized meter reading has been introduced at all business units. Previously, metering of electricity, heating and water has been performed manually. The new method has led to:

- more reliable meter reading
- improved energy efficiency
- easier maintenance planning
- time-saving for technical staff
- faster measures
- reduced travel

Green IT

The investment in green IT to improve the efficiency of work within the company is in progress. A video conference system is being gradually introduced, enabling many distance training initiatives and meetings to take place, thus reducing travel and saving time.

Tenants take responsibility

The tenants' environmental commitment increases when they take greater responsibility for their own waste sorting. This takes place in collaboration with specialized sub-contractors.

Environmental goals 2008–2012

- Reduce heating by 20 per cent
- Environmental inventory of all properties
- New construction in accordance with Klövern's environmentally friendly concept building
- New construction and refurbishment in accordance with the Green Building requirements*
- Environmental report in financial statements
- Work with green IT
- Stop using oil for heating of properties
- Reduction of water consumption
- Continued efficiency improvements in handling waste
- Phasing-out of PCB – goal achieved during 2009.

Personnel

Klövern shall be an attractive employer with competent and committed staff.

The key words availability and commitment permeate the whole of the company with short decision-making paths. A large measure of independent work and decision-making in all positions leads to commitment and is a driving force. Personnel are close to the customer, both at the business unit where the tenant is the customer and at the service unit, where the business unit, among others, is the customer.

Organization

Klövern's local ties are of crucial importance for the relationship with the customer. A decentralized organization and committed staff who take good care of their customers and strive for mutual benefit in their relations is one of Klöverns factors for success.

The Klöverns Group is organised in a service office, which is also the head office, located in Nyköping, and business units in all prioritized cities. The service office is responsible for management functions, accounting, financing, transactions, rental administration, information and investor relations, as well as for providing business support to the units. At year-end, Klöverns had a total of 126 employees (123), of which 28 (27) worked at the service office.

During the year, Klöverns has organised its operations into three geographic market areas which share highly-qualified resources in, for instance, project operations and letting. The market areas are South (Borås, Linköping, Norrköping and Nyköping), West (Karlstad, Västerås and Örebro) and East (Kista, Täby and Uppsala). Each market area has an overall manager who is also part of the executive management. The local business units handle operation of the properties and the day-to-day contacts with



Johanna has worked at Klöverns since 2003 with property economics, customer contacts and letting. She is now going to tackle her next big challenge – to become unit manager in Nyköping. You can see and hear Johanna talk about this in the film "Property economist on the career ladder" on Klöverns website, klovern.se (in Swedish).

the customers. Each business unit has a manager in charge who, working closely together with the respective market area manager, sets guidelines for the operations.

Working environment

Klövern works systematically, via protection walking delegates, with working environment issues with the goal of creating a stimulating workplace, where the risk for occupational injuries and work-related ill-health is prevented.

Health profile and staff surveys are offered to all staff every year. Like previous years, the result shows a good feeling of community and well-being and a high pace of work.

Personnel	2010	2009	2008	2007	2006	Average
No. of employees at year-end	126	123	121	121	110	120
– of which women/men, number	54/72	48/75	51/70	49/72	39/71	48/72
– of which employed on collective agreements, number	29	32	30	32	31	31
Average age, years	45	44	44	43	43	44
Personnel turnover, %	10	6	9	14	7	9
Added value per employee, SEKm	6.7	6.6	6.4	6.8	5.8	6.5
Competence development cost per employee, SEK thousand	19	18	18	20	17	18
Sick leave, %	2.4	3.3	2.9	2.0	1.8	2.5

All employees are offered a subsidized lunch and are covered by health insurance with attractive terms as well as receiving an annual grant for keep-fit activities.

Personnel development and recruitment

To be an attractive employer, Klöver invests in development, both training and internal career paths. When appointing new managers, Klöver always attempts, as far as possible, to find an internal candidate.

Klöver carries out annual development interviews and produces a development plan for every employee.

The company has an internal training programme – the Klöver academy, offering staff education and competence development and opportunities to share knowledge and experience. During 2010, the Klöver academy has, among other activities, arranged courses in management, IT and property operation. To strengthen the investment in sales, a number of courses have been arranged in sales techniques and selling aids.

Recruitment takes place in accordance with a well-planned process consisting of in-depth interviews and personal profile analyses. All new employees participate in an introductory programme.

In connection with the establishment of geographic market areas, a review of staffing in the company has taken place to ensure that the right person is in the right position. All with the aim of being able to provide the customer with the best possible service.

Cutting-edge expertise

Klöver has invested in cutting-edge expertise to enhance its competitiveness.

A number of sales-focused letting staff have been employed in the market areas, which in turn creates time in the administration for more customer care.

To become even better and more competitive, the project organization has also been reinforced in all market areas.

The profit-sharing foundation

To promote participation in the business and the development of the company's performance, all personnel are included in Klöver's profit-sharing foundation. Transfers to the foundation are based on a combination of Klöver's result, required return and dividend to shareholders. The allocation may amount to at most one price base amount per employee per year. During 2010, a price base amount per employee was set aside, totalling SEK 5.8 million, including wages tax.

Marketing of the real estate industry

Klöver has participated during the year in the establishment of the Real Estate Industry's Market Council.

The Market Council is a industry organization, with the aim of marketing and increasing knowledge about the industry as a whole. It is intended to draw attention to the future need for recruitment. One aim of the Council is to increase demand for education and to initiate apprenticeship and trainee programmes. In this connection, Klöver has made documentaries about some employees and their work in the company. These have then been shown at upper secondary school and university job fairs. The films are available on Klöver's website, klovern.se (in Swedish).



Klöver's kick-off in Uppsala 2010.



Newly employed personnel at Klöver – all new employees participate in an introduction programme.

Social commitment

Klöver participates in the development of the community by working closely with the municipalities, the business sector and organizations and with the vision of creating the communities of tomorrow.

The company works in a close and committed way with its own staff at all business units, which contributes to a secure, well-adapted and safe working environment for all types of activities and tenants.

There is a high level of commitment at the business units, including sponsoring of local organizations that work for more secure local areas, support to sporting activities which promote meaningful leisure for young people and participation in city development.

Social responsibility is important and Klöver also supports activities and local associations that work for, for example, vulnerable children, against narcotics and for young entrepreneurship.

Future focus

Environmental work is focused on retaining the positive energy trend through good preventive maintenance and a focus on well-adapted energy solutions.

During 2011, Klöver will implement a review of various environmental and environmental classification schemes to stake out a path for future environmental work.

The main strategy for environmental work is a long-term commitment where society's resources are utilized by improving existing properties and creating stimulating environments for both old and new tenants with a minimum input.

The company is developing quickly and the focus is on developing personnel and the organization to be able to meet future challenges. The investment in education and health will among other things contribute to this.

Karlstad Kanoten 9 – The property is located at Kanikenäset in Karlstad Business Park. Tieto Sweden is the sole tenant at the almost 9,000 sq.m. of the office property.



Real estate operations

Real estate operations

Property portfolio	16
Business and Science Parks	20
Transactions and projects	22
The value of the properties	28

Property portfolio

The value of the properties increased by 12 per cent (1). Net moving-in amounted to SEK 16 million (–1), rental value increased by SEK 101 million (25) and the economic occupancy rate was 89 per cent (89) at year-end.

Property portfolio and rental value

At year-end 2010, Klöver'n had a total of 250 properties (217) located in 14 municipalities (14).

The total property value was SEK 13,493 million (12,032), the lettable area was 1,528,000 sq.m. (1,392,000) and the rental value amounted to SEK 1,486 million (1,385) at year-end. The increase in the value of the properties was due to acquisitions of SEK 1,067 million (179), sales of SEK –368 million (–162), investments of SEK 464 million (351) and changes in value of SEK 298 million (–231). The increase in rental value is largely attributable to acquisitions during the year.

Property category

Klöver'n focuses on commercial premises within the framework of Business and Science Parks, small enterprise parks and city properties. The property portfolio is

concentrated on ten cities: Borås, Karlstad, Kista, Linköping, Norrköping, Nyköping, Täby, Uppsala, Västerås and Örebro.

Business and Science Parks are characterized by knowledge-intensive business clusters. Small enterprise parks are characterized by groups of companies which work under a common identity with similar customers. City properties are centrally located office and retail properties.

Profit and key ratios

The table Profit and key ratios shows the result of operating activities, including properties sold during the year and investments made.

The key ratios show the situation at the respective year-end and the figures in the two parts of the table are therefore not wholly comparable.

Profit and key ratios per market area and business unit

	Profit										Key ratios, 31 December									
	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, SEKm		Investments, SEKm		Fair value, SEKm		Required yield, average%, %		Lettable area, 000 sq.m.		Rental value, SEKm		Economic occupancy rate, %	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Borås	45	45	–20	–18	25	27	56	60	6	2	398	388	7.8	7.9	80	80	51	51	94	88
Linköping	155	144	–55	–47	100	97	65	67	33	14	2,129	1,354	7.4	7.3	287	166	258	160	87	89
Norrköping	97	89	–50	–46	47	43	48	48	71	17	1,143	842	7.2	7.4	162	142	132	106	87	83
Nyköping	103	102	–42	–36	61	66	59	65	28	14	891	889	7.8	7.9	135	133	109	111	90	94
South	400	380	–167	–147	233	233	58	61	138	47	4,561	3,473	7.5	7.6	664	521	550	428	88	89
Karlstad	182	179	–67	–63	115	116	63	65	42	50	1,577	1,525	7.3	7.4	201	203	190	191	94	93
Västerås	129	134	–66	–60	63	74	49	55	36	46	1,234	1,220	7.4	7.5	218	220	161	163	83	84
Örebro	50	66	–20	–24	30	42	60	64	14	12	428	541	7.3	7.0	58	62	51	65	95	93
West	361	379	–153	–147	208	232	58	61	92	108	3,239	3,286	7.4	7.3	477	485	402	419	90	90
Kista	336	342	–109	–109	227	233	68	68	180	173	4,414	4,199	6.5	6.6	253	252	367	372	92	94
Täby	63	64	–26	–23	37	41	59	64	7	8	560	536	7.4	7.6	67	68	70	68	96	94
Uppsala	73	66	–43	–49	30	17	41	26	47	15	719	538	8.5	8.6	67	66	97	98	78	66
East	472	472	–178	–181	294	291	62	62	234	196	5,693	5,273	6.9	6.9	387	386	534	538	90	89
Other ¹⁾	10	23	0	1	10	24	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	1,243	1,254	–498	–474	745	780	60	62	464	351	13,493	12,032	7.2	7.2	1,528	1,392	1,486	1,385	89	89

1) Income consists of rental guarantees and redemption of rental leases. Costs consist of items that are not directly attributable to normal property operations.

* Calculated excluding building rights at a value of SEK 425 million (405).

Operating margin

Klövern's operating margin including one-off effects was 60 per cent (62) for a comparable portfolio. The operating margin is measured as the operating surplus in relation to income.

An increased occupancy rate normally leads to an increase in the operating margin since operating costs do not increase proportionally with the occupancy rate. The change in the operating margin during 2010 has been primarily affected by increased costs due to winters with cold weather and a lot of snow at the beginning and end of the year, as well as changes in the property portfolio.

Rental income and average rent

Rental income amounted to SEK 1,233 million (1,231) in 2010. Other income consisting of rental guarantees and

early redemption of lease contracts totalled SEK 10 million (23). At the end of the year, the remaining rental guarantees totalled SEK 31 million (4).

The average rent is calculated on the basis of the contract value and area let and amounted to SEK 1,053 per sq.m. (1,066). The change in the average rent is due mainly to acquisitions and lower average rent as well as the negative development of CPI in 2009. The average rent varies between different market areas depending on the type of property, the location of the properties and the local rental market.

The development of CPI up till the end of October 2010 will affect the contract value by SEK 14 million (-10) from 2011. This increase is not included in the rental value as at 31 December 2010.

Area and average rent per type of premises

	Offices		Industry/warehouse		Retail		Other ¹⁾		Total	
	Total area, 000 sq.m.	Average rent ²⁾ , SEK per sq.m.	Total area, 000 sq.m.	Average rent ²⁾ , SEK per sq.m.	Total area, 000 sq.m.	Average rent ²⁾ , SEK per sq.m.	Total area, 000 sq.m.	Average rent ²⁾ , SEK per sq.m.	Total area, 000 sq.m.	Average rent ²⁾ , SEK per sq.m.
Borås	25	857	45	495	4	1,081	6	801	80	658
Linköping	142	1,142	103	527	24	1,696	18	1,143	287	996
Norrköping	67	1,260	57	542	27	827	11	915	162	942
Nyköping	46	1,028	52	550	19	1,252	18	931	135	928
South	280	1,119	257	526	74	1,227	53	985	664	922
Karlstad	109	1,081	48	636	16	1,119	28	1,094	201	979
Västerås	47	1,009	108	629	39	1,129	24	876	218	868
Örebro	34	1,027	9	490	6	692	9	866	58	888
West	190	1,054	165	621	61	1,098	61	986	477	923
Kista	185	1,591	65	1,213	3	744	-	-	253	1,483
Täby	41	1,148	17	843	4	1,003	5	1,188	67	1,067
Uppsala	24	1,516	13	841	2	658	28	2,557	67	1,666
East	250	1,503	95	1,093	9	869	33	2,153	387	1,426
Total	720	1,236	517	679	144	1,154	147	1,172	1,528	1,053

1) Consists of education, health care, residential, laboratories and recreation.

2) Calculated on the basis of contract value and let area.

Type of premises



- Offices 55 %
- Industry/warehouse 20 %
- Retail 10 %
- Other 15 %

Property category



- Business and Science Parks 40 %
- Small enterprise parks 26 %
- City properties 23 %
- Other 11 %

Market area



- South 37 %
- West 27 %
- East 36 %

The figures show the distribution in per cent based on rental value.

Property costs

Property costs totalled SEK 498 million (474) at year-end 2010, corresponding to SEK 349 per sq.m. (340) for a comparable portfolio.

Property costs were higher than normal due to 2010 being a cold and snowy year. Energy costs exceed the normal costs by SEK 25 million and the costs of snow and ice clearance were SEK 20 million higher than normal. Of the increased energy costs, 40 per cent were passed on to the tenants. Heating consumption amounted to 114 per cent (98) of a normal year's adjusted consumption.

Rent losses continue to be very low, totalling SEK 3 million on 31 December (5), or 0.3 per cent (0.4) of the total income.

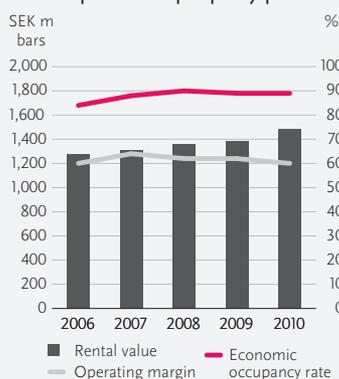
Property costs for a comparable portfolio*, SEK/sq.m.	2010	2009
Operating costs	229	210
Site leasehold fee	13	14
Maintenance	12	23
Property tax	43	40
Unit costs	52	53
Total	349	340

* Relates to properties owned for the whole of 2009 and 2010.

Occupancy rate

The economic occupancy rate was 89 per cent (89) at year-end 2010. Despite acquisitions with a low occupancy rate, Klöver has succeeded in retaining the occupancy rate by good letting work, which has led to strong net moving-in. The economic occupancy rate is not always fully affected by net moving-in as the value of the previously vacant space can be less than the new rent in the new lease. Occupancy rate measured as area was 79 per cent (80).

Development of property portfolio



Net moving-in

The positive development noted in the rental and real estate market during 2010 is reflected in strong net moving-in. Klöver's net moving-in amounted to SEK 16 million (-1) on an annual basis, based on tenants moving-in of SEK 99 million (77) and vacating tenants of SEK -83 million (78).

Lettings affect the rental value and rental income from the date that tenants move in.

In addition to the tenants moving-in, Klöver has signed additional lease contracts during 2010 for SEK 90 million with moving-in in 2011 or subsequently. The contract value for tenants moving-in together with contracts signed during 2010, where the tenant has not yet moved in, amounted to SEK 189 million.

Lease contract structure

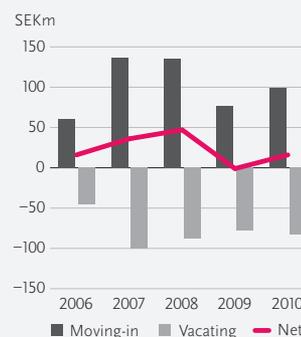
In all, Klöver has 4,476 leases (4,100). Of the leases, measured as a proportion of contract value, 22 per cent (21) expire during 2011. The average lease term was 2.8 years (3.0). The average contract value, including supplements, was 70 per cent (69) indexed in relation to the consumer price index (CPI).

The result for a comparable portfolio*

	31.12.2010	31.12.2009
Area, sq.m.	1,326	1,322
Fair value, SEK m	12,069	11,468
Required yield, %	7.2	7.2
Economic occupancy rate, %	90	89
	2010	2009
SEKm	Jan-Dec	Jan-Dec
Rental income	1,173	1,171
Other income	10	23
Property costs	-474	-447
Operating surplus	709	746

* Refers to properties owned during the whole of 2009 and 2010.

Net moving-in





Linköping Idétävlingen 4 – The property is part of Mjärdevi Science Park, consisting of a 23,000 sq.m. business center and offices with major tenants such as Lawson Software, Expert and Logica Sweden. Klöver's portfolio at Mjärdevi Science Park totals 47,000 sq.m.

Business and Science Parks

Business and Science Parks are business clusters that offer meetings between people and contribute to innovations. The environment is characterized by knowledge and creativity flows, which creates opportunities for new business.

The concept Business and Science Parks characterizes an area where companies active in research, education, high technology and IT are offered attractive premises at a good price in a creative and dynamic environment. Concentrating many developing companies within the same area produces good conditions for joint development projects, new companies, network building and technology transfer.

Business Parks are company parks with mainly office tenants in service industries, which are not directly associated with a university or other institutes of higher education. Science Parks are meeting places for knowledge-intensive companies and are characterized by being close to universities or other institutes of higher education and collaboration with the business sector, municipalities and cultural institutions.

Many parks include incubators, that is organizations focused on attracting and developing technology-intensive companies with great growth potential. Incubators are often meeting places for knowledge-intensive companies that originate from research and development projects at universities. They offer a process for new ideas and companies that aim at increasing the growth rate and providing tools for economic development. In this work, the incubator is an important link between the entrepreneur and commercialization of the product or service.



Örebro Forskarbyn 2 – The property is part of the Business Science Arena.

Dominant player in six parks

The rental value of Klöverns Business and Science Parks amounted at year-end 2010 to SEK 597 million, which corresponds to 40 per cent of the total rental value. The economic occupancy rate at the parks was 89 per cent.

The content of the parks is often governed by the profile areas, which are associated with the respective park.

Karlstad Business Park has the emphasis on companies producing services.

Kista Science City is world-leading in ICT (Information, Communication and Technology), primarily in mobile and wireless communication, multimedia and broadband systems.

Linköping's Mjärdevi Science Park is focused on image processing, analysis, media technology, telecommunications and signal processing as well as vehicle safety.

Norrköping Science Park has focus areas in visualization, interactive services and printed electronics.

Uppsala Business Park has a strong link with life science with biochemical manufacturing and research.

Örebro's Business Science Arena specializes in robotics, distribution logistics and nutrition.

“During the nearly 30 years that the Science Parks have existed in Sweden, a clear development has shown that the parks are regional and national project arenas for business, the public sector and academic institutions. Dynamic park environments with knowledge about business development also attract a highly qualified workforce. This in turn generates interest among established companies for locating and expanding in these environments, where tomorrow’s growth companies can be found”, says Magnus Lundin CEO of SISP (Swedish Incubators and Science Parks).

Services and additional facilities

The foremost added value for the park's customers is the opportunity for networking with other companies. Environments, which stimulate communication, innovation and creativity are important. It is also important for the customer that there are service companies offering accounting, legal, financing, insurance advisory and business development within the park.

The offering of services in the parks is also important. There are communication services such as Internet and telephony, and postal and administrative service at most parks. At Klöver's parks, there are also tenants, which offer other services such as conference facilities, restaurants, parking and gym facilities.

Community development

Most of Klöver's Business and Science Parks are part of a larger development context linking the park and the city.

- Kista Science City is building for the future – a place where academic institutions, housing, culture, nature, recreation, service and world-leading companies work together and attract new growth companies in coming industries.
- In the future plans for Linköping's Mjärdevi Science Park, the boundaries between residence, study, leisure time and work are erased. There is already education, research and attractive workplaces in the area. With an increased offering of residences, service, retail facilities and recreation, the area can be used around the clock in a living environment.
- Örebro's Business Science Arena is reviewing the feasibility of a new entrance for the university.



Kista Lidarände 1 – Kista Expo Center was completed in May 2009 and has become an important arena for meetings in Kista Science City. The number of visitors to the exhibition and conference facility totalled 200,000 in 2010.



Transactions and projects

Klövern should have a net growth of at least SEK 1 billion a year. This increase can take place through acquisitions and construction as well as refurbishment and extension of existing properties. During 2010, Klöver made net acquisitions of SEK 699 million (15) and total investment was SEK 464 million (351).

Property transactions

The transaction market in Sweden recovered to a normal level during 2010 after a weak previous year.

During 2010, the volume of transactions in Sweden amounted to SEK 103 billion, which is an increase of SEK 62 billion from 2009, according to DTZ Sweden.

Strategy

Klövern's acquisition strategy is to continue to increase its property portfolio in existing cities and to create clusters at these cities. Priority is given to commercial properties in Business and Science Parks, city properties with offices and shops and properties in small enterprise parks.

Sales are focused on properties not in Klöver's prioritized cities. Stand-alone and completely developed properties in prioritized cities may also be sold.

Properties acquired during 2010*			
	No. of properties	Lettable area, sq.m	Price, SEKm
Linköping	31	125	795
Norrköping	4	21	212
Nyköping	1	3	12
Örebro	2	11	48
Total	38	160	1,067

* Detailed information can be found in the property specifications.

Acquisitions

During the year, Klöver has acquired a property portfolio including 37 properties in Linköping, Norrköping and Örebro. The area amounted to 157 sq.m. with a purchase price of SEK 1,055 million. The portfolio consists of commercial properties and strengthen Klöver's position in these cities.

During 2010, Klöver acquired a total of 38 properties (5) for a price of SEK 1,067 million (179) and a lettable area of 160,000 sq.m. (25).

Sales

During the year, nine properties (4) were sold with a total lettable area of 27,000 sq.m. (4,000). The sales price was SEK 368 million (162) and the sales have led to positive realized changes in value of SEK 26 million (36). The sales were intended to further concentrate the property portfolio. All sold properties are in prioritized cities although they are stand-alone properties or are not included in the categories that Klöver focuses on. The sold properties are mainly retail outlets, housing and hotels.

Refinement gain from improvement of sold properties

The realized change in value of sold properties is based on the difference between the properties' fair value at the last closing of the books and the price that the property was sold for. The worked-up unrealized changes in value from previous years are included in the fair value of the properties and are therefore not visible in the realized change in value.

Klövern has invested SEK 313 million (127) in the properties sold this year during its period of ownership. The sales price of the properties totalled SEK 368 million (162), which produces a refinement gain of SEK 55 million (35).

Properties sold during 2010					
	Property	Type of premises	Lettable area, sq.m.	Rental value, SEKm	Price, SEKm
Karlstad	Ekorren 14 ¹⁾	Other	2	2	32
Linköping	Dalmasen 2	Office	1	2	24
Linköping	Fonden 1	Office	4	5	45
Nyköping	Kompaniet 29	Office	2	2	24
Täby	Kålroten 4 & 5	Retail	1	1	14
Västerås	Knut 26	Other	2	3	43
Örebro	Kitteln 11	Retail	13	17	142
Örebro	Rådhuset 1	Office	2	3	44
Total			27	35	368

1) Sale refers to sub-division from Ekorren 11.

Project activities

Klövern's project activities are focused on developing existing properties, new production on building rights and letting of vacant space. Klöver's project volume has been affected apace with increased letting and development of the properties.

Most projects are of relatively limited size. Of the almost 150 projects in process at the year-end, only seven projects have an estimated investment exceeding SEK 10 million. However, the smaller projects also require input from our own organization. Klöver will strengthen the project organization during 2011 to further improve quality and cost-effectiveness during 2011.

The prerequisites for carrying out new construction have increased markedly, which accords well with increased demand on the part of tenants for flexibility and quality. Producing new modern office environments, preferably in Business or Science Parks or adjacent to travel interchanges will be a profitable transaction for Klöver.



Linköping Idéläran 1 – The property in Mjärdevi Science Park was included in the property portfolio that Klöver took possession of 1 October 2010.

Projects in progress as at 31 December 2010

Projects > SEK 50 million

Property	Type of premises	Property's		Economic occupancy rate after project, %	Estimated investment, SEKm	Remaining investment, due to project, SEKm	Increase in		Expected completion date, year	
		lettable area, sq.m.	Project area, sq.m.				rental value, SEKm	Rental value after project*, SEKm		
Kista	Isafjord 1	Office/customer centre	57,512	36,000 ¹⁾	100	662	574	42	133	2012
Norrköping	Kopparhammaren 7	Office/cinema	4,480	4,480	100	81	31	8	8	2011
Norrköping	Stjärnan 15 & 16	Office	12,260	4,405	83	52	3	7	14	2011
Total projects >SEK 50 million			74,252	44,885		795	608	57	155	

Projects SEK 10–50 million

Property	Type of premises	Property's		Economic occupancy rate after project, %	Estimated investment, SEKm	Remaining investment, due to project, SEKm	Increase in		Expected completion date, year	
		lettable area, sq.m.	Project area, sq.m.				rental value, SEKm	Rental value after project*, SEKm		
Kista	Lidarände 1	Office/retail	19,195	3,700	100	41	19	6	27	2011
Kista	Isafjord 1	Office	57,512	1,649	100	18	3	1	133	2011
Uppsala	Fyrislund 6:6	Office	57,990	2,050	78	28	6	2	99	2011
Linköping	Dahljan 18	Office/energy	4,644	4,644	99	18	9	1	7	2012
Total projects SEK 10–50 million			139,341	12,043		105	37	10	266	

Projects < SEK 10 million

	Expected investment, SEKm	Remaining investment, SEKm	Expected completion date, year
Total projects < SEK 10 million	556	174	2011–
Total projects in progress as at 31 December 2010	1,456	819	

* According to external valuation.

1) Of which 27,000 sq.m. is new construction and 9,000 sq.m. refurbishment.

Projects during 2010

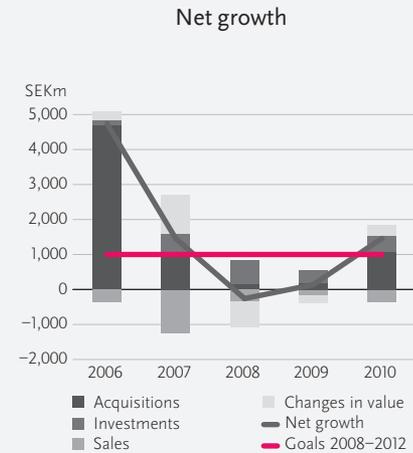
During the year, a large number of projects took place at existing properties. In all, SEK 464 million (351) was invested in 2010. Investments totalled SEK 198 million (615) at the projects completed during the year, and initiated in certain cases in previous years.

In addition to the projects completed during 2010, a large number of major and minor projects are still in process. At year-end 2010, a total of 149 projects (118) were in process with estimated expenditure totalling SEK 1,456 million (633). In all SEK 819 million (233) remains to be invested in these projects.

Kista Isafjord 1

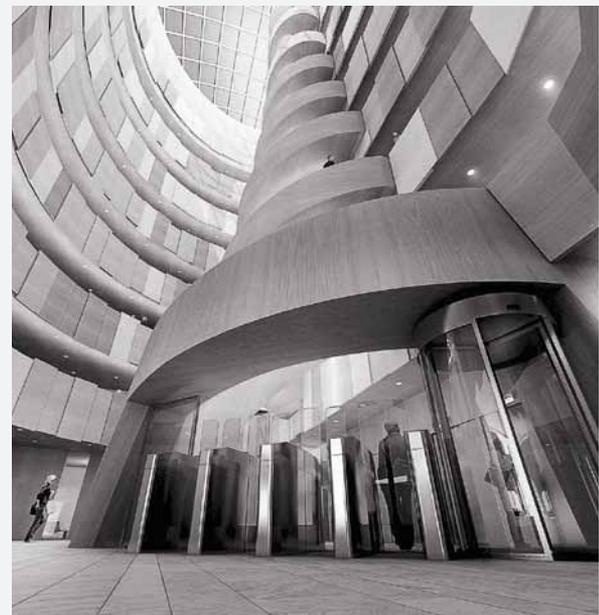
Ericsson's aim of coordinating all of its activities in Stockholm in Kista led to a demand for additional premises in Kista. During 2010, Klöver and Ericsson concluded a ten-year lease contract, according to which parts of the available building rights within Isafjord 1 will be used for an additional new construction of 27,000 sq.m. offices.

In addition, 9,000 sq.m. of existing buildings are being refurbished for new activities. The previously vacant



industrial premises will be used for offices and customer centres.

Klöver is applying a well-planned environmental awareness in the project, in compliance with the Green Building Requirement and the LEED gold level, which entails high cost and environmental efficiency. Klöver's investment is estimated at SEK 662 million with a total annual rent of SEK 66 million. Moving-in is planned for April 2012.



Future exterior and interior from ongoing new construction at Isafjord 1 in Kista. The architect is Wingårdh Arkitekter.



Kista Lidarände 1 – Exhibition and conference facility, office and retail premises.

Kista Lidarände 1

New construction of 650 sq.m. of offices is taking place directly adjacent to Kista Expo Center at the same time as 2,200 sq.m. of existing space is being converted into three floors of modern offices for Sony Ericsson, Agfa and Telia Företagscenter. The project also includes conversion of 850 sq.m. of warehouse space on the ground floor into seven retail premises with the entrance on the Arne Beurlings square. The investment is estimated at SEK 41 million and the project is to be completed during 2011.



Uppsala Fyrislund 6:6 – Uppsala Business Park.

Uppsala Fyrislund 6:6

The development at Uppsala Business Park, which was acquired by Pfizer, in 2006 has been very positive during 2009 and 2010. Over fifty tenants have moved in to a total of 22,000 sq.m., which has led to a number of refurbishment projects. In addition, refurbishment of 2,000 sq.m. is in progress for Svanova Biotech AB. The previous warehouse premises are being converted into offices, biotech production and modern warehouses. Moving-in will take place in February 2011 and investment for this project is estimated at SEK 28 million.



Norrköping Kopparhammaren 7 – Norrköping Science Park.

Norrköping Stjärnan 15 & 16 and Kopparhammaren 7

The two major projects taking place at the properties Stjärnan 15 & 16 and Kopparhammaren 7 in Norrköping are now in their final stage and will be completed during the spring and summer of 2011.

From having been dominated by trade union tenants, Stjärnan 15 & 16, which are adjacent to Norrköping travel interchange, have been refurbished as a modern office building with private and public sector tenants. Kopparhammaren 7 is located in Norrköping Science Park, adjacent to Norrköping's Visualization Centre. The tenants include the municipal cultural cinema Cnema. The total investment for the two projects amounts to SEK 133 million.



Future Kista – Klöver is by far and away the largest property owner of commercial premises in Kista. The lettable area amounted to more than 250,000 sq.m. and the assessed building rights to 200,000 sq.m. at year-end 2010.

Building rights

Ongoing work is taking place in Klöver to make use of existing building rights and create new ones. Klöver has deliberately worked to develop building rights in Business and Science Parks. Other locations of interest are adjacent to the travel interchanges, which are planned or be built in almost all of the cities where Klöver is active. In Business and Science Parks, Klöver has or is planning building rights in Karlstad, Kista, Linköping, Norrköping, Uppsala and Örebro. The same applies in the vicinity of existing or planned travel interchanges in Karlstad, Linköping, Norrköping, Uppsala, Västerås and Örebro.

The building rights consist of building rights according to the local plan and assessed building rights, which means Klöver's assessment based on the local and overview plans for the area. In all, building rights totalled 611,000 sq.m. (633,000) at year-end. Of these 229,000 sq.m. (204,000) were included in local plans. The value of the building rights as at 31 December 2010 was SEK 425 million (405).

Building rights			
	Total building rights, SEK 000s sq.m., GA ¹⁾	Building rights in local plans, 000s sq.m., GA ¹⁾	Assessed building rights, 000s sq.m., GA ¹⁾
Borås	5	–	5
Linköping	48	42	6
Norrköping	35	35	–
Nyköping	50	30	20
South	138	107	31
Karlstad	45	15	30
Västerås	84	12	72
Örebro	15	5	10
West	144	32	112
Kista	200	80	120
Täby	4	–	4
Uppsala	125	10	115
East	329	90	239
Total	611	229	382

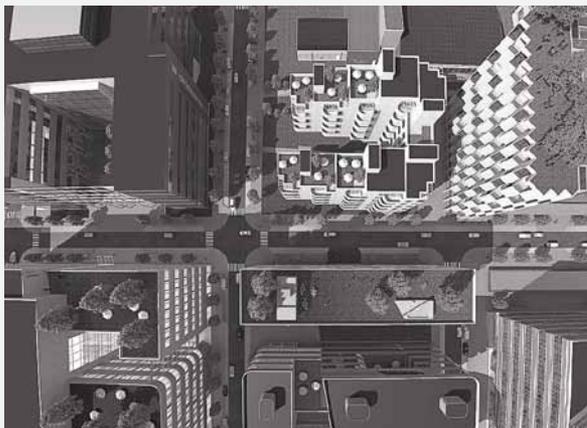
¹⁾ GA, gross area refers to the area of measurable parts of one or more floors limited by the outside of surrounding parts of buildings.



Future Uppsala – The Suttung block.

Uppsala – the Suttung block

At the end of 2010, a new local plan was adopted for the properties Kungsängen 10:1 and 10:2, which are immediately adjacent to Uppsala's new travel interchange. An unique opportunity is provided here to complement the existing property with an additional 10,000 sq.m. of offices and/or hotel. After the extension, Klöver will be able to offer a total of almost 20,000 sq.m. of premises in what is perhaps Uppsala's best location.



Future Kista Gardens.

Kista Gardens

The project Kista Gardens, located between Kistamässan and the shopping centre Kista Galleria, entails new construction of a completely new city neighbourhood. The focus will be on the interaction between people and the environment, which affects everything from choice of building materials to design and from content to energy consumption. There is an updated local plan for the area, which makes possible new construction of up to 175,000 sq.m.



Future Karlstad – Kanikenäset

Karlstad Kanikenäset

Klövern will have the major part of the new building rights for, among other things, apartments and offices, which are at present being planned at Kanikenäset in Karlstad Business Park. Klöver is expected to obtain infill building rights within the existing portfolio and new building rights on land owned by the municipality. When a local plan has been adopted for the whole area during 2011, Klöver is expected to obtain more than 30,000 sq.m. of building rights.

In the area, Klöver already owns the properties Barkassen 7 and 9, Kanoten 9 and 10.

The value of the properties

The fair value of the properties was SEK 13,493 million (12,032) at the year-end. The changes in value amounted to SEK 298 million (-231), of which realized changes in value amounted to SEK 26 million (36) and unrealized changes in value SEK 272 million (-267).

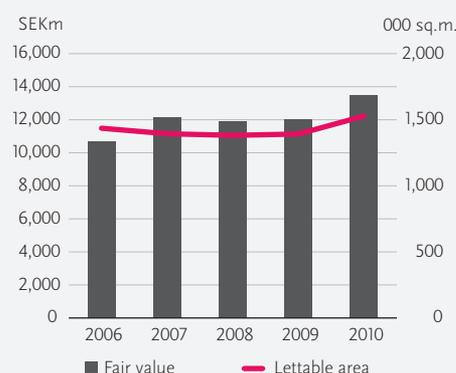
Changes in value of properties

The real estate market developed positively during 2010 and the transaction volume increased by an estimated 150 per cent compared with the previous year. Klöver's property portfolio had a positive change in value at the year-end of 2.1 per cent (-2.2). At year-end 2010, the average required return in Klöver's property portfolio was 7.2 per cent (7.2).

Despite a generally declining trend in the market, the required return remains at the same level as at the beginning of the year. The required return has decreased for properties in good locations with strong tenants, although this has been counteracted by higher required returns for acquired properties and lower required returns for properties sold. The unrealized changes in value have mainly arisen as a result of positive net moving-in and increased market rents.

Fair value, SEKm	2010	2009
Fair value as at 1 January	12,032	11,895
Acquisitions	1,067	179
Investments	464	351
Sales	-368	-162
Changes in value, unrealized	272	-267
Changes in value, realized	26	36
Fair value as at 31 December	13,493	12,032

The properties' value and area



Sensitivity analysis, property valuation

	Change +/-	Effect on profit, SEKm
Direct yield	0.5 %-point	- 871/+ 950
Rental income	SEK 100/sq.m.	-/+ 2,126
Operating costs	SEK 50/sq.m.	-/+ 1,063
Economic occupancy rate	1.0 %-point	-/+ 207

Property portfolio and valuation parameters per market area and business unit

	Fair value, SEKm	No. of properties	Rental value ¹⁾ , SEKm	Economic occupancy rate, %	Lettable area, 000 sq.m.	Cost of capital, %	Required yield, %	Required yield, average, %
Borås	398	15	51	94	80	8.75-10.50	6.75-8.50	7.8
Linköping	2,129	51	258	87	287	7.00-12.00	6.75-10.00	7.4
Norrköping	1,143	20	132	87	162	7.50-12.00	6.00-10.00	7.2
Nyköping	891	31	109	90	135	6.75-12.00	6.25-10.00	7.8
South	4,561	117	550	88	664	6.75-12.00	6.00-10.00	7.5
Karlstad	1,577	46	190	94	201	7.50-11.25	6.50-9.25	7.3
Västerås	1,234	27	161	83	218	8.00-11.00	6.00-9.00	7.4
Örebro	428	10	51	95	58	7.50-10.50	6.00-8.50	7.3
West	3,239	83	402	90	477	7.50-11.25	6.00-9.25	7.4
Kista	4,414	24	367	92	253	6.25-10.00	6.25-8.00	6.5
Täby	560	23	70	96	67	8.25-10.00	7.00-8.00	7.4
Uppsala	719	3	97	78	67	8.75-13.00	6.75-11.00	8.5
East	5,693	50	534	90	387	6.25-13.00	6.25-11.00	6.9
Total	13,493	250	1,486	89	1,528	6.25-13.00	6.00-11.00	7.2

1) The rental value includes the lease contract value for the areas let and assessed market value for vacant space. The market rent for vacant space is assessed on the basis of the existing state of the vacant space, i.e. before any refurbishments and adaptations.

Valuation model

Klövern reports investment properties at their fair value. Every quarter, 100 per cent of the properties are valued, of which 20–30 per cent are valued externally and the rest internally. This means that every property in the portfolio is externally valued at least once during a rolling 12-month period and three times internally.

The yield-based valuations are carried out using the cash flow method, i.e. based on forecasts of future cash flows. The direct yield requirements of the properties have been assessed on the basis of the unique risks of each property as well as transactions made at the respective location according to the location price method.

All external valuations have been carried out by DTZ Sweden in accordance with international valuation standard.

Klövern uses yield-based valuation according to the cash flow method both for external and internal valuations.

+ Rent payments
 – Operating cost payments
 = Operating surplus
 – Deduction for investments
 = Property cash flow

- The property's cash flow is discounted to present-day value using the cost of capital/discount rate.
- The residual value of the properties is assessed by perpetual capitalization whereupon the direct yield requirement is used. The residual value is then discounted by the cost of capital.
- The value of any building rights and unbuilt land is added to the present value.
- Normal period of calculation is five years.
- The development of inflation has been assessed at two per cent (The Riksbank's inflation target).

Summary

<i>Value date</i>	31 December 2010
<i>Fair value</i>	SEK 13,493 million
<i>Calculation period</i>	Five years
<i>Direct yield for assessment of residual value</i>	Between 6.00 and 11.00 per cent
<i>Cost of capital/discount rate</i>	Between 6.25 and 13.00 per cent
<i>Long-term vacancy</i>	Normally between 5 and 10 per cent
<i>Inflation</i>	Two per cent (The Riksbank's inflation target)



Borås Ekholma 7 – the property of 5,000 sq.m. of retail and warehouse was vacant on acquisition in 2009 but is now fully let, thanks to good letting work.

Basis for valuation

Every assumption about a property has been assessed individually based on the available material about the property and the market information and experience-based assessments of the external valuers.

Rent payments

The current lease contracts, as well as known lettings and vacations, provide the basis for an assessment of the property's rent payments. The external valuers have, in collaboration with Klöverns managers, made an individual assessment of the market rent for these vacant areas, and the vacant areas at the end of the term of the contract. The external valuers also assess the long-term vacancy of the respective property.

Operating payments

Operating payments consist of payments for the normal operation of the properties, including property tax, repairs and maintenance, site leasehold charges and property administration. The assessment of operating payments is based on the property budgets and outcome during the years that Klövern has owned the properties and the valuers' experiences of comparable properties. The maintenance level of the properties is assessed based on its present state, ongoing and budgeted maintenance measures and the assessment of future maintenance requirements by the external valuers.



Täby Lodet 2.

Investment requirements

The property's investment requirements are assessed by the external valuers based on the condition of the properties. In the event of large vacancies in the property, the need for investments often increases.

Calculation of residual value

Residual value is calculated for every property by perpetual capitalization of the estimated market-based net operating income during the final year of the calculation period and the assessed market required return for the respective property. The required return consists of the risk-free rate together with the unique risk of each property. The properties' unique risk is assessed on the basis of the external valuers' market databases, experiences and transactions made according to the location price method in the respective market. The cost of capital/discount rate is used to discount the residual value of the properties to current value and consist of the properties' required return and the inflation assumption in the calculation.

Calculation periods

The calculation periods are mainly five years. The exception is properties with substantial contracts and a remaining contract term exceeding five years. In that case, a calculation period corresponding to the remaining contract term plus at least a year has been selected.

Building rights and plots

At the properties where there are unutilized building rights and plots, these are valued on the basis of the location price method or a current value based on the estimated market value for development of building rights and plots. All values of building rights and plots have been assessed by the external valuers.

Inspection of the properties

All properties are inspected within a three-year period. Where substantial refurbishment, new tenants moving-in or other circumstances that have a significant effect on the value take place, new inspections are made based on the external values.

Linköping Idéläran 1 – Klöver took possession of the property located in Mjärdevi Science Park on 1 October 2010. It comprises of just over 11,000 sq.m. of office premises with, among other tenants, the Municipality of Linköping and Releasy Customer Management AB as tenants.



Markets & specification of properties

Markets	32	Market area West	42
Market area South	34	• Örebro	43
• Borås	35	• Karlstad	44
• Linköping	36	• Västerås	46
• Norrköping	38	Market area East	48
• Nyköping	40	• Täby	49
		• Uppsala	50
		• Kista	52

Markets

A strong Swedish economy with a good rate of growth provides a favourable basis for real estate business in Sweden. From 2010, Klöver's business has not only been divided into business units but also market areas which share cutting-edge expertise.

Strong Swedish economy

Growth

The Swedish economy is growing at a record high level, both historically and in comparison with other countries. Swedish GDP grew by 5.5 per cent during 2010 compared with the previous year. The rise is taking place on broad front, consumption, investments and exports are all increasing. The high growth means that production is back at approximately the same level as before the financial crisis.

Recovery after the financial crisis has gone quickly and Sweden is expected to have a higher growth than the surrounding world in 2011 as well. Growth is expected to be over 4 per cent in 2011. One important reason is Sweden's export dependence; the recovery in world trade benefits the Swedish economy. The good state of central government finances, unlike many other countries, means that Sweden does not need to make fiscal policy cutbacks.

Labour market

The state of the labour market improved throughout 2010. In December, open unemployment was 7.4 per cent after having been 8.6 per cent a year earlier. Indicators point to continued improvement. Unemployment is expected to fall, at the same time as there is expected to be a rise in employment. The improvement of the labour market statistics are due to a sharp increase in employment.

GDP – annual percentage change			
	Sweden	The euro area	USA
2009	-5.3	-4.0	-2.6
2010	5.5	1.7F	2.9F
2011 F	4.4	1.5	3.3
2012 F	2.4	1.7	3.1
2013 F	2.5	2.3	2.7

F = forecast.

Source: The Riksbank, Statistics Sweden and IMF.

The number of employed rose by 2.3 per cent and employment by 0.9 per cent during the same period. The fact that the employment rate did not rise as much is due to the supply of labour also increasing as the economy improves.

Inflation

The rate of inflation can be regarded as an indicator of the pressure in an economy. The Riksbank's target is to keep inflation, measured as CPI, at 2 per cent with the aid of changes in the repo rate. Inflation has gradually risen during 2009 and 2010 after having for a time been at record-low levels. There was actually deflation for eight months in 2009, i.e. falling price levels. In December 2010, the inflation rate was 2.3 per cent.

The Swedish property market

The Swedish commercial property market has grown during 2010 and is expected to total around 210 million sq.m. New production has increased, most of all in Stockholm. Despite Klöver being one of the larger real estate companies in Nasdaq OMX Stockholm, Klöver's share of the total Swedish commercial property market is estimated at only 0.7 per cent.

Swedish economy



Klövern's markets

Klövern focuses on expanding cities in central Sweden, a market strategy which, in the light of the current state of the Swedish economy, is favourable. All ten prioritized cities have increasing populations and falling unemployment. Klöver is one of the five largest commercial property owners in seven of the ten cities, which is a clear competitive advantage due to all the areas of contact that it entails.

Among the major property owners in Klöver's prioritized cities are, for example, Vasakronan, Akademiska Hus, foreign funds and local property owners. Among the other large listed real-estate companies, focusing on commercial premises, it is above all Kungsleden and Castellum, which operate in the same cities as Klöver.

Organized in market areas

Despite Klöver being a dominant player at all locations, not all of the ten business units are sufficiently large to be able to bear the cost of cutting-edge expertise in, for example, project activities, energy optimization and sales; expertise which is of crucial importance for Klöver's ambition to double its size. This is an important reason why Klöver decided in 2010 to organise the ten business units into three different market areas, South, West and East, where each area shares some specialist functions and has its own market area manager.



Population, employment and unemployment

	Population 2010 ¹⁾ , number	Change in population, 1 year, %	Change in population, 10 years, %	Employment ²⁾ , number	Of which public sector ³⁾ , %	Unemploy- ment, %	Change in unemploy- ment 1 year, %
Borås	103,218	0.8	6.5	50,322	33	7.0	-2.3
Karlstad	85,646	1.1	6.6	46,503	35	7.5	-2.0
Stockholm*	845,777	2.2	12.7	568,447	17.5	5.4	-0.3
Linköping	146,422	1.3	10.0	71,089	32	6.7	-1.4
Norrköping	129,985	0.7	6.4	56,601	30	9.0	-1.5
Nyköping	51,562	0.9	5.1	22,022	35	7.3	-1.5
Täby	63,739	1.2	5.9	22,227	15	2.8	-0.2
Uppsala	197,646	1.7	11.4	87,990	40	5.1	-0.6
Västerås	137,027	0.9	8.5	63,557	27	8.0	-1.5
Örebro	135,458	1.3	9.1	66,576	37	8.0	-1.8
All Sweden	9,412,841	0.8	5.6	4,546,000	31	7.4	-1.2

1) Refers to November 2010.

2) Refers to January 2011.

3) Year-end 2009/2010 RAMS statistics, Statistics Sweden.

* Because of the lack of information for Kista, Stockholm has been used.

Source: Statistics Sweden, National Labour Market Board (AMS) and Arena for Growth.

Market area South

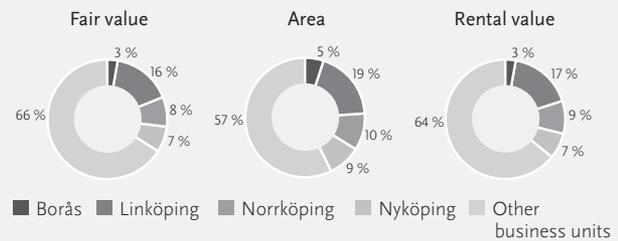


Market area South consists of the business units Borås, Linköping, Norrköping and Nyköping.

South is Klöverns largest market area, regardless of whether measuring the number of properties, area or rental value. The major part of the properties is offices in Linköping and Norrköping while industrial and warehouse properties predominate in Borås and Nyköping. This is reflected in Klöverns average rental levels in the respective city where Linköping has the highest average rent level and Borås the lowest.

However, Borås has a very high economic occupancy rate of a full 94 per cent while Nyköping has 90 per cent and Linköping and Norrköping 87 per cent.

The fact that Linköping has a relatively large number of vacancies is largely due to a new property portfolio of 31 properties with a lot of vacancies, which was taken possession of during the last quarter.



Market area South as at 31 December 2010

	Lettable area, 000 sq.m.	No. of properties	Rental value, SEKm	Economic occupancy rate, %	Fair value, SEKm	Required yield, %	Average rent ¹⁾ SEK/ sq.m	Assessed average rent, SEK/sq.m.	Assessed vacancy rate*; %
Borås									
Offices	25	–	20	92	–	–	857	800–1,200	5–10
Industry/warehouse	45	–	22	94	–	–	495	350–650	5–10
Retail	4	–	4	100	–	–	1,081	1,000–1,500	1–3
Other	6	–	5	98	–	–	801	–	–
Total Borås	80	15	51	94	398	6.75–8.50	658	–	–
Linköping									
Offices	142	–	148	86	–	–	1,142	1,200–1,400	7–10
Industry/warehouse	103	–	48	78	–	–	527	400–600	7–10
Retail	24	–	38	95	–	–	1,696	2,000–4,000	2–4
Other	18	–	24	95	–	–	1,143	–	–
Total Linköping	287	51	258	87	2,129	6.75–10.00	996	–	–
Norrköping									
Offices	67	–	72	87	–	–	1,260	1,150–1,300	9–10
Industry/warehouse	57	–	24	71	–	–	542	400–600	7–10
Retail	27	–	21	97	–	–	827	3,000–4,000	3–10
Other	11	–	15	98	–	–	915	–	–
Total Norrköping	162	20	132	87	1,143	6.00–10.00	942	–	–
Nyköping									
Offices	46	–	45	96	–	–	1,028	900–1,200	5–8
Industry/warehouse	52	–	22	67	–	–	550	400–600	10–15
Retail	19	–	24	99	–	–	1,252	1,500–2,300	5–10
Other	18	–	18	96	–	–	931	–	–
Total Nyköping	135	31	109	90	891	6.25–10.00	928	–	–
Total South	664	117	550	88	4,561	6.00–10.00	922	–	–
Total Klövern	1,528	250	1,486	89	13,493	6.00–11.00	1,053	–	–

1) Estimated according to contract value and let area.

* Source: DTZ Sweden.

Klöverns major tenants in Borås*

Friskis & Sveltis AB
Boarding AB
Lindex AB
Södra Älvsborg Hospital
City of Borås

* Corresponds to 21 per cent of Klöverns rental value in Borås.

Major employers in Borås*

LM Ericsson AB
Ellos AB
Manpower AB
Borås University College
SP Sveriges Tekniska Forskningsinstitut

* In addition to municipalities and county council

Borås

Despite the closure of the textile industries, a large part of Borås's businesses are active in the textile industry with everything from mail order companies to distribution companies. The city has major development plans and as part of the aim to create a textile centre, the Swedish School of Textiles will move into the Simonsland block in 2013.

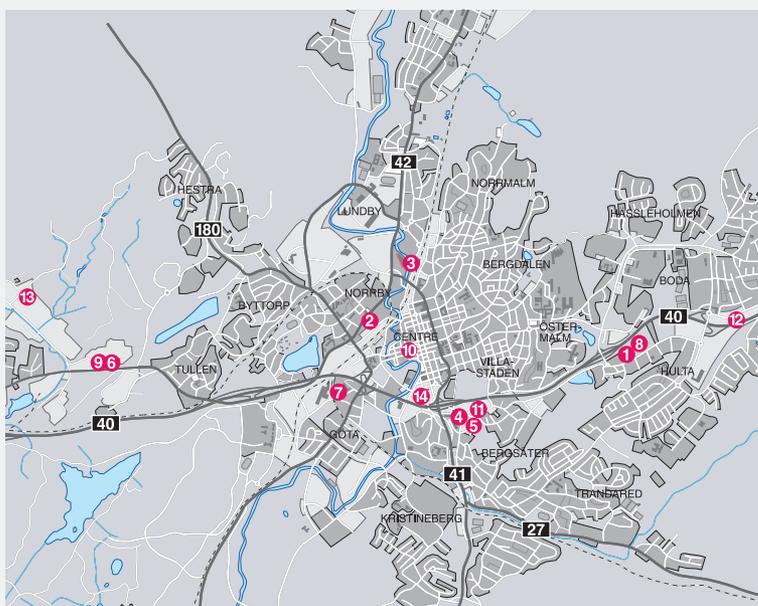
The total commercial area of premises in Borås was 2,900,000 sq.m. at the year-end. Klövern's portfolio in Borås consists of 80,000 sq.m., of which just under half are industrial premises in small enterprise parks.

Investor market

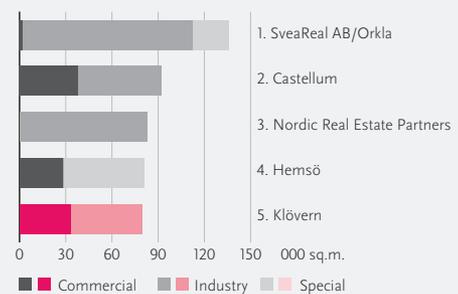
Examples of transactions and investments:

- The First AP Fund invests in residential properties through its own company Willhem AB. The company acquired properties for a total of SEK 7,000 million from Acta. The Borås component consists of 126,000 sq.m. of housing and 27,000 sq.m. of premises with an assessed market value of SEK 1,300 million.
- Alecta has purchased the first stage of 10,000 sq.m. of the retail area Lundaskog's total of 20,000 sq.m. The property has been let to City Gross with moving-in in the spring of 2011. The direct yield is estimated at 7 per cent.

No.	Property	Address	Municipality	Site leasehold	Building year/ value year	Type of property	sq.m.				Area, total	Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m
							Office	Industry/warehouse	Retail	Other				
1	Ekholma 7	Hultag. 15-17	Borås		2000/2001	Industry/warehouse	857	4,293			5,150	2.8	78	14.8
2	Gjutaren 10	Norrby Tvärg. 7, etc	Borås		1966/1966	Industry/warehouse	1,046	7,803			8,849	3.7	85	14.2
3	Grävlingen 5	Skaraborgsv. 21	Borås		1887/1990	Office	6,740		625		7,365	6.8	91	48.3
4	Katrineal 2	Katrinealdsg. 14, 16, 18, 20	Borås		1955/1988	Other	1,884	2,493	1,181	3,019	8,577	6.6	98	36.0
5	Katrinehill 8	Åsboholmsg. 16	Borås		1959/1959	Office	5,193	1,221			6,414	4.5	93	24.0
6	Kuggen 1	Verkstadsg. 14	Borås		1992/1996	Industry/warehouse		1,872			1,872	1.2	100	6.1
-	Kyrkängen 9	Kyrkog. 2	Mark		1929/1985	Retail			653		653	0.9	100	4.1
7	Laxöringen 1	Bockasjög. 10	Borås		1943/1960	Office	1,392	1,385			2,777	1.5	100	8.7
8	Milen 7	Solvarvsg. 4, 6	Borås		1969/1989	Industry/warehouse	2,405	7,531			9,936	5.5	96	21.4
9	Muttern 2	Verkstadsg. 12	Borås		1963/1989	Industry/warehouse	442	1,842			2,284	1.4	91	5.6
10	Nestor 1	Lilla Brog. 17, etc	Borås		1963/1963	Retail	1,068		1,148	190	2,406	3.2	100	23.8
11	Näckrosen 3	Katrinealdsg. 1, 3, etc	Borås		1990/1990	Office	3,908	1,360			5,268	5.2	88	29.2
12	Raklinjen 2	Källbäcksvägs. 6, 8	Borås		1968/1970	Industry/warehouse		7,787			7,787	3.6	100	13.3
13	Rotorn 3	Masking. 4	Borås		1972/1975	Industry/warehouse		3,037			3,037	1.3	97	6.0
14	Uranus 16	Bryggareg. 18, 20	Borås		1949/1960	Industry/warehouse		4,696	2,494		7,190	3.1	100	11.8
Total							24,935	4,320	3,607	5,703	79,565	51.3	94	267.2

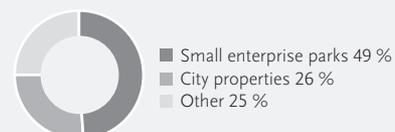


Major owners of commercial premises – Borås

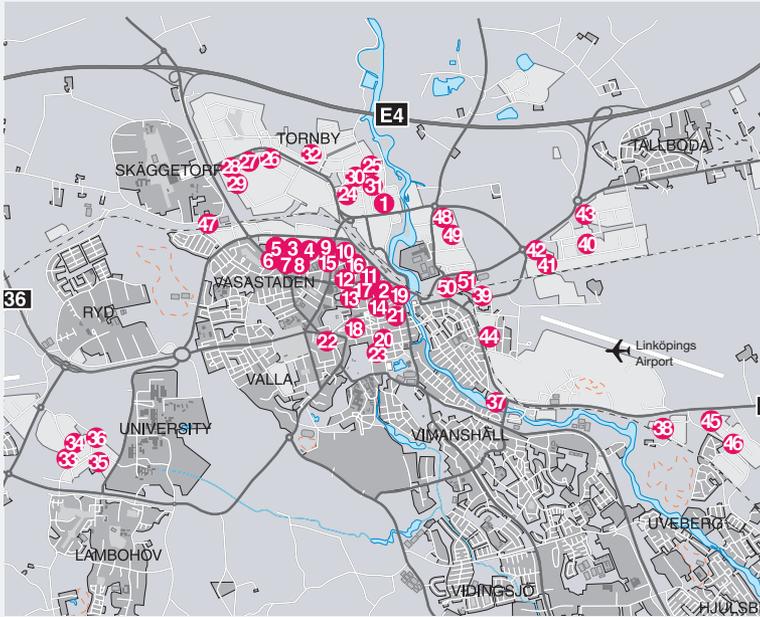


Source: Byggstatistik

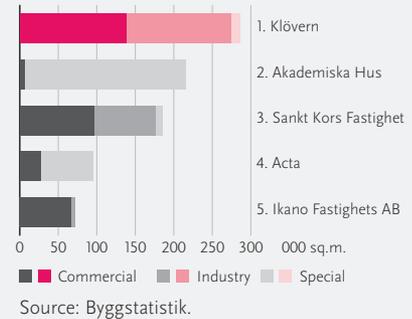
Property category – Borås



Linköping



Major owners of commercial premises – Linköping



Property category – Linköping



The traditional business sector is differentiated in Linköping although companies with a technical specialization predominate. There is a clear collaboration in the region between the business sector and the university in Mjärdevi Science Park.

The municipality is focusing on the coming move of the travel interchange and, in connection with this, an expansion of the city centre with continuous urban development to Kallerstad. The transformation of the area starts with the construction of the football stadium which is to replace Folkungavallen. In March 2010, a 20-year development plan was adopted for the extension of the University Hospital with a new entrance, demolition of 53,000 sq.m. and refurbishment and extensions.

The commercial area of premises in Linköping totalled 2,900,000 sq.m. at year-end. Klöver is the largest property owner for commercial premises with an area totalling 287,000 sq.m. The main part of the premises is offices and 20 per cent are located in Mjärdevi Science Park.

Investor market

Examples of transactions and investments:

- During the year, Klöver sold the properties Dalmasen 2 and Fonden 1 to local property companies for a total of SEK 69 million.
- On 1 October, Klöver took possession of a portfolio consisting of 37 properties, of which 31 were in Linköping. The purchase price totalled SEK 1,055 million and the area amounted to 157,000 sq.m. The vendor was Valad Property Group.
- The First AP Fund's investment in residential properties, through acquisition of properties for over SEK 7,000 million from Acta, consisted of 179,000 sq.m. in Linköping with an estimated value of SEK 1,300 million.



Linköping Amor 1.

No.	Property	Address	Municipality	Site leasehold	Building year/ value year	Type of property	sq.m.				Area, total	Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m
							Office	Industry/ warehouse	Retail	Other				
1	Ackordet 10	Industrig. 15	Linköping		1954/1954	Retail	875	88	3,360	4,323	3.4	52	22.0	
2	Amor 1	Platensg. 26	Linköping		1929/1990	Office	3,292			3,292	4.5	100	29.3	
3	Antennen 15	Mellang. 9	Linköping		1986/1986	Office	7,457	2,440	1,933	11,830	7.8	77	43.2	
4	Antennen 16	Bangårdsg. 6	Linköping		1986/1986	Office				0	–	–	1)	
5	Antennen 23	Industrig. 11	Linköping		1986/1986	Office				0	–	–	1)	
6	Antennen 24	Industrig. 11	Linköping		1947/1972	Office				0	–	–	4.7	
7	Antennen 5	Bangårdsg. 4	Linköping		1954/1988	Industry/warehouse	928	1,875		2,803	1.1	81	6.8	
8	Antennen 6	Industrig. 9	Linköping		1954/1988	Industry/warehouse				0	–	–	2)	
9	Antennen 9	Alkag. 4-6	Linköping		1948/1988	Industry/warehouse	2,428	2,494	1,370	6,292	4.7	91	17.1	
10	Beridaren 12	Platensg. 29, etc	Linköping		1929/1959	Office	3,640	345	95	4,351	4.9	93	28.9	
11	Brevduvan 17	Kungsg. 20, etc	Linköping		1916/1978	Office	7,220	106		7,603	9.5	93	27.2	
12	Brevduvan 20	Åg.31, etc	Linköping		1990/1990	Office	3,404	72	509	4,023	5.4	100	45.2	
13	Brevduvan 21	Klosterg. 19, etc	Linköping		1991/1991	Office	8,938	68	348	9,588	12.4	99	106.0	
14	Bromsaren 4	Stureg. 1, etc	Linköping		1958/1992	Office	5,765	55	1,528	7,348	14.0	99	91.2	
15	Bävern 2	Platensg. 25	Linköping		1940/1940	Other				996	0.9	98	9.1	
16	Bävern 13	Hertig Karlsg. 2	Linköping		1981/1981	Office	5,596	255		5,851	6.5	98	36.2	
17	Dahljan 18	S:t Larsg. 30, etc	Linköping		1963/1963	Retail	1,789	319	2,249	4,357	7.5	98	45.1	
18	Dahljan 20	Tanneforsg. 3	Linköping		1962/1962	Retail	576	346	1,991	3,013	6.9	100	45.4	
19	Decimalen 16	Repslagareg. 25, etc	Linköping		1968/1968	Office	2,264	747	1,669	4,680	9.1	99	62.6	
20	Domaren 13	Tanneforsg. 8, etc	Linköping		1966/1971	Retail	580	306	1,971	2,857	8.1	98	59.2	
21	Däckeln 3	Klosterg. 35, etc	Linköping		1977/1977	Retail	127	196	1,815	2,138	5.6	98	42.4	
22	Elefanten 17	Barnhemsg. 2, etc	Linköping		1978/1985	Office	6,298			6,298	9.1	99	53.2	
23	Epåletten 14	Nyg. 35	Linköping		1989/1989	Office	1,424	173		1,597	1.9	92	14.3	
24	Ganymeden 7	Roxeng. 9, 11	Linköping		1963/1973	Industry/warehouse	3,332	9,594	606	13,532	6.2	42	33.1	
25	Garvarn 9	Florang. 10,	Linköping		1946/1960	Office	3,622	639		4,261	2.8	70	10.8	
26	Glasberget 1	Attorspg. 7, etc	Linköping		1989/1992	Office	7,228	1,030	1,350	9,608	8.4	90	43.9	
27	Glasbiten 1	Attorspg. 2	Linköping		1977/1977	Industry/warehouse		4,160		4,160	4.0	100	10.9	
28	Glasbiten 7	Roxtorspg. 9	Linköping		1973/1989	Industry/warehouse	4,151	7,461		11,612	5.7	15	42.7	
29	Glasfatet 4	Roxtorspg. 12	Linköping		1974/1974	Retail			1,073	1,073	0.7	0	4.7	
30	Guvernören 13	N Oskarsg. 18	Linköping		1968/1971	Industry/warehouse	1,024	1,897	360	3,281	1.6	92	6.6	
31	Gymnasten 2	Roxeng. 7	Linköping		1977/1977	Office	1,772		310	2,082	2.0	99	9.7	
32	Gården 1	Gottorspg. 1	Linköping		1987/1987	Office	1,449			1,449	1.1	100	6.6	
33	Idégivaren 1	Teknikringen 4	Linköping		1989/1989	Office	3,846			3,846	3.9	87	26.8	
34	Ideläran 1	Teknikringen 2, etc	Linköping		1986/1999	Office	15,706		22	15,728	17.3	76	112.0	
35	Ideskissen 1	Teknikringen 3	Linköping		1984/1984	Other				4,726	4.726	5.6	100	Special property
36	Idétävlingen 4	Wallenbergsg. 4, etc	Linköping		1990/2001	Office	20,590	924	670	22,569	25.2	78	163.5	
37	Kvarnen 4	Nya Tanneforsv. 96,	Linköping		1935/1955	Retail	1,812	193	2,919	4,924	3.2	79	21.2	
38	Kättaren 7	Låskolvsg. 4	Linköping		1971/1972	Industry/warehouse	170	14,750		14,920	5.2	99	26.0	
39	Magasinet 1	Hagalundsv. 3	Linköping		1929/1929	Industry/warehouse		635		635	0.2	100	1.7	
40	Magneten 2	Finnög. 12	Linköping	S	1980/1980	Industry/warehouse	102	6,099		6,201	3.4	98	16.9	
41	Masugnen 1	Torvingeg. 1	Linköping		1975/1975	Retail		391	663	1,054	0.6	70	2.8	
42	Masugnen 2	Torvingeg. 3	Linköping		1972/1977	Industry/warehouse		3,461		3,461	2.2	100	6.6	
43	Megafonen 4	Finnög. 10	Linköping	S	1980/1980	Industry/warehouse				0	–	–	3)	
44	Mekanikern 22	G. Tanneforsv. 17, etc	Linköping		1947/1998	Industry/warehouse	4,354	13,585	2,962	20,901	13.4	98	35.3	
45	Navbössan 1	Låsblecksg. 7, 9	Linköping		1980/1983	Industry/warehouse		11,209		11,209	5.0	70	25.6	
46	Navhälet 3	Låsblecksg. 5	Linköping		1991/1991	Industry/warehouse	1,911	4,589		6,500	3.0	32	16.9	
47	Oboisten 2	Barhällsg. 1, 10	Linköping		1952/1952	Industry/warehouse	1,251	8,286	568	10,105	5.8	77	21.0	
48	Pagoden 2	Ottarg. 8	Linköping	S	1973/1988	Industry/warehouse	1,157	2,648		3,805	2.5	92	9.9	
49	Paletten 1	Gumpekullav. 8, etc	Linköping		1980/1980	Office	5,339	341	8	5,688	4.9	95	25.8	
50	Tannefors 1:89	Hagalundsv. 3B	Linköping		1986/1986	Industry/warehouse		1,071		1,071	0.5	100	3.1	
51	Tannefors 1:90	Hagalundsv. 3B	Linköping		Site	Industry/warehouse				0	–	–	–	
Total							141,417	102,848	24,277	18,554	287,096	257.5	87	1,473.2

1) Taxed together with Antennen 1.

2) Taxed together with Antennen 5.

3) Taxed together with Magneten 2.

Acquisitions during 2010.

Klöverns major tenants in Linköping*

Municipality of Linköping

Östergötlands County council

ULTRA Education AB (John Bauer)

Lawson Software AB

Danske Bank

* Corresponds to 17 per cent of Klöverns rental value in Linköping.

Major employers in Linköping*

Saab AB

Linköping University

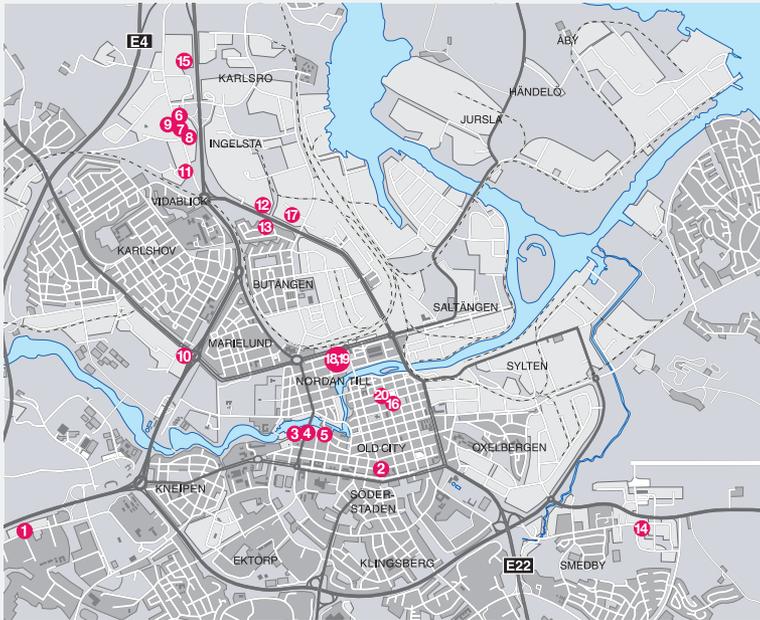
LM Ericsson AB

Cloetta AB

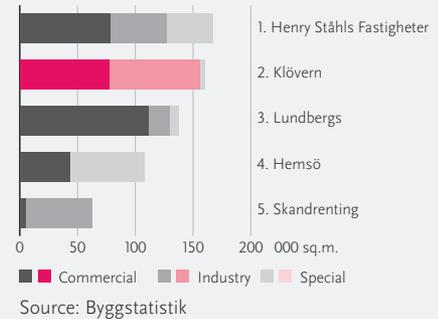
Scan AB

* In addition to municipalities and county council

Norrköping



Major owners of commercial premises – Norrköping



Property category – Norrköping



Norrköping Diket 10.

Norrköping is a popular student city with the university in the heart of the city. There is a well-developed cooperation between the municipality, the university and the business sector in Norrköping Science Park. Development of the Industrial Landscape for activities within the university's technical profile areas creates opportunities for new business activities and employment.

There has been a large increase in retail areas in the past year. The newly-opened Ingelsta Shopping Centre won Retail Rewards' prize for the Shopping Mall of the Year. At the end of May, Norrköping Visualization Centre C was officially opened by the King of Sweden. The centre is in the industrial landscape and, among its facilities, is northern Europe's most modern domed theatre with 3D films.

The total commercial area of premises in Norrköping was 3,300,000 sq.m. at the year-end. Klöver's portfolio totals 162,000 sq.m. Almost 40 per cent of these properties are in Norrköping Science Park and the remainder are evenly distributed between small enterprise parks and city properties.

No.	Property	Address	Municipality	Site leasehold	Building year/ value year	Type of property	sq.m.				Area, total	Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m
							Office	Industry/ warehouse	Retail	Other				
1	Basfiolen 9	Moa Martinsons g. 1	Norrköping	S	1983/1983	Office	1,183	81		1,264	1.1	81	4.2	
2	Diket 10	Drottningg. 66, etc	Norrköping		1968/1968	Office	3,108	137	1,364	266	4,875	7.6	98	47.9
3	Kopparhammaren 2	N Grytsg. 8, 10, 14	Norrköping		1929/1999	Office	24,843	4,215	3,127	3,838	36,023	35.1	83	194.3
4	Kopparhammaren 7	Kungsg. 56 etc	Norrköping		1929/1929	Office	3,490			990	4,480	0.4	0	Special property
5	Kvarnholmen 4	Dalsg. 7	Norrköping		1993/1993	Office	8,149			1,616	9,765	13.7	100	78.4
6	Malmen 5	Kopparg. 18	Norrköping		1969/1982	Industry/warehouse	758	2,416	784		3,958	2.6	78	10.4
7	Malmen 6	Kopparg. 10	Norrköping		1963/1963	Industry/warehouse		6,900			6,900	2.9	29	14.4
8	Malmen 7	Kopparg. 10	Norrköping		Site	Other						-	-	-
9	Malmen 8	Kopparg. 10	Norrköping		Site	Other						-	-	-
10	Omformaren 7	Hagag. 10	Norrköping		1951/1968	Industry/warehouse	85	5,160	4,178	3,065	12,488	6.8	98	16.1
11	Platinan 1	Platinag. 1	Norrköping		1988/1988	Retail			4,375		4,375	3.2	100	10.4
12	Reläet 9	Ståthögav. 48	Norrköping		1960/1993	Industry/warehouse	2,990	27,232	1,871	61	32,154	15.3	74	41.4
13	Ritsaren 10	Industrig. 7-9, etc	Norrköping		1964/1986	Retail	586	209	4,138		4,933	3.9	96	11.7
14	Rotfjärilen 1	Svärmareg. 1, 3	Norrköping		1992/1993	Office	4,343	1,397			5,740	5.1	86	20.1
15	Silvret 2	Kopparg. 28	Norrköping		1988/1988	Industry/warehouse		6,866			6,866	3.0	100	25.1
16	Skeppet 13	Hospitalsg. 26	Norrköping		1929/1993	Retail	12	2,493	1,067		3,572	4.4	100	30.1
17	Statorn 10	Malmg. 4	Norrköping		1938/1978	Industry/warehouse	1,392	1,777	1,440		4,609	2.8	81	15.0
18	Stjärnan 15	Slottsg. 114, 116	Norrköping		1958/1958	Office	8,590	307	2,571	792	12,260	12.5	82	45.8
19	Stjärnan 16	Slottsg. 114, 116	Norrköping		1958/1958	Office					0	-	-	22.0
20	Svärdet 8	Hospitalsg. 17 etc	Norrköping		1967/1976	Office	7,693		365	40	8,098	11.0	99	63.6
Total							67,210	56,709	26,706	11,735	162,360	131.4	87	651

Acquisitions during 2010.

Investor market

Examples of transactions and investments:

- In June, Boulton sold the shopping mall Domino to Diligentia. The purchase price is estimated at SEK 350 million, the area 17,000 sq.m. and the direct yield at 7 per cent..
- Klövern's acquisition in October included a property portfolio from Valad Property Group, of which four properties were located in Norrköping.
- In December, FastPartner AB purchased Bomullspinneriet 3 and Gropen 9 in the Industrial Landscape. The properties have an area of 12,000 sq.m. and the price is estimated at SEK 235 million with a direct yield of around 6.75 per cent.
- FastPartner AB acquired an additional property, Smedjan 8, for SEK 34 million. The property contains over 2,000 sq.m. of offices.
- Hageby Centre, Östergötland's largest shopping mall, was completed during the autumn with over 100 shops and a lettable area of 40,000 sq.m. The company Steen & Ström which owns the centre, was acquired in 2008 by the French company Kleppiere.
- New construction is taking place in Norrköping Centre of 10,000 sq.m. of office premises for the Swedish Transport Agency in the block Lyckan 13. The property owners is Lundbergs and the project is expected to be completed during April 2011.

Klövern's major tenants in Norrköping*

TeliaSonera AB

Municipality of Norrköping

Public Employment Service

Social Insurance Agency

Ahlsell Sverige AB

* Corresponds to 24 per cent of Klövern's rental value in Norrköping.

Major employers in Norrköping*

Holmen AB

Billerud Skärblacka AB

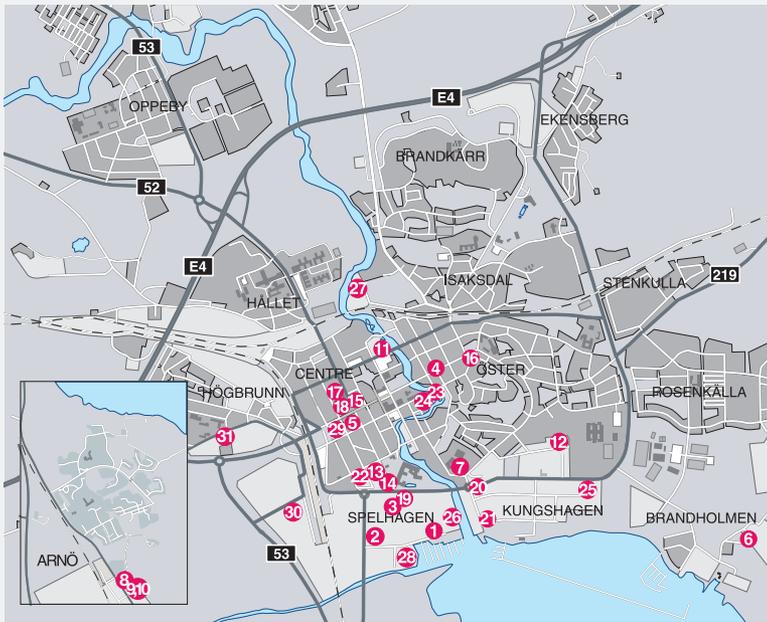
E.O.N AB

The LFV Group

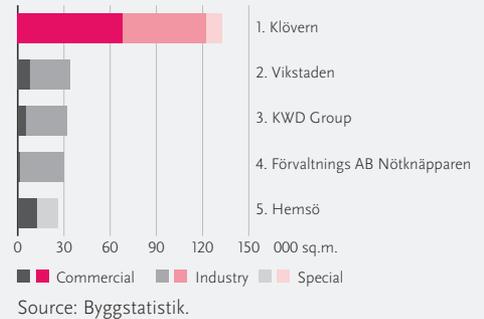
Whirlpool AB

* In addition to municipalities and county council.

Nyköping



Major owners of commercial premises – Nyköping



Property category – Nyköping



Nyköping is 100 kilometres south of Stockholm with almost two million people within a hundred-kilometres radius. The city has excellent communications, which creates good prerequisites for business and employment. Growth is positive and the business sector is characterized by a large private service sector and a small proportion of manufacturing industry.

The total commercial premises area in Nyköping was 1,050,000 sq.m. at year-end. Klöver is by far the largest property owner for commercial premises with a total of 135,000 sq.m. mainly consisting of offices and industrial premises, which makes Klöver a natural partner when choosing premises.

Investor market

Examples of transactions and investments:

- At the beginning of 2010, Klöver divested the property Kompaniet 29 to Home Properties with an area of 2,000 sq.m. and a value of SEK 24 million.
- In July, Klöver acquired the property Ana 12 in the Spelshagen area. The property consists of 3,000 sq.m. of warehouse premises and the price amounted to SEK 12 million.
- In November, Kungsleden purchased the property Gumsbacken 12 with an area of 13,000 sq.m. The estimated purchase price was SEK 160 million and the direct yield 7.25 per cent.



Nyköping Mjölklaskan 8.



Nyköping Lansén 13.

No.	Property	Address	Municipality	Site leasehold	Building year/ value year	Type of property	sq. m.				Area, total	Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m
							Office	Industry/ warehouse	Retail	Other				
1	Ana 11	Gästabudsv. 2 etc	Nyköping		1940/1978	Industry/warehouse	12,284	25,437		4,939	42,660	25.8	75	113.4
2	Ana 12	Spelhagsvägen 1	Nyköping		1984/1984	Industry/warehouse		3,230			3,230	1.7	100	5.7
3	Ana 13	Nyckelv. 14	Nyköping		Site	Other					0	0	0	0.7
4	Bagaren 20	Ö Storg. 5 etc	Nyköping		1962/1962	Retail	400		802	681	1,883	1.9	95	12.4
5	Biografen 19	V Storg. 18, 20, etc	Nyköping		1929/1987	Retail	170	5	1,531	856	2,562	3.4	100	24.3
6	Brandholmen 1:9	Pontong. 11	Nyköping		1962/1970	Industry/warehouse	251	7,452		97	7,800	3.6	97	15.9
7	Brädgården 3	Folkungav. 1	Nyköping		Site	Other					0	0.1	100	-
8	Fabrikatet 1	Materialv. 3	Nyköping		1980/1980	Industry/warehouse	555	2,065	819	1,280	4,719	3.0	76	7.7
9	Fabrikatet 4	Materialv. 3	Nyköping		Site	Other					0	-	-	0.2
10	Fabrikatet 5	Materialv. 3	Nyköping		Site	Other					0	-	-	0.1
11	Fors 11	Repslagareg. 43	Nyköping		1929/1987	Office	8,213	2,452	506		11,171	11.5	97	54.6
12	Furan 2	Domänv. 11	Nyköping		2001/2001	Other		17		3,807	3,824	4.5	100	Special property
13	Glödlampen 16	Bagareg. 2, 4 etc	Nyköping		1929/1929	Retail	243		570		813	0.4	24	2.8
14	Glödlampen 17	Bagareg. 2, 4 etc	Nyköping		1929/1929	Office	435				435	0.3	100	1)
15	Gripen 1	V Storg. 25	Nyköping		1929/1986	Retail	475		691		1,166	1.6	99	10.9
16	Hermelinen 7	Ö Storg. 36 etc	Nyköping		1929/1981	Other	1,120	108	155	1,285	2,668	2.5	93	8.0
17	Hotellet 18	Brunnsg. 35	Nyköping		1940/1940	Retail			487	335	822	0.7	100	4.4
18	Hotellet 26	V Storg. 19	Nyköping		1981/1981	Retail			4,824		4,824	7.2	100	48.0
19	Jarlen 1	Nyckelv. 14	Nyköping		1899/2003	Office	680				680	0.8	100	4.5
20	Kungshagen 1:6	Ö Skeppsbron 1 etc	Nyköping		1929/1989	Other	332		325	741	1,398	1.5	99	Special property
21	Lansen 13	Gasverksv. 2 etc	Nyköping		1977/1991	Office	3,887	548	1,869		6,304	6.7	99	34.8
22	Mjölklaskan 8	Bagareg. 3, etc	Nyköping		1929/1940	Other	2,746	1,785	157	3,770	8,458	5.9	88	Special property
23	Nyköpings Bruk 1	V Kvarng. 64	Nyköping		1929/1983	Office	1,877		270	0	2,147	2.5	100	12.7
24	Nyköpings Bruk 7	V Kvarng. 62	Nyköping		1910/1991	Office	1,614	205			1,819	1.7	99	10.4
25	Skölden 2	Gasverksv. 15	Nyköping		1989/1989	Office	1,962	73			2,035	1.7	98	8.2
26	Spelhagen 1:7	V Skeppsbron 6	Nyköping		1929/1929	Industry/warehouse		5,567			5,567	1.7	70	6.5
27	Spinnerskan 2	Periodgängen 11	Nyköping		1929/1969	Office	4,210				4,210	2.7	70	5.9
28	Spåntén 7	Spelhagsv. 4, 6, 8	Nyköping		2009/2009	Retail			640		640	0.5	100	2.5
29	Standard 17	V Storg. 2-6, 8, 10 etc	Nyköping		1969/1993	Retail	3,057		3,566		6,623	9.8	100	54.7
30	Stensötan 5	Idbäcksv. 8 B	Nyköping		1971/1985	Retail	1,128	1,310	2,420		4,858	3.3	100	8.2
31	Säven 4	Norrköpingsv. 9	Nyköping		1987/1987	Industry/warehouse		1,853			1,853	2.3	100	Special property
Total							45,639	52,107	19,632	17,791	135,169	109.3	90	457.5

1) Taxed together with Glödlampen 16.

Acquisitions during 2010.

- Byggnads AB Henry Ståhl's associated company Kretia acquired Estancia's residential portfolio in Norrköping and Nyköping before the end of the year. The portfolio consisted of eight properties, one of which, Järnhandlaren 28, was in Nyköping with 1,000 sq.m. of housing and premises.
- Förvaltnings AB Nötknäpparen is converting a warehouse property into an experience centre. The property, consisting of 5,000 sq.m. will contain five cinema screens and a play centre. The building is expected to be finished during 2011.
- The adoption of a new local plan for Spelhagen, Nyköping Strand, provides opportunities for Klövern to further develop the area for professional trading, offices, culture and sport.

Klövern's major tenants in Nyköping*

Municipality of Nyköping
Stora Hotellet in Nyköping AB
Länsförsäkringar Södermanland
Tax Agency
Kungshagens Skola AB

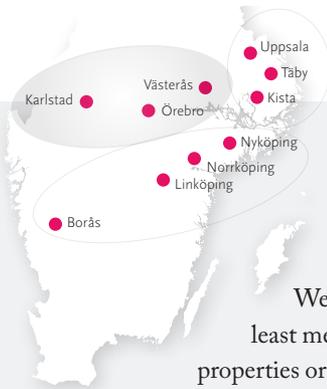
* Corresponds to 24 per cent of Klövern's rental value in Nyköping.

Major employers in Nyköping*

Stockholm Skavsta Flygplats AB
Schneider Electric AB
Swenox AB
ABB Cewe-Control AB
Studsvik Nuclear AB

* In addition to municipalities and county council.

Market area West

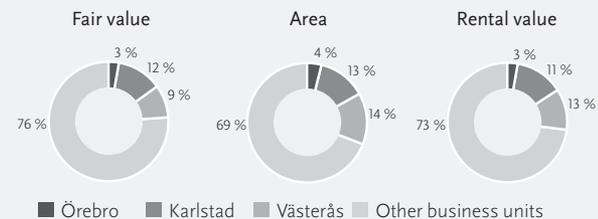


Market area West consists of the business units Örebro, Karlstad and Västerås.

West is Klöverns middle market area, at least measured in terms of the number of properties or area. If rental value is compared instead, then West is Klöverns smallest market area. Karlstad and Örebro are typical white collar cities and this can also be seen from Klöverns property portfolio where the major part of the area consists of offices.

In Västerås, however, industrial and warehouse premises predominate. This is reflected in Klöverns average rent levels in the respective city where Karlstad and Örebro have a higher average rent level than Västerås.

Västerås has a clearly higher vacancy, in particular for industrial and warehouse premises, than both Örebro and Karlstad.



Market area West as at 31 December 2010

	Lettable area, 000 sq.m.	No. of properties	Rental value, SEKm	Economic occupancy rate, %	Fair value, SEKm	Required yield, %	Average rent ¹⁾ , SEK/sq.m.	Assessed average rent*, SEK/sq.m.	Assessed vacancy rate*, %
Örebro									
Offices	34	–	34	96	–	–	1,027	1,150–1,350	3–5
Industry/warehouse	9	–	4	96	–	–	490	500–700	7–12
Retail	6	–	3	74	–	–	692	2,000–4,000	3–7
Other	9	–	10	99	–	–	866	–	–
Total Örebro	58	10	51	95	428	6.00–8.50	888	–	–
Karlstad									
Offices	109	–	110	93	–	–	1,081	1,150–1,300	6–9
Industry/warehouse	48	–	29	94	–	–	636	400–600	8–12
Retail	16	–	17	95	–	–	1,119	1,800–3,000	3–4
Other	28	–	34	98	–	–	1,094	–	–
Total Karlstad	201	46	190	94	1,577	6.50–9.25	979	–	–
Västerås									
Offices	47	–	43	82	–	–	1,009	1,150–1,350	5–10
Industry/warehouse	108	–	53	74	–	–	629	500–700	5–10
Retail	39	–	43	96	–	–	1,129	2,000–4,000	2–5
Other	24	–	22	82	–	–	876	–	–
Total Västerås	218	27	161	83	1,234	6.00–9.00	868	–	–
Total West	477	83	402	90	3,239	6.00–9.25	923	–	–
Total Klövern	1,528	250	1,486	89	13,493	6.00–11.00	1,053	–	–

1) Estimated according to contract value and let area.

* Source: DTZ Sweden.

Klöverns major tenants in Örebro*

Swedish Transport Agency

Posten Norden AB

Apoteket AB

WSP Sverige AB

Sigma Solutions AB

* Corresponds to 49 per cent of Klöverns rental value in Örebro.

Major employers in Örebro*

Assistansia

Atlas Copco

Örebro University

Statistics Sweden

National Police Board

* In addition to municipalities and county council.

Örebro

Örebro's central location in Sweden has made it into a prominent transport city, with for example an airport for air freight. It has heavy industry but also hi-tech research and highly qualified services production. There is a strong belief in the future in the city. Housing production is increasing, there is a positive trend in the private sector and employment is continuing to increase.

The total commercial premises area in Örebro was 2,900,000 sq.m. at the year-end. Klöver's premises area totalled 58,000 sq.m. mainly consisting of offices and 25 per cent of the portfolio is in the city centre.

Investor market

Examples of transactions and investments:

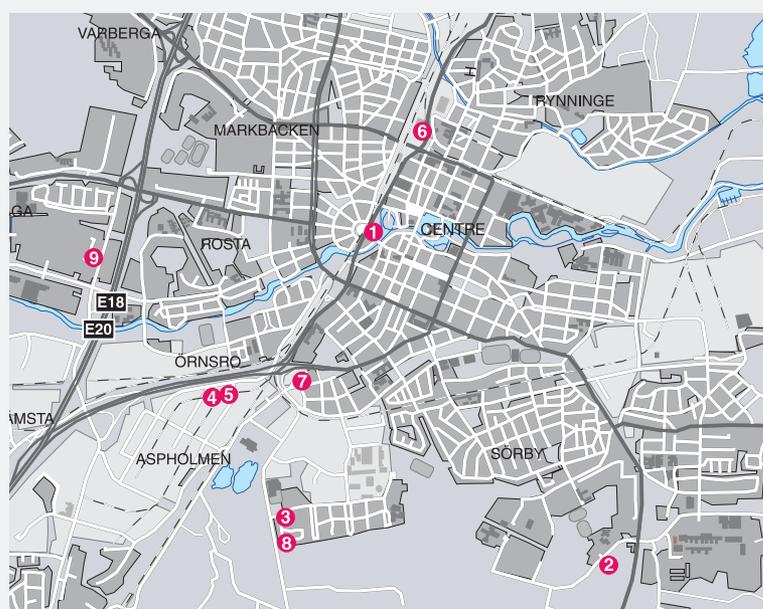
- Klöver sold the property Kitteln 11 including the

Kompassen shopping mall. The area was 13,000 sq.m. and the price SEK 142 million.

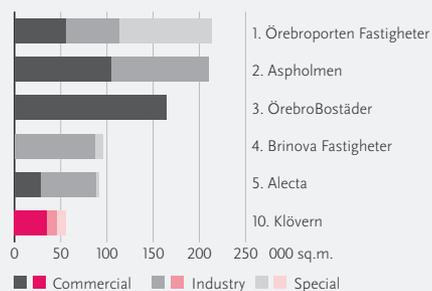
- W-Invest is investing SEK 450 million in a new retail area adjacent to the E18/E20 motorway at Eurostop. The first contracted tenants are City Gross and Systembolaget.
- Klöver sold the property Rådhuset 1 with an area of 2,000 sq.m. for SEK 44 million.
- Norrporten started to build a new Rättscentrum [judicial centre] in central Örebro for Örebro District Court, the Police and the Public Prosecution Authority. The 18,000 sq.m. building will be completed during 2012.
- Klöver acquired a property portfolio including the properties Lantmannen 2 and Pigan 11 in Örebro.

No.	Property	Address	Municipality	Site leasehold	Building year/ value year	Type of property	sq.m.				Area, total	Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m
							Office	Industry/warehouse	Retail	Other				
1	Barkenlund 11	Vasastrand 11	Örebro		1934/1989	Office	2,484	347			2,831	3.9	97	24.7
2	Forskarbyn 2	Forskarv. 1, 3	Örebro		1998/1998	Office	5,097		136		5,233	6.4	91	26.5
3	Fåraherden 1	Riag. 1,3	Örebro		1992/1992	Office	1,765	5		752	2,522	2.9	100	17.1
4	Importören 2	Skvadronv. 5	Örebro		1970/1970	Industry/warehouse	1,055	1,510	570		3,135	1.7	51	5.1
5	Lantmannen 2	Radiatorv. 7 etc	Örebro		1972/1974	Industry/warehouse	1,096	4,042	3,485	1,700	10,323	5.8	100	19.8
	- Nejlikan 13	Fredsg. 30, 32 etc	Katrineholm		1951/1951	Retail	19	186	1,500	861	2,566	1.3	51	Special property
6	Olaus Petri 3:234	Ö Bang. 7	Örebro		1979/1979	Other	1,964	2,462	9	4,683	9,118	9.1	100	Special property
7	Oxbacken 7	Krontorpsg. 1	Örebro		1981/1988	Office	2,587				2,587	2.5	99	11.8
8	Pigan 1	Riag. 53	Örebro		1992/1992	Office	931				931	0.8	100	Special property
9	Vindhjulet 3	Tunnlandsg. 1, 3, 5	Örebro		1970/1970	Office	16,699	930		1,366	18,995	16.7	99	74.0
Total							33,697	9,482	5,700	9,362	58,241	51.1	95	178.9

Acquisitions during 2010.



Major owners of commercial premises – Örebro

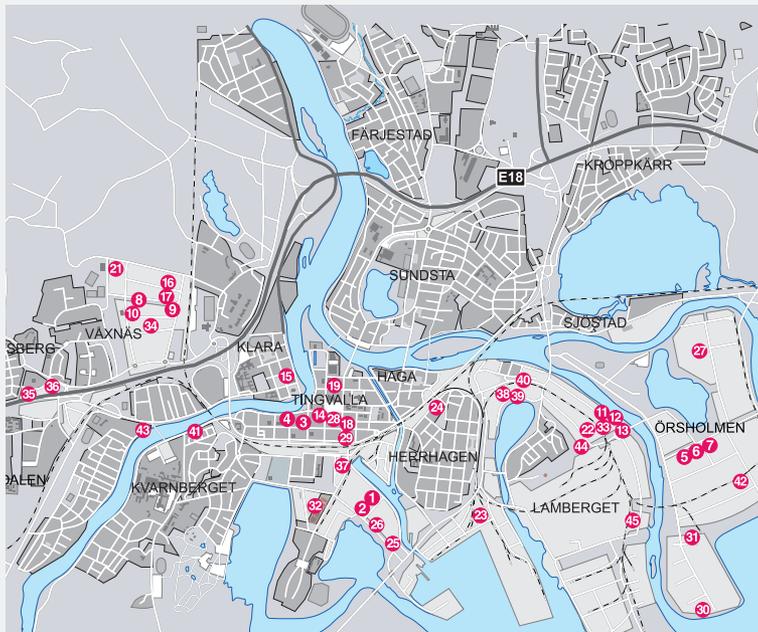


Source: Byggstatistik.

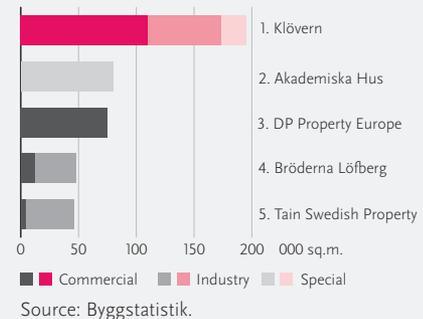
Property category – Örebro



Karlstad



Major owners of commercial premises – Karlstad



Property category – Karlstad



Karlstad's business sector has a strong component of services production specialising in the forest sector and IT among other fields. Klöver makes the assessment that the demand for modern, flexible offices will increase and is therefore working on the further development of Karlstad Business Park, where the local planning of the Kanikenäset area will soon be completed, which is expected to make over 30,000 sq.m. of building rights available to Klöver.

Klövern is the largest property owner of commercial premises in Karlstad with almost 10 per cent of the total commercial premises area, amounting to almost 2,100,000 sq.m. at the year-end. Over 50 per cent of Klöver's premises consist of offices. The breadth of types of premises that can be offered and the fact that Klöver has properties both centrally and at other established

workplaces makes Klöver a natural first-hand choice when companies are looking for premises.

Investor market

The activity in the investor market in Karlstad has increased during 2010 compared with previous year. The price levels show a mainly unchanged and stable level of direct yield compared with the previous year. Examples of transactions and investments:

- Kungsleden sold the property Gräsroten 1, situated in an out-of-town shopping centre, to the Norwegian-owned Union Corporate AS for SEK 72 million, corresponding to 7 per cent direct yield.
- During 2010, large refurbishment and extension of Karlstad Congress and Culture Centre has been completed with inauguration in January 2011. The owner is the Norwegian Storebrand/SPP.
- The major sales of individual properties include the property Gruvan 13, which was sold for SEK 5.5 million, corresponding to SEK 8,600 per sq.m. The property Färjestads Gärd 2 was sold for SEK 6.5 million, corresponding to SEK 14,000 per sq.m. The properties are not located in A locations.
- Landshypothek's fashionable property on Älvgatan was sold to a local property company, Profil Invest. The price was slightly over SEK 10,000 per sq.m. for an older building requiring renovation.



Karlstad Skepparen 15.

No.	Property	Address	Municipality	Site leasehold	Building year/ value year	Type of property	sq. m.				Area, total	Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m
							Office	Industry/ warehouse	Retail	Other				
1	Barkassen 7	Lagergrens g. 2, 4	Karlstad		1990/1990	Office	11,735	32	569		12,336	16.0	98	83.4
2	Barkassen 9	Lagergrens g. 8	Karlstad		1991/1991	Office	7,156				7,156	9.2	100	53.4
3	Björnen 7	Järnvägsg. 7	Karlstad		1965/1965	Office	1,380	212	398	1,285	3,275	5.1	98	36.6
4	Björnen 13	Fredsg. 10	Karlstad		1906/1962	Office	3,814	3,586		40	7,440	7.2	97	27.2
5	Blåsten 3	Stormg. 6	Karlstad		1975/1975	Industry/warehouse	473	1,622			2,095	1.1	67	4.2
6	Blåsten 4	Stormg. 8	Karlstad		1975/1979	Office	2,407				2,407	1.8	100	5.6
7	Brisen 4	Sunnanvindsg. 8	Karlstad		1973/1978	Office	800				800	0.7	100	3.1
8	Bromsen 1	Blockg. 6	Karlstad		1967/1967	Retail	729		861		1,590	1.0	78	3.9
9	Bromsen 6	Ramg. 7	Karlstad		1967/1977	Industry/warehouse	1,660	1,742	200		3,602	3.2	100	7.4
10	Bromsen 13	Spärrg. 12	Karlstad		1967/1967	Retail					0	-	-	1.6
11	Bälgen 9	Sågverksg. 33	Karlstad		1959/1988	Office	2,780				2,780	2.1	92	2.6
12	Bälgen 10	Sågverksg. 35	Karlstad		1959/1988	Office					0	-	-	1)
13	Bälgen 11	Elverumsg. 7	Karlstad		1959/1991	Office					0	-	-	8.2
14	Druvan 13	Tingvallag. 17	Karlstad		1947/1947	Retail	1,872	89	1,968	348	4,277	5.6	95	40.9
15	Ekorren 11	Malmortsgg. 6	Karlstad		1929/1992	Office	4,148	380		2,068	6,596	7.0	99	14.6
16	Fjäders 14	Kolvig. 1	Karlstad		1966/1971	Retail	1,013		3,032		4,045	2.7	97	6.5
17	Fjäders 16	Bromsg. 4	Karlstad		1991/1991	Office	2,821		1,536		4,357	3.1	70	18.0
18	Freja 13	Drottningg. 6	Karlstad		1965/1976	Office	3,573	116	2,064	936	6,689	7.0	84	45.0
19	Gripen 11	Herrgårdsg. 20	Karlstad		1962/1986	Other	1,508		162	2,628	4,298	4.8	100	Special property
20	Grästegen 2	Strålg. 3	Karlstad		1990/1990	Office	2,688				2,688	1.5	25	8.3
21	Gångjärnet 2	Blockg. 29	Karlstad	S	1964/1974	Industry/warehouse	158	2,814			2,972	2.1	100	6.9
22	Hammaren 21	Gjuterig. 27, 29	Karlstad		1990/1990	Industry/warehouse	774	1,172			1,946	1.3	100	5.4
23	Herrhagen 1:10	Hamnpirsg. 4	Karlstad	S	1986/1987	Other		475		1,040	1,515	1.2	99	1.5
24	Hybelejen 17	Verkstadsq. 20	Karlstad		1929/1985	Office	2,884	44			2,928	2.7	95	13.2
25	Kanoten 9	Kanikenäsbanken 12	Karlstad		1990/1990	Office	8,894				8,894	9.0	100	55.2
26	Kanoten 10	Lagergrens g. 7	Karlstad		1989/1989	Office	8,932	714	434		10,080	14.3	93	82.2
27	Kulingen 4	Östarevindsg. 17	Karlstad		1976/1976	Industry/warehouse		7,522	450		7,972	4.0	98	15.5
28	Mercurius 3	V Torgg. 10-12	Karlstad		1929/1939	Retail	711	74	1,800		2,585	4.0	95	28.0
29	Monitorn 9	Ö Torgg. 2	Karlstad		1993/1993	Office	3,077	46	219		3,342	4.9	97	26.2
30	Passadvinden 3	Regnvindsg. 17	Karlstad		1990/1990	Industry/warehouse	305	3,375			3,680	2.3	100	9.0
31	Regnvinden 1	Dagvindsg. 7	Karlstad		1981/2005	Industry/warehouse	4,436	5,343	125		9,904	7.0	89	30.2
32	Skepparen 15	Orrholmsg. 4, 6, etc	Karlstad		1954/1954	Other	2,412	50		19,587	22,049	23.0	96	Special property
33	Släggen 13	Sågverksg. 20	Karlstad		1981/1981	Industry/warehouse	370	742	640		1,752	0.9	100	4.1
34	Spårren 7	Rattg. 6	Karlstad		1968/1968	Office	709	671	488		1,868	1.2	68	5.4
35	Stolpen 1	Ventilg. 5	Karlstad		1964/1964	Office	3,971	73		285	4,329	3.2	79	7.9
36	Stolpen 6	Ventilg. 1	Karlstad		1991/1991	Office	410	50	175		635	0.5	95	2.3
37	Styrmanen 5	Hamntorget 1,3	Karlstad		1991/1991	Office	6,931	215			7,146	8.3	100	46.4
38	Sågen 1	Faktorig. 13, etc	Karlstad		1986/1986	Office	3,223				3,223	2.0	86	9.4
39	Sågen 2	Faktorig. 15	Karlstad		1988/1988	Office	1,611				1,611	1.1	100	6.3
40	Sågen 9	Lantvärnsg. 8	Karlstad		1972/1972	Industry/warehouse	938	1,502			2,440	1.3	49	4.5
41	Sälgen 6	Älv. 39	Karlstad		1929/1949	Office	1,574				1,574	2.0	100	7.6
42	Tornadon 2	Blekeg. 9	Karlstad		1975/1975	Industry/warehouse	303	12,854			13,157	7.6	94	20.6
43	Tvätten 3	Romstadsv. 2	Karlstad		1929/1986	Office	2,050	499			2,549	2.1	100	10.4
44	Tängen 15	Gjuterig. 28	Karlstad		1991/1991	Retail	984		990		1,974	1.4	100	5.7
45	Uggen 1	Sågverksg. 32	Karlstad		1989/1989	Office	891	807			1,698	0.9	77	4.4
-	Uroxen 14	Kungsg. 28, etc	Kristinehamn		1954/1954	Office	1,675	1,288		40	3,003	2.6	97	Special property
Total							108,780	48,109	16,111	28,257	201,257	189.8	94	778.8

1) Taxed together with Bälgen 9.

Klövern's major tenants in Karlstad*

Municipality of Karlstad

TeliaSonera AB

Tieto Sweden AB

Värmland County Council

ULTRA Education AB (John Bauer)

* Corresponds to 27 per cent of Klöverns rental value in Karlstad.

Major employers in Karlstad

Karlstad University

Konsum Värmland

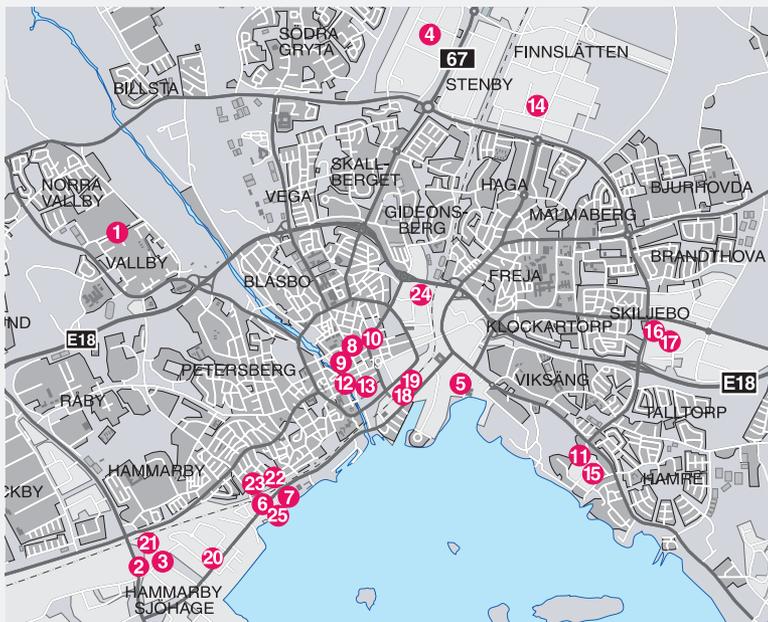
Tieto Sweden AB

Metso Paper Karlstad AB

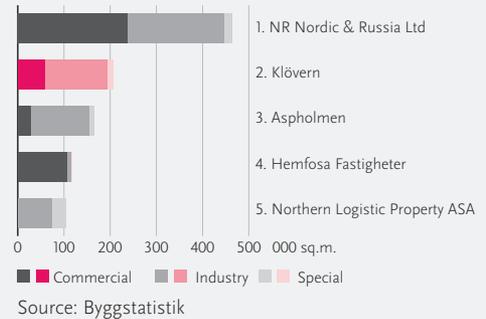
TeliaSonera AB

* In addition to municipalities and county council.

Västerås



Major owners of commercial premises – Västerås



Property category – Västerås



Västerås is classified as one of the better logistics cities in Sweden due to its central location in Central Sweden. The hi-tech export industry is the basis for the business sector in Västerås. This means companies that require a service structure with a supply of technical consultants with cutting-edge ability and breadth. Internationally, Västerås is regarded as a world-leading centre for industrial information technology and automation. Consumer durables and everyday goods trade has become even stronger, which makes the city an important regional trading city.

The total commercial premises area in Västerås amounted at year-end to 3,000,000 sq.m. Klöver is the second largest property owner of commercial premises with a total of 217,000 sq.m. Around 50 per cent of Klöver's portfolio consists of industrial premises in small enterprise parks.

Investor market

Examples of transactions and investments:

- In February, Hemfosa acquired the Landic VI portfolio. Half of the total of 44 properties are in Västerås and comprise 100,000 sq.m. of mainly offices. The direct yield is estimated at 6.75–7.00 per cent.
- In May, Ikano acquired a residential portfolio with 1,300 apartments totalling 96,000 sq.m. The purchase price is assessed at SEK 850 million and the direct yield at 4.50–5.00 per cent.



Västerås Leif 19.

No.	Property	Address	Municipality	Site leasehold	Building year/ value year	Type of property	sq.m.				Area, total	Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m
							Office	Industry/ warehouse	Retail	Other				
1	Allmogekulturen 5	Svalgängen	Västerås		1966/1991	Retail	4,837	2,306	5,501	2,282	14,926	9.5	74	49.6
2	Bogserbåten 1	Saltängsv. 22	Västerås		Site	Other					0	–	–	0.4
3	Briggen 3	Saltängsv. 14, 16	Västerås		1963/1973	Industry/warehouse		5,162			5,162	4.8	100	11.7
–	Drotten 2	V Långg. 6 etc	Köping		1988/1988	Office	2,397	1,196		8	3,601	3.4	80	14.8
4	Friedningen 18	Elledningsg. 5B	Västerås		1988/1988	Industry/warehouse		940			940	0.4	100	3.1
5	Gastuben 5	Björnöv. 8	Västerås		1943/1943	Retail		1,080	2,442		3,522	2.8	94	1.7
6	Gustavsvik 13	Sjöhagsv. 3, 5, 7 etc	Västerås		1957/1962	Industry/warehouse	7,889	16,517	450	5,000	29,856	16.8	85	51.8
7	Icander 1	Stensborgsg. 1	Västerås		1987/1987	Retail			2,992	8	3,000	1.2	100	8.3
8	Inge 10	Smedjeg. 8	Västerås		1939/1960	Retail	528	265	3,532	1,550	5,875	6.1	98	46.2
9	Klas 8	Smedjeg. 13	Västerås		1956/1956	Retail	1,066	498	2,402	1,277	5,243	4.6	85	36.3
10	Kol 13	Kopparbergsv. 25	Västerås		1955/1955	Industry/warehouse	609	2,356	1,781	99	4,845	5.7	71	Special property
11	Kryssen 3	Regattag. 7–31, 33–53	Västerås		1940/1980	Industry/warehouse	3,571	11,757	220	3,936	19,484	11.0	51	35.5
12	Leif 19	Hantverkarg. 2	Västerås		1929/1964	Retail	5,794	602	12,753	1,701	20,850	32.7	97	223.8
13	Manfred 6	Erik Hahrs gata 2	Västerås		1929/1987	Office	2,728	180		1,369	4,277	4.8	88	34.1
–	Nifelhem 6	Stora Gatan 12	Köping		1967/1967	Retail	527	760	804	592	2,683	2.0	80	7.5
14	Ormförmaren 6	Betongg. 1, etc	Västerås		1962/1985	Industry/warehouse	2,267	6,921		673	9,861	6.9	96	25.2
15	Regattan 46	Regattag. 8–28	Västerås		1940/1970	Industry/warehouse	1,838	11,000	111		12,949	6.6	97	31.2
16	Ringboren 13	Tallmätarg. 7	Västerås	S	1930/1962	Industry/warehouse	1,727	1,843			3,570	1.5	79	8.7
17	Ringboren 15	Tallmätarg. 8 etc	Västerås		1960/1990	Industry/warehouse	4,186	9,098	447	4,051	17,782	10.5	32	30.9
18	Sigurd 3	Sigurdsg. 27, 29 etc	Västerås		1932/1989	Industry/warehouse	2,337	5,050	2,547		9,934	9.4	96	27.2
19	Sigurd 7	Sigurdsg. 23	Västerås		1929/1929	Industry/warehouse		3,213			3,213	0.5	0	13.7
20	Sjöhagen 12	Sjöhagsv. 14	Västerås		1952/1980	Industry/warehouse	329	6,729			7,058	4.3	91	13.4
21	Skonerten 2	Saltängsv. 18	Västerås	S	1966/1986	Industry/warehouse		4,720			4,720	1.6	0	13.8
22	Stensborg 2	Sjöhagsv. 2	Västerås		1957/1977	Office	755	134			889	0.9	87	3.3
23	Stensborg 4	Sjöhagsv. 4	Västerås		1989/1989	Other		18		1,526	1,544	1.6	100	Special property
24	Verkstaden 11	Metallverksg. 19, 21 etc	Västerås		1929/1956	Industry/warehouse	2,260	15,235	2,660		20,155	10.4	98	18.5
25	Västerås 2:5	Stensborgsg. 4	Västerås		1982/1989	Office	1,450				1,450	1.4	74	6.1
Total							47,095	107,580	38,642	24,072	217,389	161.4	83	716.8

- In September, Niam acquired the property Lennart 17 containing the Centra shopping mall. The total area of the property is 14,000 sq.m. The purchase price amounted to SEK 187 million with an estimated direct yield of 6.75 per cent.
- The construction of IKEA's new store in Erikslund's retail area is in progress. The store is being built together with a mall and a grocery store. Ikano is building the mall where over 80 per cent is let. The mall will be 30,000 sq.m. with 90–100 shops. The grocery store has 10,000 sq.m., the tenant being City Gross. IKEA is expected to open in April 2011 and the inauguration of the gallery is expected to take place in September 2011.
- AtriumLjungberg has opened the Igor mall, previously Arosian, in central Västerås. The property contains 11,000 sq.m. of retail space, 2,000 sq.m. of office space and 300 garage spaces. The investment is expected to amount to SEK 300 million.

Klöverns major tenants in Västerås*

MälärEnergi AB
City of Västerås
Comfort Hotel Västerås AB
H & M Hennes & Mauritz AB
Sjölanders Mekaniska AB

* Corresponds to 18 per cent of Klöverns rental value in Västerås.

Major employers in Västerås*

ABB AB
Ica Sverige AB
Bombardier Transportation AB
Westinghouse Electric AB
Volvo Powertrain AB

* In addition to municipalities and county council.

Market area East

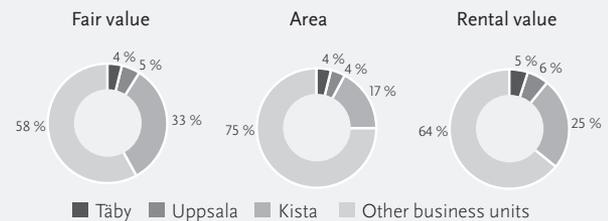


Market area East consists of the Täby, Uppsala and Kista business units.

East is Klöver's largest market area measured in fair value. If rental value is compared, East is almost at the level of the largest market area South. This is due to the high rental levels in Kista and Uppsala, combined with Kista's focus on offices. The fact that Kista is also one of Klöver's absolutely largest business units also has an effect.

Täby is also focused on office premises while Uppsala, however, has a clear focus on life science together with offices, especially in Klöver's large property Fyrislund 6:6 in Uppsala Business Park.

In Uppsala, the occupancy rate has risen sharply during the year and is approaching 80 per cent, after having been at 50 per cent in 2006 after the acquisition of the property Fyrislund 6:6. Vacancy is highest for areas intended for laboratories. Both Kista and especially Täby have high occupancy rates.



Market area East as at 31 December 2010

	Lettable area, 000 sq.m.	No. of properties	Rental value, SEKm	Economic occupancy rate, %	Fair value, SEKm	Required yield, %	Average rent ¹⁾ , average rent*, SEK/sq.m.	Assessed average rent*, SEK/sq.m.	Assessed vacancy rate*: %
Täby									
Offices	41	–	46	96	–	–	1,148	1,100–1,400	5–8
Industry/warehouse	17	–	14	93	–	–	843	600–900	5–10
Retail	4	–	3	100	–	–	1,003	–	1–4
Other	5	–	7	99	–	–	1,188	–	–
Total Täby	67	23	70	96	560	7.00–8.00	1,067	–	–
Uppsala									
Offices	24	–	33	86	–	–	1,516	1,500–2,000	2–5
Industry/warehouse	13	–	10	92	–	–	841	700–900	5–10
Retail	2	–	1	54	–	–	658	–	1–3
Other	28	–	53	71	–	–	2,557	–	–
Total Uppsala	67	3	97	78	719	6.75–11.00	1,666	–	–
Kista									
Offices	185	–	264	91	–	–	1,591	1,500–2,300	10
Industry/warehouse	65	–	71	91	–	–	1,213	900–1,300	4
Retail	3	–	2	80	–	–	744	–	3
Other	–	–	30	99	–	–	–	–	–
Total Kista	253	24	367	92	4,414	6.25–8.00	1,483	–	–
Total East	387	50	534	90	5,693	6.25–11.00	1,426	–	–
Total Klöver	1,528	250	1,486	89	13,493	6.00–11.00	1,053	–	–

1) Estimated according to contract value and let area.

* Source: DTZ Sweden.

Klöver's major tenants in Täby*

Täby Friskola AB
Mekonomen AB
NCH Europé AB
Stockholm County Council
Habiliteket AB

* Corresponds to 18 per cent of Klöver's rental value in Täby.

Major employers in Täby*

National Police Board
Micronic Laser Systems AB
Busslink AB
Bessmanet Livs AB
Novartis Sverige AB

* In addition to municipalities and county council.

Täby

There are 7,000 businesses in Täby, most of them being small and working with services production, trade and electronics/IT. Having so many categories of companies is unique among Swedish municipalities and this is due to a large extent to privatization.

The total commercial premises area in Täby amounted at year-end to 804,000 sq.m. Klöver's portfolio consists of 67,000 sq.m. mainly offices in small enterprise parks.

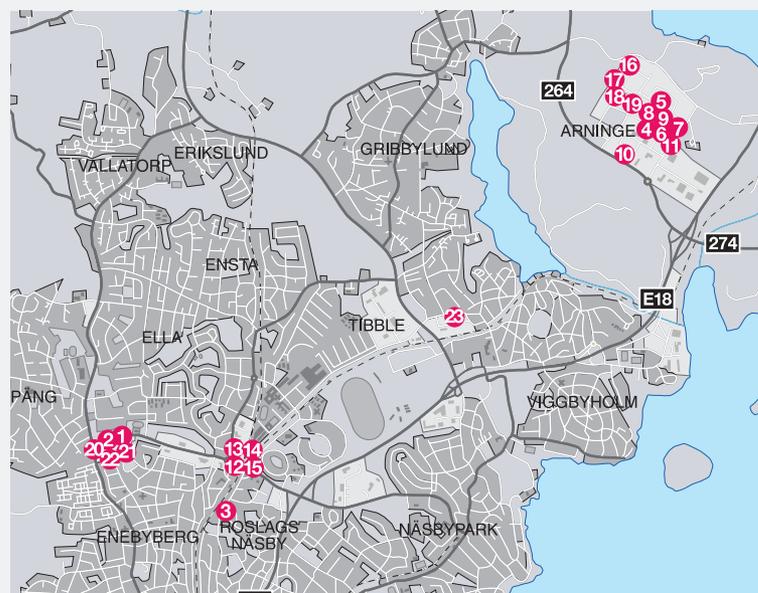
Investor market

Examples of transactions and investments:

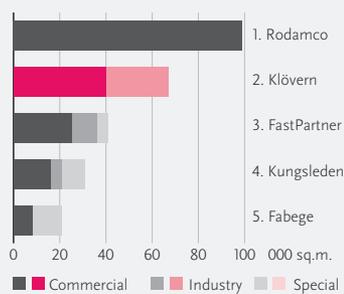
- Unibail-Rodamco are expanding Täby Centre. This investment amounts to SEK 2 billion and consists of refurbishment and expansion of 80,000 sq.m. The project is expected to be completed in 2015.
- In January 2010, Plåt & Mekano i Täby AB sold the 4,000 sq.m. industrial property Koksen 4 for SEK 40 million.

No.	Property	Address	Municipality	Site leasehold	Building year/ value year	Type of property	sq.m.				Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m		
							Office	Industry/warehouse	Retail	Other					
1	Kannringen 1	Enhagslingan 2, 4	Täby		1988/1988	Office	4,102				4,102	4.9	93	30.9	
2	Kannringen 2	Enhagslingan 6, 8	Täby		1991/1991	Office	1,979	25			2,004	2.4	94	13.5	
3	Kardborren 13	Kanalv. 15, 17	Täby		1981/1981	Office	12,526	267	1,410		14,203	17.1	100	93.4	
4	Linjalen 60	Mättbandsv. 12	Täby		1991/1991	Office	2,847	938			3,785	3.8	94	24.7	
5	Linjalen 61	Tillverkarv. 9	Täby		1990/1990	Industry/warehouse		778			778	0.8	100	5.6	
6	Linjalen 65	Mättbandsv. 8, 10	Täby		1989/1989	Retail		600	750		1,350	1.1	100	6.1	
7	Linjalen 66	Linjalv. 9, 11	Täby		1990/1990	Industry/warehouse		3,815	108		3,923	3.1	95	20.0	
8	Linjalen 7	Mättbandsv. 4	Täby		1989/1989	Industry/warehouse		800			800	0.5	100	4.2	
9	Linjalen 8	Mättbandsv. 6	Täby		1989/1989	Industry/warehouse		600			600	0.5	100	2.9	
10	Lodet 2	Tumstocksv. 9, 11	Täby		1990/1990	Office	5,088	3,339	6		8,433	7.8	88	47.7	
11	Mätstången 2	Linjalv. 6, etc	Täby		1991/1991	Office	3,834				3,834	4.2	100	26.2	
12	Roslags-Näsby 24:44	Stockholmsv. 100, 102	Täby		1965/1965	Retail		530	2,181		2,711	2.9	100	11.4	
13	Roslags-Näsby 24:45	Stockholmsv. 100, 102	Täby		1965/1965	Retail					0	-	-	1)	
14	Roslags-Näsby 25:7	Stockholmsv. 100, 102	Täby		1965/1965	Retail					0	-	-	1)	
15	Roslags-Näsby 25:8	Stockholmsv. 100, 102	Täby		1965/1965	Retail					0	-	-	1)	
16	Smygvinkeln 9	Ritarslingan 22	Täby		1991/1991	Industry/warehouse		960			960	0.5	100	4.6	
17	Smygvinkeln 10	Ritarslingan 20	Täby		1991/1991	Industry/warehouse		197	620		817	0.7	100	4.8	
18	Smygvinkeln 11	Ritarslingan 18	Täby		1991/1991	Office		880	714	258	1,852	1.5	70	11.2	
19	Smygvinkeln 12	Ritarslingan 16	Täby		1992/1992	Office		1,010	554		1,564	1.5	100	14.2	
20	Svänghjulet 1	Enhagslingan 23, 25	Täby		1990/1990	Other		770	430	445	2,544	4.4	99	24.5	
21	Svänghjulet 2	Enhagslingan 5, 7, 9, 11, 13	Täby		1989/1989	Office		2,410	12		573	2,995	3.7	100	19.6
22	Svänghjulet 3	Enhagslingan 15, 17, 19, 21	Täby		1991/1991	Office		4,334	579		4,913	5.2	92	29.3	
23	Tryckaren 3	Reprov. 6 etc	Täby		1945/1992	Office		1,585	1,426	585	3,596	3.8	91	15.9	
Total								41,562	16,987	3,742	5,118	67,409	70.4	96	410.7

1) Taxed together with Roslags-Näsby 24:44.



Major owners of commercial premises – Täby

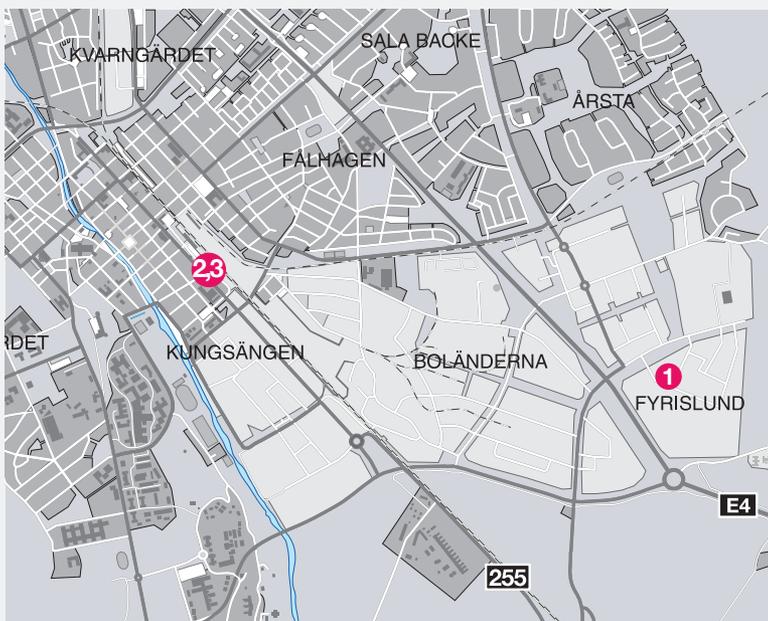


Source: Byggstatistik.

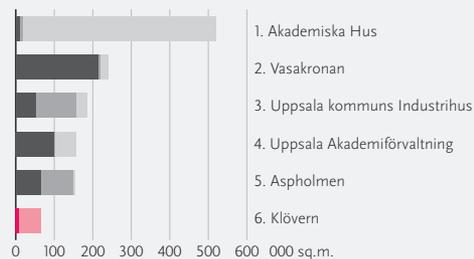
Property category – Täby



Uppsala

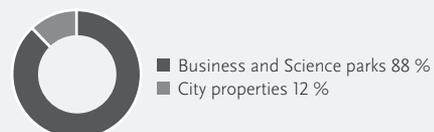


Major owners of commercial premises – Uppsala



Source: Byggstatistik.

Property category – Uppsala



There are 12,000 companies in the municipality of Uppsala, of which 9,000 are sole proprietors. The services sector predominates, in which consultancy work mainly in IT has grown most rapidly in recent years. Engineering, pharmaceutical, food and graphic industry are also well represented at the same time as trade and distribution play an important part. The manufacturing industry is largely hi-tech with strong links to university research. The public sector is the largest employer – the universities, the municipality and the county council employ around 30,000 persons.

The total commercial premises area in Uppsala amounted at the year-end to 2,647,000 sq.m. Klöverns portfolio consists of a total of 67,000 sq.m., of which almost 90 per cent is in Uppsala Business Park.



Uppsala Fyrislund 6:6.

No.	Property	Address	Municipality	Site leasehold	Building year/ value year	Type of property	sq.m.				Area, total	Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m
							Office	Industry/ warehouse	Retail	Other				
1	Fyrislund 6:6	Rapsg. 7	Uppsala		1921/2003	Other	18,702	11,184	1,265	26,839	57,990	85.0	78	306.8
2	Kungsängen 10:1	Bäverns gränd 17, 19, 21 etc	Uppsala		1920/1966	Office	5,624	1,597	591	952	8,764	11.9	78	70.3
3	Kungsängen 10:2	Bäverns gränd 17, 19, 21 etc	Uppsala		1920/1966	Office					0	–	–	1)
Total							24,326	12,781	1,856	27,791	66,754	96.9	78	377.1

1) Taxed together with Kungsängen 10:1.

Investor market

During 2010, a number of sales of commercial properties have taken place. In addition, some major transactions and package purchases have been carried out. Examples of transactions and investments:

- In April, Hemfosa purchased Ågerup Fastigheter's portfolio of 50,000 sq.m. for SEK 500 million. The portfolio consists of equally large components of warehouse, educational premises and other areas. The vacancy rate is almost zero.
- Castellum's subsidiary Aspholmen acquired two properties from GE Real Estate for SEK 190 million. One property is centrally located at Dragarbrunnsgatan in Uppsala and consists of 10,000 sq.m. of office and retail space. The other is at Boländerna and consists of 6,000 sq.m. of offices and shops.
- Boulton sold three shopping centres to Diligentia for a total of SEK 1,440 million. The malls were Domino in Nyköping, Commerce in Skövde and S:t Per in Uppsala with a total of 77,000 sq.m. and 55,000 sq.m. of garage space. The purchase price for Dragarbrunn 15:3 in Uppsala was SEK 676 million.
- During 2009/2010, the County Council has started new construction of Psykiatrins Hus [The Psychiatry Building] in the Akademiska Hospital area. The gross area is 34,000 sq.m. and the project is expected to be completed during 2012.
- New construction of office and trading buildings at Stationsgatan in central Uppsala has been initiated by Skanska during the autumn of 2010. In all, the project comprises 16,000 sq.m. of gross area and it is expected to be completed in 2012.
- In September 2010, a declaration of intent was signed between the Fourth AP Fund's newly acquired Dombrom and Uppsalahem for divestment of the whole of Dombrom's portfolio of student housing of 200,000 sq.m. At the same time, Dombrom is acquiring service housing from Uppsalahem of 200,000 sq.m. The total value is estimated at SEK 5,000 million.

Klövern's major tenants in Uppsala*

Orexo AB
 Kemwell AB
 Uppsala Vatten & Avfall
 CompuGroup Medical Sweden AB
 Uppsala County Council

* Corresponds to 45 per cent of Klöverns rental value in Uppsala.

Major employers in Uppsala*

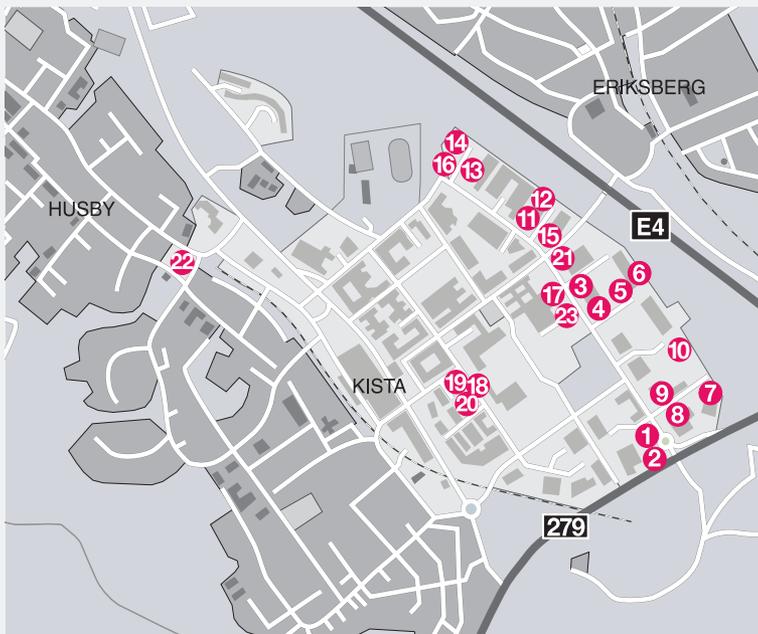
Uppsala University
 Swedish University of Agricultural Sciences
 The Armed Forces
 GE Healthcare Bio-Sciences AB
 ISS Facility Services AB

* In addition to municipalities and county council.

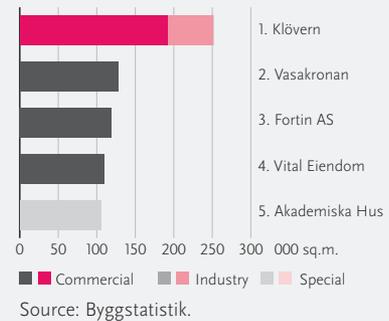


Uppsala Kungsängen 10:1.

Kista



Major owners of commercial premises – Kista



Property category – Kista



Kista is one of the world's most innovative areas when it comes to information technology, primarily in ICT – Information, Communication and Technology.

In Kista, projects are continuously in process to make more attractive and improve the appearance of the city landscape. Since 1970s, when IBM and Ericsson came to Kista, development has moved forward quickly and Kista is growing rapidly. A number of large businesses, such as Ericsson, Nokia and IBM have their head offices at Kista.

Companies within the IT and telecommunications sector generate growth in the form of new companies and more employment even during downturns. Kista's attractiveness can be seen in the number of newly-started companies. At year-end, there were over 67,000 employees at a total of 4,770 companies in Kista Science City.

The total commercial space at Kista consists mainly of offices and amounted at year-end to 1,300,000 sq.m. Klövern is the leading property owner for commercial premises with a property portfolio consisting mainly of offices and an area of 253,000 sq.m. As well as this, Kista has 200,000 sq.m. building rights at Kista.

Investor market

Examples of transactions and investments:

- In October 2010, Vital acquired the remaining part of the Kista Galleria mall from Länsförsäkringar Liv and became the sole owner of Kista Galleria mall through this purchase. The purchase price for the acquisition is not known, but the transaction probably took place with a yield of 5.5 per cent.



Kista Helgaöfjäll 5 – Completion in process of the Arne Beurlings square.

No.	Property	Address	Municipality	Site leasehold	Building year/ value year	Type of property	sq. m.				Area, total	Rental value, SEK/m	Economic occupancy rate, %	Tax value, SEK/m
							Office	Industry/ warehouse	Retail	Other				
1	Alptanäs 2	Torshamnsg. etc	Stockholm	S	1981/1981	Office	3,250				3,250	4.7	100	16.2
2	Alptanäs 3	Torshamnsg. 1, 3, 5	Stockholm	S	Site	Other					0	0.5	100	0.7
3	Borg 1	Torshamnsg. 16	Stockholm	S	1977/1977	Office	1,411				1,411	2.5	100	Special property
4	Borg 2	Strömög. 3	Stockholm	S	1981/1981	Industry/warehouse		4,655			4,655	4.9	100	23.6
5	Borg 3	Strömög. 5	Stockholm	S	1978/1978	Industry/warehouse		1,800			1,800	2.0	100	8.9
6	Borg 6	Strömög. 7 etc	Stockholm	S	1980/1980	Industry/warehouse	1,244	5,104	105		6,453	6.4	92	34.0
7	Geysir 1	Österög. 4	Stockholm	S	1979/1979	Industry/warehouse		5,110			5,110	5.2	100	26.6
8	Geysir 2	Österög. 2	Stockholm	S	1980/1980	Industry/warehouse	2,580	4,426	165		7,171	6.0	87	32.4
9	Gullfoss 3	Österög. 1, 3	Stockholm	S	1979/1983	Office	5,683	1,840			7,523	9.0	85	40.4
10	Gullfoss 5	Viderög. 6	Stockholm	S	1979/1983	Office	3,654				3,654	4.1	87	21.9
11	Helgafjäll 1	Torshamnsg. 22, 24, 26	Stockholm	S	1979/1979	Office	35,311	3,499			38,810	59.9	87	112.0
12	Helgafjäll 2	Torshamnsg. 28, 30, 34	Stockholm	S	1981/1981	Office					0	-	-	267.0
13	Helgafjäll 3	Torshamnsg. 36, 38, 40	Stockholm	S	1980/1990	Industry/warehouse	3,530	10,502			14,032	22.2	80	70.8
14	Helgafjäll 4	Torshamnsg. 42, 44, 46	Stockholm	S	1998/1998	Office	16,778	18			16,796	32.8	100	210.0
15	Helgafjäll 5	Kistagången 2, 4, etc	Stockholm	S	1978/1988	Office	14,233	129	1,628	17	16,007	21.0	93	174.0
16	Helgafjäll 7	Torshamnsg. 48, 50, 52, 54	Stockholm		2001/2002	Office	24,414	30		6	24,450	47.7	100	311.0
17	Isafjord 1	Grönlandsgången 6 etc	Stockholm		1976/2008	Office	48,700	8,422		390	57,512	74.2	92	495.3
18	Knarrarnäs 3	Färög. 5,7	Stockholm	S	1985/1985	Office	6,921	234			7,155	11.7	88	73.4
19	Knarrarnäs 4	Färög. 3, etc	Stockholm	S	1985/1985	Office	6,961	636	488		8,085	12.6	81	63.0
20	Knarrarnäs 9	Knarrarnäs 15	Stockholm	S	1984/1986	Office	4,793	74		3	4,870	9.4	81	63.0
21	Lidarände 1	Torshamnsg. 18	Stockholm		1979/2008	Industry/warehouse	645	18,550			19,195	24.5	100	124.0
22	Röros 1	Norgeg. 1	Stockholm	S	1985/1985	Office	2,831	21			2,852	3.4	66	20.9
23	Skaftå 1	Torshamnsg. 19	Stockholm		Site	Other					0	-	-	0.0
-	Slaggeteglet 2	Voltav. 4	Stockholm		1929/1975	Office	1,866	218			2,084	2.0	85	11.6
Total							184,805	65,268	2,386	416	252,875	366.7	92	2,201

Kistamässan, which consists of 16,000 sq.m., at Klövern's property Lidarände 1 was opened in 2008 and completed during 2009. The exhibition and conference facility has had a total of 200,000 visitors during 2010 and is an important arena for meetings in Kista. During 2010, the City of Stockholm modernized the Arne Beurlings square, which is directly adjacent to Kista Expo Center. Work on completing the square is expected to be completed in the autumn of 2011.



Kista Lidarände 1 – Kistamässan – Completion in process of the Arne Beurlings square.

Directly adjacent to Kista Expo Center, Klövern is carrying out refurbishment and new construction of almost 3,000 sq.m. of offices and new construction of an additional 1,000 sq.m. to modern retail premises with the entrance from the Arne Beurlings square. The projects are to be completed during 2011.

Klövern's major tenants in Kista*

LM Ericsson AB
Kistamässan AB
Sony Ericsson AB
Nokia Siemens Networks AB
Posten AB

* Corresponds to 60 per cent of Klövern's rental value in Kista.

Major employers in Kista*

LM Ericsson AB
IBM AB
Tele2 AB
Microsoft AB
Sony Ericsson AB

* In addition to municipalities and county council.

Victoria Tower is being built at Kista Expo Center by the Norwegian company Öyer Invest. The building came about through a sub-division of land from Klöver's property Lidärände 1. With its 34 floors or 120 metres, the building will be Stockholm's second tallest building after Kaknästornet. The property, which has been designed by Wingårdh Arkitekter, has a spectacular shape and appears to glitter at sunset. Victoria Tower will house 3,000 hotel rooms and 5,000 sq.m. of offices in ten floors. Klöver is responsible for letting of the office premises. The hotel will open during the autumn of 2011 and office tenants are expected to move in during the last quarter of 2011.

Kista Galleria is with its 180 shops, restaurants and cinema, Sweden's most visited shopping centre. In addition to the shopping centre, the property also includes student housing, hotel and garage spaces. The area of the property, which has more than 17 million visitors a year, amounts to a total of 133,000 sq.m.

There currently live 115,000 people in Kista and this number is expected to increase. Over 5,000 new housing units will be built in and around Kista in the next five years.

A housing project, Kista Torn, is being planned in Kista Centre adjacent to Kista Galleria mall with two buildings of 17 and 30 floors respectively. The latter at 110 metres tall, will be Stockholm's highest residential building.

Around Kista Gård, which is in the northern part of the area, some 500 apartments are being built during 2010 and 2011. These apartments will be let as a mixture of tenant-housing and tenant-owned housing and have been very attractive in the market. Around Kista Gård, there also plans to build a restaurant adjacent to the future city park.



Victoria Tower – future exterior and interior, designed by Wingårdh Arkitekter.

Borås Grävlingen 5 – The property's 7,000 sq.m. is fully let and has, in addition to a business center, major tenants such as Eniro and IF Metall.



Finance

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Financing

Klövern's total loan volume increased by almost SEK 900 billion to SEK 8.5 billion during 2010. The increase was due in the first place to a large property acquisition during the autumn. The average borrowing rate rose by 0.9 percentage points to 3.6 per cent.

The tasks of financial management

Financial management in Klöver shall support the company's core activities by keeping the long-term cost of borrowed capital at a minimum. The tasks of the Finance Department are to manage the existing debt, take care of new borrowing for investments and acquisitions, to improve the efficiency of cash management and to limit the financial risks. The work of Klöver's finance function is governed and controlled by the financial policy which is adopted by the Board once a year.

Financial policy

Financial policy establishes the allocation of responsibility in financial matters and rules relating to reporting, follow-up and control. Financial matters of strategic importance are dealt with by Klöver's Board.

Raising of capital

Real estate management is a capital-intensive industry. The total amount of assets, which is substantially the same as the value of the properties, is financed with equity, loan capital and other capital. The distribution between the three parts depends on various factors such as the costs of the different forms of finance, the direction of the property portfolio and the risk aversion of the shareholders and lenders. Equity is normally the most expensive form of finance of the three for a company of Klöver's kind and other capital the cheapest.

Raising of capital



■ Loan capital 61 %
 ■ Equity 32 %
 ■ Other capital 7 %

On 31 December 2010, Klöver's assets amounted to SEK 14,072 million (12,567). Equity accounted for SEK 4,516 million (4,112) of the asset value, loan capital for SEK 8,517 million (7,646) and other capital for SEK 1,040 million (809).

Equity

Klövern's share of equity in proportion to total capital, the equity ratio, is 32 per cent (33). The cost of equity is the same as the return on equity, which consists of net profit in relation to average equity. Since net profit is affected not only by the operating profit but also by changes in value of both properties and derivatives, the level of return varies sharply from year to year. The goal from 2011 is for return on equity over time to amount to the risk-free rate, measured as a five-year government bond yield, plus at least nine percentage points. This goal has been complied with by a broad margin over the last five-year period. See the section on Business plan – goals and outcomes for more information about goal fulfilment, p.4–6.

Loan capital

Loan capital consists of interest-bearing liabilities. As interest-bearing liabilities are normally a cheaper form of finance than equity, there is an incentive to have a relatively high share of loan capital, within the given risk mandates.

Fixed interest and tied-up capital

Maturity year	Fixed interest		Tied-up capital	
	Loan volume, SEKm	Interest rate, %	Contract volume, SEKm	Utilized, SEKm
Floating	4,648	2.9	–	–
2011	69	6.0	2,653	1,993
2012	–	–	3,872	3,108
2013	–	–	3,308	3,308
2014	–	–	–	–
2015	1,400	4.1	–	–
2016	1,400	4.9	–	–
2017	1,000	4.4	–	–
2018–	–	–	108	108
Total	8,517	3.6	9,941	8,517

The interest-bearing liabilities accounted for 61 per cent (61) of the total financing.

Practically all loans are based on the variable Stibor rate, which makes it possible to change the capital structure without having to pay early redemption charges.

With a view to reducing the interest rate risk, Klöver has chosen to swap just under half of the volume, SEK 3,800 million (3,800) for fixed interest with a long maturity. 54 per cent (96) of the variable loans of SEK 4,648 million (3,732), which in principle is the rest of the debt, is protected against sharp interest rate rises by an interest cap.

During the year, SEK 3,487 million of existing loans have been refinanced and SEK 653 million raised in new loans. In addition, new not yet utilized credit agreements have been entered into for financing of projects.

In addition to existing loans, Klöver had unused credit and overdraft facilities of SEK 1,424 million (1,128), of which SEK 637 million (849) was immediately available for use with existing collateral. The maturities of the unused credit facilities are distributed among three different lenders and the maturities vary between 2011 and 2012. All financing takes place in Swedish kronor. At year-end 2010, liquid funds amounted to SEK 36 million (24).

Other capital

Other capital consists mainly of deferred tax, accounts payable, prepaid income and deferred expenses. The financing from other capital consisted of 7 per cent (6) of Klöver's total financing as at 31 December.

Average interest rate and fixed interest

The year has been characterized by sharply rising variable market rates from historically low levels. The Riksbank

raised its key policy rate, the repo rate, on four occasions during the year, in order to return to more normal levels in pace with the recovery of the economy. At the beginning of the year, the repo rate was 0.25 per cent and it was 1.25 per cent at the year-end.

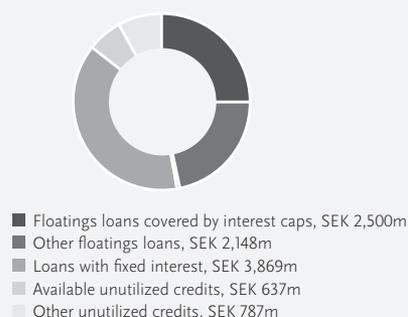
Klöver's average borrowing rate for the interest-bearing liabilities increased during the year. At the year-end, Klöver's average interest rate was 3.6 per cent (2.7) after an increase of 0.9 percentage points during the year. About two-thirds of the increase in Klöver's average interest rate is explained by the rise in market rates. The remaining part is explained by new financing and higher margins when re-financing. Excluding costs for derivatives in the form of interest rate swaps and interest caps, as well as costs for revolving credit facilities and overdraft facilities, Klöver's average borrowing rate was 2.8 per cent at the year-end.

The average period of tied-up capital, taking into consideration interest rate derivatives, was 2.4 years (3.2).

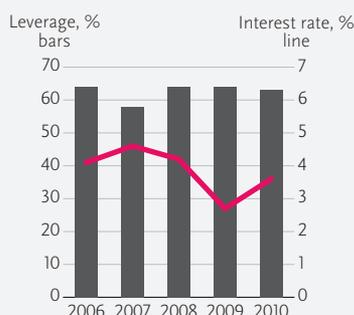
Tied-up capital

At the year-end, the average period of tied-up capital was 2.0 years (1.8). The difficult situation in the financial market in 2008 and 2009 with high marginal levels has led to Klöver permitting the period of tied-up capital to fall below the target of at least three years. This is because Klöver has wished to avoid being tied to high margin requirements for a long period. The intention of a period of tied-up capital for the whole credit portfolio of at least three years remains. During 2011, loans mature totalling SEK 2,453 million (2,765), excluding overdraft facilities, of which SEK 361 million (248) has been renegotiated in early 2011.

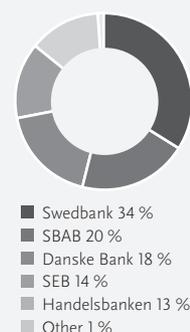
Loan facilities



Leverage and average interest rate



Lenders



Derivatives

Klövern uses derivatives in order to reduce the interest rate risk and achieve the desired fixed interest. Derivatives totalled SEK 6,300 million (7,399 at year-end, corresponding to 74 per cent (97) of the interest-bearing liabilities. Klöverner has only two types of derivatives – nominal interest rate swaps and interest caps.

Interest rate swaps entail an agreement between two parties to exchange interest payments with one another. Klöverner has chosen in all its swap agreements to exchange variable for fixed interest. The variable Stibor rate is obtained for swaps, especially with three months' maturity, and fixed interest is paid varying between 2.8 and 3.9 per cent.

At the end of 2010, the volume of swaps was SEK 3,800 million. The interest rate swaps, together with some smaller fixed interest loans, entail that 45 per cent of the interest-bearing liabilities has fixed interest. No premium has been paid for the interest rate swaps. The counterparties for swaps are Danske Bank, Handelsbanken and Swedbank.

The major part of the remaining interest-bearing liabilities are protected by interest caps which totalled SEK 2,500 million (3,599 million) at year-end. The interest caps protect against rising variable interest rates by providing an interest income when the pre-selected variable market rate in the form of Stibor with a certain maturity passes the strike level. A premium is paid to the bank for the interest cap, which is expensed during the time to maturity of the cap and increases Klöverner's average borrowing rate. The counterparty for the interest caps is Swedbank.

Valuation of derivatives

The value of the interest caps and swaps changes when market rates changes and when the period to maturity decreases. On maturity, the value is always zero. During 2010, the change in value of the derivatives, which are unrealized in their entirety but which affect the income statement and balance sheet, amounted to SEK –2 (10) million for the interest rate caps and SEK 25 million (23) for the swap agreements. The fair value at year-end amounted to SEK 5 million (12) for the interest caps and SEK –18 million (–43) for the interest rate swaps.

Creditors and collateral

The loan portfolio is distributed among six lenders: Danske Bank, Handelsbanken, SBAB, SEB, Swedbank and Sörmlands Sparbank.

Klövern's decision to have many lenders has been regarded as positive both by Klöverner and the lenders. Property mortgages of SEK 9,763 million (8,310) have been provided as collateral for interest-bearing securities. In addition, Klöverner has provided a pledge in the form of shares in property-owning subsidiaries and parent company guarantees from Klöverner AB.

Covenants and risk-taking

The financial risk taking and position of real estate companies can be seen by, among other things, the key ratios equity ratio, interest coverage ratio and leverage. There are set limit values, known as covenants, in credit agreements with banks and credit institutions specifically for these three key ratios. Klöverner's own goals comply well with the banks' requirements. Klöverner's goal is for the equity ratio to be between 25 and 35 per cent. The banks usually have 25 per cent as a lower limit. Klöverner's goal is for the interest coverage ratio to amount to at least 1.5 multiples, which complies with the banks' requirements. Klöverner has no goal of its own for leverage but the banks normally have a limit of 75 per cent. Klöverner meets all goals and requirements by a broad margin. The equity ratio was 32 per cent, the interest coverage ratio 2.8 multiples and the leverage 63 per cent.

Derivative agreements

Counterparty	Amount, SEKm	Remaining time to maturity, years	Interest rate level, %	Market value, SEKm
<i>Nominal interest rate swaps</i>				
Swedbank	1,000	5.9	3.9	–38
Swedbank	600	4.1	2.8	3
Danske Bank	1,000	6.1	3.1	10
Danske Bank	400	5.1	3.0	3
Handelsbanken	800	4.1	2.8	4
Total swaps	3,800	5.2	3.2	–18

Counterparty	Amount, SEKm	Remaining time to maturity, years	Strike level, %*	Market value, SEKm
<i>Interest caps</i>				
Swedbank	250	1.2	4.50	0
Swedbank	250	1.2	4.50	0
Swedbank	500	3.3	4.25	3
Swedbank	500	3.0	4.50	2
Swedbank	500	0.9	4.50	0
Swedbank	500	0.1	4.50	0
Total interest caps	2,500	1.7	4.45	5
Total	6,300	3.8		–13

* The strike level is the pre-set interest rate level at which interest income is received to compensate for increased interest expense.

Tax

Klövern's tax loss carry forwards amounted to SEK 1,542 million at year-end 2010. With the present earning capacity, the carryforwards are expected to last for at least six years. Current tax for 2010 was only SEK –4 million.

Klövern reports tax costs in the form of current and deferred tax. Current and deferred tax are to be calculated on the basis of current tax rates, which at present are 26.3 per cent.

Current tax

Current tax in the statement of income is calculated on the taxable profit after utilization of any approved tax loss carryforwards. Current tax can also include tax due to reassessment of previous years and tax from companies acquired during the year. The taxable profit means profit for the year after taking into account, inter alia, the deductible depreciation in the tax return and the direct deductions for tax purposes of certain investments. Current tax is the tax paid and thus, unlike deferred tax, has an effect on the cash flow.

Deferred tax

Deferred tax in the statement of income means a schematic calculation of possible future tax. The deferred tax consists of the net of the change in the items deferred tax asset and deferred tax liability in the balance sheet. Deferred tax can be both positive and negative. Deferred tax asset, i.e. the granted and approved tax loss carryforwards multiplied by the tax rate, is reported on the asset side of the balance sheet. Tax loss carryforwards are used to reduce the taxable profit. The tax asset is realized apace with use of the tax loss carryforwards. The possibility of using the tax loss carry forwards can be limited due to the possibilities for tax purposes of evening out profit between group companies.

Deferred tax liability, calculated on the difference between the fair value of properties and derivatives and their tax value (temporary differences) is reported on the liabilities side of the balance sheet. Acquired temporary differences on acquisition of companies, which are recognized as asset acquisitions, are not included. The tax liability is realized when and if the property is sold as a separate property. If, however, a company is sold, with the property as an asset, no tax effect arises. In Klöverns case, practically all properties are sold in corporate form.

Tax during 2010

Klövern's current tax, which consists in its entirety of upward tax adjustments from previous years and tax in acquired companies, amounted to SEK –4 million during 2010. Deferred tax amounted to SEK –151 million based on change of the deferred tax asset of SEK –13 million and deferred tax liability of SEK –138 million. The remaining tax loss carryforwards of SEK 1,542 million are expected to last for six years with the present earning capacity.

Tax disputes

Klövern has two ongoing tax disputes of greater importance:

- *A request for an additional tax loss carryforward of SEK 4,933 million.*

Klövern has appealed against the Administrative Court's and the Administrative Court of Appeal's earlier rejection of the claim to the Supreme Administrative Court. A decision on leave to appeal is expected during 2011.

- *A tax supplement of SEK 493 million without a request for deduction.*

The Tax Agency has appealed to the Supreme Administrative Court against Klöverns previous favourable decisions at the Administrative Court and the Administrative Court of Appeal. Leave to appeal has been granted and a judgment is expected during 2011.

The request for a tax loss carryforward

Klövern made loss in its previous business as an IT company on sale of a subsidiary. At the end of 2003, a request was submitted for reconsideration of tax assessment for the same year, which would have meant an additional tax loss carryforward of SEK 4,933 million. In the spring of 2006, the request was withdrawn as the Tax Agency indicated that a tax surcharge might be imposed due to incorrect information in the request. Klöverns submitted a new request for the same tax loss carryforward shortly afterwards. The Administrative Court and the Administrative Court of Appeal have both rejected Klöverns request. An application for leave to appeal has been submitted to the Supreme Administrative Court.

Tax surcharge without a request for deduction

A tax surcharge of SEK 493 million was imposed on Klöverns in the spring of 2006 despite the request for reconsideration being withdrawn and thus never being subject to a negative decision from the Tax Agency. Klöverns appealed against the Tax Agency's decision. The Administrative Court and the Administrative Court of Appeal have both found in favour of Klöverns. The Supreme Administrative Court has granted the Tax Agency leave to appeal. A decision is expected during 2011. If the Supreme Administrative Court should unexpectedly overrule the two lower courts, it will not mean that Klöverns will have to pay the surcharge, however. The question then remains of whether Klöverns has submitted incorrect information and the matter will be then referred back to the Administrative Court.

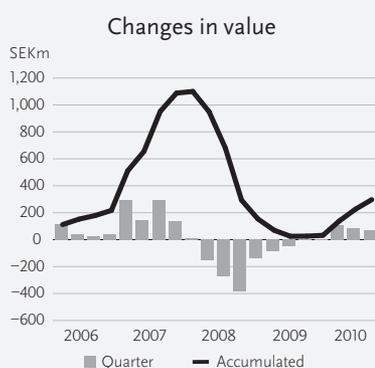
Risk and sensitivity

A real estate company is exposed to various risks and opportunities in its business. Internal rules and policies have been adopted to limit exposure to various risks.

The value of the properties

Risk

A great risk and opportunity for Klöver's properties lie in changes in value. Changes in value are affected by factors such as how well Klöver succeeds in improving and developing properties and by the contract and customer structure. External changes such as the general state of the economy, interest rates, the local balance between supply and demand, the expected rental growth and potential, loan financing and the required yield, also affect the value of properties. The required yield is affected to a great extent by the risk-free rate and the properties' unique risk. Property values are less volatile for concentrated portfolios in good locations in comparison with those in less attractive locations.



Management

Klöver has often acquired properties with a high vacancy rate in order to develop and improve them. Klöver has good competence in property and project development. Due to Klöver's local organization, which is close to the customer, long-term relationships have been established with tenants, which reduce the risk of new vacancies. The customer structure is well diversified with 16 per cent in the public sector, 33 per cent in listed companies and 51 per cent in private companies. Klöver has a concentrated portfolio with 99 per cent of the rental income at the ten prioritized cities.

Exposure

Changes in value, properties	Value Change				
	-10 %	-5 %	0	+5 %	+10 %
Profit before tax, SEKm	-1,349	-675	-	675	1,349
Equity ratio, %	25	29	32	35	38
Leverage, %	70	66	63	60	57

Financing

Risk

Two-thirds of Klöver's activities are financed by borrowing from banks and credit institutions. Consequently, Klöver is exposed to financing and interest rate risks. Through Klöver using various derivatives to manage its interest rate risks, the company is also exposed to the risk of change in value of these derivatives.

Management

The financing risk is managed by goals in the financial policy for maturities on tied-up capital, loan maturity volumes in particular years and loan volumes in relation to counterparts. The goal is for the average period of tied-up capital for the interest-bearing liabilities to amount to at least three years. Tied-up capital increased during the year although the goal was still not met at year-end. The problems in the financial market between 2008 and 2010 would have meant that compliance with the goal for tied-up capital would have made borrowing significantly more expensive.

Tied-up capital for the various loans shall also be distributed over several years. There should not be a maturity exceeding 35 per cent of the total interest-bearing liabilities in any single year. This goal was not met in 2010. Klöver has deliberately chosen a shorter period of tied-up capital to avoid being tied to high margins for a long period of time. A spread of borrowing among many lenders reduces the financing risk. Klöver has six different creditors and the goal of a maximum of 50 per cent of Klöver interest-bearing liabilities is not exceeded for any counterpart.

Klöver has chosen to protect itself against a sharp increase in interest rates by exchanging variable loans for fixed loans through nominal interest rate swaps. Fixed-interest loans thus account for just under half of the portfolio. In addition, Klöver has entered into interest caps which state a set maximum level for the variable base rate for the chosen volume. The total volume of the interest caps volume is SEK 2,500 million. When the market rate exceeds the strike levels, interest income is received to compensate for the higher interest cost.

When the agreed interest for the derivative deviates from the market rate, there is a change in value that affects the company's statement of income and balance sheet. The change in value does not have an effect on the cash flow. On maturity, however, the value of the derivatives used by Klöver is always zero.

Exposure

Financial goals and outcomes 2010		
	Goal	Outcome
Interest coverage ratio	Shall amount to at least 1.5 multiples.	2.8 multiples
Equity ratio	Should be between 25 and 35 per cent.	32 %
Interest rate risk	At least 50 per cent of the total loan volume shall have fixed interest or be hedged by interest caps.	74 %
Base risk	Tied-up capital is to be at least 3 years.	2.0 years
	At most 35 per cent of the total liability is to mature during the same year.	39 %
Refinancing risk	At most 50 per cent of the capital requirement from the same lender.	36 %

Environment

Risk

According to the Environmental Code, those who engage in activities that contribute to pollution are also responsible for subsequent treatment. If the person carrying out the activity cannot carry out or pay for this treatment of a property, the party that has acquired the property, and who, at time of acquisition, knew of or should have detected the pollution is responsible. This means that demands can, in certain conditions, be directed at Klöver for land decontamination or subsequent treatment for the existence or suspicion of pollution in the ground, water areas, or groundwater to put the property in such a state as follows from the Environmental Code.

Management

A thorough analysis of any environmental risks is carried out in connection with every acquisition.

Exposure

Klöver does not carry out any activity that requires a special environmental licence, although property administration and property development can have an impact on the environment.

At present, however, there is no knowledge of any important environmental demands which can be directed at Klöver.

Property costs

Risk

There is a risk in properties with neglected maintenance of large and expensive repair costs. Energy accounts for 30 per cent of Klöver's property costs which means that consumption and energy costs can rise sharply if control is poor. Weather deviations from what is regarded as normal can also affect the total outcome. Seasonal variations in weather mean that energy costs are not evenly distributed over the year. Normally, for example, around 40 per cent of the year's heating consumption takes place during the first quarter of the year.

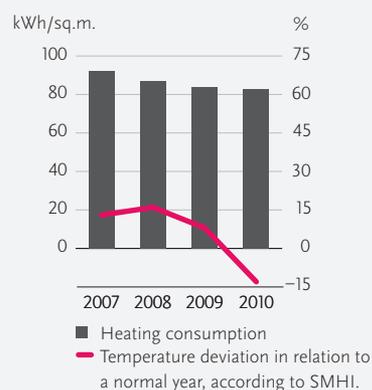
Management

Through its local organization, Klöver has a very good control of its properties. An ambitious maintenance programme with preventive measures reduces the number, and costs of, unanticipated repairs. A major investment has been made for energy-optimizing investments. Klöver works actively to follow up energy consumption and takes steps to reduce it.

Exposure

The influence of the weather during a particular year can be measured as a deviation from a "normal year". If a particular year deviates from the normal year by +/- 10 per cent, Klöver's energy costs change by SEK 2 million with the present consumption. During 2010, the weather both at the beginning and the end of the year has shown the need to ensure that tenants pay the actual cost for energy consumption and not according to a standard charge.

Heating consumption and temperature in relation to a normal year



During 2010, the temperature deviated by -13 per cent compared with a normal year.

Rental income and occupancy rate

Risk

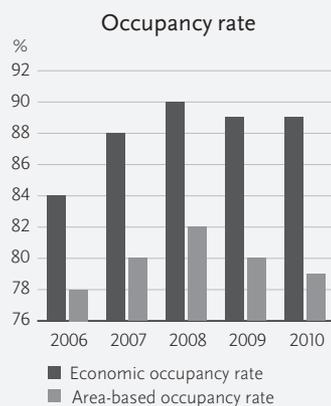
There is a risk of vacating tenants in all real estate activities. When tenants change, there are costs for adaptation and vacancy periods.



Management

Klövern has a total of 4,476 lease contracts with almost 2,800 companies in many different branches of business activity.

Thanks to a locally based organization and close contact with customers, Klöver has had a low turnover rate in its premises. The turnover rate, measured as vacation in SEK during the year in relation to lease contract value at the beginning of 2010, amounted to 6.3 per cent. The average lease term in Klöver's stock was 2.8 years. Normally 20 per cent of the aggregate rental value is renegotiated every year.



At year-end, Klöver had an economic occupancy rate of 89 per cent (89) and an area-based occupancy rate of 79 per cent (80).

Klövern makes a credit rating in connection with all new letting. On the basis of a credit rating, certain leases are complemented with guarantees, a deposit or a bank guarantee. All rents are paid in advance. Despite this, there is a risk of tenants suspending payments or otherwise not performing their obligations, which has a negative impact on Klöver's result. Due to the frequent dialogue with customers, Klöver has very low customer losses. These amounted to SEK 3 million (5) or 0.3 per cent (0.4), of Klöver's total income during 2010.

Exposure

The largest tenant is Ericsson, which mainly leases large office areas in Kista. Ericsson has located its head office with the group executive management at Kista. The managements of Ericsson's three business areas, Global Services, Multimedia and Networks, and parts of R&D activities are also located at Kista. During 2010, Ericsson has also signed a ten-year lease contract for 36,000 sq.m., of which the major part is for a new office building, which is being built in Kista. The building is expected to be completed in April 2012. Ericsson's total contract value amounted at year-end 2010 to SEK 170 million, which corresponds to 13 per cent of Klöver's total contract value.

The second largest tenant is TeliaSonera with a contract value of SEK 28 million at the end of 2010. This activity consists mainly of offices, located in Karlstad, Linköping and Norrköping, among other places.

Klövern's ten largest tenants

Tenant	Contract value, SEKm	Proportion of total contract value, %	Average remaining contract period, years	Number of contracts	Area, 000 sq.m.
LM Ericsson AB	170	13	3.3	25	93
TeliaSonera AB	28	2	4.0	38	21
Posten Norden AB	22	2	3.6	35	19
Kistamässan AB	20	2	9.7	2	16
Orexo AB	19	1	3.9	12	7
Municipality of Linköping	16	1	2.1	20	13
Östergötland County Council	16	1	2.8	10	12
Municipality of Karlstad	14	1	3.9	22	13
Swedish Transport Agency	14	1	1.6	14	16
ULTRA Education (John Bauer)	12	1	4.0	4	9
Total	331	25	3.7	182	219

Taxes

Risk

Klövern's self-evident intention is to comply with laws and regulations, not least within the area of taxation. However, lack of clarity concerning the interpretation of rules, and in certain cases changed rules with retroactive effect, means that companies cannot always anticipate the tax outcome of their actions.

Management

Klövern uses tax expertise from a number of reputable firms.

Exposure

At present, Klöverner has two ongoing tax disputes of greater importance. At the end of 2003, Klöverner requested reconsideration of tax assessment for the same year. The intention was to verify whether Klöverner was entitled to a tax loss carryforward of around SEK 5 billion. In the spring of 2006, Klöverner withdrew its request for reconsideration, when confronted with the risk of a tax surcharge. Despite this, the Tax Agency imposed a surcharge of SEK 493 million as Klöverner was considered to have submitted incorrect information.

The tax surcharge has been quashed by both the Administrative Court (2007) and the Administrative Court of Appeal (2010). In November 2010, the Tax Agency was granted leave to appeal at the Supreme Administrative Court. The issue of whether the Tax Agency can impose a surcharge, despite the absence of a request, is expected to be decided during 2011. If Klöverner also wins at the Supreme Administrative Court, the matter of the tax surcharge will be finally settled. If the Tax Agency wins, the matter of whether Klöverner submitted incorrect information in the request for a tax loss carryforward will be referred back to the Administrative Court.

In 2006, Klöverner subsequently submitted a new request for a tax loss carryforward of almost SEK 5 billion. This request has been rejected by both the Administrative Court and the Administrative Court of Appeal. Klöverner has requested leave to appeal at the Supreme Administrative Court. A decision on whether the Supreme Administrative Court will grant leave to appeal is expected during 2011.

Other risks

Operating risks

Operating risks means the risk of incurring losses due to deficient routines, insufficient control, and/or improper actions. Good internal checks and external checks by auditors, administrative systems that are appropriate for their purpose, competence development and access to reliable valuation models are methods to reduce the operating risks. In this connection, Klöverner works continuously to monitor the company's administrative security and control.

Personnel

Personnel risk is the risk of not being able to meet Klöverner's need of skilled personnel. The company works actively for internal career paths and training within the Klöverner academy and also actively endeavours to maintain the company's reputation as an attractive employer.

The majority of the personnel have a three-month period of notice if notice is given by the employee and six months if given by the company. This provides sufficient time for recruitment in the event of notice being given. During 2010, Klöverner had a staff turnover of 10 per cent (6). The increase in turnover can be attributed to organizational changes during the year.

Sensitivity analysis

The sensitivity analysis is based on the Group's earning capacity and balance sheet on 31 December 2010. The sensitivity analysis shows the effects on the Group's earnings for the year after full impact of each of the parameters in the table below. Interest-bearing liabilities and rental contracts extend over several years, which means that changes do not have full impact during a single year but only in a longer perspective

Sensitivity analysis		
	Change	Annual effect on profit, SEKm
Economic occupancy rate	+/- 1 %-point	+/- 15
Rental income	+/- 1 %	+/- 12
Property costs	+/- 1 %	-/+ 5
Klövern's average borrowing rate	+/- 1 %-point	-/+ 85

The Klöver share and the shareholders

During the year, the Klöver share has increased by 48 per cent (26) to SEK 34.00 (22.90). Total return, i.e. the change in price and actual dividend, amounted to 54 per cent (31) during 2010.

The stock exchange as a whole, measured as Nasdaq OMX Stockholm's all-share index (OMXSPI) increased by 21 per cent (47), Nasdaq OMX Stockholm Real Estate Index rose by 28 per cent (14) and Carnegie's real estate index (CREX) by 43 per cent (26) during the year.

Share price movements and turnover

Klövern's share price was SEK 34.00 (22.90) at year-end 2010, which is equivalent to a capitalization of SEK 5,467 million (3,682), based on the number of outstanding shares. The highest listing of the share during the year was SEK 34.40 on 27 December and the lowest SEK 21.50 at the beginning of May.

During the year, 81.6 million (64.2) Klöver shares were traded, corresponding to 323,000 shares (256,000) shares per day for a total of SEK 2,256 million (1,277), which is an indication of high liquidity. The turnover rate was 51 per cent.

Share capital and number of shares

The Klöver share has been listed on Nasdaq OMX Stockholm Mid Cap since 2003. On 31 December 2010, the share capital of Klöver amounted to SEK 832,721,630. No changes in the share capital have taken place since 2006.

The share's quotient value was SEK 5 per share and the total number of registered shares was 166,544,326 at year-end 2010. Each share, apart from repurchased shares, confers on vote. The share's ID on Nasdaq OMX Stockholm is SSE19459 and the ISIN code is SE0000331225.

Repurchase

The Board of Directors of Klöver has been authorized since the 2007 Annual General Meeting to repurchase Klöver's shares up to maximum of ten per cent of the total number of registered shares. Accordingly, up to 2008, a total of 5,741,463 shares have been repurchased, corresponding to 3.4 per cent of the shares. This is intended, inter alia, to continuously adapt the company's capital requirements and thus contribute to increased shareholder value. No repurchases have taken place in 2009 and 2010.

Dividend

Klövern's dividend, in the long term, shall exceed 50 per cent of the profit from property management. When assessing the size of the dividend, the company's investment alternatives, financial position and capital structure shall be taken into account.

Major listed real estate companies as at 31 December 2010

Company	Share price, SEK	Share value ¹⁾ , SEKm	Share price development 2010, %	P/E ratio	Proposed dividend, SEK/share	Direct yield ²⁾ , %	Total yield 2010, %
Hufvudstaden AB, A-share	78.55	16,960	44.8	9	2.30	2.9	49
Castellum AB	91.55	15,747	26.3	8	3.60	3.9	31
Fabege AB	78.55	12,992	73.8	8	3.00	3.8	78
Atrium Ljungberg AB, B-share	86.50	11,524	29.1	12	2.40	2.8	32
Wallenstam AB, B-share	177.00	10,443	37.5	7	3.50	2.0	40
Kungsleden AB	61.50	8,395	25.0	10	2.00	3.3	33
Wihlborgs Fastigheter AB	195.00	7,494	47.2	8	7.00	3.6	52
Klövern AB	34.00	5,663	48.5	9	1.50	4.4	54
Fastighets AB Balder, B-share	44.10	4,479	135.2	3	0.00	0.0	135
AB Sagax, common stocks	170.00	3,173	93.2	5	3.00	1.8	93

1) Based on the total number of registered shares (including repurchased shares).

2) Calculated according to proposed dividend.

Source: Year-end report 2010.

The Board of Directors proposes that dividend on 2010's result shall be SEK 1.50 per share (1.25). If the Annual General Meeting on 18 April 2011 decides in accordance with the Board's proposal, the dividend is expected to be paid on 28 April, the record date being 21 April. This proposal would mean that 55 per cent (41) of profit from property management would be distributed to shareholders. During the past five years, Klöver has distributed an average of 52 per cent of the profit from property management.

Yield

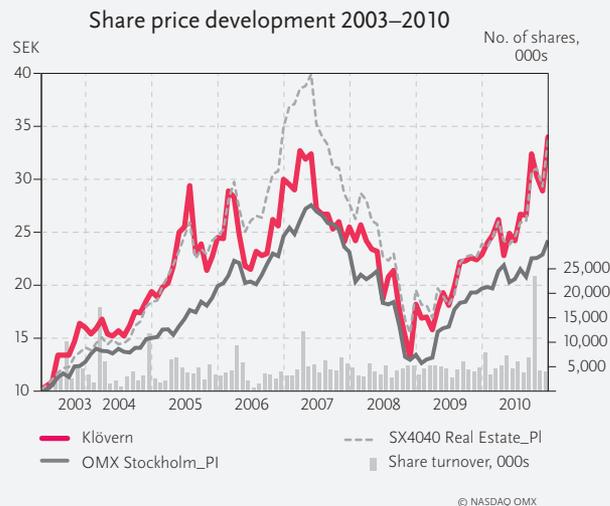
The proposed dividend of SEK 1.50 per share, corresponds to a direct yield of 4.4 per cent per share (5.5) calculated according to the share price on 31 December 2010. During the year, the share's total yield, including dividend of SEK 1.25 per share has been 54 per cent (31).

More detailed information about the yield of the share is available in the initial section of the annual report.

The Klöver share during a five-year period

	2010	2009	2008	2007	2006
Share price at year-end, SEK	34.00	22.90	18.20	25.50	30.00
Capitalization, outstanding shares, SEKm	5,467	3,682	2,929	4,227	4,996
Profit from property management per share, SEK	2.73	3.07	2.17	2.32	2.25
Earnings per share, SEK	3.76	1.48	-2.92	7.36	5.04
Equity per share, SEK	28.08	25.58	25.09	29.36	23.23
Dividend, SEK	1.50*	1.25	1.00	1.50	1.25
Direct yield, %	4.4*	5.5	5.5	5.9	4.2
Total yield, %	54.0	31.3	-22.7	-10.8	26.5
Number of registered shares, million	166.5	166.5	166.5	166.5	166.5
Number of outstanding shares, million	160.8	160.8	160.8	165.8	166.5
Average outstanding shares, million	160.8	160.8	163.2	166.4	125.2

* Proposed dividend.development



Equity and net worth

Net worth is the value of the company's assets less the value of liabilities. Assets and liabilities are reported at their historical acquisition values apart from certain financial assets and liabilities and investment properties which are valued at fair value. Total equity amounted at year-end 2010 to SEK 4,516 million (4,112) and equity per share to SEK 28.08 (25.58) after an increase of SEK 2.50 during the year.

On the liabilities side of the balance sheet, there is a deferred tax liability of SEK 508 million (370), which includes the difference between the fair values and tax values of the properties and derivatives (temporary differences, although excluding acquired temporary differences) as well as derivatives. The tax liability is realized when and if derivatives are sold and the properties are sold as separate properties. If, however, companies are sold, with the properties as assets, no tax effect arises. In Klöver's case, practically all properties are in corporate form, which, in all probability, means that only a minor part of the total deferred tax liability will be paid.

The difference between the tax value and the fair value of the properties is SEK 4,701 million. Given an assumption that the fair deferred tax liability amounts to 5 per cent, instead of the 11 per cent which they are booked at, the deferred tax liability would be reduced by SEK 277 million. On the basis of the above reasoning, SEK 277 million would be added to equity, which would entail an increase of net worth by SEK 1.72 per share.

Net worth, 31 December 2010	SEKm	SEK/share
Equity according to the balance sheet	4,516	28.08
Adjustment of the deferred tax liability	277	1.72
Adjusted net worth	4,793	29.80

Ownership

At year-end 2010, there were 27,254 shareholders (29,943) in Klöver. The ten largest shareholders represented 60.5 per cent (61.1) of the total share capital and the value amounted to SEK 3,307 million, based on the number of outstanding shares 83.1 per cent (85.7) of the total number of shares were held by Swedish shareholders.

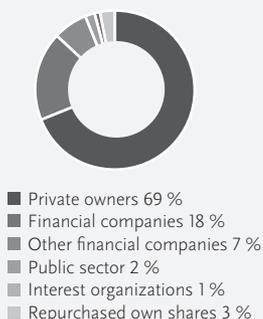
Two owners (three), Corem Property Group and Arvid Svensson Invest, had, as at 31 December 2010, a shareholding exceeding 10 per cent. During the year, Lantbrukarnas Ekonomi declared sale of its shareholding and Corem Property Group declared purchase of shares. Both declarations were made in October 2010.

Ownership and major shareholders

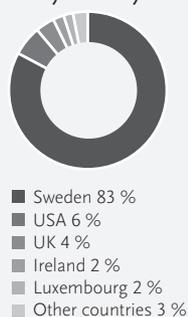
	No. of shares, thousands	Share of votes and equity, %	Change 2010, % points
31 December 2010			
Corem Property Group*	29,986	18.7	6.2
Arvid Svensson Invest	24,159	15.0	4.4
Investment AB Öresund	12,149	7.5	-2.1
Brinova Inter	6,856	4.2	-0.1
Länsförsäkringar fondförvaltning*	5,705	3.6	0.3
Swedbank Robur fonder*	5,142	3.2	0.1
Länsförsäkringar Södermanland	4,345	2.7	0.2
HQ fonder*	4,295	2.7	0.0
JP Morgan Chase	2,377	1.5	1.5
ABN Amro	2,244	1.4	1.3
Total major shareholders	97,258	60.5	11.8
Other shareholders	63,545	39.5	-11.8
Total no. of outstanding shares	160,803	100.0	0.0
Repurchased own shares	5,741		
Total no. of registered shares	166,544		

* Owner group.

Shareholder categories



Distribution of shares by country



Press releases 2010

18.01.2010	Klövern's executive management buys options in the company
19.01.2010	Klövern sells two properties
10.02.2010	Klövern wins tax surcharge case of SEK 493 million
19.02.2010	Klövern's Year-end report 2009
04.03.2010	Klövern's Annual Report 2009
12.03.2010	Notice of Annual General Meeting of Shareholders of Klöver (publ)
31.03.2010	Klövern sells shopping centre in Örebro
31.03.2010	Major lettings for Klöver in Norrköping
09.04.2010	The Tax Agency is applying for leave to appeal
16.04.2010	Major lettings to Sigma in Örebro
20.04.2010	Interim Report January – March 2010
20.04.2010	Decisions at Annual General Meeting of Shareholders of Klöver AB
03.05.2010	Management changes at Klöver
17.05.2010	Management changes at Klöver
18.05.2010	Major lease at Uppsala Business Park
22.06.2010	Klövern is building a new office building in Kista
08.07.2010	Interim report January – June 2010
23.08.2010	The Administrative Court of Appeal rejects Klöver's deductions of almost SEK 5 billion
09.09.2010	Klövern acquires major property portfolio
10.09.2010	New major lease contracts in Uppsala Business Park
21.10.2010	Interim Report January – September 2010
08.11.2010	The Supreme Administrative Court is to consider Klöver's tax surcharge case
10.11.2010	Letting for Klöver in central Västerås
29.11.2010	Klövern is appealing the loss carryforward-case to the Supreme Administrative Court
08.12.2010	Klövern rents in Uppsala Business Park

Distribution of shareholdings

Shareholding	No. of shareholders	Holding, %	Change in holding, 2010, %-points
10,000,001 –	3	34.6	-7.2
1,000,001 – 10,000,000	21 ¹⁾	35.5	7.5
100,001 – 1,000,000	93	18.6	2.2
10,001 – 100,000	303	5.4	-1.5
1,001 – 10,000	2,049	3.7	-0.8
1 – 1,000	25,285	2.2	-0.2
Total	27,754	100.0	0.0

1) Including repurchased own shares.

Nyköping Standard 17 – The property is in the pedestrian street in Nyköping and consists of 6,500 sq.m. of offices, shops and gym facilities. Major tenants are Länsförsäkringar Södermanland, Hälsomagasinet and Cubus.



Financial Reports

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Administration Report

The Board and the CEO of Klöver AB (publ.), company reg. no. 556482-5833, hereby submit the annual report and the financial statements for the Group for the 2010 financial year.

The past year

During the year, properties for SEK 1,067 million (179) have been acquired and properties for SEK 368 million (162) have been sold. The change in the property portfolio is mainly due to acquisitions in the last quarter of the year. During 2010, a large number of projects were carried out at existing properties. Investment totalled SEK 464 million (351). Profit from property management, earnings excluding changes in value and tax, amounted to SEK 439 million (493). Net moving-in for the year amounted to SEK 16 million (-1). The economic occupancy rate was 89 per cent (89) at the end of the year and the area-based occupancy rate 79 per cent (80).

Operations

Klövern shall with availability and commitment meet the customer's needs of premises and services in Swedish growth regions. As at 31 December 2010, the number of properties was 250 (217) with a total lettable area of 1,528,000 sq.m. (1,392,000). The properties had a fair value of SEK 13,493 million (12,032) and income amounted to SEK 1,243 million (1,254).

Organization

Activity takes place at ten locations mainly with own staff. The number of personnel was 126 (123) at year-end and the average age of employees 45 (44). Over a fifth of the employees worked at the head office. Operation of the properties and contacts with customers are mainly dealt with by the business units. The head office is responsible, among other things, for management, finance and property administration, as well as business support to the units. The organization and personnel are described on pages 12–13 as well as in Note 3.

The share

The Klöver share is listed on Nasdaq OMX Stockholm's MidCap. As at 31 December 2010, the number of registered shares in Klöver was 166,544,326. During the year, 81.6 million (64.2) Klöver shares were traded for a total of SEK 2,256 million (1,276), which shows high liquidity and a turnover rate of 51 per cent (40).

Klövern's capitalization at the end of 2010 was SEK 5,467 million based on the number of outstanding shares, compared with SEK 3,682 million at year-end 2009. More information about the share can be found in the section The Klöver share and the shareholders on pages 64–66.

Repurchase

Since the annual general meeting on 28 March 2007, the Board of Directors of Klöver AB has been authorized to repurchase Klöver's shares up to a maximum of 10 per cent of the total number of registered shares. In accordance with this decision, Klöver has repurchased a total of 5,741,463 shares, corresponding to 3.4 per cent of the total number of registered shares. The average acquisition price has been SEK 22.15 per share.

Of the repurchased shares, 4,965,963 were repurchased during 2008 and 775,500 during 2007. No repurchases have taken place during 2009 and 2010.

Ownership

At year-end, there were 27,754 shareholders (29,943) in Klöver. The ten largest shareholders represented 60.5 per cent (61.1) of the number of outstanding shares. Of the total number of shares, 83.1 per cent (85.7) was held by Swedish shareholders. Two (3) shareholders had a holding exceeding ten per cent of the number of outstanding shares.

Earnings

Net profit for the year amounted to SEK 605 million (237), corresponding to SEK 3.76 per share (1.48). Profit, excluding changes in value and tax, the profit from property management, amounted to SEK 439 million (493). Earnings for the year include positive changes in value of properties at SEK 298 million (-231) and positive changes in value of derivatives at SEK 23 million (34).

Parent Company

The parent company, Klöver AB (reg. no. 556482-5833) consists of common functions for the Group and ownership of the Group's subsidiaries. Net profit in the Parent Company was SEK 3 million (-11). The Parent Company

has received group contributions of SEK 156 million (111) from subsidiaries in the Group.

The Parent Company's liquid funds amounted to SEK 54 million on 31 December 2010, compared with SEK 8 million at the beginning of the year.

Cash flow and financial position

The cash flow for the year was SEK 12 million (−43). The equity ratio was 32.1 per cent at the year-end, compared with 32.7 per cent at the beginning of the year. Shareholders' equity increased to SEK 4,516 million, compared with SEK 4,112 million at the beginning of the year. Liquid funds amounted to SEK 36 million (24) and interest-bearing liabilities were SEK 8,517 million (7,646). Financial risks are described in the section Risk and sensitivity on pages 60–63 and in Note 21.

Corporate governance

Corporate governance defines the decision-making system with the aid of which the owners, directly and indirectly, govern the company. For the system to work optimally, the transparency in the information provided to owners and the capital market must be good. The design of corporate governance depends on legislation, Nasdaq OMX Stockholm's regulations, self-regulation in accordance with the Swedish Code of Corporate Governance and other external and internal steering documents.

Klövern's corporate governance is described in the Corporate governance report on pages 100–109.

The Board of Directors

According to the articles of association, the Board of Directors of Klöver shall consist of at least four and at most eight members. At the Annual General Meeting in 2010, board members Stefan Dahlbo (Chairman), Gustaf Hermelin (CEO Klöver), Rutger Arnhult, Anna-Greta Lundh, Lars Rosvall and Fredrik Svensson were re-elected. Lars-Göran Pettersson replaced Lars Holmgren, who declined re-election. Britt-Marie Einar, Finance and IR manager and Deputy CEO, acts as secretary at Klöver's board meetings.

Remuneration to senior executives

The Board of Directors presents proposals in the Notice of the Annual General Meeting on the principles for remuneration of the CEO and the executive management, which are then decided upon by the meeting. The

following guidelines are proposed to the Annual General Meeting for 2011. The basic salary is to be at the market level and competitive, taking into account the areas of responsibility and experience of the individual. The basic salary is reviewed every year.

The maximum bonus for the CEO may amount to at most the equivalent of six months' basic salary per year. The maximum bonus for Deputy CEOs and other senior executives may be at most three months' basic salary per year. The pension premium may at most amount to 35 per cent of the basic salary and the retirement age is 65.

The period of notice for the CEO, Deputy CEOs and other senior executives is 12 months if notice is given by the company and six months if given by the employee. No severance pay is payable.

Benefits in addition to salary and pension for all members of the executive management are health insurance and a subsistence benefit, as well as a share in Klöver's profit-sharing foundation. Members of the executive management are entitled to a company car benefit if this is stated in the respective contract of employment. The Board has the right to depart from these principles if there is reason for so doing in a particular case.

The executive management consists of the CEO, Deputy CEOs and other members of the executive management group. At present, the executive management consists of Gustaf Hermelin, CEO, Britt-Marie Einar, Finance and Information Manager and Deputy CEO, Thomas Nilsson, IT and Real Estate Manager and Deputy CEO, Elisabeth Norling, Personnel and Environmental Manager, Mattias Rickardsson, CFO and market area managers PG Sabel, Hans Lindh and Mikael Forkner.

Information about the executive management remuneration issues may be found in the Corporate Governance report on pages 100–109 and in Note 3.

Tax

The Administrative Court of Appeal has in a judgment in August 2010 consented Klöver a tax loss carryforward of SEK 108 million for conversion of receivables to shareholder's contribution.

Besides the established loss carry forward in Klöver, the company made a loss in 2002 in its previous business activity as an IT company of around SEK 5,000 million. At the end of 2003, Klöver requested that tax assessment for the same year should be reconsidered. The intention

was to have considered whether Klöverns was entitled to this tax loss carry forward as well. In spring 2006, Klöverns withdrew its request for reconsideration. A tax surcharge of SEK 493 million imposed by the Tax Agency in this case was quashed by the County Administrative Court in December 2007 and by the Administrative Court of Appeal in February 2010. The Supreme Administrative Court has granted the Tax Agency leave to appeal and decisions are expected during 2011.

Klöverns submitted a new request for this loss carry-forward in 2006. This renewed request was rejected by the Administrative Court in February 2009 and by the Administrative Court of Appeal in August 2010. Klöverns has requested leave to appeal to the Supreme Administrative Court.

More information about Klöverns's tax situation can be found in the section on Tax on page 59 and in Risk and sensitivity on pages 60–63 and in Note 8.

Environment

Klöverns's environmental policy is a living document that is continuously evaluated and developed. The policy also includes an action plan which concretizes how the policy is to be achieved and the goals that Klöverns works towards. Klöverns does not engage in any activity that requires an environmental licence.

A more detailed section on the environment and sustainability is contained on pages 10–11 and in the section on Risk and sensitivity on pages 60–63.

Risks

There is always an exposure to risk in the operations of a real estate company. Good internal control and external checks by auditors, administrative systems and policies that are appropriate for their purpose, competence development and access to reliable valuation models are methods to manage and reduce the risks. Klöverns works continuously to monitor the company's administrative security and control.

A description of risk-taking is contained in the section on Risk and sensitivity on pages 60–63 and in the Corporate Governance report on pages 100–109.

Dividend

The dividend is to be, in the long term, at least 50 per cent of profit from property management. The profit from property management shows the progress of the real

estate business, taking into consideration financial costs and central administration.

When assessing the size of dividends, the company's investment alternatives, its financial position and its capital structure are to be taken into account. For the financial year 2010, the Board of Directors proposes a dividend of SEK 1.50 per share (1.25), corresponding to SEK 241 million (201).

The proposed dividend corresponds to 55 per cent (41) of the profit from property management.

Proposed allocation of earnings

The Board of Directors proposes that the earnings at the disposal of the Annual General Meeting be appropriated as follows:

Amount brought forward	SEK	337,156,072
Net profit for the year	SEK	3,624,074
Total	SEK	340,780,146
Dividends to shareholders	SEK	–241,204,294
To be carried forward	SEK	99,575 852

Outlook for 2011

The Swedish economy showed very strong growth in 2010 and forecasts for 2011 indicate a continued good development. This prepares the way for increased demand for premises and rising market rents in Klöverns's business units. The Riksbank's interest rate path for 2011 indicates a number of interest rate increases during the year. Continued positive development in the real estate business, together with Klöverns's hedging by interest rate derivatives counteracts the effect of any interest rate increases and creates good opportunities for a strong profit from property management also in 2011.

Events after the balance sheet date

In January, the 4,000 sq.m. property Niten 6 in Borås was acquired for SEK 22 million. On 1 February 2011, Klöverns sold the properties Glasfatet 4 and Pagoden 2 in Linköping for a total of SEK 23 million.

Klöverns has renegotiated credit agreements for SEK 400 million in January 2011.

In February 2011, the Board decided on variable remuneration for 2010 to the CEO of six monthly salaries. This amount will be recognised during the first quarter of 2011.

Statement by the Board on the Proposed allocation of earnings

The Board's proposal

In the proposed allocation of profits for the 2010 financial year, the Board of Directors proposes to the shareholders at the Annual General Meeting on 18 April 2011 that a dividend of SEK 1.50 per share be paid, which entails a total dividend of SEK 241 million. In addition, the Board proposes that the shareholders at the Annual General Meeting authorize the Board to set the record date at 21 April 2011 with 28 April 2011 as payment day.

The following earnings are available for disposition:

Amount brought forward	SEK	337,156,072
Net profit for the year	SEK	3,624,074
Total	SEK	340,780,146

The Board proposes that the earning available for distribution be allocated as follows:

Dividends to the shareholders		
SEK 1.50 per share, total	SEK	241,204,294
To be carried forward	SEK	99,575,852
Total	SEK	340,780,146

Klövern AB's financial position

Klövern's financial goals are:

- Return on equity is to be the risk-free rate plus at least equal to seven percentage points in the long-term. To be increased to the risk-free rate plus at least nine percentage points from 2011 onwards.
- The equity ratio is to be between 25 and 35 per cent.
- The interest coverage ratio is to be at least 1.5 multiples.

The financial goals were achieved in 2010.

According to the annual report, Klöverns equity ratio is 32 per cent in the Group and 69 per cent in the Parent Company. After the proposed dividend, the equity ratio will be 31 per cent in the Group and 67 per cent in the Parent Company. The proposed dividend constitutes 5.3 per cent of shareholders' equity in the Group and 8.3 per cent of the equity in the Parent Company. Klöverns goal for the equity ratio is achieved even after the proposed dividend.

Motivation by the Board of Directors

Taking into account the statements made earlier, the Board considers that the proposed dividend can be justified taking into consideration the requirements made in Chapter 17, section 3, second and third paragraphs, of the Companies Act.

The type and scope of activity does not entail risks to a greater extent than those normally occurring in the industry.

The assessment by the Board of the financial position of the Parent Company and the Group means that the dividend is justifiable in relation to the requirements that the type of business, extent and risk make on the size of the equity of the Parent Company and the Group and the consolidation requirements, liquidity and position otherwise of the Parent Company and the Group.

The view of the Board is that the proposed dividend will not affect the ability of Klöverns AB to comply with its commitments in the short and long term or to make the necessary investments.

Nyköping, 1 March 2011

The Board of Directors of Klöverns AB (publ)
Company registration no. 556482-5833

Group

Consolidated Statement of Income

Amount in SEK thousand	Notes	2010	2009
Rental income	2,4,22	1,232,409	1,230,496
Other income	2	10,397	23,466
Total income		1,242,806	1,253,962
Property costs	3,4,6	-497,811	-473,153
Operating surplus		744,995	780,809
Central administration	3,5,6	-64,253	-66,074
Financial income	7	799	832
Financial expenses	7	-242,793	-222,192
Profit from property management		438,748	493,375
Changes in value, properties	10	298,186	-231,364
Changes in value, financial instruments	21	23,259	33,536
Profit before tax		760,193	295,547
Current tax		-4,129	-8,602
Deferred tax	8	-151,275	-49,716
NET PROFIT FOR THE YEAR		604,789	237,229
Other comprehensive income		-	-
NET COMPREHENSIVE INCOME FOR THE YEAR		604,789	237,229
Attributable to:			
Parent company shareholders	16	604,789	237,229
Minority interest		-	-
		604,789	237,229
Earnings per share (SEK)	16	3.76	1.48
Dividend per share (SEK)		1.50*	1.25

*Proposed dividend.

Consolidated Balance Sheet

Amount in SEK thousand	Notes	31.12.2010	31.12.2009
ASSETS			
Non-current assets			
Investment properties	10	13,493,170	12,032,189
Machinery and equipment	9	8,714	9,460
Deferred tax asset	8	405,364	418,143
Total non-current assets		13,907,248	12,459,792
Current assets			
Accounts receivable	12	13,821	21,663
Other receivables	11	63,313	31,199
Prepaid expenses and accrued income	13	51,473	29,965
Liquid funds	14	36,452	24,436
Total current assets		165,059	107,263
TOTAL ASSETS		14,072,307	12,567,055
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	15	832,721	832,721
Other capital contributed		1,715,219	1,715,219
Retained profits including net profit for the year		1,967,473	1,563,688
Shareholders' equity attributable to the parent company's shareholders		4,515,413	4,111,628
Long-term liabilities			
Deferred tax liability	8	508,372	369,876
Long-term interest-bearing liabilities	17	8,417,620	7,597,342
Derivatives	21	13,349	31,296
Total long-term liabilities		8,939,341	7,998,514
Current liabilities			
Current interest-bearing liabilities	17	99,028	48,316
Accounts payable		157,376	103,784
Income tax liability		8,304	22
Other liabilities	19	45,204	15,598
Accrued expenses and prepaid income	20	307,641	289,193
Total current liabilities		617,553	456,913
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		14,072,307	12,567,055

See Note 23 for information about the Group's pledged assets and contingencies.

Change in Group Shareholder's Equity

Shareholders' equity attributable to the Parent Company's shareholders

Amount in SEK thousand	Share capital	Other capital contributed	Retained earnings including net profit for the year	Total shareholders' equity
Shareholders' equity, 31.12.2008	832,721	1,715,219	1,487,261	4,035,201
Net profit for the year	–	–	237,229	237,229
Total changes in assets, excluding transactions with the company's owners	–	–	237,229	237,229
Dividend	–	–	–160,802	–160,802
Total transactions with the company's owners	–	–	–160,802	–160,802
Shareholders' equity 31.12.2009	832,721	1,715,219	1,563,688	4,111,628
Net profit for the year	–	–	604,789	604,789
Other comprehensive income	–	–	–	–
Total changes in assets, excluding transactions with the company's owners	–	–	604,789	604,789
Dividend	–	–	–201,004	–201,004
Total transactions with the company's owners	–	–	–201,004	–201,004
Shareholders' equity 31.12.2010	832,721	1,715,219	1,967,473	4,515,413

Consolidated Statement of Cash Flow

Amount in SEK thousand	Notes	2010	2009
Current operations			
Profit from property management		438,748	493,375
Adjustment for items not included in the cash flow	26	7,938	9,802
Income tax paid		-2,800	-8,602
Cash flow from operations before changes in working capital		443,886	494,575
Change in operating receivables		-45,780	33,521
Change in operating liabilities		108,611	-37,606
Total change in working capital		62,831	-4,085
Cash flow from current operations		506,717	490,490
Investment operations			
Disposal of properties	10	368,250	161,700
Acquisition of and investment in properties	10	-1,531,057	-530,364
Acquisition of machinery and equipment	9	-1,880	-514
Investment in financial assets		-	-4,250
Cash flow from investment operations		-1,164,687	-373,428
Financing operations			
Change in interest-bearing liabilities		870,990	1,041
Dividend		-201,004	-160,803
Cash flow from financing operations		669,986	-159,762
Cash flow for the year		12,016	-42,700
Liquid funds at beginning of year		24,436	67,136
Liquid funds at year-end	14	36,452	24,436

Parent Company Statement of Income

Amount in SEK thousand	Notes	2010	2009
Net sales	2, 24	103,493	97,726
Cost of services sold	24	-79,299	-72,216
Gross profit		24,194	25,510
Central administration	3,5,6,9	-64,253	-66,074
Operating profit		-40,059	-40,564
Result from other securities		16,820	-
Interest income	7	8	33
Interest expense	7	-1,510	-2,457
Profit before tax		-24,741	-42,988
Current tax	8	41,144	20,663
Deferred tax	8	-12,779	11,143
NET PROFIT FOR THE YEAR		3,624	-11,182

Parent Company's report on comprehensive income

Net profit for the year	3,624	-11,182
Other comprehensive income	-	-
COMPREHENSIVE INCOME FOR THE YEAR	3,624	-11,182

Parent Company Balance Sheet

Amount in SEK thousand	Notes	31.12.2010	31.12.2009
ASSETS			
Non-current assets			
Machinery and equipment	9	2,066	2,505
Participation rights in group companies	25	320,043	320,143
Receivables from group companies	24	3,003,004	2,915,704
Deferred tax asset	8	405,364	418,143
Total financial assets		3,728,411	3,653,990
Total non-current assets		3,730,477	3,656,495
Current assets			
Accounts receivable	12	54	–
Receivables from group companies	24	413,951	381,660
Other receivables	11	3,259	3,231
Prepaid expenses and accrued income	13	2,291	6,306
Cash and bank	14	53,675	7,711
Total current assets		473,230	398,908
TOTAL ASSETS		4,203,707	4,055,403
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	15	832,721	832,721
Statutory reserve		1,740,250	1,740,250
Retained earnings		337,156	434,044
Net profit for the year		3,624	–11,182
Total shareholders' equity		2,913,751	2,995,833
Long-term liabilities			
Liabilities to group companies	24	1,157,349	681,537
Total long-term liabilities		1,157,349	681,537
Current liabilities			
Accounts payable		5,953	8,909
Liabilities to group companies	24	101,986	349,511
Other liabilities	19	7,861	6,971
Accrued expenses and prepaid income	20	16,807	12,642
Total current liabilities		132,607	378,033
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,203,707	4,055,403

See Note 23 for information about the Parent Company's pledged assets and contingencies.

Change in Parent Company's Shareholders' Equity

Shareholders' equity attributable to the Parent Company shareholders.

Amount in SEK thousand	Share capital	Statutory reserve	Retained earnings including net profit for the year	Total shareholders' equity
Shareholders' equity, 31.12.2008	832,721	1,740,250	512,839	3,085,810
Group contribution received			111,272	111,272
Tax on group contribution received			-29,265	-29,265
Net profit for the year	-	-	-11,182	-11,182
Total change in assets, excluding transactions with the company's owners	-	-	70,825	70,825
Dividend	-	-	-160,802	-160,802
Total transactions with the company's owners	-	-	-160,802	-160,802
Shareholders' equity, 31.12.2009	832,721	1,740,250	422,862	2,995,833
Group contribution received			156,442	156,442
Tax on group contribution received			-41,144	-41,144
Net profit for the year	-	-	3,624	3,624
Other comprehensive income	-	-	-	-
Total change in assets, excluding transactions with the company's owners	-	-	118,922	118,922
Dividend	-	-	-201,004	-201,004
Total transactions with the company's owners	-	-	-201,004	-201,004
Shareholders' equity 31.12.2010	832,721	1,740,250	340,780	2,913,751

Parent Company Statement of Cash Flow

Amount in SEK thousand	Notes	2010	2009
Current operations			
Profit before tax		-24,741	-42,988
Adjustment for items not included in the cash flow	26	157,424	112,424
Income tax paid		-	-8,602
Cash flow from operations before changes in working capital		132,683	60,834
Change in operating receivables		-28,358	196,343
Change in operating liabilities		-245,426	-11,061
Total change in working capital		-273,784	185,282
Cash flow from current operations		-141,101	246,116
Investment operations			
Acquisition of machinery and equipment	9	-543	-135
Investment in financial assets	26	-87,200	-154,015
Cash flow from investment operations		-87,743	-154,150
Financing operations			
Dividend		-201,004	-160,802
Change in long-term liabilities		475,812	63,436
Cash flow from financing operations		274,808	-97,366
Cash flow for the year		45,964	-5,400
Liquid funds at beginning of year		7,711	13,111
Liquid funds at year-end	14	53,675	7,711

Notes

Amounts in SEK thousands unless otherwise stated

NOTE 1 Accounting policies

GENERAL INFORMATION ABOUT THE COMPANY

Klövern AB (publ), company reg.no. 556482-5833, is a Swedish-registered limited company with its registered office in Nyköping. The Parent Company's shares are listed on Nasdaq OMX Stockholm's list for medium-sized companies. The address of Klövern's head office is Nyckelvägen 14, Box 1024, 611 29 Nyköping.

The consolidated accounts for 2010 consist of the Parent Company and its subsidiaries, together referred to as the Group.

The annual accounts and consolidated accounts have been approved for publication by the Board on 1 March 2011. The Group's statement of income and balance sheet and the Parent Company's statement of income and balance sheet will be presented for adoption by the Annual General Meeting on 18 April 2011.

COMPLIANCE WITH STANDARDS AND LEGISLATION

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretation statements made by the International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the EU. The consolidated accounts have also been prepared in accordance with Swedish law by application of the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary accounting rules for groups.

The Parent Company applies the same accounting principles as the Group except in the cases stated below in the section "Parent Company's Accounting Principles". The deviations that exist between the Parent Company's and the Group's principles are due to limitations in the possibility of applying IFRS to the parent company due to the Annual Accounts Act and, in certain cases, current tax legislation.

PREREQUISITES FOR PREPARING THE FINANCIAL REPORTS OF THE PARENT COMPANY AND GROUP

The Parent Company's functional currency is Swedish kronor which is also the reporting currency for the Parent Company and for the Group. All amounts, unless otherwise stated, are rounded to the nearest thousand. Assets and liabilities are reported at their historical acquisition values, except for certain financial assets and liabilities and investment properties, which are valued at their fair value. Financial assets and liabilities valued at their fair value consist of derivatives, valued at their fair value through the consolidated statement of income statement. Investment properties are valued in accordance with IAS 40.

The accounting principles already stated for the Group have been applied consistently to the reporting and consolidation of the Parent Company and subsidiaries.

CHANGED ACCOUNTING POLICIES

The accounting policies are unchanged from the previous year.

The following standards which came into effect on 1 January 2009 and later have not been applied when preparing these financial statements:

IFRS 3 Business Combinations has been revised and shall be applied to financial years beginning from 1 July 2009 or later. It may affect Klövern's future acquisitions of companies since the definition of business has been expanded. Furthermore, transaction costs are to be expensed and the fair value of a supplementary purchase price established at the time of acquisition.

The revisions to IAS 27 Consolidated and Separate Financial Statements are intended to indicate how minority shares of losses are to be reported. According to these amendments, the result attributable to minorities is always to be reported. Accordingly, the share of the minority is to be reported in full even if there is no agreement that entails that the minority covers its share of negative equity. This change came into effect on 1 July 2009. Since Klövern does not have any minority owners, the company is not affected.

IFRIC12 Service Concession Agreements deals with areas such as roads, bridges and hospitals where the government or other public sector body contracts with a private operator that participates in financing, operation and development. This standard, which comes into effect for the 2010 financial year does not affect the company.

IFRIC15 Agreements for the Construction of Real Estate covers the recognition of revenue and expenses by companies which undertake the construction of real estate on behalf of others, either directly or through sub-contractors. The company is not currently affected by this standard, which is to be applied from 2010.

Amendments to RFR 2 entail that shares in subsidiaries may be valued at fair value if other financial instruments are valued in accordance with IAS 39. This is not applied; they are valued at acquisition value.

CLASSIFICATION AND RELATED MATTERS

Non-current assets and long-term liabilities in the Parent Company and the Group consist only of amounts expected to be recovered or paid after more than 12 months from balance sheet date while current assets and current liabilities in the Parent Company and Group consist only of amounts that are expected to be recovered or paid within twelve months from the balance-sheet date.

CONSOLIDATION PRINCIPLES

Subsidiaries

Subsidiaries are companies where the Parent Company Klövern AB has a controlling influence. A controlling influence entails directly or indirectly a right to determine a company's financial and operational strategies with a view to obtaining financial benefits. In the assessment of whether a controlling influence exists, potential voting shares that can be used without delay or converted shall be taken into consideration. Subsidiaries are consolidated in accordance with the acquisition method. The method means that acquisition of a subsidiary is regarded as a transaction through which the Group indirectly acquires the subsidiary's assets and takes over its liabilities and contingencies. The acquisition value for the Group is determined by an acquisition analysis at the time of the acquisition. In the analysis, the acquisition value of the participation rights is established, and the fair value of the acquired identifiable assets, debts and contingencies assumed.

The subsidiary's financial statements are included in the consolidated accounts from the date of acquisition until the date when the controlling influence ceases.

Classification of acquisitions

On acquisition of business activities, an analysis is made of how the acquisition is to be reported based on the following criteria: The existence of employees and the complexity of internal processes. Furthermore, the number of activities and the existence of agreements with various degrees of complexity are taken into consideration. If these criteria are present to a large extent, the acquisition is classified as an operating acquisition and if they are present to a small extent as an asset acquisition. All acquisitions made during the 2010 financial year have been classified as asset acquisitions.

When acquisition of subsidiaries entails acquisition of assets which do not constitute a business operation, the acquisition cost is allocated to the individual assets and liabilities based on their relative fair values at the time of acquisition.

Transactions which are to be eliminated on consolidation

The Group's receivables and liabilities, income or expenses and unrealized gains or losses that arise from intra-group transactions are eliminated in their entirety when preparing the consolidated accounts.

NOTE 1 continued**INCOME****Rental income**

Rental income from management properties is reported in the statement of income based on the conditions of the lease contracts.

In cases where leases allow for a reduced rent for a particular period, which is compensated for by a higher rent during another period, the difference is accrued on the straight-line method over the lease contract term.

Other income

Other income consists of income from early termination of leases, which is recognised as income at the time that the payment is received and income from rental guarantees recognised during the period covered by the guarantee.

Income from property sales

Income from property sales is normally reported on the date of transfer of possession unless the risks and benefits have passed to the purchaser at an earlier date. Control over the asset may have been transferred on an earlier occasion than the date of taking possession and, if this has been the case, the property sale is reported as income at that earlier date. The assessment of appropriate revenue recognition considers the agreements made by the parties with regard to risks and benefits and commitment in the continuing administration of the property. In addition, circumstances are taken into account that can affect the result of the transaction, which are outside the control of the seller and/or purchaser. The realized change in value of properties sold is based on the difference between the fair value of the properties in the most recent financial statements and the price that the properties have been sold for. Worked-up unrealized changes in value from previous years are included in the properties' fair value and are therefore not visible in the realized change in value.

REPORTING OF SEGMENTS

An operating segment is part of a Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available.

The operations of the Group are divided into operating segments that are followed up by the executive management, which are three market areas. These are in turn divided into ten geographic business units. Each segment has a manager who is responsible for the day-to-day operations and who make regular reports to the executive management. The executive management follows up the operating profit and the value of the properties on the assets side. Financing takes place centrally and is not divided up by segment.

OPERATING COSTS AND FINANCIAL INCOME AND EXPENSE**Property costs**

Consist of costs for operation, caretaking, letting, administration and maintenance of the property portfolio.

Central administration

Consists of costs for group functions and ownership of the Group's subsidiaries and ownership of the Group's subsidiaries.

Financial income and expense

Financial income and expense consists of interest income on bank funds and receivables, interest expense on loans and liabilities. Interest expense includes accrued amounts of issue costs and similar direct transaction costs to raise loans.

Dividend income is reported when the right to receive payment is established.

Loan costs which are directly attributable to purchase, design or production of large new construction, extensions or refurbishment are capitalized on the production side. Realized and unrealized profits and losses on financial investments and derivative investments used within the financial operations are recognised as changes in value under a separate heading in the statement of income.

TAXES

Income taxes comprise current taxes and deferred taxes. Taxes are reported in the statement of income except when the underlying transaction is reported directly against equity, in which case the accompanying tax effect is recorded directly to equity.

Current taxes are taxes payable or to be refunded relating to the current year, applying the tax rates that have been decided or are in practice decided on balance-sheet date. Adjustment of current taxes attributable to earlier periods is also included here.

Deferred tax is calculated in accordance with the balance sheet method based on temporary differences between reported and tax values of assets and liabilities. The following temporary differences are not taken into account: temporary differences which have arisen at the time of initial reporting of assets and liabilities and which are not operating acquisitions and which at the time of the transaction neither affect the reported nor the taxable result. Neither are temporary differences taken into account that relate to participation rights in subsidiaries and associated companies which are not expected to be cancelled in the foreseeable future. Deferred tax is calculated applying the tax rates and tax rules that have been decided or in practice are decided on balance-sheet date.

Deferred tax assets for deductible temporary differences and loss carryforwards are reported only to the extent that it is probable that they will be utilized. The value of the deferred tax assets is reduced when it is no longer regarded as probable that they can be used.

FINANCIAL INSTRUMENTS

Financial instruments reported in the balance sheet include on the asset side liquid funds, accounts receivable, other receivables and derivatives. Liabilities include accounts payable, loan debts, other liabilities and derivatives. The company does not apply hedge accounting.

Financial instruments are reported initially at acquisition value corresponding to the instrument's fair value at the time of acquisition with the addition of transaction expenses for all financial instruments except those which belong to the category financial asset which are reported at their fair value through the statement of income excluding transaction expenses. Reporting hereafter takes place depending how they have been classified below.

The category financial assets consists of three sub-categories: financial assets valued at fair value via the statement of income and loans and accounts receivable. The category financial liabilities consists of one sub-category: financial liabilities valued at accrued acquisition value.

A financial asset or financial liability is recorded in the balance sheet when the company becomes a party in accordance with the instrument's contractual terms. Accounts receivable are taken up in the balance sheet when the invoice has been sent. Liabilities are recorded when the opposite party has performed and there is a contractual obligation to pay even if an invoice has not been received.

Accounts payable are taken up when the invoice has been received. A financial asset and financial liability is set off and reported at a net amount in the balance sheet only when there is a legal right to set off the amounts and it is intended to adjust the items with a net amount or realize the asset at the same time and settle the debt.

NOTE 1 continued

A financial asset is removed from the balance sheet when the rights in the agreement are realized, mature or the company loses control of them.

The same applies for part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is performed or otherwise extinguished. The same applies for a part of a financial liability.

On each reporting occasion, the company evaluates whether there are objective indications that a financial asset or a group of financial assets is in need of impairment.

Derivative instruments are valued in the consolidated accounts at their fair value with changes in value reported in the statement of income. The following derivative instruments occur: interest rate swaps and interest caps. The company does not apply hedge accounting.

The company holds interest rate swaps. These swaps are not recorded in the balance sheet. The profit recorded is affected by the interest expense arising from the interest swaps, i.e. the total interest taking into account loans and swaps, which, on accounting grounds, relate to the tax year. The company does not consider that this leads to any tax adjustment.

STATEMENT OF CASH FLOW

The statement of cash flow has been prepared using the indirect method.

LIQUID FUNDS AND BLOCKED ACCOUNTS

Liquid funds consisting of cash and immediately available deposits at banks and corresponding institutions. Amounts in blocked accounts are funds that serve as collateral for payment of loans or for financing of investment in properties and are reported as other receivables.

LONG-TERM RECEIVABLES AND OTHER RECEIVABLES

Long-term receivables and other receivables are receivables that are held without the intention of trading with the right to the receivable. If the expected period of possession is longer than a year, they are long-term receivables, if shorter they are other receivables.

LOAN CLAIMS AND ACCOUNTS RECEIVABLE

Loan claims and accounts receivable are reported at the amount expected to be received after deduction for doubtful debts, which are assessed on a case-by-case basis. Impairment of the account receivable takes place when there is a risk of the whole or part of the claim not being received. The expected duration of the account receivable is short, so that the value is reported at the nominal amount without discounting. Impairment of accounts receivable is reported in the operating expenses.

LIABILITIES

Liabilities refer to loans and operating liabilities. Loans are reported at acquisition value. Operating liabilities are reported when the counterparty has supplied the service or good, even if the invoice has not been received. Accounts payable have a short expected duration and are valued without being discounted at the nominal amount.

PROPERTY, PLANT AND EQUIPMENT**Assets owned**

Property, plant and equipment, except for investment properties is reported in the Group at acquisition value after deduction for accumulated depreciation and any impairment. The acquisition value includes the purchase price and costs directly attributable to the asset to bring it to the location and to put it in a condition to be used in accordance with the intention of the acquisition.

Lease contracts

Leasing is classified as either financial or operational leasing. Lease contracts where all significant risks and benefits associated with ownership pass to the lessor are classified as operational lease contracts. Tenancy contracts pertaining to investment properties are to be treated as operational lease contracts. There is also a smaller number of lease contracts where Klöver is the lessee and these lease contracts are also classified as operational lease contracts, which means that the leasing fee is expensed over the term of the lease starting from taking into use.

Depreciation principles, machinery and equipment

Linear depreciation takes place over the estimated period of use of the asset.

Estimated periods of use:

- machinery and equipment 3–10 years

Assessment of the residual value of an asset and period of use is made annually.

Investment properties

Investment properties are properties held with a view to obtaining rental income or an increase in value or a combination of these purposes. Initially, the investment property is entered in the balance sheet at its fair value, which includes expenses directly attributable to the acquisition.

Investment properties are reported in consolidated balance sheet at their fair value, see Note 10. Every quarter, Klöver values 100 per cent of the property portfolio, 20–30 per cent externally and the rest internally. This means that every property in the portfolio is valued externally during a rolling 12-month period. The valuation model used by both the external valuers and Klöver is yield valuation according to the cash flow model. From the outcome of the cash flow model, the fair value of the property is assessed before deduction for selling expenses. Both realized and unrealized changes in value are reported in the statement of income. Rental income and income from property sales are reported in accordance with the principles described in the section on reporting of income. Additional expenses, which increase value, are capitalized. All other additional expenses are reported as a cost in the period in which they occur. Repairs and maintenance are expensed in connection with the expense arising. The interest expense is capitalized during the period of production in major projects.

Reporting of borrowing costs

The Group does not capitalize interest in the assets' acquisition value except in major projects, where interest is capitalized. In other cases, borrowing costs are reported in the period they arise.

REPURCHASE OF OWN SHARES

Acquisition of shares is reported as a deductible item from equity. Payments for divestments of these equity instruments are reported as an increase in equity. Any transactions expenses are reported directly against equity.

DIVIDENDS

Dividends are reported as a liability after the annual general meeting/ extraordinary general meeting of shareholders has approved the dividend.

REMUNERATION TO EMPLOYEES

Pensions may be classified as defined contribution or defined benefit schemes. Klöver's pensions may be regarded as defined contribution. Undertakings concerning contributions to defined contribution pension schemes are reported as a cost in the income statement when they arise.

NOTE 1 continued**PROVISIONS**

A provision is reported in the balance sheet when the Group has an existing legal or informal undertaking which is a consequence of an event that has taken place, and it is probable that an outflow of financial resources will be required to settle the undertaking and a reliable estimate of the amount can be made. When the effect of the time at which the payment is made is important, provisions are calculated by discounting the expected future cash flow at an interest rate before tax which reflects current market assessments of the time value of money and, if applicable, the risks associated with the debt.

THE PARENT COMPANY'S ACCOUNTING POLICIES

The Parent Company has drawn up its annual accounts according to the Annual Accounts Act (1995:1554) and the recommendation of the Swedish Financial Reporting Board RFR 2, Reporting of a legal entity. The statements of the Swedish Financial Reporting Board on listed companies are also applied. According to RFR 2, the Parent Company shall apply all of the IFRS approved by the EU and opinions to the greatest possible extent in the annual accounts for the legal entity within the framework of the Annual Accounts Act and taking into consideration the link between accounting and taxation. The recommendation states the exceptions and additions that are to be made from IFRS.

The accounting policies stated below for the Parent Company have been consistently applied to all periods presented in the Parent Company's financial reports.

Invoiced sales to subsidiaries

In the capacity of Parent Company, Klöver continuously provides the subsidiaries with services relating to operation, management, marketing, accounting, legal and financial advice, IT support, invoicing services, and group purchases. The amounts are invoiced to the subsidiaries quarterly in arrears and based on the respective subsidiary's property portfolio.

Subsidiaries

The participation rights in subsidiaries are reported in the Parent Company in accordance with the cost method. Dividends received are only reported as income provided that these originate from profits earned after the acquisition. Dividends exceeding these profits earned are regarded as a repayment of the investment and reduce the reported value of the participation right.

Property, plant and equipment

Machinery and equipment in the Parent Company are reported at acquisition value after deduction for accumulated depreciation and any impairment in the same way as for the Group but with an addition for write-ups.

Group contributions and shareholder contribution for legal entities

The Company reports group contributions and shareholder contributions in accordance with the statement by the Swedish Financial Reporting Board (UFR 2). Group contributions are reported directly against equity at the recipient and capitalized in shares and participation rights at the donor, to the extent that impairment is not required. Group contributions are reported according to their financial implication. This means that group contributions provided and received with a view to minimizing the Group's total tax are reported directly in relation to profits brought forward after deduction for the current tax effect.

Contingencies

The Parent Company's financial guarantee agreements consist largely of guarantees in favour of subsidiaries. A contingency is reported when there is a possible undertaking that derives from events that have occurred and whose existence is confirmed only by one or more uncertain future events or when there is an undertaking that is not reported as a liability or a provision due to it not being probable that an outflow of resources will be required.

NOTE 2 Distribution of income

	2010	2009
<i>Group</i>		
Rental income	1,232,409	1,230,496
Total rental income	1,232,409	1,230,496
Rental guarantees	7,534	21,543
Redemption of lease contracts	2,863	1,923
Total other income	10,397	23,466
Total income	1,242,806	1,253,962
<i>Parent company</i>		
Invoiced sales to subsidiaries	103,493	97,726

Notes

NOTE 3 Employees, the Board and remuneration

Employees and Board

Average number of employees	2010	Proportion of women, %	2009	Proportion of women, %
Parent Company	121	40	119	40
Subsidiaries	0	0	0	0
Group total	121	40	119	40

All are employees in Sweden.

Gender distribution on the Board and in executive management

Average	2010 Proportion of women, %	2009 Proportion of women, %
<i>Parent Company</i>		
Board	14	21
Other senior executives	25	22
<i>Group total</i>		
Board	14	21
Other senior executives	25	22

The number of senior executives (including the CEO) in the Parent Company was eight (7), of which two (2) were women. Gustaf Hermelin is CEO. The Deputy CEOs are Britt-Marie Einar, Finance and Thomas Nilsson, IT and Real Estate Manager. Other senior executives are Mattias Rickardsson, Financial Manager, Elisabeth Norling, Personnel and Environmental Manager, Market Area East Manager Per-Gunnar Sabel, Market Area West Manager Hans Lindh and Market Area South Manager Mikael Forkner. The latter two have been part of the executive management for about six months.

At the end of 2010, the Board of the Parent Company (including the CEO) consisted of seven (7) members, of which one (1) woman. The Chairman of the Board is Stefan Dahlbo. Members are Gustaf Hermelin (CEO of Klöver), Rutger Arnhult, Anna-Greta Lundh, Lars Rosvall, Fredrik Svensson and Lars-Göran Pettersson, who replaced Lars Holmgren, who declined re-election at the 2010 Annual General Meeting.

Sick leave

	2010	2009
Total sick leave as a proportion of ordinary working hours, %	2.4	3.3
of which continuous sick leave of 60 days or more, %	44	62
Sick leave as part of every group's ordinary working hours Sick leave by sex, %:		
Men	2.0	4.0
Women	3.0	2.2
Sick leave by age category, %:		
Aged 29 or younger (fewer than ten persons)	–	–
Aged between 30 and 49	2.6	2.2
Aged 50 or older	2.0	5.2

Remuneration

Principles for remuneration to the CEO and the executive management are decided upon by the Annual General Meeting. Remuneration and benefits to the CEO and other senior executives are decided upon by the CEO after consultation with the Chairman of the Board.

A fee is paid to the Chairman of the Board and the board members in accordance with the decision of the Annual General Meeting. No director's fee is paid to a board member, who is in the Company's employment.

The CEO's variable salary amounts to one per cent of the Company's profit before tax, to the extent that this amount exceeds set, budgeted profit from property management. It may amount to the equivalent of at most six months' basic salary. It is possible to set the bonus amount aside as pension instead of salary.

The CEO has the right to a company car as well as a subsistence benefit, health insurance and participation in Klöver's profit-sharing foundation. While in the employment of the Company, the pension premium may amount to at most 35 per cent of the basic salary. The retirement age of the CEO is 65. The period of notice is 12 months in the event of termination at the company's initiative, and six months in the event of termination at the CEO's initiative. In the event of termination at the Company's initiative, full salary and all benefits are payable during the period of notice. The compensation is reduced by any income earned from any other employer. In the event of termination at the CEO's initiative, full salary and all benefits are payable during the period of notice while the employment continues. Variable salary corresponding to six months' basic salary has been paid for 2009 during 2010. Variable salary for 2010 corresponding to six months' basic salary will be charged to income during the first quarter of 2011.

The salary paid to the Deputy CEOs and other senior executives is to be at a market level and competitive. Variable salary may amount to at most the equivalent of three months' basic salary. The pension premium for the Deputy CEOs and other senior executives may amount to at most 35 per cent of the basic salary during the period of employment with the company. The retirement age of the Deputy CEOs and other senior executives is 65. The period of notice for termination at the Company's initiative is 12 months and at the employee's initiative six months.

Deputy CEOs and other senior executives have a right to a company car, subsistence benefit, health insurance and participation in Klöver's profit-sharing foundation.

The variable salary for the Deputy CEO and other senior executives will be charged to income at one monthly salary for 2009 and 2010 respectively.

There is no remuneration in the form of share-related remuneration programmes or other financial instruments.

Seven members of Klöver's executive management acquired warrants in Klöver AB on 18 January 2010. In all, the acquisition amounts to a million warrants corresponding to a million shares, the counterparty being Investment AB Öresund. The warrants expire on 1 March 2013 and have an exercise price of SEK 25. These warrants do not affect Klöver's equity.

The remaining holding as at 31 December 2010 is shown on page 104 in the Corporate Governance Report.

NOTE 3 continued

	Group		Parent Company	
	2010	2009	2010	2009
Salaries, remuneration and benefits				
<i>Chairman of the Board</i>				
Stefan Dahlbo	250	250	250	250
<i>Other members of the board (five persons)</i>				
Rutger Arnhult	125	94	125	94
Lars Holmgren	31	125	31	125
Anna-Greta Lundh	125	125	125	125
Helen Olausson	–	31	–	31
Lars-Göran Pettersson	94	–	94	–
Lars Rosvall	125	125	125	125
Fredrik Svensson	125	125	125	125
<i>CEO</i>				
Basic salary	2,583	2,662	2,583	2,662
Variable salary	1,140	0	1,140	0
Benefits	68	76	68	76
<i>Deputy CEOs (two persons)</i>				
Basic salary	2,617	2,694	2,617	2,694
Variable salary	434	0	434	0
Benefits	127	118	127	118
<i>Other senior executives (5.5 persons in 2010*, 4 persons in 2008)</i>				
Basic salary	5,118	3,826	5,118	3,826
Variable salary	765	0	765	0
Benefits	363	264	363	264
<i>Other employees</i>				
Basic salary	46,542	43,617	46,542	43,617
Variable salary	0	0	0	0
Benefits	2,561	2,431	2,561	2,431
Total	63,193	56,563	63,193	56,563
Contractual pension costs (including Fora)				
CEO	867	867	867	867
Deputy CEOs (two persons)	925	943	925	943
Other senior executives (5.5 persons in 2010*, 4 persons in 2009)	1,731	1,227	1,731	1,227
Other employees	4,703	3,936	4,703	3,936
Total	8,226	6,973	8,226	6,973
Statutory social security contributions (including wages tax)				
Chairman of the Board	79	79	79	79
Other members of the board	196	196	196	196
CEO	1,401	1,070	1,401	1,070
Deputy CEOs (two persons)	1,223	1,111	1,223	1,111
Other senior executives (5.5 persons in 2010*, 4 persons in 2009)	2,383	1,579	2,383	1,579
Other employees	16,042	14,923	16,042	14,923
Total	21,324	18,958	21,324	18,958
Grand total	92,743	82,494	92,743	82,494

* Of which two persons took up appointment and one person was designated Deputy CEO during 2010.

Profit-sharing foundation

Klövern has a profit-sharing foundation that covers all employees. Transfers to the foundation can at most amount to one price base amount per employee based on a combination of Klövern's profit, required return and dividend to shareholders. In February 2011, the Board made a decision on allocation for 2010 at one price base amount per employee and year (a half price base amount per employee and year for 2009). The appropriation is charged to income in 2010 at a total of SEK 5,836,000.

Defined contribution schemes

The Group's employees are covered by defined contribution pension schemes, which are wholly paid for by the company. Payment takes place currently according to the rules.

	Group		Parent Company	
	2010	2009	2010	2009
Costs for defined-contribution scheme**	8,007	6,601	8,007	6,601

* Excluding Fora and wages tax.

Notes

NOTE 4 Segment reporting per market area and business unit

Earnings shows the operating activities, including properties acquired and investments made during the year. The key ratios, however, refer to the situation at the respective year-end and the figures in the two parts of the table are accordingly not wholly comparable. Earnings in the form of rental guarantees and early redemption of leases as well as items not directly attributable to normal property operations are shown under the heading Other.

Ericsson is Klöverns largest tenant and accounted for 13 per cent (13) of Klöverns sales at year-end 2010. The area leased by Ericsson amounted to 93,000 sq.m. (98,000) and the average remaining contract term is 3.3 years (4.0).

	Earnings										Key ratios as at 31 December									
	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investment, SEKm		Fair value, SEKm		Required yield, average*, %		Lettable area, 000 sq.m.		Rental, value, SEKm		Economic occupancy rate, %	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Borås	45	45	-20	-18	25	27	56	60	6	2	398	388	7.8	7.9	80	80	51	51	94	88
Linköping	155	144	-55	-47	100	97	65	67	33	14	2,129	1,354	7.4	7.3	287	166	258	160	87	89
Norrköping	97	89	-50	-46	47	43	48	48	71	17	1,143	842	7.2	7.4	162	142	132	106	87	83
Nyköping	103	102	-42	-36	61	66	59	65	28	14	891	889	7.8	7.9	135	133	109	111	90	94
South	400	380	-167	-147	233	233	58	61	138	47	4,561	3,473	7.5	7.6	664	521	550	428	88	89
Karlstad	182	179	-67	-63	115	116	63	65	42	50	1,577	1,525	7.3	7.4	201	203	190	191	94	93
Västerås	129	134	-66	-60	63	74	49	55	36	46	1,234	1,220	7.4	7.5	218	220	161	163	83	84
Örebro	50	66	-20	-24	30	42	60	64	14	12	428	541	7.3	7.0	58	62	51	65	95	93
West	361	379	-153	-147	208	232	58	61	92	108	3,239	3,286	7.4	7.3	477	485	402	419	90	90
Kista	336	342	-109	-109	227	233	68	68	180	173	4,414	4,199	6.5	6.6	253	252	367	372	92	94
Täby	63	64	-26	-23	37	41	59	64	7	8	560	536	7.4	7.6	67	68	70	68	96	94
Uppsala	73	66	-43	-49	30	17	41	26	47	15	719	538	8.5	8.6	67	66	97	98	78	66
East	472	472	-178	-181	294	291	62	62	234	196	5,693	5,273	6.9	6.9	387	386	534	538	90	89
Other ¹⁾	10	23	0	1	10	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,243	1,254	-498	-474	745	780	60	62	464	351	13,493	12,032	7.2	7.2	1,528	1,392	1,486	1,385	89	89

1) Income consists of rental guarantees and redemption of leases. Costs consist of the items not directly attributable to normal property operations.

* Calculated excluding building rights at a value of SEK 425 million (405).

NOTE 5 Fees and reimbursement to auditors

	Group		Parent Company	
	2010	2009	2010	2009
<i>Ernst & Young AB</i>				
Audit assignments	1,772	1,650	1,772	1,650
Other assignments	5	7	5	7
Total	1,777	1,657	1,777	1,657

No other audit activity apart from assignments has taken place during 2010 or 2009.

NOTE 6 Operating expenses broken down by type

Group	2010		2009	
Property-related costs				
Electricity, district cooling and heating	-171,014	-146,036		
Purchased services administration and maintenance	-86,676	-72,858		
Repairs and maintenance	-62,209	-76,534		
Property tax and site leasehold charges	-78,305	-74,388		
Personnel costs	-58,723	-53,457		
Other property costs	-38,736	-47,614		
Depreciation	-2,148	-2,266		
Total	-497,811	-473,153		
Central administration				
Personnel costs	-32,460	-29,269		
Provision, profit-sharing foundation	-5,836	-5,847		
Attorney fees, tax proceeding	-5,489	-9,351		
IT, advertising and cost of premises	-9,263	-8,119		
Auditors' fees	-1,772	-1,650		
Depreciation	-479	-556		
Other costs	-8,954	-11,282		
Total	-64,253	-66,074		

NOTE 7 Net financial items

Group	2010		2009	
Interest income, other	799	832		
Total	799	832		
<i>Parent Company</i>				
Interest income, group companies	-	-		
Interest income, other	8	33		
Total	8	33		
			2010	2009
Group				
Interest expense, other	-229,334	-212,761		
Other financial expenses	-13,459	-9,431		
Total	-242,793	-222,192		
<i>Parent Company</i>				
Interest expense, group companies	-	-		
Interest expense, other	-1,099	-1,992		
Other financial expenses	-411	-465		
Total	-1,510	-2,457		

NOTE 8 Taxes

Consolidated Statement of Income, SEK million				
	2010 Basis paid tax	2010 Basis, deferred tax	2009 Basis paid tax	2009 Basis deferred tax
Tax calculation for Group				
Profit before tax	760	–	296	–
Deductible for tax purposes				
– depreciation	–232	232	–220	220
– investment	–67	67	–205	205
– direct deductions, previous years	–	–	–4	4
Change in value of properties not subject to tax	–272	272	267	–267
Change in value of derivatives not subject to tax	–23	23	–34	34
Tax effect of company and property sales	–12	–	–31	–
Non-deductible expenses	8	–	12	–
Adjustment items in subsidiaries, net	–6	–	–2	–
Total operating profit	156	594	79	196
Use of loss carry-forwards	–156	156	–79	79
New loss carry-forwards	–	–108	–	–122
Adjustment for effect of properties acquired and sold	–	–76	–	–50
Adjustment for acquired temporary differences	–	8	–	88
Total taxable profit	0	574	0	191
Of which 26.3% deferred tax		151		50
Consolidated Balance Sheet, SEK million				
	2010 Basis	2010 Tax	2009 Basis	2009 Tax
At beginning of year	1,591	418	1,548	407
Change during the year	–49	–13	43	11
Deferred tax liability at year-end ¹⁾	1,542	405	1,591	418
Deferred tax liability ²⁾				
Temporary difference properties				
At beginning of year	3,856	1 014	3,746	985
Changes during the year	845	222	110	29
Temporary differences at year-end	4,701	1,236	3,856	1,014
Acquired temporary differences properties ³⁾				
At beginning of year	–2,406	–633	–2,494	–656
Change during year due to acquisitions and sales	–348	–91	88	23
At year-end	–2,754	–724	–2,406	–633
Temporary differences derivatives				
At beginning of year	–43	–11	–77	–20
Changes during the year	30	8	34	9
Temporary differences at year-end	–13	–3	–43	–11
Total deferred tax liability				
At beginning of year	1,407	370	1,175	309
Change during the year	527	139	232	61
Total deferred tax liability at year-end	1,934	509	1,407	370
Parent Company				
		2010		2009
Profit before tax		–25		–43
Current tax		41		21
Deferred tax		–13		11
Net profit after tax		3		–11
Deferred tax assets				
At beginning of year		418		407
Change during the year		–13		11
At year-end ¹⁾		405		418

1) Refers to established deficits and residual value depreciation.

2) Deferred tax liability is calculated between fair values and residual values for tax purposes.

3) Does not include basis for deferred tax since the acquisitions are classified as asset acquisitions.

Notes

NOTE 9 Machinery and equipment

	2010		2009	
	Group	Parent Company	Group	Parent Company
Accumulated acquisition cost				
Opening balance	23,501	8,566	25,727	8,443
Purchases	1,797	558	2,284	138
Acquisition of subsidiaries	144	–	–	–
Reclassification	–	–	–3,645	–
Sales and disposals	–50	–42	–865	–15
Total	25,392	9,082	23,501	8,566
Accumulated scheduled depreciation				
Opening balance	–14,041	–6,061	–13,959	–4,922
Acquisition of subsidiaries	–43	–	–	–
Reclassification	–	–	2,201	–
Sales and disposals	33	26	525	13
Scheduled depreciation on acquisition values for the year	–2,627	–981	–2,808	–1,152
Total	–16,678	–7,016	–14,041	–6,061
Reported value at year-end	8,714	2,066	9,460	2,505

NOTE 10 Investment properties

VALUATION OF PROPERTY HOLDINGS

The investment properties are valued in accordance with the fair value method. Every quarter, Klöver values 100 per cent of the property portfolio. 20–30 per cent of the property portfolio is valued externally each quarter, the rest being internally valued. This means that every property in the portfolio is externally valued at least once during a rolling 12-month period.

During the year, 250 external valuations have been carried out. These valuations have been carried out with a yield-based method applying the cash flow method, i.e. based on forecasts of future cash flows. The yield level of the properties has been determined on the basis of their unique risk and transactions made at the respective location according to the location price method. The external valuations have been carried out by DTZ Sweden in accordance with the international valuation standard.

SUMMARY

<i>Value date</i>	31 December 2010
<i>Fair value</i>	SEK 13,493 million
<i>Calculation period</i>	Five years (the calculation period has been adapted to the length of the lease contract for longer, important contracts).
<i>Direct yield for assessment of residual value</i>	Between 6.00 and 11.00 per cent
<i>Cost of capital/discount rate</i>	Between 6.25 and 13.00 per cent
<i>Long-term vacancy</i>	Normally between 5 and 10 per cent
<i>Inflation</i>	Two per cent (The Riksbank's inflation target)

PROPERTY HOLDING AND VALUATION AT FAIR VALUE PER LOCATION, 31 DECEMBER 2010

	Fair value, SEKm	No. of properties	Rental value ¹⁾ , SEKm	Economic occupancy-rate, %	Lettable area 000 sq.m.	Cost of capital, %	Required yield, %	Average required yield, %
Borås	398	15	51	94	80	8.75 – 10.50	6.75 – 8.50	7.8
Linköping	2,129	51	258	87	287	7.00 – 12.00	6.75 – 10.00	7.4
Norrköping	1,143	20	132	87	162	7.50 – 12.00	6.00 – 10.00	7.2
Nyköping	891	31	109	90	135	6.75 – 12.00	6.25 – 10.00	7.8
South	4,561	117	550	88	664	6.75 – 12.00	6.00 – 10.00	7.5
Karlstad	1,577	46	190	94	201	7.50 – 11.25	6.50 – 9.25	7.3
Västerås	1,234	27	161	83	218	8.00 – 11.00	6.00 – 9.00	7.4
Örebro	428	10	51	95	58	7.50 – 10.50	6.00 – 8.50	7.3
West	3,239	83	402	90	477	7.50 – 11.25	6.00 – 9.25	7.4
Kista	4,414	24	367	92	253	6.25 – 10.00	6.25 – 8.00	6.5
Täby	560	23	70	96	67	8.25 – 10.00	7.00 – 8.00	7.4
Uppsala	719	3	97	78	67	8.75 – 13.00	6.75 – 11.00	8.5
East	5,693	50	534	90	387	6.25 – 13.00	6.25 – 11.00	6.9
Total	13,493	250	1,486	89	1,528	6.25 – 13.00	6.00 – 11.00	7.2

1) The rental value includes the lease contract value for the areas let and assessed market rents for vacant space. The market rent for vacant space is assessed in the present condition of the vacant space, i.e. before refurbishment and adaptation.

NOTE 10 continued

SENSITIVITY ANALYSIS, PROPERTY VALUATION

	Change +/-	Effect on profit, SEKm
Direct yield	0.5 %-point	-871/+950
Rental income	SEK 100/sq.m.	+/-2,126
Operating costs	SEK 50/sq.m.	-/+1,063
Economic vacancy rate	1 %-point	-/+207

VALUATION METHOD

Klövern uses yield valuation according to the cash flow method for external and internal valuations.

From the outcome in the cash flow model, the fair value of the property is calculated before deduction for selling expenses.

VALUATION MODEL

+ Estimated rent payments
 - Operating cost payments
 = Operating surplus
 - Deduction for investments
 = Property's cash flow

Calculation of the fair value of the property

- The cash flow of the property is discounted to present-day value with cost of capital/discount rate.
- The value of any building rights and undeveloped land is added to the present-day value.
- The property's residual value is assessed by a perpetual capitalization whereupon the direct yield requirement is used. The residual value is then discounted to current-day value with the cost of capital.
- Normal calculation period, five years.
- Inflation has been assessed at two per cent (The Riksbank's inflation target).

BASIS FOR VALUATION

Every assumption about a property is assessed individually on the basis of the material available about the property as well as the market information and experience-based assessments of the external valuers.

Rental payments

The current lease contracts and known lettings and vacations serve as the basis for an assessment of the property's rental payments. The external valuers have, in collaboration with Klöverns managers, made an individual assessment of the market rent for the vacant areas, and the areas let at the end of the contract term. The external valuers also assess the long-term vacancy of each property.

Operating payments

Operating payments consist of payments for the property's normal operations, including property tax, repairs and maintenance, site leasehold charges and property administration. The assessment of operating payments is based on the properties' budgets and outcomes during the years that Klöverns has owned the properties as well as the experiences of the external valuers of similar properties. The maintenance of the properties is assessed on the basis of their current state, ongoing and budgeted maintenance measures and the assessment by the external valuers of future maintenance requirements.

Required investment

The property's required investment is assessed by the external valuers on the basis of the state of the property. In the event of large vacancies at the property, the required investment often increases.

Calculation of residual value

Calculation of residual value takes place for every property by perpetual capitalization of the estimated market net operating income during the final year of the calculation period and the assessed market required return for the respective property. The required return consists of the risk-free rate and each properties unique risk. The property's unique risk is assessed on the basis of the external valuers' market databases, experiences and transactions carried out in accordance with the location price method in the respective market. The cost of capital/discount rate is used to discount the residual value of the properties to present value and consists of the property's yield requirement and the inflation assumption in the calculation.

Calculation periods

The calculation periods are mainly five years. Exceptions are properties with major contracts where the remaining contract term exceeds five years. In these cases, a calculation period corresponding to the remaining contract term plus at least a year has been adopted.

Building rights and sites

At the properties where there are unused building rights and sites, these are valued on the basis of the location price method or a current value based on the estimated market value on development of the building rights and sites. All values of building rights and sites have been assessed by the external valuers.

Inspection of the properties

All properties are inspected within a three-year period. The external valuers make new inspections where major refurbishment, new tenants moving-in or other circumstances affecting the value have taken place.

INTERNAL PROPERTY VALUES

In the internal property valuations, the direct yield requirements are decided after review with the external valuers. The development of the direct yield requirements of the internal valuations in this way complies with the external valuations. The internal valuations are performed in the same valuation programme (FIA) as the external valuations (DTZ Sweden).

CHANGES IN VALUE

The fair value of Klöverns properties was SEK 13,493 million (12,032) on 31 December 2010. Changes in value for the full year 2010 amounted to SEK 298 million (-231). The unrealized changes in value were SEK 272 million (-267) and the realized changes in value SEK 26 million (36). Klöverns property portfolio has been valued at an average required return of 7.2 per cent on 31 December 2010.

Group, SEKm	Properties
Opening fair value, 1 January 2009	11,895
Acquisition value of properties acquired during the year	179
Investment in properties	351
Sales income, sold properties	-162
Changes in value	-231
Closing fair value, 31 December 2009	12,032
Acquisition value of properties acquired during the year	1,067
Investment in properties	464
Sales income, sold properties	-368
Changes in value	298
Closing fair value, 31 December 2010	13,493

NOTE 10 continued**INVESTMENT PROPERTIES – EFFECT ON PROFIT FOR THE PERIOD**

Group, SEKm	2010	2009
Rental income	1,233	1,231
Direct costs for investment properties that generated rental income during the period	-498	-474
Direct costs for investment properties that did not generate rental income during the period	-	-

In 2009 and 2010 all investment properties generated rental income

TAX ASSESSMENT VALUES – MANAGEMENT PROPERTIES

Group, SEKm	2010	2009
Tax assessment values, buildings	5,928	5,216
Tax assessment values, land	1,585	1,326
Total tax assessment value	7,513	6,542

TAX RESIDUAL VALUE

The tax residual value of the properties totalled SEK 8,792 million (8,176) on 31 December 2010.

NOTE 11 Other receivables

	2010	2009
<i>Group</i>		
Deduction taxes and charges	51,121	26,806
Receivable, seller promissory notes	8,985	-
Other current receivables	3,207	4,393
Total	63,313	31,199
<i>Parent Company</i>		
Deduction taxes and charges	3,258	3,219
Other current receivables	1	12
Total	3,259	3,231

NOTE 12 Accounts receivable

Klövern values its accounts receivable every quarter and makes individual assessments of all accounts receivable exceeding 30 days. Provision is made for doubtful claims and the claim is recorded as a rent loss in the event of bankruptcies or other established losses. Our managers always carry out a credit rating in connection with new letting.

Accounts receivable in the Group is reported after taking into consideration rent losses arising during the year totalled SEK 5.3 million (6.5) with a deduction of SEK 0.7 million (1.2) for reversed rent losses. Actual rent losses amounted to 0.3 per cent (0.4) of sales. Established rent losses amounted to SEK 3.4 million (5.4) and consist mainly of completed bankruptcies. The Parent Company has no rent losses.

Accounts receivable by age

Days	2010	2009
0–29	13,230	17,416
30–89	-28	2,069
90–	8,271	8,600
Doubtful claims	-7,652	-6,422
Total	13,821	21,663

Doubtful claims	2010	2009
Doubtful claims at beginning of year	6,442	6,776
Provisions for anticipated customer losses	5,266 ¹⁾	6,479
Claims collected	-665	-1,476
Established losses	-3,371	-5,357
Doubtful claims at year-end	7,652	6,422

1) The item contains SEK 1.4 million which does not have an effect on earnings due to new acquisition of properties through companies.

NOTE 13 Prepaid expenses and accrued income

	2010	2009
<i>Group</i>		
Accrued property costs	6,806	2,771
Prepaid rent discounts	20,281	11,055
Prepaid insurance	495	3,185
Prepaid site leasehold charges	716	4,194
Acquisitions in progress	1,056	-
Accrued income	10,315	4,340
Other prepaid expenses	11,804	4,420
Total	51,473	29,965

<i>Parent Company</i>		
Accrued property costs	538	682
Accrued administrative costs	164	881
Prepaid insurance	495	3,185
Acquisitions in progress	121	238
Other prepaid costs and accrued income	973	1,320
Total	2,291	6,306

NOTE 14 Liquid funds

	2010	2009
<i>Group</i>		
Cash and bank	36,452	24,436
Total	36,452	24,436

<i>Parent Company</i>		
Cash and bank	53,675	7,711
Total	53,675	7,711

NOTE 15 Shareholders' equity

Klövern manages capital consisting of the Group's shareholders' equity with the aim of providing Klövern's shareholders with a return of at least the risk-free rate plus seven percentage points, which is the goal set in Klövern's business plan. Return on equity amounted to 14.0 per cent (5.8) in 2010. During the past five years, the average return has been 11.6 per cent (12.6).

Klövern's aim is to maintain a well-balanced asset and capital structure adapted to the company's real estate operations. The goal is for the equity ratio to be in the interval 25 to 35 per cent. The equity ratio at the end of 2010 was 32.1 per cent (32.7). The goal for the equity ratio is a simplified consequence of a more in-depth analysis where equity has been apportioned in relation to the different risk profiles that investment properties have in the balance sheet.

Change in share capital

	Date	Number of shares	Nom SEK/share	Share capital, SEK
Opening balance	01.01.2006	120,364,259	5	601,821,295
New issue of ordinary shares	22.11.2006	46,180,067	5	230,900,335
Closing balance	31.12.2006	166,544,326	5	832,721,630
Repurchase of own shares		-775,500		
Closing balance	31.12.2007	165,768,826	5	832,721,630
Repurchase of own shares		-4,965,963		
Closing balance	31.12.2008	160,802,863	5	832,721,630
Closing balance	31.12.2009	160,802,863	5	832,721,630
Closing balance	31.12.2010	160,802,863	5	832,721,630

Dividend

The Board of Directors of Klövern AB proposes to the Annual General Meeting that a dividend of SEK 1.50 per share (1.25) be paid, a total of SEK 241.2 million (201.0) for the 2010 financial year. Repurchased shares confer no right to dividend or voting rights.

NOTE 16 Earnings per share

The calculation of earnings per share for 2010 has been based on the net profit for the year attributable to the Parent Company's shareholders amounting to SEK 604,789 thousand (237,229) and the number of outstanding shares in 2010 totalling 160,802,863 (160,802,863). There are no dilution effects relating to earnings per share for the full year 2010 or 2009.

Net profit attributable to the Parent Company's shareholders

	2010	2009
Net profit attributable to the Parent Company's shareholders	604,789	237,229

Weighted average of number of outstanding shares

	2010	2009
Number	160,802,863	160,802,863
Total number of shares on 1 January	160,802,863	160,802,863
Total number of shares on 31 December	160,802,863	160,802,863

Weighted average number of shares during the year	160,802,863	160,802,863
Earnings per share, SEK	3.76	1.48

NOTE 17 Interest-bearing liabilities*Group*

	2010	2009
Long-term liabilities		
Bank loans	8,417,620	7,597,342
Total	8,417,620	7,597,342
Current liabilities		
Current portion of bank loans	69,516	48,316
Utilized overdraft facility	29,512	-
Total	99,028	48,316
Unused overdraft facility	170,488	200,000

NOTE 18 Liabilities to credit institutions

Long-term liabilities in the Parent Company refer only to liabilities to subsidiaries, which fall due for payment in more than five years' time. The parent company has an unused overdraft facility of SEK 150 million (150) and no liabilities to credit institutions.

NOTE 19 Other liabilities

	2010	2009
Other current liabilities		
<i>Group</i>		
Personnel's withholding tax and social security contributions	3,243	2,899
Debt to previous property owner	28,515	-
Debt to purchaser	7,170	11,636
Other items	6,276	1,063
Total	45,204	15,598
<i>Parent Company</i>		
Personnel's withholding tax and social security contributions	3,243	2,899
Value-added tax	4,205	3,114
Other items	413	958
Total	7,861	6,971

Notes

NOTE 20 Accrued expenses and prepaid income

	2010	2009
<i>Group</i>		
Invoiced rents for the first quarter 2011/2010	242,219	229,969
Accrued property costs	25,151	24,219
Accrued interest expense	19,633	10,804
Accrued personnel costs	9,389	8,143
Other items	11,249	16,058
Total	307,641	289,193
<i>Parent Company</i>		
Accrued personnel costs	9,389	8,143
Accrued costs, profit-sharing foundation	5,836	3,060
Other items	1,582	1,439
Total	16,807	12,642

NOTE 21 Financial risks and financial policy

Through its activity, the Group is exposed to different kinds of financial risks. Financial risks means fluctuations in the Company's profit and cash flow due to changes in, for example, interest rate levels. Klöver is mainly exposed to liquidity risk, financing risk, interest rate risk and credit risk. The Group's financial policy for managing financial risks has been formulated and decided upon by the Board. The financial policy creates a framework of guidelines and rules in the form of risk mandates and limits for financial activities.

Responsibility for the Group's financial transactions and financial risks is dealt with centrally by the Parent Company's finance department. The overall aim of the finance function is to provide cost-effective financing and to minimize negative effects on the Group's profit due to market fluctuations. Financial issues of strategic importance are dealt with by the Board. Additional information is contained in the section on Financing on pages 56–58 and in Risk and sensitivity on pages 60–63.

LIQUIDITY AND FINANCING RISK

Liquidity risk means the risk of liquidity being insufficient to meet future payment commitments. Internal liquidity forecasts are drawn up in connection with quarterly reports for the coming twelve months where all items affecting cash flows are analysed in aggregate form. The liquidity forecast is intended to verify the need of capital.

The financing risk also refers to the risk that financing cannot be obtained at all, or only at greatly increased costs. To manage this risk, the financial policy contains rules on the spread of tied-up capital for the loan stock and the size of unutilized loan facilities and investments. According to the financial policy, the average remaining maturity, the period of capital being tied up, on the loan stock is to be three years, and at most 35 per cent of the loan stock is to fall due within one and the same year. Moreover, investments and confirmed credit facilities shall be kept within an average size that corresponds to the due date of the tied-up capital during a quarter.

As at 31 December 2010, the average remaining maturity of the loan stock was 2.0 years (1.8). The goal (the average should be at least 3.0 years) has not been achieved since the turbulence in the financial markets in recent years meant that an extension would have made Klöver's borrowing cost significantly more expensive. However, the goal remains in effect. At the same time, liquid assets were available totalling SEK 36 million (24) and confirmed, but not utilized, loan facilities of SEK 637 million (849), including unutilized overdraft facilities of SEK 170 million (200). Furthermore there were unutilized loan facilities of SEK

787 million (279), which may be used for new acquisitions or investments after providing collateral for mortgages up to 75 per cent of the property value.

STRUCTURE OF CAPITAL MATURITY

Maturity year	Credit agreement, SEKm	Utilized, SEKm	Utilized, %
2011	2,653	1,993	75
2012	3,872	3,108	80
2013	3,308	3,308	100
2014–	108	108	100
Total	9,941	8,517	86

INTEREST RATE RISKS

The interest rate risk can partly consist of a change in fair value due to changes in interest rates or share prices, the price risk, and changes in cash flow, the cash flow risk. A significant factor that affects the interest rate risk is the period of fixed interest. Long periods of fixed interest entail a higher price risk while shorter periods of fixed interest entail a higher cash flow risk. Of the total interest-bearing liabilities of SEK 8,517 million (7,646), 55 per cent (49) had variable interest and the average fixed-interest period was 2.4 years (3.2) at year-end.

INTEREST MATURITY STRUCTURE

Maturity year	Average interest rate, %	Interest due, SEKm	Proportion, %
Floating	2.9	4,648	55
2011	6.0	69	1
2012	–	–	–
2013	–	–	–
2014	–	–	–
2015	4.1	1,400	16
2016	4.9	1,400	16
2017	4.4	1,000	12
Total	3.6	8,517	100

According to the financial policy, the cash flow risk is to be limited as follows: – At least 50 per cent of the total loan volume shall have fixed interest or be covered by interest caps. Swapped volumes are classified as being equivalent to fixed-interest loans. The strike level for the interest caps may when taken be equivalent to at most the five-year bond rate plus two percentage points.

At year-end, Klöver had a volume of SEK 2,500 million (3,599) interest caps and SEK 3,869 (3,914) million fixed interest loans, totalling SEK 6,369 million (75 per cent), compared with SEK 4,258 million (or 50 per cent) which was a minimum requirement according to policy. Redemption rates for the interest caps vary between 4.25 and 4.5 per cent linked to three-month Stibor. During 2010, changes in value of interest caps amounted to SEK –2 million (10). The fair value amounted to SEK 5 million (12) at year-end.

At year-end, Klöver had five interest rate swap agreements maturing between 2015 and 2017. The fair value of the swaps amounted to SEK –18 million (43) and changes in value totalled SEK 25 million (23) during the year. Interest caps and swaps both increase Klöver's price risk.

No financial securities were held at year-end. The interest caps have been valued by Swedbank on the basis of the current yield curve and volatility for the respective maturity. The interest rate swaps have been valued by Danske Bank, Handelsbanken and Swedbank by future cash flows being discounted to present-day value.

NOTE 21 continued.

DERIVATIVES

Counterparty	Amount, SEKm	Remaining time to maturity, years	Interest rate level, %	Market value, SEKm
<i>Nominal interest rate swaps</i>				
Swedbank	1,000	5.9	3.9	-38
Swedbank	600	4.1	2.8	3
Danske Bank	1,000	6.1	3.1	10
Danske Bank	400	5.1	3.0	3
Handelsbanken	800	4.1	2.8	4
Total swaps	3,800	5.2	3.2	-18

Counterparty	Amount, SEKm	Remaining time to maturity, years	Strike level*, %	Market value, SEKm
<i>Interest caps</i>				
Swedbank	250	1.2	4.50	0
Swedbank	250	1.2	4.50	0
Swedbank	500	3.3	4.25	3
Swedbank	500	3.0	4.50	2
Swedbank	500	0.9	4.50	0
Swedbank	500	0.1	4.50	0
Total interest caps	2,500	1.7	4.45	5
Total	6,300	3.8		-13

* The strike level is the pre-set interest rate level at which an interest income is received to compensate for the increased interest expense

CREDIT RISKS

Credit risks mean the risk of counterparty or issuer not being able to comply with its undertakings to Klöver. Klöver is exposed to credit risk to the extent that the surplus liquidity is to be invested and through its holdings of derivative instruments in the form of interest caps and interest rate swaps. With a view to limiting the credit risks on investment, the financial policy includes a special counterparty rule in which maximum credit exposure for different counterparties is stated as follows.

Counterpart	Maximum
Swedish state and government agencies with 100% state guarantee	Unlimited
Swedish banks with wholly-owned subsidiaries	At most SEK 300m per group
Other Swedish mortgage institutions	At most SEK 100m per company
Foreign banks with rating at least Standard & Poor A- or Moody's A3	At most SEK 100m per group

As regards derivative instruments, there are no volume limits, although derivatives may only be acquired with a view to adjusting the interest rate risk. Permitted derivative instruments are: interest rate swaps, interest caps and floors, FRA and interest rate and currency forwards. To the extent that options are used, these should minimize risk. The period to maturity for caps and floors may be at most ten years.

There is also a certain element of credit risk in the current letting operations, i.e. a risk of a tenant not being able to pay the rent. However, this is strongly limited given the use of advance rents.

COVENANTS AND RISK-TAKING

Klöver's risk-taking and position can be seen, inter alia, from the key ratios, the equity ratio, the interest coverage ratio and leverage. There are set limit values, known as covenants, in the credit agreements with the banks, specifically for these three key ratios. Klöver's own goals accord well with the banks' requirements. Klöver's goal is for the equity ratio to be between 25 and 35 per cent. The banks usually set 25 per cent as a lower limit. Klöver's goal is for the interest coverage ratio to be at least 1.5 multiples, which accords well with the banks' requirements. Klöver has not set its own goal for leverage although the banks usually have a limit of 75 per cent. Klöver meets all goals and requirements by a good margin.

The equity ratio was 32 per cent, the interest coverage ratio 2.8 multiples and leverage 63 per cent

SENSITIVITY ANALYSIS

In connection with the quarterly reports, an interest sensitivity analysis is also prepared, measuring the effects of changes in short market interest rates on the borrowing rate and the interest coverage ratio. A change in short market interest rates of +/- one percentage point at year-end would have meant that Klöver's average borrowing rate would have changed by +0.55 percentage points, which would have been equivalent to a change in interest expense of SEK +47 million. The interest coverage ratio would have changed from the current 2.8 to 2.4 multiples.

The calculations of the sensitivity analysis are based on the Group's earning capacity and balance sheet as at 31 December 2010. The sensitivity analysis shows the effect on the Group's annual profit after full implementation of each of the following parameters. Interest-bearing liabilities and lease contracts run over a number of years which means that changes in level do not have their full impact in a particular year but only in a longer perspective.

	Change	Annual effect on profit, SEKm
Economic occupancy rate	+/- 1 %-point	+/- 15
Rental income	+/- 1 %	+/- 12
Property costs	+/- 1 %	-/+ 5
Klöver's borrowing rate	+/- 1 %-point	-/+ 85

Notes

NOT 21 continued

Fair value of financial instruments.

	2010				2009			
	Financial income	Financial expenses	Changes in value	Net financial items	Financial income	Financial expenses	Changes in value	Net financial items
Financial assets valued at fair value via the statement of income								
Interest rate swaps relating to cash flow hedges	–	–	25,201	25,201	–	–	23,149	23,149
Interest caps	–	–	–1,942	–1,942	–	–	10,387	10,387
Total	–	–	23,259	23,259	–	–	33,536	33,536
Loan receivables and accounts receivable								
Accounts receivable	–	–	–	–	–	–	–	–
Accrued income and other receivables	32	–	–	32	67	–	–	67
Liquid funds	767	–	–	767	765	–	–	765
Total	799	–	–	799	832	–	–	832
Total financial income	799	–	23,259	24,058	832	–	33,536	34,368
Financial liabilities valued at accrued acquisition value								
Liabilities to credit institutions	–	–242,702	–	–242,702	–	–221,074	–	–221,074
Accounts payable	–	–23	–	–23	–	–30	–	–30
Accrued expenses and other liabilities	–	–68	–	–68	–	–1,088	–	–1,088
Total financial expenses	–	–242,793	–	–242,793	–	–222,192	–	–222,192

Fair value of financial assets and liabilities

	2010				2009			
	Revalued via the statement of income	Loans and receivables	Other ¹⁾	Total	Revalued via the statement of income	Loans and receivables	Other ¹⁾	Total
Accounts receivable	13,821	–	–	13,821	21,663	–	–	21,663
Accrued income and prepaid expenses	–	51,473	–	51,473	–	29,965	–	29,965
Other receivables	–	2,701	51,122	53,823	–	4,390	26,809	31,199
Liquid funds	36,452	–	–	36,452	24,436	–	–	24,436
Total	50,273	54,174	51,122	155,569	46,099	34,355	26,809	107,263
Long-term liabilities	–	8,417,620	–	8,417,620	–	7,597,342	–	7,597,342
Derivatives	13,349	–	–	13,349	31,296	–	–	31,296
Current interest-bearing liabilities	–	99,028	–	99,028	–	48,316	–	48,316
Accounts payable	–	157,376	–	157,376	–	103,784	–	103,784
Other liabilities	–	41,965	11,544	53,509	–	12,699	2,921	15,620
Accrued expenses and prepaid income	–	299,115	8,526	307,641	–	281,050	8,143	289,193
Total	13,349	9,015,104	20,070	9,048,523	31,296	8,043,191	11,064	8,085,551

1) Other includes value-add tax, tax and personnel debts, which are not classified as financial.

Reported values in the balance sheet do not differ from fair value.

The market value of derivatives is calculated by the company's banks based on current interest terms and the market rate. This calculation has been made at Level 2, i.e. taking into consideration the observed market values. Other values have been calculated at Level 3, i.e. discounted cash flows. Change in other receivables/liabilities during the period has taken place via the statement of income. No reclassifications have been made during the period.

Klövern uses interest rate hedging instruments as protection against fluctuations in the interest rate on the company's loan. The recorded earnings are affected by income and cost items that are justified by the various interest rate hedging instruments. The total framework, which has been calculated in compliance with generally accepted accounting principles is included in the declared earnings.

NOTE 22 Operational leasing

The maturity structure of the lease contracts show how large a part of the contract value falls due per year. The contract value refers to the annual value of the leasing contracts.

The most common term of new lease contracts is three to five years with a period of notice of nine months. Klöverns average lease term is 2.8 years (3.0). Changeover rents are included in the table at SEK 3.3 million (4.5).

Contract due date structure

Maturity year	Contract value, SEKm	Proportion of contract value, %	Area, sq.m.
2011	288	22	248
2012	311	24	306
2013	243	18	244
2014	231	17	194
2015	134	10	102
2016–	118	9	119
Total	1,325	100	1,213

The Group's leased assets consist of operational lease contracts and amount to SEK 21.9 million (21.4).

NOTE 23 Asset pledged and contingencies

Assets Pledged	Group		Parent Company	
	2010	2009	2010	2009
Property mortgages ¹⁾	9,762,686	8,309,757	–	–
Total assets pledged	9,762,686	8,309,757	–	–
Contingencies				
Guarantees in favour of subsidiaries	–	–	7,376,955	6,531,166
Other contingencies	4,238	3,749	–	–
Total contingencies	4,238	3,749	7,376,955	6,531,166

1) Refers to assets pledged for bank loans.

NOTE 24 Close associates

The Parent Company has a close associate relationship with its subsidiaries, see Note 25..

Group	Year	Services sold	Services purchased	Receivable	Liability
Other close associates	2010	7,041	8,321	–	48
Other close associates	2009	6,409	6,916	–	28
Parent Company					
Subsidiary	2010	103,424	4,993	3,416,955	1,259,335
Subsidiary	2009	97,372	4,214	3,297,364	1,031,048
Other close associates	2010	–	8,321	–	48
Other close associates	2009	–	6,916	–	28

Transactions with close associates are priced on market terms. The lease contract where Arvid Svensson AB is a tenant has total annual contract values of SEK 2 million (2). The annual contract value of the lease with Länsförsäkringar is SEK 4 million (4). Fredrik Svensson is CEO of Arvid Svensson AB and Anna-Greta Lundh is CEO of Länsförsäkringar Södermanland. Both are directors of Klöverns.

Payments to the CEO, Deputy CEOs and the Board of Directors are shown in Note 3.

NOTE 25 Participating interests in group companies

	31.12.2010	31.12.2009
Accumulated acquisition values		
Opening balance	183,592	183,392
Purchase	–	200
Sales	–100	–
Closing balance	183,492	183,592
Accumulated write-ups		
Opening balance	136,551	136,551
Write-ups for the year	–	–
Closing balance	136,551	136,551
Total	320,043	320,143

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

Subsidiary/Reg. No./Registered Office	No. of share	Share in % ¹⁾	Book value
Klövern Strand AB, 556442-0098, Nyköping	80,000	100	126,395
Klövern Ström AB, 556603-1067, Nyköping	104,000	100	53,631
Klövern Komp Ström AB, 556688-5256, Nyköping	1,000	100	100
Klövern Adam AB, 556494-9699, Nyköping	1,000	100	107,700
Klövern Komp Adam AB, 556643-6647 Nyköping	1,000	100	100
Klövern Barkenlund AB, 556554-8772, Nyköping	1,000	100	1,766
Klövern Bobby AB, 556594-9780, Nyköping	1,000	100	8,138
Klövern Komp Bobby AB, 556678-9938, Nyköping	1,000	100	100
Klövern Charbel AB, 556594-9814, Nyköping	1,000	100	100
Klövern Dante AB, 556594-9830, Nyköping	1,000	100	100
Klövern Efraim AB, 556594-9855, Nyköping	1,000	100	100
Klövern Ett AB, 556610-3106, Nyköping	1,000	100	15,974
Klövern Komp Ett AB, 556613-4085, Nyköping	1,000	100	100
Klövern Karl AB, 556708-7985, Nyköping	1,000	100	5,139
Other subsidiaries, dormant			600
Total			320,043

1) Refers to the ownership portion of the equity, which also complies with the proportion of votes for the total number of shares.

Notes

NOTE 26 Statement of Cash flow

	Group		Parent Company	
	2010	2009	2010	2009
<i>Interest paid</i>				
Interest received	799	832	8	33
Interest paid	-233,964	-245,864	-1,510	-2,457

Cash flow from investing operations

	Group		Parent Company	
	2010	2009	2010	2009
<i>Adjustment for items not included in the cash flow</i>				
Deprecation on equipment	2,626	2,822	982	1,152
Group contribution	-	-	156,442	111,272
Changes in value	5,312	6,980	-	-
Total	7,938	9,802	157,424	112,424

	Parent Company		
	2010	2009	
<i>Change in financial assets</i>			
Participation rights in group companies		100	-200
Receivables from group companies		-87,300	-153,815
Total		-87,200	-154,015

NOTE 27 Events after the period covered by the report

In January 2011, the property Niten 6 in Borås was acquired. The purchase price was SEK 22 million and the lettable area 4,000 sq.m. On 1 February 2011, Klöver AB sold the properties Glasfåtet 4 and Pagoden 2 in Linköping for a total of SEK 23 million.

In January 2011, Klöver AB renegotiated credit agreements for SEK 400 million.

The Board decided in February 2011 on variable salary for 2010 for the CEO of six monthly salaries. The amount will be charged to income in the first quarter of 2011.

The undersigned hereby certify that these financial statements for the Group and annual report have been prepared in accordance with the International Financing Reporting Standards, IFRS, as adopted by the EU and with generally-accepted accounting principles. The information provides a fair picture of the Group's and the Parent Company's position and result, and the administration report for the Group and the Parent Company provides a fair picture of the development of the Group's and the Parent Company's business activities, position and result and describes important risks and uncertainty factors that confront the companies belonging to the Group.

Nyköping, 1 March 2011
Board of Directors of Klöver AB (Publ), reg. no. 556482-5833

Stefan Dahlbo
Chairman

Gustaf Hermelin
CEO

Rutger Arnholt

Anna-Greta Lundh

Lars-Göran Pettersson

Lars Rosvall

Fredrik Svensson

Our audit report was submitted on 2 March 2011

Ernst & Young AB

Mikael Ikonen
Authorized public accountant

NOTE 28 Important estimates and assessments

Preparing the final accounts in compliance with IFRS requires that the Board and the Executive Management make assessments and estimates and assumptions that affect the application of the accounting principles and the amounts reported of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experiences and a number of other factors that would appear to be reasonable in present circumstances. The result of these estimates and assumptions is then used to assess the reported values of assets and liabilities which are not otherwise evident from other sources. The actual outcome can vary from these estimates and assessments.

Estimates and assessments are regularly reviewed. Changes in estimates are reported in the period the change is made if the change has only affected this period or in the period the change is made and future periods if the changes affects both the current and future periods. Assessments made by the Board and the executive management in applying IFRS which have a significant impact on the financial reports and estimates made which can entail important adjustments in the following years financial reports concern valuation of management properties, which is described in more detail in Note 10.

NOTE 29 Information about the Parent Company

Klövern AB (publ), reg. no. 556482-5833, is a Swedish-registered limited company with its registered office in Nyköping. The Parent Company's shares are registered on Nasdaq OMX Stockholm MidCap. The address of the head office is Nyckelvägen 14, Box 1024, SE-611 29 Nyköping, Sweden.

The consolidated accounts for 2010 consist of the Parent Company and its subsidiaries, jointly referred to as the Group.

Audit Report

To the Annual General Meeting in Klöver AB
Reg. no. 556482-5833

We have examined the annual accounts, the consolidated accounts, with the exception of the Corporate Governance Report on pages 100–109, the accounting records and the management by the Board of Directors and the CEO of Klöver AB for the 2010 financial year. The company's annual report and consolidated accounts are contained in the printed version of this document on pages 68 to 96. The Board of Directors and the CEO are responsible for these accounts and the management of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financing reporting standards, IFRSs, as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. My responsibility is to render my opinion on the annual accounts, the consolidated accounts and the management based on my audit.

The audit was performed in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain a high level of, but not absolute, assurance that the annual accounts and the consolidated accounts contain no material errors. The audit procedure includes examination of a sample of supporting documentation for amounts and other information in the accounting records. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the CEO and significant estimates made by the Board of Directors and the CEO when preparing the annual accounts and consolidated accounts as well as evaluating the aggregate information contained in the annual accounts and the consolidated accounts. As a basis for our recommendation concerning discharge from liability, we have examined significant decisions, actions and circumstances in the company to allow us to form an opinion as to whether any board member or the CEO is liable for damages to the Company, or in any other way has acted contrary to the Companies Act, the Annual Accounts Act or the Articles of Association. I believe that my audit gives us a reasonable basis for my statements below.

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and provide a true and fair picture of the Company's performance and financial position in accordance with generally accepted accounting standards in Sweden. The consolidated accounts have been drawn up in accordance with the international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act and provide a true and fair picture of the Group's performance and financial position. Our statements do not cover the Corporate Governance Report on pages 100–109.

The Administration Report complies with the other parts of the annual accounts and the consolidated accounts.

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

Report on the Corporate Governance Report

The Board of Directors and the CEO are responsible for the Corporate Governance Report on pages 100–109 and for it being prepared in compliance with the Annual Accounts Act.

As a basis for our statement that the Corporate Governance Report has been prepared and complies with the other parts of the Annual Report and the Consolidated Accounts, we have read the Corporate Governance Report and assessed its statutory content on the basis of our knowledge of the company.

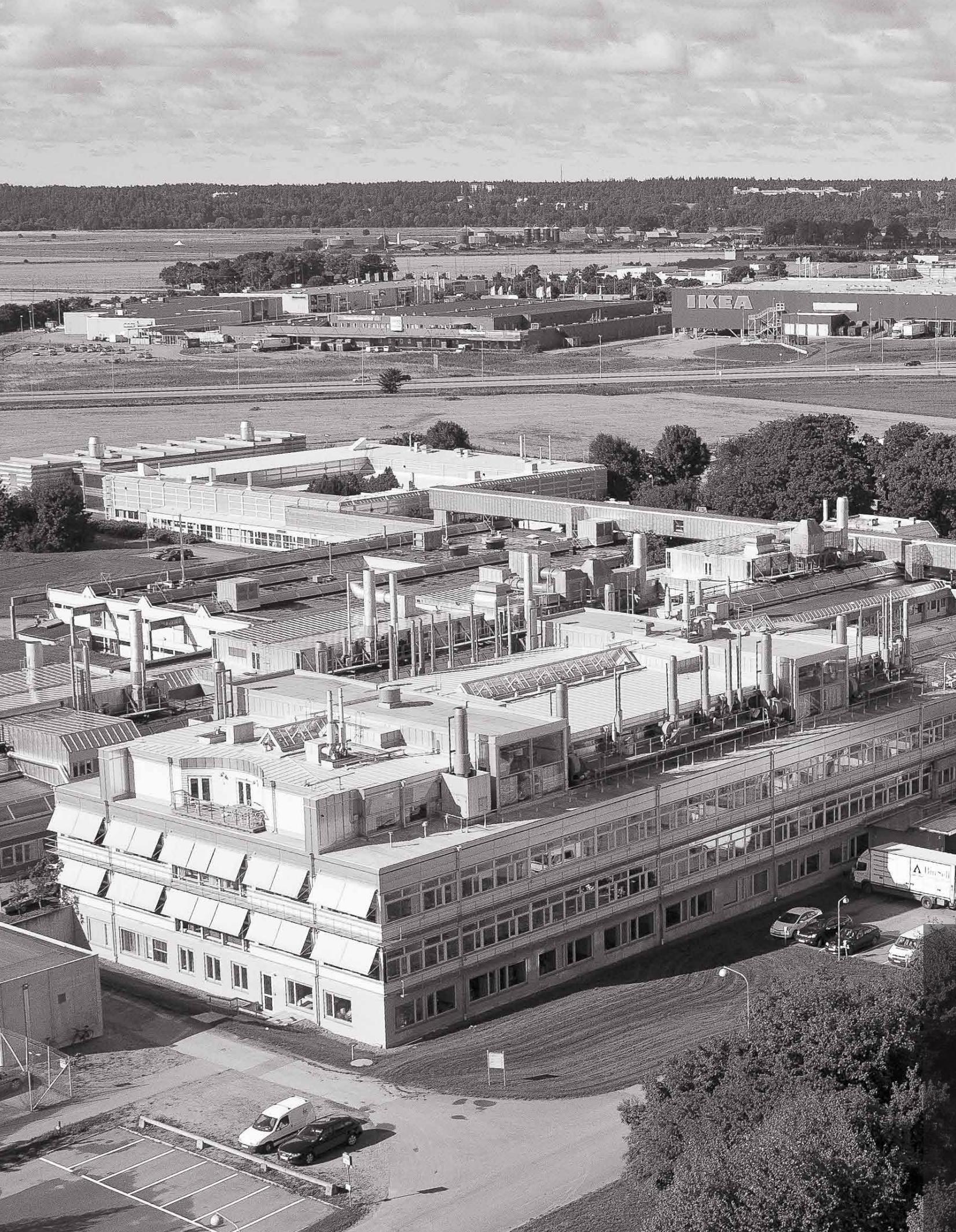
A Corporate Governance Report has been prepared, and its statutory information is compatible with the other parts of the Annual Report and the Consolidated Accounts.

Stockholm, 2 March 2011

Ernst & Young AB

Mikael Ikonen

Authorized public accountant



Uppsala Fyrislund 6:6 – Uppsala Business Park is becoming more and more attractive with a continuously rising occupancy rate. During 2010, new tenants include Kemwell, Anticimex and Gammadata Mätteknik and in February 2011, Svanova Biotech will move into its new premises in Uppsala.



Corporate Governance Report & Review

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Corporate Governance Report

The corporate governance report reports on Klöver's corporate governance in the 2010 financial year. The report is not part of the formal annual financial statements.

Corporate governance defines the decision-making system used by the owners, directly and indirectly, to manage the company and its risks. The design of corporate governance depends on legislation, the regulatory framework of Nasdaq OMX Stockholm, self-regulation in accordance with the Swedish Code of Corporate Governance as well as external and internal guiding documents.

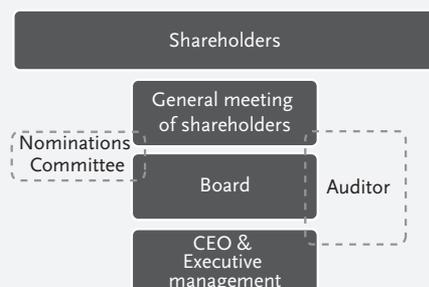
Articles of Association

The articles of association, adopted by the annual general meeting of shareholders, is a key document, which, together with current legislation specifies the business and governance of the company. Klöver AB is a Swedish public limited liability company, with the company registration number 556482-5833, and with its registered office at Nyckelvägen 14 in Nyköping. The company's business activities consist of owning and selling real estate companies and compatible activities. The company is listed on Nasdaq OMX Stockholm MidCap. The company's financial year is the calendar year.

The complete text of Klöver's articles of association is available on page 109.

General meetings of shareholders

The general meeting of shareholders is the highest decision-making body of a limited company. All shareholders, who have a shareholding registered in their own name at least five days prior to the meeting, are entitled to participate in the general meeting and vote for the shares owned and represented. Shareholders also have the right to have a matter discussed at the general meeting provided that the matter has been notified to the Board within the time limits specified in the notice of the meeting. Notice of general meetings of shareholders is given in accordance with the Companies Act and is provided by the Board.



Ownership, repurchase and dividend

At year-end 2010, there were 166,544,326 registered shares and voting rights in the company, held by 27,754 shareholders. The capitalization, based on the number of outstanding shares, was SEK 5,467 million and the share capital amounted to SEK 832,721,630. 83 per cent of the shareholders were residents in Sweden. The company has two shareholders with a shareholding of over 10 per cent and the ten largest shareholders together represented 60.5 per cent of the total number of outstanding shares.

Klöver has, according to authorization, repurchased 5,741,463 shares, which do not confer voting rights.

Dividend shall exceed 50 per cent of the profit from property management in the long term. When considering the amount of dividend, the company's investment alternatives, financial position and capital structure are taken into account.

More detailed information is available on pages 64–66.

2010 Annual General Meeting

Klöver's Annual General Meeting for 2010 was held on 20 April at Kistamässan in Kista, Stockholm. The meeting was attended by 96 participants, including representatives, assistants and guests. Together, these represented 59 per cent of the votes in the company.

In addition to the mandatory matters stipulated in the articles of association, decisions were made on;

- dividend of 1.25 per share, totalling SEK 201 million
- renewed authorisation for the Board to acquire and transfer its own shares
- re-election of the Chairman of the Board and all directors with the exception of Lars Holmgren, who declined re-election
- new election of director Lars-Göran Pettersson
- unchanged fees to the directors
- fees to the auditors to be paid according to approved invoices.

No extraordinary general meetings of shareholders have been held during 2010.

The minutes of the 2010 Annual General Meeting are available on Klöver's website (in Swedish), klovern.se.

Nominations Committee

The composition of the Nominations Committee is decided upon by the General Meeting of Shareholders. It shall be representative of the owners of the company and prepare the decisions at the general meeting. The Nominations Committee shall make proposals to the annual general meeting for the election of a chairman and appointment of auditors, the number of directors, as well as on fees for the Board and auditors. The Nominations Committee also makes proposals, including reasons, for the election of directors as well as rules on the composition of the Nominations Committee for the period until the next annual general meeting, and on the procedure for replacing members of the Nominations Committee before their work is completed.

The 2010 annual general meeting decided that the Nominations Committee should be appointed annually and consist of the Chairman of the Board, and a representative of every shareholder whose shareholding in the company as at 31 August 2010 exceeds five per cent of the shares and votes in the company, as well as a representative of the other shareholders. The Federation of Swedish Farmers (LRF) had a shareholding on 31 August that exceeded five per cent. This shareholding was sold, however, during the autumn of 2010 and LRF's representative then resigned from the Nominations Committee.

Representatives of Klöver's Nominations Committee may be contacted by e-mail, styrelsenominering@klovern.se or by telephone via Klöver, +46 155-44 33 12.

The composition of the Nominations committee prior to the 2011 Annual General Meeting

Representing	Member	Shareholding as at 31 August 2010, %
Chairman of the Board	Stefan Dahlbo	–
Corem Property Group AB	Håkan Engstam*	12.4
Arvid Svensson Invest AB	Rickard Svensson	10.6
Investment AB Öresund	Mikael Nachemson	7.8
Länsförsäkringar Funds**	Eva Gottfridsdotter-Nilsson	7.1
Other shareholders	Klas Andersson	–

* Chairman of the Nominations Committee.

** Owner group.

The composition of the Board of Directors during 2010

Director	Elected/resigned	Independent	No. of board meeting attended	Fee, SEK 000s	Shareholding, ³⁾ thousands	Shareholding, ³⁾ %
Stefan Dahlbo, ordförande	2002/	Yes	15 of 15	250	48	0.0
Gustaf Hermelin, VD	2003/	No	15 of 15	–	2,163	0.1
Lars Holmgren ¹⁾	2003/2010	No	3 of 15	31	0	–
Anna-Greta Lundh	2003/	Yes	13 of 15	125	29	0.0
Rutger Arnhult	2009/	No	15 of 15	125	29,986	18.7
Lars Rosvall	2005/	Yes	13 of 15	125	110	0.0
Fredrik Svensson	2005/	No	14 of 15	125	24,159	15.0
Lars-Göran Pettersson	2010/	Yes ²⁾	10 of 15	94	0	–

1) Lars Holmgren declined re-election at the 2010 Annual General Meeting and was replaced by Lars-Göran Pettersson.

2) Independent as from November 2010.

3) Direct or indirect shareholding in the company as at 31 December 2010 based on the number of outstanding shares.

The Board of Directors

The Board is elected at the Annual General Meeting after a proposal made by the Nominations Committee. Its task is to manage the company's business in the interests of the company and all of its shareholders. The Board shall have a size and composition that ensures its ability to manage the company's business with integrity and efficiency.

The composition of the Board

According to the articles of association, Klöver's Board of Directors shall consist of at least four and at most eight members. At the 2010 Annual General Meeting, directors Stefan Dahlbo (Chairman), Gustaf Hermelin (CEO), Rutger Arnhult, Anna-Greta Lundh, Lars Rosvall and Fredrik Svensson were re-elected. Lars-Göran Pettersson replaced Lars Holmgren, who declined re-election. Britt-Marie Einar, Finance and IR manager and Deputy CEO, acts as secretary at Klöver's Board meetings.

The independence of the Board

According to the Swedish Code of Corporate Governance, the majority of the directors elected by the Annual General Meeting shall be independent in relation to the company and the executive management. At least two of the directors who are to be independent in relation to the company and the executive management shall also be independent in relation to the company's major shareholders.

To determine the independence of a director, the Nominations Committee makes an overall assessment of all circumstances that may call into question the independence of a director. The result of the considerations made by the Nomination Committee shall be presented in the notice of the Annual General Meeting.

Four of Klöver's seven directors are independent both in relation to the company and to major owners.

Board of Directors



STEFAN DAHLBO

Born 1959. Chairman of the Board since 2002.

Other assignments: Director of Nobia AB.

Education: Graduate in business administration.

Shareholding: 48,000 shares, privately and via company.
Independent director.



RUTGER ARNHULT

Born 1967. Director since 2009.
CEO of Corem Property Group AB.

Other assignments: Chairman of M2 Asset Management AB. Director of Vytal Diagnostics AB, Locellus AB and Arnia Holding AB.

Education: Graduate in business administration.

Shareholding: 29,985,600 shares, via company.
Dependent in relation to a major shareholder.



GUSTAF HERMELIN

Born 1956. Director since 2003.
CEO, Klöver AB.

Other assignments: Director of Diös Fastigheter AB.

Education: Studies in economics, Stockholm School of Economics.

Shareholding: 2,162,800 shares, privately, via family and company.
Dependent in relation to the company.



ANNA-GRETA LUNDH

Born 1955. Director since 2003.
CEO, Länsförsäkringar Södermanland.

Other assignments: Director of Humlegården, Almi Invest Östra Mellansverige and Södermanlands Nyheter.

Education: Graduate in business administration.

Shareholding: 29,409 shares, privately.
Independent director.



LARS-GÖRAN PETTERSSON

Born 1949. Director since 2010.
General Secretary of the Swedish Federation of Farmers (LRF).

Other assignments: Chairman of NBC and LRF's Gender Equality Committee. Director of the Nordic Contact Organ for Agricultural and Forestry-related Issues, COPA, Länsförsäkringar Sak and Diös Fastigheter AB.

Education: Academic studies in political science, theology and business administration.

Shareholding: No shareholding.
Independent director



LARS ROSVALL

Born 1959. Director since 2005.
Chairman of Thevinyl AB.

Other assignments: Director of Ampelia Förvaltning AB, Backahill AB, Ateneum AB and Dagon AB.

Education: Graduate in business administration.

Shareholding: 110,000 shares, via company.
Independent director.



FREDRIK SVENSSON

Born 1961. Director since 2005.
CEO, AB Arvid Svensson (ASA).

Other assignments: Chairman of Case Investment AB. Director of Balder AB, Dagon AB, United Logistics AB and Tenzing AB.

Education: Graduate in business administration

Shareholding: 24,159,466 shares, via company.
Dependent in relation to a major shareholder.

Shareholding as at 31 December 2010.

The Chairman of the Board

The Chairman of the Board is elected at the Annual General Meeting, after a proposal by the Nominations Committee, and is responsible for leading the work of the Board efficiently, as well as acting as a discussion partner and support for the CEO.

The Chairman shall also:

- be responsible for the communication between the shareholders and the Board
- ensure that the Board complies with its obligations in accordance with current legislation, other regulatory frameworks, guiding documents and the formal work plan
- appoint a Nominations Committee, according to the instructions from the Annual General Meeting, and also take part in the same
- ensure that directors receive the requisite training and information to be able to analyse the company's financial position, strategy, planning and development.

Stefan Dahlbo has been Chairman of the Board of Klöver since 2003.

Formal work plan of the Board of Directors

The work of the Board takes place in accordance with a formal work plan of the Board of Directors which is adopted at the first ordinary board meeting after the Annual General Meeting. The formal work plan is a complement to current legislation, the articles of association, Nasdaq OMX Stockholm's rules and the Swedish Code of Corporate Governance. The formal work plan includes instructions on the frequency of meetings, the division of duties and reporting between the Board, the Chairman of the Board and the CEO.

A report on the financial position, investments and sales, market-related matters, and organization are on the agenda at every ordinary meeting. Other matters such as strategy and future-related matters, risk management, common policies, audit reports, the budget, the annual accounts etc. are dealt with at specific meetings, according to a set calendar.

The work of the Board is evaluated annually through a systematic and structured process. The intention is to develop the forms of work and efficiency of the Board. The result of the evaluation is reported to the Nominations Committee.

Committees

Klövern considers that the whole Board should participate in discussions and decisions relating to finance, remuneration and audit. The Board has therefore decided not to have any special committees for these matters.

The work of the Board during 2010

During 2010, there have been five ordinary meetings, one meeting following election and nine extraordinary meetings of Klöver's Board.

The ordinary meetings have complied with the calendar for the set work order for the respective meeting. According to the calendar, a report is to be made at each meeting on the result and financial position and investments and transactions exceeding SEK 10 million. In addition, the agenda includes matters relating to audit, internal control, remuneration, policies, evaluations and budget. Once a year, the Board has a meeting focusing on the business plan, strategy and future-related issues.

The extraordinary meetings have concerned decisions to submit interim reports and the annual report, transactions and financial matters.

Executive Management

Gustaf Hermelin is CEO of Klöver. The CEO is appointed by the Board and reports to the Board. The most important task of the CEO is to take care of the day-to-day management of the company. The instructions in the formal work order make clear which matters and which issues are to be submitted to the Board for decision and which powers the CEO has. Furthermore, the CEO produces and presents necessary information and a basis for decision-making for board meetings. Klöver's Board evaluates the work of the CEO annually.

During 2010, the executive management consisted of, in addition to the CEO, Britt-Marie Einar, Finance and IR manager and Deputy CEO, Thomas Nilsson, IT and Real Estate Manager and Deputy CEO, Elisabeth Norling, Personnel and Environmental Manager, Mattias Rickardsson, CFO, and the Market Area Managers PG Sabel, Hans Lindh and Mikael Forkner. Matters relating to current operations are reported via the meetings of the Executive Management. The Executive Management has had 25 minuted meetings during 2010.

Executive Management



The Executive Management from left: Thomas Nilsson, PG Sabel, Elisabeth Norling, Hans Lindh, Britt-Marie Einar, Mikael Forkner, Gustaf Hermelin (CEO) and Mattias Rickardsson.

THOMAS NILSSON

Born 1951. IT and Real Estate Manager, Deputy CEO, employed since 2002. *Previous employment:* Consultancy assignments in Storheden, Wihlborgs and Strand Fastigheter in Nyköping 1995–2002, CEO, Skavsta Flygplats AB 1991–1995, CEO, Nyköpings Industrihus 1982–1994. *Education:* BSc, Business Administration. *Assignments:* None. *Shareholding:* 275,991 shares, 100,000 warrants, privately and via company.

PG SABEL

Born 1964. Unit Manager, Kista and Täby and Market Area East Manager, employed since 2007. *Previous employment:* Head of project development, AP Fastigheter 2000–2007, Project manager and real estate manager, Skanska Fastigheter 1991–2000. *Education:* M.Sc. (Engineering) *Assignments:* None. *Shareholding:* No shareholding.

ELISABETH NORLING

Born 1964. Personnel and Environmental Manager, employed since 2007. *Previous employment:* Head of business area and recruitment consultant, Proffice 2005–2007, partner Intrakey 1998–2005, Sales manager Graphium 1996–1998, Head of business area LärData 1992–1996. *Education:* Graduate in business administration. *Assignments:* None. *Shareholding:* 100,000 warrants.

HANS LINDH

Born 1966. Unit Manager in Västerås and Market Area West Manager, employed since 2010. *Previous employment:* Head of Asset Management, ICA Fastigheter 2009–2010, Property manager ICA Fastigheter 2004–2009, Business Development manager, ICA Fastigheter 2003–2004, Regional manager, Munters 2000–2003. *Education:* University studies in Economics. *Assignments:* None. *Shareholding:* No shareholding.

BRITT-MARIE EINAR

Born 1965. Financial and IR Manager, Deputy CEO, employed since 2004. *Previous employment:* Information and IR manager, Tornet 1999–2003, Financial journalist, Veckans Affärer 1997–1999 and Finanstidningen 1990–1997, Treasurer, Östgöta Enskilda Bank 1989–1990. *Education:* Graduate in business administration. *Assignments:* None. *Shareholding:* 3,000 shares, 23,614 warrants, privately.

MIKAEL FORKNER

Born 1960. Unit Manager in Norrköping and Market Area South Manager, employed since 2010. *Previous employment:* Property manager Stockholm City Real Estate Administration 2005–2010, Parking manager, Stockholm City Real Estate, Streets and Traffic Administrations 2001–2005. *Education:* Bachelor of Laws, Lund University. *Assignments:* None. *Shareholding:* No shareholding.

GUSTAF HERMELIN

Born 1956. CEO, employed since 2002. *Previous employment:* CEO, Strömfastigheter in Norrköping, 2001–2002, CEO Strömfastigheter in Nyköping 1993–2002, Regional manager, Storheden/Wihlborgs 1998–2001, CEO, Oskarsborg 1994–1997. *Education:* Studies in Economics, Stockholm School of Economics. *Assignments:* Director of Diös Fastigheter AB. *Shareholding:* 2,162,800 shares, privately via family and company.

MATTIAS RICKARDSSON

Born 1974. Financial Manager, employed since 2003. *Previous employment:* Subsidiary controller, Österströms Rederi AB, 1999–2003. *Education:* University studies in Economics. *Assignments:* None. *Shareholding:* 100,068 warrants.

Shareholding as at 31 December 2010.

Remuneration

Guidelines for remuneration

The Board presents its proposal on principles of remuneration and other conditions of employment for the CEO and executive management in the notice of the Annual General Meeting for the approval of the meeting. The process for establishment of these conditions shall be formal and transparent and specify the relationship between fixed and variable salary as well as taking into consideration the connection between performance and remuneration. The basic salary, which is reviewed every year, shall be at a market level and be competitive and take into consideration the areas of responsibility and experience of the individual employee. The whole Board, except the CEO, takes part in deliberations and decisions on matters relating to remuneration.

Remuneration to the Board of Directors

The fee to the Board is proposed by the Nominations Committee and adopted at the Annual General Meeting.

During 2010, the Board received a fee totalling SEK 875,000 (875,000) for distribution among the members of the Board, except the CEO. The fee for the Chairman of the Board was SEK 250,000 (250,000) and to other directors SEK 125,000 (125,000) per member. The fee to the Board has been unchanged since 2005.

Remuneration to the CEO

Remuneration and benefits for the CEO are decided upon by the Annual General Meeting. The basic salary is to be at a market level and competitive and reviewed every year.

The CEO's performance-based salary amounts to one per cent of the Company's profit before tax, to the extent that this amount exceeds set operational goals for the property management operations. The variable salary for the CEO may amount at most to the equivalent of six months' basic salary. It is possible to set the bonus amount aside as pension instead of salary. Variable salary equivalent to six months' salary will be paid for 2010. This amount will be charged to income during the first quarter of 2011.

In addition to salary and pension, the CEO's benefits include health insurance, a subsistence benefit and a com-

pany car as well as a share in Klöver's profit-sharing foundation. While in the employment of the Company, the pension premium may amount to at most 35 per cent of the basic salary. The retirement age of the CEO is 65.

In the event of termination at the Company's initiative, full salary and all benefits as described above are payable during the period of notice. The compensation is reduced by any income earned from any other employer. In the event of termination at the CEO's initiative, full salary and all benefits are payable during the period of notice while employment continues. No severance pay is paid.

Remuneration to Deputy CEOs and other senior executives

Remuneration and benefits to Deputy CEOs and other senior executives are decided upon by the CEO after consultation with the Chairman of the Board on the basis of principles adopted by the Annual General Meeting.

Salaries paid to the Deputy CEOs and other senior executives shall be at a market level and competitive. The maximum variable salary may amount to the equivalent of three months' basic salary. Variable salary was paid of equivalent to one months' salary was paid for 2010.

The pension premium amounts to 35 per cent of the basic salary during the period of employment with the company. The retirement age of Deputy CEOs and other senior executives is 65. The period of notice for termination at the Company's initiative is 12 months and at the employee's initiative six months. No severance pay is paid.

Benefits in addition to salary and pension for Deputy CEOs and other senior executives include health insurance and a subsistence benefit as well as a share in Klöver's profit-sharing foundation and the right to a company car if this is stipulated in the respective contract of employment.

Remuneration to other personnel

The principle of market level and competitive salaries also applies to other personnel. All personnel are covered by defined contribution pension schemes which are wholly paid for by the company. Benefits in addition to salary and pension are health insurance and a subsistence benefit and a share in Klöver's profit-sharing foundation. There is a

collective agreement with the Swedish Building Maintenance Workers' Union. The Group had 126 staff (123) at year-end 2010.

Incentive Programmes

The incentive programmes that exist are long term and are intended to promote commitment to the company and thus also increase value for the shareholders.

Variable salary may, for the CEO, amount to at most the equivalent of six months' basic salary. The variable salary for the CEO is based on the company's profit before tax to the extent that this amount exceeds the company's operational goals for real estate operations. Variable salary, in addition to the basic salary, for the Deputy CEOs and other senior executives may amount to at most the equivalent of three months' basic salary. Variable salary for other senior executives is based on outcomes in relation to goals for operating surplus, net profit and letting. The Board of Directors has the right to depart from these principles in particular cases if there are special reasons for so doing. The major part of the executive management has acquired warrants with Investment AB Öresund as counterparty during 2010. The remaining holding for the respective senior executive at year-end is shown on page 104.

Profit-sharing foundation

Klövern has a profit-sharing foundation which covers all employees that have been employed during a certain period. The amount transferred to the foundation may be at most one price base amount per employee and year and is based on a combination of Klöverns profit, required return and dividend to shareholders.

At year-end 2010, the Foundation owned 725,000 shares corresponding to 0.5 per cent of the total number of registered Klöverns shares. In February 2011, the Board decided that an allocation would be made for 2010 at a price base amount of SEK 42,400 per full-time employee.

Further information on remuneration is available on pages 84–85.

Remuneration		
Amount in SEK 000s		
Salaries, remuneration and benefits	2010	2009
<i>Chairman of the Board</i>		
Stefan Dahlbo	250	250
<i>Other directors</i>		
Rutger Arnhult*	125	94
Lars Holmgren**	31	125
Anna-Greta Lundh	125	125
Helen Olausson*	–	31
Lars-Göran Pettersson**	94	–
Lars Rosvall	125	125
Fredrik Svensson	125	125
<i>CEO</i>		
Basic salary	2,583	2,662
Variable salary	1,140	0
Benefits	68	76
<i>Deputy CEOs (two persons)</i>		
Basic salary	2,617	2,694
Variable salary	434	0
Benefits	127	118
<i>Other senior executives (5.5 persons in 2010, 4 persons in 2009)</i>		
Basic salary	5,118	3,826
Variable salary	765	0
Benefits	363	264
<i>Other employees</i>		
Basic salary	46,486	43,617
Variable salary	0	0
Benefits	2,561	2,431
Total	63,137	56,563
Contractual pension costs (including Fora)		
CEO	867	867
Deputy CEOs (2 persons)	925	943
Other senior executives (5.5 persons in 2010, 4 persons in 2009)	1,731	1,227
Other employees	4,703	3,936
Total	8,226	6,973
Statutory social security costs		
Chairman of the Board	79	79
Other directors	196	196
CEO	1,401	1,070
Deputy CEOs (two persons)	1,223	1,111
Other senior executives (5.5 persons in 2010, 4 persons in 2009)	2,383	1,579
Other employees	16,042	14,923
Total	21,324	18,958
Grand Total	92,687	82,494

* Helen Olausson declined re-election at the 2009 Annual General Meeting and was replaced by Rutger Arnhult.

** Lars Holmgren declined re-election at the 2010 Annual General Meeting and was replaced by Lars-Göran Pettersson.

Auditors

Ernst & Young was elected as the company's auditor at the 2007 Annual General Meeting for the period until the 2011 Annual General Meeting. Authorized public accountant Mikael Ikonen, is been auditor-in-charge at Klöver AB.

The commission includes examination of the company's accounts and annual financial statements, as well as the management of the company by the executive management and the Board. The auditors shall, unless specifically decided otherwise, examine the company's corporate governance report, the Board's report in internal control and review the company's nine-month report. These examinations are compiled in reports which are considered annually by the Board. The report shall state, among other things, whether Klöver is organized in such a way as to enable the accounts, financial management and financial circumstances otherwise to be checked in a satisfactory way.



MIKAEL IKONEN

Born 1963. Authorized public accountant since 1996, employed by Ernst & Young AB since 1988. *Other assignments:* Ing Real Estate Nordic Holding AB, Russian Real Estate Investment AB, 11 Real Asset Fund AB, Citycon AB, Scandic Hotels AB, Cramo

Holding AB, Unibal Rodamco AB and SFF Real Estate AB. *Shareholding in Klöver:* No shareholding.

Fees to auditors

Fees to auditors are set, after a proposal from the Nominations Committee, at the Annual General Meeting. The 2010 Annual General Meeting decided to pay the fee according to approved invoices.

No other auditing activities of tax advice have taken place in addition to this assignment during 2010 or 2009.

Fees and compensation for costs to auditors		
Amount in SEK 000s	2010	2009
Auditing assignments	1,772	1,650
Other assignments	5	7
Total	1,777	1,657

Swedish Code of Corporate Governance

The Swedish Code of Corporate Governance came into effect on 1 July 2005 and was revised on 1 July 2008, to cover all Swedish companies whose shares are listed on a regulated market in Sweden.

The Code is administered by the Swedish Corporate Governance Board and is a complement to legislation and other regulatory frameworks. The Code is intended to provide relevant and effective corporate governance in Swedish listed companies. The Corporate Governance Board also works for good practice in the Swedish stock market and is responsible for matters previously dealt with by the Swedish Industry and Commerce Stock Exchange Committee. The code is not mandatory although an explanation is required in the event of a decision to depart from it according to the principle of "comply or explain".

During the year, Klöver has decided to depart from the Code as applicable at the end of 2010, as follows, with the explanations given:

7.3 Audit Committee

The Board considers that the audit is of such importance that these matters should be considered and decided upon by the Board as a whole, excluding the CEO. The auditors and the Board meet on at least one occasion without the CEO or another representative of the company being present. The company's auditors take part at two board meetings during the year and present their findings and any points of view arising in connection with the audit.

9.1 Remuneration Committee

Klöver has no separate remuneration committee. Instead, the Board as a whole, excluding the CEO, is responsible for the company having a formalized and transparent process to establish principles for remuneration and other conditions of employment for the CEO and the executive management. The principles for remuneration and other terms of employment are decided upon at the Annual General Meeting.

Internal Control

The Board is responsible for the company having good internal control and for ensuring that the financial reporting complies with the applicable requirements.

Together with recurrent follow-up and common sense, the prerequisites are created for achieving common goals and confidence and trust throughout the whole organization and among shareholders.

The processes for handling internal control, financial reporting and management within the company are based on the framework for Coso and governed, besides by laws, rules and recommendations, to a large extent by internal policies and guiding documents. Guiding documents and policies are continuously revised and evaluated as well as being regularly developed and used as a support in decision-making processes in the daily work of every member of staff.

Control environment

The control environment serves as the basis for internal control and valuations in the company. The formal decision-making procedure is based on the division of responsibility between the Board and the CEO and includes the formal work order for the Board, the instructions for the CEO and reporting instructions. Important processes, in addition to financial reporting, such as accounting instructions, project administration and rental administration are established in separate documents, which are evaluated and developed continuously in accordance with changes in laws, recommendations and procedures. These documents provide support and guidance and include both decision-making paths and allocation of responsibility and powers.

Risk assessment

Every organization meets a lot of risks of external and internal origin which must be identified and evaluated to determine how risks are to be managed and faults in this management to be minimized. It is also very important that Klöverns IT environment maintains a high level of security, reliability and efficiency. The extent and assessment of the company's risk management as a whole and financial reporting in particular is made continuously by the Board, external auditors and the executive management.

Control activities

The finance department and real estate department make continuous follow-ups of business activities at the result, balance and verification level, to ensure compliance with the guidelines. A limited number of people are authorized to sign for the company and attestation rules have been

drawn up. The Group's activities, financial administration and management are inspected twice a year by the company's auditors who report their observations and any comments directly to the Board. The principles for accounting, reporting and audit comments are reviewed in connection with the ordinary audit of the annual accounts.

Information and communication

The internal communication of the executive management consists mainly of the minuted meetings of the executive management and regular conferences and meetings with those responsible for the respective business unit and other managers.

Relevant information, internal and external, is provided continuously to the staff concerned. The external information is taken care of in accordance with an information- and IR-policy which is partly adapted to the regulatory framework of Nasdaq OMX Stockholm and the Swedish Code of Corporate Governance. Internal information is communicated via the company's intranet.

Control and follow-up

Financial follow-up shall take place quarterly by all business units and companies and at group level. The follow-up takes place in relation to the budget and forecast. The result is analysed by both the business unit, the real estate department, the finance department and the market area manager responsible for results. Reporting is made to the executive management, the CEO and the Board.

Internal audit

Klövern has a decentralized and transparent organization where, among other things, financial activities, economic and rental administration are taken care of by head office. Follow-up of the result and balance is made quarterly by both the separate functions and by the executive management, the CEO and the Board. Management and reporting are examined by the Company's auditors and the outcome is reported to the Board. Based on the above, it is not considered that there is any need for internal audit.

Additional information on risk assessment, exposure and management is contained in the section Risk and sensitivity on pages 60–63.

Articles of association

Klövern AB (publ), 556482-5833, adopted at the Annual General Meeting of Klövern on 5 April 2006

§ 1 Name of the company

The name of the Company is Klövern AB. The company is a public limited company.

§ 2 Registered office

The Company shall have its registered office in Nyköping. General meetings of shareholders may be held in Nyköping or Stockholm.

§ 3 Activities

The object of the Company's activities is to own and sell real estate companies, and engage in compatible activities.

§ 4 Share capital and number of shares

The share capital of the Company shall be no less than three hundred million kronor (SEK 300,000,000) and no more than one billion, two hundred million kronor (SEK 1,200,000,000).

The number of shares shall be no less than sixty million (60,000,000) and no more than two hundred and forty million (240,000,000).

§ 5 The Board of Directors

The board of directors shall consist of at least four and at most eight ordinary members with a maximum of four deputy members.

§ 6 Auditors

The Company shall have one or two auditors and the corresponding number of deputies or one or two firms of public accountants.

§ 7 Financial year

The financial year of the Company shall be the calendar year.

§ 8 Notification of the shareholders meeting

Notice of a shareholders' meeting shall be made by advertisement in the Swedish Official Gazette (Post- och Inrikes tidningar) and in the daily newspaper Svenska Dagbladet.

§ 9 Shareholders' right to participate in the shareholders meeting

Shareholders wishing to participate in the proceedings at a meeting of shareholders shall be registered as owner in the print-out or other presentation of the share register five working days prior to the meeting, and notify their intention to attend to the Company at the latest by 12.00 on the date stated in the notice of the meeting. The latter

day may not be a Sunday, another public holiday, a Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and not be earlier than the fifth working day prior to the meeting.

§ 10 The right of external parties to attend the meeting

Persons not registered in the share register shall be entitled to attend to shareholders meetings on the conditions decided upon by the Board of Directors.

§ 11 Annual General Meeting

At the Annual General Meeting the following matters shall be dealt with:

1. Election of the chairman of the meeting,
2. Preparation of and approval of voting list,
3. Election of one or two persons to approve the minutes,
4. Examination of whether the meeting has been duly convened,
5. Approval of the agenda,
6. Presentation of the Annual Report and the Audit Report and, when relevant, the Consolidated Annual Report and the Audit Report for the Group,
7. Decisions concerning
 - a) adoption of the Statement of Income and Balance Sheet and, where relevant, the Consolidated Statement of Income and Consolidated Balance Sheet,
 - b) allocation of the Company's profit or loss according to the adopted Balance Sheet
 - c) concerning discharge of liability for the board members and the CEO.
8. Determination of the number of board members and deputy board members and, when relevant, auditor and deputy auditor or registered firm of public accountants,
9. Determination of the fees for the board and, when relevant, auditors,
10. Election of board members and deputy board members, and, when relevant, auditor, and deputy auditor or registered firm of public accountants,
11. Other matters to be dealt with by the meeting in accordance with the articles of association or the Swedish Companies Act.

§ 12 Record day provision

The Company's shares shall be registered in a register pursuant to the Liability Accounting of Financial Instruments Act (1998:1479).

Five-year review

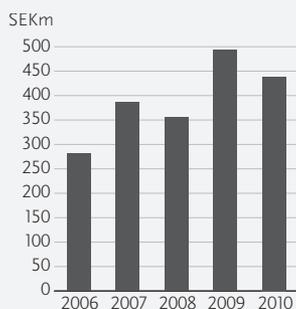
Statement of Income, SEK m	2010	2009	2008	2007	2006
Rental income	1,233	1,231	1,178	1,124	808
Other income	10	23	42	83	35
Property costs	-498	-474	-462	-446	-341
Operating surplus	745	780	758	761	502
Central administration	-64	-66	-57	-65	-50
Net financial income	-242	-221	-346	-310	-171
Profit from property management	439	493	355	386	281
Change in value, properties	298	-231	-760	1,106	262
Change in value, derivatives	23	34	-155	53	28
Change in value, securities	-	-	-	0	22
Profit before tax	760	296	-560	1,545	593
Tax on the year's result	-155	-59	84	-319	38
Net profit for the year	605	237	-476	1,226	631

Balance Sheet, SEKm	2010	2009	2008	2007	2006
Investment properties	13,493	12,032	11,895	12,154	10,701
Equipment	9	10	12	13	14
Derivatives	-	-	-	96	49
Deferred tax asset	405	418	407	474	516
Current receivables	129	83	116	185	96
Liquid funds	36	24	67	87	95
Assets	14,072	12,567	12,497	13,009	11,471
Shareholders' equity	4,516	4,112	4,035	4,867	3,868
Deferred tax liability	508	370	309	460	183
Interest-bearing liabilities	8,517	7,646	7,645	7,007	6,878
Derivatives	13	31	62	-	-
Other liabilities	518	408	446	675	542
Total shareholders' equity and liabilities	14,072	12,567	12,497	13,009	11,471

Statements of Cash Flow, SEKm	2010	2009	2008	2007	2006
Cash flow from current operations	507	490	205	648	451
Cash flow from investment operations	-1,165	-373	-502	-396	-3,427
Cash flow from financing operations	670	-160	277	-260	2,930
Cash flow for the year	12	-43	-20	-8	-46
Liquid funds at beginning of year	24	67	87	95	141
Liquid funds at year-end	36	24	67	87	95

Personnel	2010	2009	2008	2007	2006
Number of employees at year-end	126	123	121	121	110
– of which women/men, number	54/72	48/75	51/70	49/72	39/71
– of which employed on collective agreements, number	29	32	30	32	31
Average age, years	45	44	44	43	43
Personnel turnover, %	10	6	9	14	7
Value added per employee, SEKm	6.7	6.6	6.4	6.8	5.8
Competence development cost per employee, SEK	19	18	18	20	17
Sick leave, %	2.4	3.3	2.9	2.0	1.8

Profit from property management



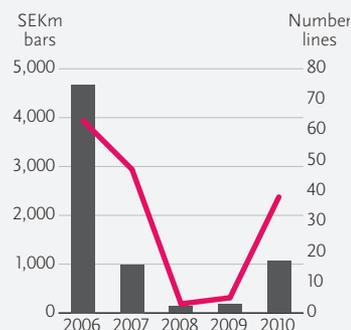
Profit from property management totalled SEK 439 million as at 31 December 2010.

Property portfolio



The fair value of the properties increased by SEK 1,461 million during the year.

Property acquisitions



During 2010, a total of 38 properties were acquired for a price of SEK 1,067 million.

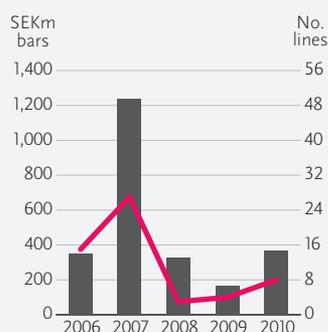
Data per share	2010	2009	2008	2007	2006
Market capitalization, outstanding shares, SEKm	5,467	3,682	2,929	4,227	4,996
Number of shares outstanding at end of year, million	160.8	160.8	160.8	165.8	166.5
Average number of shares outstanding, million	160.8	160.8	163.2	166.4	125.2
Total number of registered shares at year-end, million	166.5	166.5	166.5	166.5	166.5
Number of shareholders	27,754	29,943	30,372	31,249	19,058
Foreign ownership, %	17	14	16	17	15
Share price at year-end, SEK	34.00	22.90	18.20	25.50	30.00
Highest price during the year, SEK	34.40	24.30	26.70	33.40	30.30
Lowest price during the year, SEK	21.50	15.80	10.10	21.40	19.60
No. of shares traded during the year, thousands	81,609	64,244	75,745	69,513	44,969
Ditto average per day, thousands	323	256	300	279	181
Turnover rate per year, multiples	0.51	0.40	0.49	0.42	0.36
Dividend, SEK	1.50*	1.25	1.00	1.50	1.25
Dividend yield of share, %	4.4*	5.5	5.5	5.9	4.2
Dividend in relation to profit from property management, %	55*	41	46	64	56
Rise in share price, %	48.5	25.8	-28.6	-15.0	22.4
Total return per share, SEK	54.0	31.3	-22.7	-10.8	26.5
Total earnings per share, SEK	3.76	1.48	-2.92	7.36	5.04
Price/earnings per share (P/E ratio)	9	15	-3	3	6
Profit from property management per share, SEK	2.73	3.07	2.17	2.32	2.25
Equity per share, SEK	28.08	25.58	25.09	29.36	23.23
Share price/equity per share, SEK	1.21	0.90	0.73	0.87	1.29
Cash flow operating activities per share, SEK	3.15	3.05	1.27	3.91	2.71
Cash flow per share, SEK	0.07	-0.27	-0.12	-0.05	-0.37
Properties' book value per share, SEK	83.91	74.83	73.97	73.31	64.25

1) Refers to rise in price and dividend paid.

* Proposed dividend.

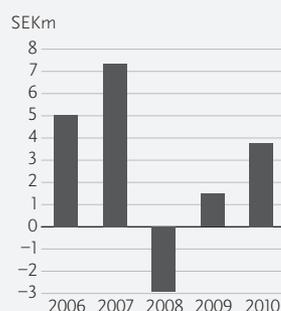
Property-related key ratios, year-end	2010	2009	2008	2007	2006	Financial key ratios	2010	2009	2008	2007	2006
Number of properties	250	217	217	220	205	Equity ratio, %	32.1	32.7	32.3	37.4	33.7
Lettable space, 000 sq.m.	1,528	1,392	1,382	1,394	1,436	Interest coverage ratio, multiples	2.8	3.2	2.0	2.2	2.6
Rental value, SEKm	1,486	1,385	1,360	1,309	1,276	Debt-equity ratio, properties, %	1.9	1.9	1.9	1.4	1.8
Fair value properties, SEKm	13,493	12,032	11,895	12,154	10,701	Leverage, real estate, %	63	64	64	58	64
Direct yield requirement, %	7.2	7.2	7.1	6.6	6.9	Return on equity, %	14.0	5.8	-10.7	28.1	20.6
Economic occupancy rate, %	89	89	90	88	84	Average interest, %	3.6	2.7	4.2	4.6	4.1
Area-based occupancy rate, %	79	80	82	80	78	Average period of fixed interest, years	2.4	3.2	1.1	1.4	1.8
Average lease contract term, years	2.8	3.0	3.1	2.9	2.6	Average period of tied-up capital, years	2.0	1.8	2.6	3.7	4.3
Operating margin, %	60	62	62	63	60	Interest-bearing liabilities, SEKm	8,517	7,646	7,645	7,007	6,878

Property sales



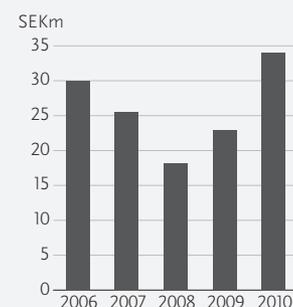
A total of nine properties were sold during the year for a sales price of SEK 368 million.

Earnings per share



Earnings have varied due to large changes in value of properties and derivatives.

Share price at year-end



The share price increased by 48 per cent to SEK 34.00 at the year-end.

Definitions

Properties

Area-based occupancy rate

Area let in relation to total lettable area

Contract value

Rent of premises, index and rent supplement according to the lease contract.

Economic occupancy rate

Rental income in relation to rental value at year-end.

Net moving in

The contract value of tenants moving in less the contract value of vacating tenants.

Operating margin

Operating surplus as a percentage of total income.

Operating surplus

Total income less rent losses, operation and maintenance costs, site leaseholds and property tax.

Other income

Income from rental guarantees and redemption of leases.

Property costs

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

Property type

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

Profit from property management

Profit before changes in value and tax

Realized changes in value

Property sales after deduction of properties' most recent fair value and selling expenses.

Rental income

Charged rents, plus billed compensation for i.e. heating and property tax.

Rental value

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

Required yield

Property valuations' required return on residual value.

Tenant turnover rate

Contract value of vacating tenants during the year in relation to the contract value of vacating tenants.

Unrealized changes in value, properties

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

Value added from improvement

Sale price less invested capital.

Financial

Interest coverage ratio

Profit from property management, excluding financial costs, in relation to financial costs.

Leverage ratio

Interest-bearing liabilities relating to real estate relative to fair value of real estate.

Return on equity

Net profit as a percentage of average shareholders' equity.

Return on total capital

Profit before tax with add-back of net financial income and changes in value in derivatives as a percentage of average total equity.

Total income

Total of rental and other income.

The share

Cash flow per share

Cash flow for the period as a percentage of average number of shares.

Debt equity ratio

Interest-bearing liabilities relative to equity at year-end.

Direct yield of the share

Share dividend as a percentage of the share price at the end of the corresponding financial year.

Earnings per share

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

Equity per share

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

Equity ratio

Reported shareholders' equity in relation to total assets at year-end.

P/E ratio

The share price at year-end in relation to earnings per share.

Total return per share

The share price development and paid dividend divided in relation to the share price at the beginning of the year.

Turnover rate

Total turnover of number of shares in relation to number of shares outstanding.

Personnel

Staff turnover

The number of permanent employees that were employed at the beginning of the year and left during the year in relation to the number of permanent employees at the beginning of the year.

Value added per employee

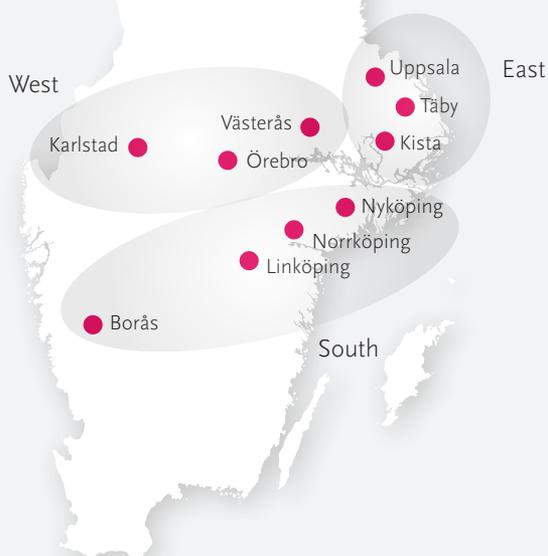
Profit from property management plus wage costs including wage overheads divided by the average number of employees

2011 Annual General Meeting

Shareholders of Klöver AB are warmly welcomed to the Annual General Meeting at 4 pm on Monday, 18 April 2011 at Kistamässan, Kistagången 1 in Kista, Stockholm.

Notification of participation shall be made to:

Klövern AB, Box 1024,
SE-611 29 Nyköping, Sweden
by telephone to +46 155-44 33 00 or by
e-mail to: info@klovern.se



Calendar

Interim report January to March
Monday, 18 April 2011

Annual General Meeting
Monday, 18 April 2011

Interim report January to June
Thursday, 7 July 2011

Capital market days in Båstad
Thursday, 7 July – Friday, 8 July 2011

Interim report, January to September
Thursday, 20 October 2011

Year-end report 2011
Wednesday, 15 February 2012

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Photo: Mimbid, Janne Högglund, Jeannette Högglund, Wringårdh Arkitekter and Jenny Ölsik. Intellecta Finanstyck 114403.