KLÖVERN INTERIM REPORT JANUARY–SEPTEMBER 2012

Klövern January–September 2012

- Income increased by 41 per cent to SEK 1,423 million (1,012)
- Operating surplus increased by 46 per cent to SEK 935 million (642)
- Profit from property management increased by 27 per cent to SEK 426 million (336)
- Change in value of properties totalled SEK 176 million (293), of derivatives to SEK –133 million (–176) and of financial assets to SEK –2 million (0)
- Net profit for the period amounted to SEK 378 million (330), corresponding to SEK 1.79 per common share (2.05) and SEK 6,85 per preference share (–)
- Equity has increased by SEK 1,256 million to SEK 5,996 million (4,740)
- Klövern has, during the period, acquired a total of 129 properties, of which 124 in the aquisition of Dagon, and divested three properties
- Klövern has, during the period, aquired about 9,3 million shares in Diös Fastigheter AB (publ), corresponding to 12.4 per cent of the total number registered shares in Diös

Events after the end of the period

- Klövern has, in accordance with a decision by an Extraordinary Shareholders Meeting, issued additional preference shares of around SEK 650 million
- Klövern has issued SEK 650 million in an unsecured bond loan. The bond loan has a framework amount of SEK 2,000 million
- Klövern has taken possession of six properties totalling SEK 320 million and signed an agreement to acquire another property of SEK 490 million
- Five properties totalling SEK 300 million has been divested or been signed to sell.

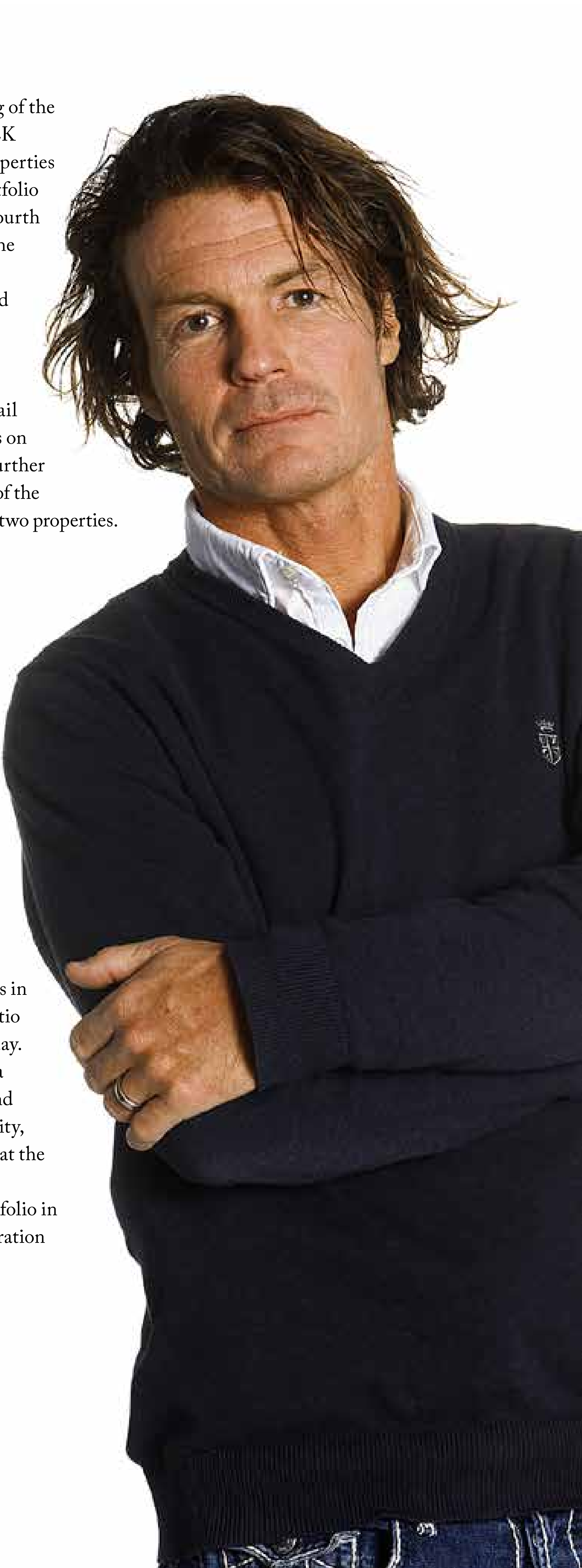
Profit

SEKm	2012 Jan–Sep	2011 Jan–Sep	2011 Jan–Dec
Income	1,423	1,012	1,364
Costs	–555	–413	–578
Net financial income	–442	–263	–358
Profit from property management	**426**	**336**	**428**
Change in value of properties	176	293	435
Change in value of derivatives and financial assets	–135	–176	–225
Tax	–89	–123	–173
Net profit for the period	**378**	**330**	**465**

Cover picture: **Solna Hilton 3.** On 5 July, Klövern took possession of the property Hilton 3 in Solna. The property, consisting of three office buildings, was constructed in 2003 and comprises of a total of 18,500 sq.m.

Statement by the CEO

Focus on concentration of the property portfolio



Growth has continued during the third quarter and the beginning of the fourth quarter with the acquisition of nine properties totalling SEK 1,450 million. Klövern has also divested some fully developed properties for a good price and has started concentration of the property portfolio from Dagon. During the third quarter and the beginning of the fourth quarter, we have also worked intensively with financing, both in the form of equity and borrowed capital.

All acquisitions are of substantial size and in good condition and in good locations. The new properties, with the exception of one property in Växjö, strengthen our presence in prioritised major cities where we already have our own management organization.

We have signed contracts to sell three completely developed retail properties in central Linköping in order instead to be able to focus on achieving a higher yield by investments at existing properties or further acquisition of properties. Klövern has also initiated concentration of the property portfolio, included in the acquisition of Dagon, by sale of two properties. It is our strong wish to concentrate our property portfolio to expanding cities with good future prospects with a conviction that a concentrated portfolio leads to more efficient management.

The real estate business has developed well. The operating margin rose to 66 per cent during the first nine months of the year compared to 63 per cent the same period in 2011. For comparable portfolio the income increases and the property costs decreases.

We have chosen to strengthen our balance sheet and our key ratios by using our common share and our preference share both when acquiring properties and when acquiring shares in Diös. We have furthermore made a new public issue of SEK 650 million. The issues in conjunction with acquisition took place during the quarter and the public issues in October. After the end of the period, we have also issued an unsecured bond loan of SEK 650 million in the first place to replace short-term financing of SEK 400 million, which was raised in connection with the acquisition of Dagon. After the issue of preference shares in October, everything else being unchanged, the reported equity ratio has increased from 25 per cent on 30 September to 28 per cent today. The value of the swaps has unfortunately continued to develop in a negative direction. Adjusted for the negative value of the swaps and the major part of the deferred tax on the properties, which, in reality, will never be paid, the equity ratio amounts instead to 32 per cent at the end of September.

We will continue to focus on concentration of the property portfolio in the future with a view to improving the efficiency of our administration and releasing capital for investments in our prioritized locations.

Rutger Arnhult
CEO

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

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

Profit

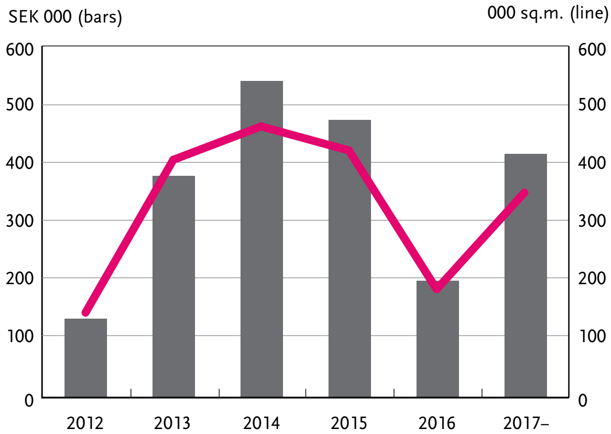
Profit from property management, i.e. profit excluding changes in value and tax, increased to SEK 426 million (336) during the period and net profit for the period increased to SEK 378 million (330). Apart from the effect of net acquisitions, profit from property management was positively affected by net moving-in, upward index adjustment and a milder winter and negatively affected by higher financial costs. Net profit for the period was also affected by positive changes in value of properties. The operating margin amounted to 66 per cent (63).

The operating surplus for a comparable portfolio rose by 10 per cent to SEK 695 million, which is attributable to index adjustments and Ericsson's moving in to the new building at the property Isafjord 1 in Kista during the third quarter of 2012. Income increased by 5 per cent, at the same time as property costs decreased by 5 per cent. Fair value increased by SEK 1,052 million or 7 per cent, primarily attributable to investments leading to higher rental income and lower operating costs.

Income and costs

Income during the period increased to SEK 1,423 million (1,012). The increase in income is explained by net acquisitions, index adjustment of rents and positive net moving-in.

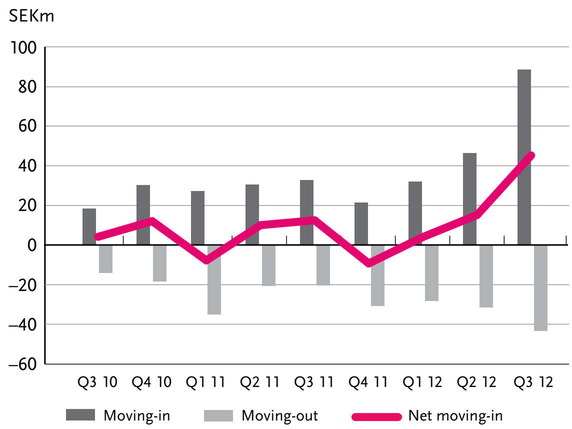
Lease structure



Property costs rose to SEK –488 million (–370) during the period, due to acquisitions. Decreased costs because of the milder winter and energy savings had the opposite effect. The property costs include rent losses of SEK –2 million (–3). Central administration costs totalled SEK –67 million (–43), of which SEK 9 million are specific acquisition costs for the Dagon acquisition.

Net moving-in of SEK 45 million (12) was reported for the quarter. Major new moving-in tenants include Ericsson at the property Isafjord 1 in Kista and IT Gymnasiet Sverige AB at Skepparen 15 in Karlstad. Vacations consisted predominantly of Nokia Siemens Networks in the property Helgafjäll 5 in Kista and the

Net moving-in



PROFIT FOR A COMPARABLE PORTFOLIO

	30.09.2012	30.09.2011	Change, %
Area, 000 sq.m.	1,536	1,519	1
Fair value, SEKm	15,189	14,137	7
Required yield, %	7.1	7.1	0
Economic occupancy rate, %	90	89	1
Area-based occupancy rate, %	80	79	1

SEKm	2012 Jan–Sep	2011 Jan–Sep	Change, %
Income	1,044	998	5
Property costs	–349	–365	–5
Operating surplus	**695**	**633**	**10**

Refers to properties owned for the whole period in 2011 and 2012. The moving-in of Ericsson at the property Isafjord 1 in Kista amounted to SEK 58 million (contract value) from 15 July 2012.

Municipality of Uppsala in the property Boländerna 33:2 in Uppsala. Net moving-in during the first nine months of the year amounted to SEK 64 million (4). The average remaining lease period was 3.2 years (2.8). The economic occupancy rate amounted to 91 per cent for investment properties and 58 per cent for development properties. The area-based occupancy rate 86 and 48 per cent respectively.

Acquisition of Dagon

On 2 March 2012, Klövern AB acquired Dagon AB. Klövern owns 99.8 per cent of the share capital and votes of Dagon. Klövern has demanded compulsory redemption of the remaining shares. Because of the ongoing compulsory redemption process, the consolidated accounts have been prepared as if 100 per cent had been acquired.

The acquired business contributed a turnover of SEK 328 million, profit from property management of SEK 91 million and net profit for the period 2 March to 30 September 2012 of SEK –61 million. If the acquisition had taken place on 1 January 2012, the company would have contributed a turnover of SEK 422 million, profit from property management of SEK 100 million and net profit for the period of SEK–34 million. Dagon was delisted from the stock exchange on 9 June 2012.

NET ASSETS ACQUIRED, SEKM (PRELIMINARY)	
Investment properties	5,711
Deferred tax asset	132
Other assets	128
Interest-bearing liabilities	–3,928
Reported deferred tax liability	–226
Other liabilities	–287
Additional deferred tax according to the preliminary acquisition analysis	–404
Acquired net assets	**1,126**
Paid purchase price	–460
Liquid funds in acquired subsidiaries	34
Impact on consolidated liquid funds at the time of acquisition	**–426**

CALCULATION OF GOODWILL, SEKM (PRELIMINARY)	
Purchase price	
– paid in cash	460
– new issues in connection with acquisition	1,048
– loans in connection with acquisition	0
– not accepted shares in connection with acquisition	2
Offer value, Dagon's shares, 100 % of the shares	**1,510**
Acquired net assets	–1,126
Goodwill	**384**

An adjustment of the deferred tax liability in the balance sheet has been made in conjunction with the preparation of the acquisition calculation and with the classification of the acquisition as a business combination. Properties and financial instruments have been valued at fair value. Other balance sheet items have not been revalued.

The fair value of the acquired assets as at the acquisition date amounted to SEK 67 million, which corresponds to the amount that is expected to be paid.

Goodwill arises mainly through deferred tax calculated in accordance with accounting rules and the value of deferred tax determined in negotiations between the parties in transactions. For accounting purposes, deferred tax is calculated as the difference between fair values and tax values. In transactions, deferred tax is usually valued on the basis of the probability of it falling due for payment as well as a time factor when any payment will be made.

No goodwill is deductible for tax purposes.

Cash flow

The cash flow from current operations was SEK 542 million (322). Income tax paid amounted to SEK 0 million (0). Investment operations have affected the cash flow by SEK –1,918 million (–774) net, mainly as a result of acquisitions and investments in existing properties. The cash flow from financing activities has affected by SEK 1,416 million (426). Altogether, the cash flow for the period totals SEK 40 million (–26).

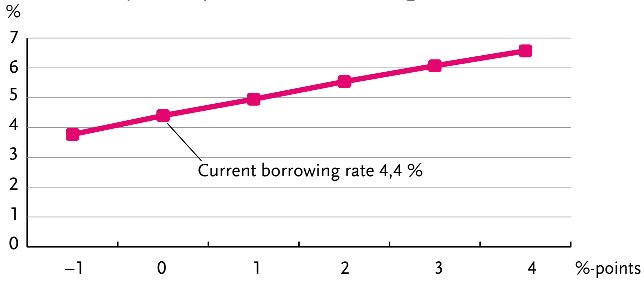
Financing

At the end of the period, interest-bearing liabilities amounted to SEK 15,111 million (9,345). The increase is primarily due to acquisitions but also to investments in existing properties. During the period, Klövern has issued two bonds totalling SEK 1 billion. The average financial interest rate for the whole financial portfolio amounted to 4.4 per cent (4.2) at the end of the period.

The average fixed-interest term was 2.4 years (2.7). Credit volumes with swap agreements are treated as having fixed interest. The average period of tied-up capital was 1.8 years (1.9). Unutilized credit volumes, including not utilized overdraft facilities of SEK 299 million (250), totalled SEK 731 million (1,078).

At the end of the period, Klövern had interest rate caps of SEK 1,355 million (1,500), of which SEK 500

Sensibility analysis – borrowing rate



Change in the interest market rate by X percentage point.

million matures in 2013 and SEK 855 million in 2014. The interest rate caps have redemption rates of 4.25–5.00 per cent. Swap agreements totalled SEK 6,220 million (4,800) with an average remaining term of 5.7 years (5.1).

Klövern's interest swaps and interest caps effectively limit the interest rate risk. An increase in the short market rates of one percentage point would increase Klövern's average borrowing rate by 0.6 percentage points and Klövern's financial costs by SEK 89 million. The change in value of derivatives amounted to SEK –133 million (–176) during the period, of which SEK 30 (0) million was realised and the value was SEK -436 million (–242) on 30 September. The change in value does not affect the cash flow. On maturity, the value of the derivative is always zero.

Property transactions

During the period, 129 properties (1) have been acquired, 124 of which were included in Dagon. The total purchase price amounted to SEK 6,643 million.

Klövern has sold three properties during the period (0) at a price of SEK 141 million (0).

Investments and building rights

Investments in existing properties often take place in connection with new lettings with the aim of customizing and modernising the premises and thus increasing the rental value. During the period, a large number of projects, in the form of new construction and refurbishment, were carried out at existing properties. Investment totalled SEK 719 million (498) during the period. In all, 364 projects (255) are in process with a remaining investment of SEK 449 million (509) in these projects. The estimated total expenditure for the same projects is SEK 1,779 million (1,621). At the end of the period, assessed building rights and building rights with local plans totalled 1,251,000 sq.m. (936,000). 478,000 sq.m. (335,000) of the building rights are included in local plans. More than half of the building rights consist of offices and nearly one-third of housing. The building rights are valued at SEK 882 million (497), which corresponds to SEK 705 per sq.m. (531).

FIXED INTEREST AND TIED-UP CAPITAL

	Fixed interest		Tied-up capital		
Year due	Loan volume, SEKm	Interest, %	Contract volume, SEKm	Utilized, SEKm	Unutilized, SEKm
Floating	8,762	3.9	—	—	—
2012	32	4.7	3,591	3,279	312
2013	7	4.6	3,264	3,264	—
2014	145	7.0	5,875	5,459	416
2015	1,790	4.8	2,890	2,887	3
2016	400	5.0	—	—	—
2017	575	5.1	—	—	—
2018	900	5.1	—	—	—
Later	2,500	5.0	222	222	—
Total	**15,111**	**4.4**	**15,842**	**15,111**	**731**

KLOVERN'S LARGEST PROJECTS IN PROCESS

City	Property	Project type	Lettable area property, sq.m.	Project area, sq.m.	Economic occupancy rate after project, %	Estimated investment, SEKm	Remaining investment, SEK m	Increase in rental value due to project, SEKm	Rental value after project, SEKm	Estimated completion, year
Kista	Isafjord 1	Office/customer center	74,133	36,000[1]	100	707	45	46	137	2012
Karlskrona	Skeppsbron 1	Office	3,007	3,007	100	70	7	7	7	2012
Linköping	Glasbiten 7	Archive	11,612	6,040	65	47	45	6	12	2013
Linköping	Idéläran 1	Office	15,658	4,780	90	42	42	4	7	2013
Nyköping	Mjölkflaskan 8	Health care	8,035	3,560	93	39	30	3	9	2013
Härnösand	Ön 2:41	Archive	29,467	2,600	87	34	1	3	24	2012
Västerås	Vampyren 9	Retail	16,524	2,412	96	33	32	1	25	2013
Gothenburg	Ugglum 9:242	Industry/warehouse	15,417	1,685	100	17	16	2	13	2013
Total			**173,853**	**60,084**		**989**	**218**	**72**	**234**	

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

Profit and key ratios

The tables below show income statement items and key ratios broken down according to Klövern's market areas and investment and development properties respectively. Investment properties means properties currently being actively managed. Development properties refers to properties where conversion or extension projects, which lead to a higher standard or changed use of the premises, are in process or planned. The current operating surplus is affected by projects or restrictions on letting before development of the property. The income statement table shows current operations, including properties sold and investments made during the period. The key ratio table refers to the situation at the end of the respective quarter. The figures in the two tables are accordingly not wholly comparable. Comparability between years is limited due to large net acquisitions during 2012.

FAIR VALUE, SEKM	2012 JAN–SEP	2011 JAN–DEC
Fair value on 1 January	14,880	13,493
Acquisitions	6,643	315
Investments	719	685
Sales	–141	–48
Changes in value	176	435
Fair value at end of period	**22,277**	**14,880**

PROFIT PER PROPERTY SEGMENT AND MARKET AREA

	Income, SEKm		Costs, SEKm		Operating surplus, SEKm		Operating margin, %		Investments, SEKm	
	2012 Jan–Sep	2011 Jan–Sep	2012 Jan–Sep	2011 Jan–Sep	2012 Jan–Sep	2011 Jan–Sep	2012 Jan–Sep	2011 Jan–Sep	2012 Jan–Sep	2011 Jan–Sep
Investment	195	39	–68	–15	127	24	65	62	70	4
Development	29	—	–13	—	16	—	55	—	30	—
South	**224**	**39**	**–81**	**–15**	**143**	**24**	**64**	**62**	**100**	**4**
Investment	328	318	–103	–105	225	213	69	67	114	108
Development	22	21	–13	–14	9	7	41	33	18	17
East	**350**	**339**	**–116**	**–119**	**234**	**220**	**67**	**65**	**132**	**125**
Investment	442	322	–129	–112	313	210	71	65	336	299
Development	35	32	–24	–17	11	15	31	47	20	7
Stockholm	**477**	**354**	**–153**	**–129**	**324**	**225**	**68**	**64**	**356**	**306**
Investment	361	272	–132	–103	229	169	63	62	114	54
Development	11	8	–6	–4	5	4	45	50	17	9
Middle/North	**372**	**280**	**–138**	**–107**	**234**	**173**	**63**	**62**	**131**	**63**
Investment	1,326	951	–432	–335	894	616	67	65	634	465
Development	97	61	–56	–35	41	26	42	43	85	33
Total	**1,423**	**1,012**	**–488**	**–370**	**935**	**642**	**66**	**63**	**719**	**498**

KEY RATIOS PER PROPERTY SEGMENT AND MARKET AREA

	Fair value, SEKm		Required yield [1], %		Area, 000 sq.m.		Rental value, SEKm		Econ. occupancy rate, %	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011	30.09.2012	30.09.2011	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Investment	2,948	437	7,5	7,6	426	84	350	57	93	96
Development	902	—	7,8	—	151	—	78	—	61	—
South	**3,850**	**437**	**7,6**	**7,6**	**577**	**84**	**428**	**57**	**88**	**96**
Investment	4,142	4,074	7,2	7,2	482	487	474	466	91	90
Development	307	279	9,2	9,2	100	100	50	46	62	59
East	**4,449**	**4,353**	**7,3**	**7,3**	**582**	**587**	**524**	**512**	**88**	**87**
Investment	7,927	5,496	6,8	6,8	510	360	750	514	92	92
Development	1,114	846	7,0	6,7	106	56	108	71	50	65
Stockholm	**9,041**	**6,342**	**6,9**	**6,8**	**616**	**416**	**858**	**585**	**87**	**89**
Investment	4,793	3,309	7,4	7,2	655	443	587	391	89	91
Development	144	118	8,3	8,1	32	31	23	20	68	57
Middle/North	**4,937**	**3,427**	**7,4**	**7,2**	**687**	**474**	**610**	**411**	**89**	**90**
Investment	19,810	13,316	7,2	7,1	2,073	1,374	2,161	1,428	91	91
Development	2,467	1,243	7,6	7,4	389	187	259	137	58	62
Total	**22,277**	**14,559**	**7,2**	**7,1**	**2,462**	**1,561**	**2,420**	**1,565**	**88**	**89**

[1] Required yield are estimated excluding building rights.

South: Borås, Göteborg, Halmstad, Kalmar, Karlskrona and Öresund. East: Linköping, Norrköping and Nyköping.

Stockholm: Kista, Greater Stockholm and Uppsala. Middle/North: Falun, Karlstad, Sollefteå/Härnösand, Säter, Västerås and Örebro.

Properties and changes in value

As at 30 September 2012, Klövern's portfolio consisted of 387 properties (255). The rental value totalled SEK 2,420 million (1,554) and the fair value of the properties was SEK 22,277 million (14,880). The total lettable area amounted to 2,462,000 sq.m. (1,561,000).

During the period, the change in value of the properties totalled SEK 176 million (293). The changes in value include realized changes in value of SEK 32 million (32) and unrealized changes in value of SEK 144 million (292). The unrealized changes in value do not affect the cash flow.

On average, Klövern's property portfolio has been valued, as at 30 September, with a required yield of 7.2 per cent (7.1). The unrealized changes in value have arisen to a great extent through positive net moving-in and newly signed leases, which have led to increased rental levels and thus also a higher market rent and lower operating costs mainly deriving from energy optimizations at the properties. The required yields are to large extent still. Only minor adjustments have been made for properties in peripheral locations.

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

The share and shareholders

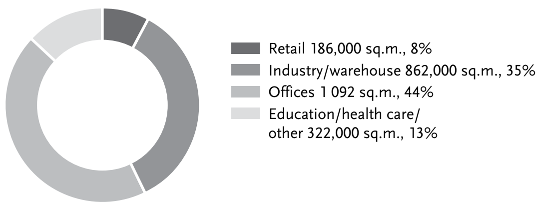
During the period, Klövern has made a bonus issue and new issues of preference shares. The bonus issue was made to all of Klövern's common shareholders and consisted of 4,163,609 preference shares. In the bonus issue, capital was transferred corresponding to approximately SEK 3.30 per common share to the preference shareholders. New issues during the quarter refer to directed new issues in connection with the acquisition of Dagon and a property at Kista and directed new issues in connection with acquisition of Diös shares. A total of 9,567,729 preference shares were issued in the new issues.

As at 30 September, the total number of registered shares was 180,275,698, of which 166,544,360 were common shares and 13,731,338 were preference shares. A common share confers a right to one vote and a preference share to one-tenth of a vote.

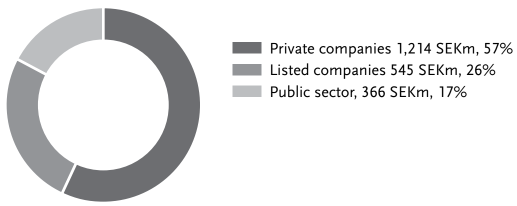
Klövern's shares are listed on NASDAQ OMX Stockholm Mid Cap. On 30 September, the share price was SEK 25.80 per common share (25.90) and SEK 140.50 per preference share (-), corresponding to a total capitalization of SEK 5,972 million (4,165). During the period 58.3 million common shares (64.1) were traded, corresponding to 310,000 shares (339,000) per day. The turnover for the preference share amounted to 5.9 million shares (–), corresponding to 35,000 shares (-) per day. The total share turnover amounted to SEK 2,240 million (1,944). At the end of the period, the number of shareholders was 28,100 (27,213) and 80 per cent (80) of the share votes was Swedish-owned.

Klövern has repurchased net 3,325,564 common shares during the period, corresponding to 2.0 per cent of the total number of registered common shares. Klövern's holding of repurchased common shares amounted to 9,067,027 at the end of the period (5,741,463), which corresponds to 5.4 per cent (3.4) of the total number of registered common shares and 143,536 preference shares, which corresponds to 1.0 per cent (–) of the total number of registered preference shares. The common shares have been acquired at the average price of SEK 22.66 per share. The preference shares have been received through a bonus issue.

Property holdings sq.m. by type of premises



Contract value by customer category



Organization

Klövern's business model entails closeness to the customer by having our own staff at all business units.

After the merger with Dagon, Klövern has increased the number of business units from 10 to 18 allocated to four geographic market areas. The market areas are South (Borås, Gothenburg, Halmstad, Kalmar, Karlskrona and Öresund, East (Linköping, Norrköping and Nyköping), Stockholm (Kista, Greater Stockholm and Uppsala) and Central/North (Falun, Karlstad, Sollefteå/Härnösand, Säter, Västerås and Örebro). At the end of the period, Klövern had 180 employees (132). The average age was 46 (45) and the proportion of women amounted to 38 per cent (44).

The tax situation

Outcome of tax case

The Tax Agency decided not to appeal against the Administrative Court's quashing of the tax surcharge of SEK 493 million previously imposed on Klövern. The matter is thus concluded.

Tax for the period

Deferred tax of SEK –9 million (-21) has been charged to profit of current real estate operations. Furthermore, among other things, the change in the difference between fair value and residual value of properties and derivatives for tax purposes has entailed deferred tax of SEK –80 million (–112). In total, a cost for deferred tax at SEK –89 million (–133) is included and no current tax (–).

The Government's proposal of a reduction of corporate tax to 22 per cent from 1 January 2013 would entail a decrease in Klövern's deferred tax liability by SEK 221 million and a decrease in deferred tax receivable of SEK 80 million. Klövern will report these changes if the Swedish Riksdag makes a decision on reduction of corporate tax.

Extraordinary Shareholders Meeting and subscription to preference shares

On 14 September 2012, an Extraordinary Shareholders Meeting of Klövern AB (publ) on 14 September 2012 decided, inter alia, on a new issue of preference shares. The Shareholders Meeting decided on a new issue of at most 1,044,975 preference shares to Lantbrukarnas Ekonomi-Aktiebolag and Catella Select. The reason for the departure from the shareholders' priority right was 5,226 shares in Diös Fastigheter AB (publ) from the above parties. The Shareholders' Meeting also decided to authorize the Board to decide on a new issue of common and/or preference shares on one or more occasions during the period until the following Annual General Meeting of Shareholders. The number of shares issues by virtue of this authorization shall correspond at most to ten (10) per cent based on the total share capital of the company at the time of this Extraordinary Shareholders Meeting.

A new issue of preference shares has been made by virtue of the authorization from the Extraordinary Shareholders' Meeting. The offer for subscription of preference shares of around SEK 500 million was published on 20 September. The issue was fully subscribed and the Board decided on 1 October on a further issue of around SEK 150 million. After the two new issues totalling around 4,805,000 preference shares, the total number of registered shares in Klövern amounts to 185,080,698, of which 166,544,360 are common shares and 18,536,338 preference shares. See klovern.se for more information.

SHAREHOLDERS

30.09.2012	No. common shares,thousands	No. preferance shares,thousands	Share of capital, %	Share of votes, %
Corem Property Group	32,200	—	18.8	20.3
Arvid Svensson Invest	24,159	2,456	15.6	15.4
Rutger Arnhult via companies	13,808	263	8.2	8.7
Länsförsäkringar funds	8,226	—	4.8	5.2
Swedbank Robur funds	5,856	50	3.5	3.7
JPM Chase	3,496	87	2.1	2.2
BNP Paribas Security Services	3,448	—	2.0	2.2
Handelsbanken funds	3,439	—	2.0	2.2
Lantbruksintressenter	2,740	1,361	2.4	1.8
SEB Investment Management	2,705	38	1.6	1.7
Mellon AAM Omnibus	2,316	—	1.4	1.5
Fonden Zenit	1,804	—	1.1	1.1
Client OMI for Ishare Europe	1,307	—	0.8	0.8
Aktie-Ansvar funds	1,290	—	0.8	0.8
Pareto Bank	1,200	—	0.7	0.8
Fjärde AP-fonden	1,105	—	0.6	0.7
Norman, Bengt	1,000	25	0.6	0.6
Klöverns' profit sharing system	981	18	0.6	0.6
SSB CL Omnibus AC, Pension Fund	932	—	0.5	0.6
KDTC	901	4	0.5	0.6
Total largest shareholders	**112,913**	**4,302**	**68.6**	**71.5**
Other shareholders	44,564	9,286	31.4	28.5
Total outstanding shares	**157,477**	**13,588**	**100.0**	**100.0**
Repurchased own shares	9,067	143		
Total registered shares	**166,544**	**13,731**		

Dividend
During the third quarter of 2012, Klövern has paid dividend of SEK 2.50 (0) per preference share totalling SEK 34 million (0).

Other matters
During the period, Klövern has acquired a total of 9,278,825 shares net in Diös Fastigheter AB (publ). This acquisition has partly been paid for with 2,740,000 repurchased own shares and 448,000 newly issued preference shares. Changes in value during the period amounts to SEK –2 million (0). The holding corresponds to 12.4 per cent of the total number of registered shares in Diös.

Significant risks and uncertainty factors
A property company is exposed to various risks and possibilities in its business activities. Internal regulations and policies limit exposure to different risks. Klövern's significant risks and exposure and their management are described on pages 62–65 of the 2011 Annual Report. The exposure has changed due to the acquisition of Dagon among others. Klövern has strengthened the equity through new issues of preference shares and changed the composition of debt by issues of unsecured bonds.

Accounting policies
This interim report for the Group has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting and, in the case of the parent company, the Annual Accounts Act. The accounting policies applied in this interim report are in essential parts those described in note 1 of Klövern's Annual report for 2011.

Events after the end of the period
After the end of the period, Klövern has acquired a total of six properties of SEK 320 million and signed agreements for acquisition of an additional property of SEK 490 million. Klövern has signed contracts to sell five properties in Eskilstuna, Höganäs and Linköping. Transfer of possession will take place during the fourth quarter, the sale price totalling SEK 300 million.

Klövern AB has signed contracts on new letting of around 4,800 sq.m. to Motorola Mobility at Mjärdevi, Linköping. The lease has a term of five years and rental value for the period totals over SEK 36 million.

In accordance with a decision by an Extraordinary Shareholders Meeting, Klövern has issued additional preference shares of around SEK 650 million. Klövern has also issued an unsecured bond loan of SEK 650 million. The bond loan has a framework amount of SEK 2,000 million.

Nyköping, 23 October 2012

The Board of Directors of Klövern AB (publ)

Review report
To the Board of Directors of Klövern AB (publ)
Reg.no. 556482-5833

Introduction
We have reviewed the interim report for Klövern AB (publ) as at 30 September 2012 for the nine-month period that ended on that date. The Board of Directors and the CEO are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

The direction and scope of the review
We have performed this review in accordance with the standard for review (SÖG) 2410 Review of financial interim report information performed by the auditor appointed by the company. A review consists of making enquiries in the first place to persons who are responsible for financial issues and accounting matters, performing an analytical review and undertaking other general review measures. A review has a different focus and a considerably reduced scope compared with the focus and scope of an audit in accordance with the International Standards on Auditing, ISA, and generally accepted auditing standards in Sweden otherwise.

The review measures undertaken have not made it possible for us to acquire such certainty as to be aware of all important circumstances that could have been identified in the performance of an audit. The conclusion stated is based on a general review and does not therefore have the same degree of certainty as a statement based on an audit.

Conclusion
On the basis of our general review, no circumstances have emerged which would lead us to consider that the interim report is not, in all substantials, prepared in accordance with IAS 34 and the Annual Accounts Act and, in the case of the parent company, with the Annual Accounts Act.

Stockholm, 23 October 2012

Ernst & Young AB
Mikael Ikonen
Authorized public accountant

Consolidated Statement of Income

SEKm	2012 3 months Jul–Sep	2011 3 months Jul–Sep	2012 9 months Jan–Sep	2011 9 months Jan–Sep	2011 12 months Jan–Dec	Rullande 12 months Oct–Sep
Income	523	340	1,423	1,012	1,364	1,775
Property costs	–163	–106	–488	–370	–507	–625
Operating surplus	**360**	**234**	**935**	**642**	**857**	**1,150**
Central administration	–19	–14	–67	–43	–71	–94
Net financial items	–167	–93	–442	–263	–358	–537
Profit from property management	**174**	**127**	**426**	**336**	**428**	**519**
Changes in value, properties	11	10	176	293	435	318
Changes in value, derivatives	–130	–179	–133	–176	–225	–182
Changes in value, financial assets	–2	—	–2	—	—	–2
Profit before tax	**53**	**–42**	**467**	**453**	**638**	**653**
Current tax	0	0	0	0	0	0
Deferred tax	20	10	–89	–123	–173	–139
Net profit for the period	**73**	**–32**	**378**	**330**	**465**	**514**
Other comprehensive income	—	—	—	—	—	—
Comprehensive income for the period	**73**	**–32**	**378**	**330**	**465**	**514**
Earnings per common share, SEK	0.24	–0.20	1.79	2.05	2.89	—
Earnings per preference share, SEK	2.50	—	6.85	—	—	—
No. of common shares outstanding at the end of the period, million	157	161	157	161	161	157
No. of preference shares outstanding at the end of the period, million	14	—	14	—	—	14
Average no. of outstanding common shares, million	157	161	159	161	161	159
Average no. of outstanding preference shares, million	13	—	10	—	—	7

[1] Income from rent guarantees and redemption of leases.
There are no outstanding warrants or convertibles.

Consolidated Balance Sheet

SEKm	30.09.2012	30.09.2011	31.12.2011
Assets			
Goodwill	384	—	—
Investment properties	22,277	14,559	14,880
Machinery and equipment	9	8	8
Deferred tax assets	492	373	397
Financial assets at fair value through statement of income	313	—	—
Other receivables	157	92	94
Liquid funds	51	10	11
Total assets	**23,683**	**15,042**	**15,390**
Shareholder's equity and liabilities			
Shareholder's equity	5,996	4,604	4,740
Minority interest	0	—	—
Deferred tax liability	1,354	599	673
Interest-bearing liabilities	15,111	9,183	9,345
Derivatives	436	192	242
Accounts payable	82	83	49
Other liabilities	180	28	34
Accrued expenses and prepaid income	524	353	307
Total shareholder's equity and liabilities	**23,683**	**15,042**	**15,390**

Change in Consolidated Shareholders' Equity

SEKm	
Shareholders' equity 01.01.2011	**4,516**
Dividend	–241
Net profit for the year	465
Shareholders' equity 31.12.2011	**4,740**
New issue	1,318
Repurchase/acquisition of own shares	–78
Dividend	–362
Net profit for the period	378
Shareholders' equity 30.09.2012	**5,996**

Consolidated Statement of Cash Flow

SEKm	2012 3 months Jul–Sep	2011 3 months Jul–Sep	2012 9 months Jan–Sep	2011 9 months Jan–Sep	2011 12 months Jan–Dec
Current operations					
Profit from property management	174	127	426	336	428
Adjustment for items not included in the cash flow	1	1	2	4	6
Income tax paid	0	0	0	0	–1
Cash flow from current operations before change in working capital	175	128	428	340	433
Changes in working capital					
Change in operating receivables	16	16	32	37	35
Change in operating liabilities	–19	40	82	–55	–127
Total change in working capital	–3	56	114	–18	–92
Cash flow from current operations	**172**	**184**	**542**	**322**	**341**
Investment operations					
Divestment of properties	—	—	141	39	48
Acquisition of and investment in properties	–784	–392	–1,584	–812	–1,000
Acquisition of subsidiaries	—	—	–426	—	—
Acquisition of machinery and equipment	0	0	–2	–1	–1
Investments in financial assets	–47	—	–47	—	—
Cash flow from investment operations	**–831**	**–392**	**–1,918**	**–774**	**–953**
Financing operations					
Change in interest-bearing liabilities	675	126	1,837	667	828
Realised changes in value, derivates	–30	—	–30	—	—
Repurchase of own shares	—	—	–140	—	—
New issue, preference shares	9	—	9	—	—
Dividend	–30	—	–260	–241	–241
Cash flow from financing operations	**624**	**126**	**1,416**	**426**	**587**
Cash flow for the period	**–35**	**–82**	**40**	**–26**	**–25**
Liquid funds at the beginning of the period	86	92	11	36	36
Liquid funds at the end of the period	**51**	**10**	**51**	**10**	**11**

Parent Company Statement of Income

SEKm	2012 3 months Jul–Sep	2011 3 months Jul–Sep	2012 9 months Jan–Sep	2011 9 months Jan–Sep	2011 12 months Jan–Dec
Net sales	27	24	83	79	108
Cost of services sold	–20	–17	–61	–59	–81
Gross profit	**7**	**7**	**22**	**20**	**27**
Central administration	–19	–13	–52	–43	–69
Operating profit	**–12**	**–6**	**–30**	**–23**	**–42**
Financial income	0	0	0	0	466
Financial costs	–27	–1	–55	–2	–3
Profit after financial items	**–39**	**–7**	**–85**	**–25**	**421**
Current tax	—	—	—	—	—
Deferred tax	7	–11	–9	–32	–8
Net profit for the period	**–32**	**–18**	**–94**	**–57**	**413**
Other comprehensive income	—	—	—	—	—
Comprehensive income for the period	**–32**	**–18**	**–94**	**–57**	**413**

Parent Company Balance Sheet

SEKm	30.09.2012	30.09.2011	31.12.2011
Assets			
Machinery and equipment	3	2	2
Participation in group companies	1,836	320	320
Participation in other companies	315	—	—
Receivables from group companies	4,547	3,680	4,110
Deferred tax assets	388	373	397
Accounts receivables	18	5	10
Liquid funds	50	21	8
Total assets	**7,157**	**4,401**	**4,847**
Shareholders' equity and liabilities			
Shareholders' equity	3,877	2,616	3,086
Interest-bearing liabilities	2,012	—	—
Liabilities to group companies	1,134	1,757	1,719
Accounts payable	4	2	8
Other liabilities	104	8	9
Accrued expenses and prepaid income	26	18	25
Total shareholders' equity and liabilities	**7,157**	**4,401**	**4,847**

Acquisition analysis

Acquired net assets, SEKm (preliminary)	
Investment properties	5,711
Deferred tax asset	132
Other assets	128
Interest-bearing liabilities	–3,928
Reported deferred tax liability	–226
Other liabilities	–287
Additional deferred tax according to the preliminary acquisition analysis	–404
Acquired net assets	**1,126**
Paid purchase price	–460
Liquid funds in acquired subsidiaries	34
Impact on consolidated liquid funds	**–426**

Estimate goodwill, SEKm (preliminary)	
Purchase price	
– paid in cash	460
– issues in connection with acquisition	1,048
– loans in connection with acquisition	0
– not accepted shares in connection with acquisition	2
Offer value, Dagon's shares, 100 % of the shares	**1,510**
Acquired net assets	–1,126
Goodwill	384

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

Key ratios

	30.09.2012 3 months Jul–Sep	30.09.2011 3 months Jul–Sep	30.09.2012 9 months Jan–Sep	30.09.2011 9 months Jan–Sep	30.09.2012 rolling 12 months Oct–Sep	2011	2010	2009	2008
Property									
Number of properties	387	255	387	255	387	255	250	217	217
Lettable area, 000 sq.m.	2,462	1,561	2,462	1,561	2,462	1,561	1,528	1,392	1,382
Rental value, SEKm	2,420	1,565	2,420	1,565	2,420	1,554	1,486	1,385	1,360
Fair value properties, SEKm	22,277	14,559	22,277	14,559	22,277	14,880	13,493	12,032	11,895
Direct yield requirement valuation, %	7.2	7.1	7.2	7.1	7.2	7.1	7.2	7.2	7.1
Operating margin, %	69	69	66	63	65	63	60	62	62
Occupancy rate, economic, %	88	89	88	89	88	89	89	89	90
Occupancy rate, area-based, %	80	79	80	79	80	80	79	80	82
Average lease term, years	3.2	2.8	3.2	2.8	3.2	2.8	2.8	3.0	3.1
Financial									
Return on equity, %	1.2	–0.7	6.8	7.2	9.7	10.1	14.0	5.8	–10.7
Equity ratio, %	25.3	30.6	25.3	30.6	25.3	30.8	32.1	32.7	32.3
Adjusted equity ratio, %	31.7	n.i	31.7	n.i	31.7	33.7	n.i	n.i	n.i
Leverage, %	68	63	68	63	68	63	63	64	64
Leverage properties, %	62	63	62	63	62	63	63	64	64
Interest coverage ratio, multiples	2.0	2.4	2.0	2.3	2.0	2.2	2.8	3.2	2.0
Average interest, %	4.4	4.1	4.4	4.1	4.4	4.2	3.6	2.7	4.2
Average fixed-interest period, years	2.4	2.9	2.4	2.9	2.4	2.7	2.4	3.2	1.1
Average period of tied-up capital, years	1.8	2.1	1.8	2.1	1.8	1.9	2.0	1.8	2.6
Interest-bearing liabilities, SEKm	15,111	9,183	15,111	9,183	15,111	9,345	8,517	7,646	7,645
Share									
Earnings per common share, SEK	0.24	–0.20	1.79	2.05	—	2.89	3.76	1.48	–2.92
Earnings per preference share, SEK	2.50	—	6.85	—	—	—	—	—	—
Equity per share, SEK	35.1	28.6	35.1	28.6	35.1	29.5	28.1	25.6	25.1
Share price common share at end of period, SEK	25.8	25.1	25.8	25.1	25.8	25.9	34.0	22.9	18.2
Share price preference share at end of period, SEK	140.5	—	140.5	—	140.5	—	—	—	—
Market capitalization, SEKm	5,972	4,036	5,972	4,036	5,972	4,165	5,467	3,682	2,929
Total no. of registered common shares at end of period, million	166.5	166.5	166.5	166.5	166.5	166.5	166.5	166.5	166.5
Total no, of outstanding common shares at end of period, million	157.5	160.8	157.5	160.8	157.5	160.8	160.8	160.8	160.8
Total no, of registered preference shares at end of period, million	13.7	—	13.7	—	13.7	—	—	—	—
Total no, of outstanding preference shares at end of period, million	13.6	—	13.6	—	13.6	—	—	—	—
Dividend per common share, SEK	—	—	—	—	—	1.25	1.50	1.25	1.00
Dividend per preference share, SEK	—	—	—	—	—	10.00	—	—	—
Dividend in relation to profit from property management, %	—	—	—	—	—	56	55	41	46

n.i = no information

Definitions

Property

Area-based occupancy rate
Let area in relation to total lettable area.

Development properties
Properties where conversion or extension projects are in process or planned, which lead to a higher standard or changed use of the premises.

Direct yield requirement, valuation
The required yield of property valuations on the residual value.

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

Investment properties
Properties currently being actively managed.

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

Net moving-in
Lease value of tenants moving in less lease value of vacating tenants.

Operating margin
Operating surplus in per cent of total income.

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

Profit from property management
Profit before changes in value and tax.

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

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

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

Finance

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

Equity ratio, adjusted
Reported equity adjusted for the value of derivates and deferred tax liabilities exceeding 5 per cent of the difference between taxable value plus aquired temporary differences and fair value of the properties in relation to reported total assets at the end of the period.

Interest coverage ratio
Profit from property management plus financial costs in relation to financial costs.

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

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

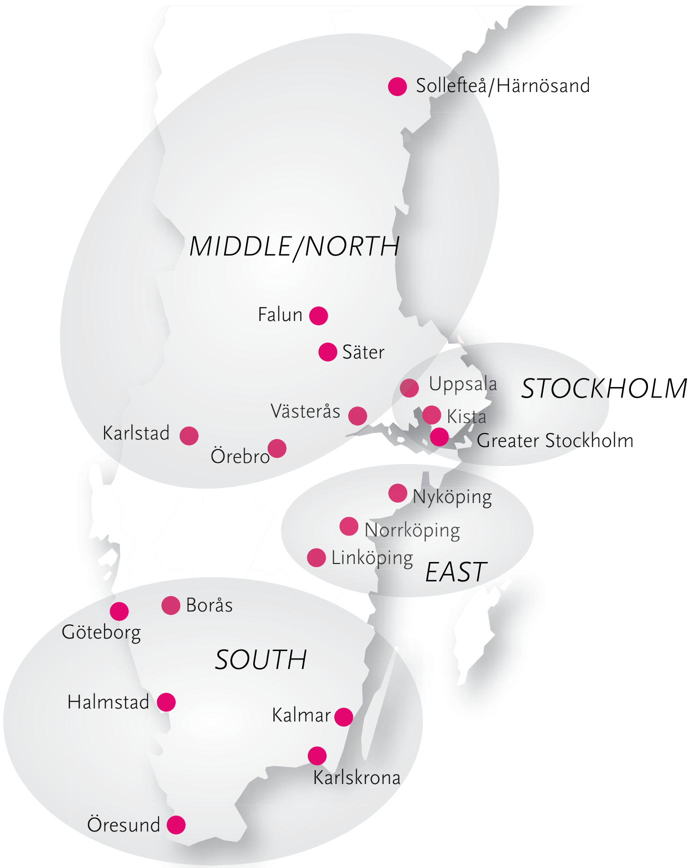
Return on equity
Profit for the period in relation to average equity.

Share

Earnings per common share
Profit for the period, after deduction for earnings to preference shares, in relation to average number of outstanding shares.

Earnings per preference share
The periods accumulated share of yearly dividend of SEK 10 per preference share calculated on outstanding preference shares at the end of each quarter.

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



Calendar

Final day for trading conferring right to dividend for preference shareholders (proposed)	20 Dec 2012
Record day for dividend to preference shareholders	28 Dec 2012
Expected dividend payment date from Euroclear for preference shareholders	4 Jan 2013
Year-end report 2012	13 Feb 2013
Final day for trading conferring right to dividend for preference shareholders (proposed)	25 Mar 2013
Record day for dividend to preference shareholders	28 Mar 2013
Expected dividend payment date from Euroclear for preference shareholders	4 Apr 2013
Interim report Jan-Mar 2013	17 April 2013
Annual General Meeting 2013	17 April 2013
Final day for trading conferring right to dividend for preference shares (proposed)	25 June 2013
Record day for dividend for preference shareholders	28 June 2013
Expected dividend payment date from Euroclear for preference shareholders	3 July 2013
Interim report Jan-Jun 2013	11 July 2013
Final day for trading conferring right to dividend for preference shareholders (proposed)	25 Sep 2013
Record day for dividend to preference shareholders	30 Sep 2013
Expected dividend payment date from Euroclear for preference shareholders	3 Oct 2013
Interim report Jan-Sep 2013	23 Oct 2013
Final day for trading conferring right to dividend for preference shares (proposed)	20 Dec 2013
Record day for dividend to preference shareholders	30 Dec 2013
Expected dividend payment date from Euroclear for preference shareholders	7 Jan 2014
Year-end report 2013	12 Feb 2014

Contact persons

Rutger Arnhult, CEO
+46 70-458 24 70, rutger.arnhult@klovern.se

Britt-Marie Nyman, Finance and IR Manager, Deputy CEO
+46 155-44 33 12, +46-70 224 29 35, britt-marie.nyman@klovern.se

This information in the interim report is such that Klövern AB (publ) is obliged to publish under the Securities Market Act and/or the Financial Instruments Trading Act. The information was made available for publication on 23 October 2012.

KLÖVERN