

KLÖVERN

18 February 2003

Year end report 2002

- **Profit¹ after financial items - excl. items affecting comparability - amounted to SEK 22.7 m**
- **Profit after financial items in the fourth quarter amounted to SEK 9.2 m**
- **Acquisitions of real estate enterprises Strandfastigheter and Strömfastigheter completed on 29 November**
- **Because the new business has only been underway for part of the year, the Board proposes that no dividends are paid for the financial year 2002**

Profits

For the period January to December, profit after net financial items –excluding items affecting comparability was SEK 22.7 m. Profit after tax – including items affecting profitability totalled SEK 209.6 m for the same period. Revenues from real estate business were SEK 96.5 m; the operating surplus from real estate business was SEK 60.4 m. The net financial position for the year was SEK –33.6 m. Revenues from real estate business in the fourth quarter 2002 were SEK 51.1 m; profit after financial items was SEK 9.2 m.

Cash flow and financial position

Cash flow for the year was SEK -15,2 m. The equity ratio at year-end was 23.4 %, or 25.6 % after full conversion. The closing balance of shareholders' equity was SEK 522.2 m, liquid assets SEK 62.9 m and interest-bearing liabilities, SEK 1,552.0 m. Also at year-end, the average interest on borrowings was 5.8 % with an average interest fixing period of 2.5 years.

Operations

Klövern is a newly founded real estate corporation, with an emphasis on high-yielding properties in large and medium-sized towns outside major city regions. Klöver intends to expand by acquiring real estate holdings with the intention of achieving sufficient size to lay the foundations for effective management and leadership in a number of locations. Klöver will also achieve sufficient operational size and stock market capitalisation to create the right prospects for its share to become an attractive investment alternative for players on the stock market.

¹ Profit after tax including items affecting comparability amounted to SEK 209.6 m.

Adcore becomes Klöver

Plans to realign Adcore AB's business from consulting to real estate, to change corporate name to Klöver AB, and at the same time, to spin off wholly owned subsidiary Adcore Consulting AB to the shareholders, were announced in May. Additionally, a reverse 250:1 split and guaranteed preferential rights issue were also consummated. An extraordinary general meeting on 18 June 2002 made the necessary resolutions for these actions, with the prospectus published at the end of June. The reverse split was completed in late June, with the SEK 253 m new issue implemented in July and August. Coincident with the spin-off, Adcore Consulting AB changed corporate name to Connecta AB.

Acquisitions of Strandfastigheter and Strömfastigheter; new management

Klöver's offering for the real estate enterprises Strandfastigheter i Nyköping AB and Strömfastigheter i Norrköping AB was announced in August, and with authorization from a shareholders' meeting of 24 September 2002, Klöver consummated the acquisitions of all the shares of both enterprises as of 29 November 2002, whereupon the definitive acquisition value of shares was determined at SEK 168 m, provided as 16 million new class B Klöver shares. Gustaf Hermelin, previously CEO of Strandfastigheter, became Klöver's CEO, effective from 29 November 2002. The other members of the corporate management are Anders Lundquist, CFO and Caesar Åfors, VP of Finance, as well as Thomas Nilsson, VP of Real Estate.

Real estate business

Property acquisitions coincident with restructuring

Coincident with its restructuring, Klöver acquired a property holding from Wihlborgs Fastigheter, comprising 60 properties with total lettable floor-space of approximately 241,000 sq. m. These properties have been consolidated into Klöver's accounts since 1 July 2002. The acquisition of Strandfastigheter and Strömfastigheter, located in the Swedish cities of Nyköping and Norrköping respectively, implied that Klöver's property holding expanded to a lettable floor-space totaling 390,000 sq. m. Annual rental revenues increased from SEK 180 m to some SEK 260 m, with 70% of this total sourced from the eight largest locations. Profits from Strandfastigheter and Strömfastigheter's acquired real estate were consolidated from 29 November 2002 onwards.

Revenues and property costs

Rental revenues stood at SEK 96.5 m, and property costs were SEK 36.1 m in the period July to December 2002; thus, the operating surplus was SEK 60.4 m. As of 31 December, the property holding's occupancy was 90% of rental values.

Property holdings

Klöver's property holdings as of 31 December 2002 are summarized below:

Properties

Type	No. of properties	Floor-space, sq.m.	Rental value, SEK m	Occupancy, %
Offices	29	148,641	130.0	88
Industry/ Warehouse	35	167,668	93.5	92
Education	3	22,411	16.6	77
Retail	10	35,648	32.1	97
Residential	3	12,221	9.1	93
Other	-	3,012	3.1	97
Total	80	389,601	284.4	90

Loan structure

Loan structure as of 31 December 2002			
Maturity	SEK m	Ave. int., %	Percentage
2003	482	5.3	31
2004	64	6.0	4
2005	419	5.8	27
2006	91	6.0	6
2007	404	6.2	26
2008	42	6.1	3
Subordinate debenture	50	6.3	3
Total	1,552	5.8	100

As of 31 December 2002, interest-bearing liabilities stood at SEK 1,552 m with average interest of 5.80 %. The average fixed interest terms for the loans was 2.5 years on 31 December with capital tied-up for an average of 3.9 years. At year-end 2002, those borrowings maturing in 2003 had an average interest fixing period of 66 days.

Tax position

For the fiscal year 2001, Klöver AB accounted a fiscal deficit of SEK 1,248 m, approved by the Swedish Tax Authority coincident with its tax assessment for 2002. This deficit is primarily attributable to the divestitures of Swedish and foreign subsidiaries. A deferred tax receivable, attributable to the loss carry-forwards approved by the Tax Authority, has been accounted in the financial statement as of 31 December 2002. Considering Klöver AB's currently assessed earnings capacity, in its Financial Statement 2002, the company posted a deferred tax receivable of SEK 200 m. The Consolidated Financial Statement includes deferred tax income of SEK 39.2 m net. This income item implies the incidence of a deferred tax receivable of the same amount that has been offset against the deferred tax liability arising coincident with the acquisition of real estate in 2002. Additionally, the taxable net profit of parent company Klöver AB amounted to SEK 160.9 m for the financial year 2002, which will utilise the corresponding amount of the accounted taxable deficit. The overall tax effect of parent company net profits for 2002 (SEK 45.1 m), accounted deferred tax receivables (SEK 200.0 m) and the deferred tax receivable offset against the deferred tax liability (SEK 39.2 m) coincident with acquisitions in 2002, imply that in accounting terms, Klöver AB has utilised a total of some SEK 1,015 m of its established SEK 1,248 m deficit. The value of the deferred tax receivable will be considered coincident with each financial statement. The current assessment is that in addition to the established deficit, the company has other significant fiscal deductions, the majority of which will be declared coincident with taxation for 2003. Klöver AB considers that the approved deficit and deficits as yet not considered for taxation amount to an aggregate total of approximately SEK 7,000 m.

Comment: Med beaktande av Köverns, idag, kända intjäningsförmåga

Parent company

Parent company profits after tax stood at SEK 139.9 m, of which SEK 149.4 m relates to profits from sales of former subsidiary Adcore Stockholm AB. Additionally, the parent company has received SEK 21 m in group contributions from subsidiaries. As of 31 December, parent company liquid assets were SEK 6.2 m.

Proposed dividends

As a consequence of the extensive realignment of the company in the year, and the fact that its real estate business has only been underway for six months, the Board proposes that no dividends are paid for the financial year 2002. Klöverns dividend policy is to sustainably maintain the transfer of a minimum of 50% of profit after tax including sales gains to shareholders through dividends or share buy-backs.

Board actions

A total of 20 Board meetings occurred in 2002, with the majority dealing with issues relating to the company's restructuring process. A Board elected by the Extraordinary General Meeting on 18 June 2002 comprising the members Stefan Dahlbo, Erik Paulsson, Ole Oftedal and Lars Evander became active on 2 September, with Mr. Dahlbo appointed Chairman.

Compulsory redemption—Adcore Stockholm AB

A compulsory redemption process regarding shares of Adcore Stockholm AB (then Connecta AB) began in 2000. In spring 2002, the former Adcore made an offering to minority shareholders of Adcore Stockholm AB, implying that some 50% of the remaining outstanding shares were acquired by Adcore AB for SEK 25 per share. The findings of an arbitration process were declared on 15 October 2002; an aggregate redemption price of SEK 25 m for outstanding shares. In December 2002, Klöverns appealed against the arbitration board's findings. Coincident with the break-up of the Adcore group, Connecta has undertaken to cover costs relating to compulsory redemption exceeding SEK 10 m. Klöverns board does not consider any additional provisions to be necessary as a consequence of the findings of the arbitration board.

Klövern's shareholders

Subsequent to the acquisition of Strandfastigheter and Strömfastigheter, Klöverns has 41,323,980 shares. As of 31 January, there were 30,700 shareholders. A statement of the ten largest holdings follows:

Shareholder	Holding (%)	Vote (%)
Wihlborgs Fastigheter AB	29.1	18.6
Länsförsäkringar Sörmland	8.9	5.7
Nect Holding B.V.	7.2	7.0
Gustaf Hermelin	6.9	4.4
Catella Fonder	5.8	3.7
Banque Invik	4.8	7.2
Svenska Handelsbanken	3.0	2.0
Caesar Åfors	2.8	1.8
Third AP (National Pension Insurance) Fund	2.4	3.0
Fonden Pecunia	2.3	1.5
Total, 10 largest shareholders	73.2	54.9
Other shareholders	26.8	45.1
Total, all shareholders	100.0	100.0

Reporting and accounting principles, etc.

Some amendments and additional information have been added to financial reporting as a consequence of Klöverns business realignment from consulting to real estate. Principally, these changes relate to Klöverns reporting being consistent with other real estate corporations listed on the Stockholm Stock Exchange. Identical accounting and calculation principles have been employed in the preparation of this Interim Report as in Klöverns prospectus of 26 June 2002. However, all historical information up to 30 June 2002 inclusive is attributable to the former Adcore's consulting business. Further explanatory comments to the Income Statement, Balance Sheet and key figures have been provided.

Outlook for 2003

In 2003, Klöver AB will continue to enhance its operations and to expand its property holding through acquisitions. The forthcoming year will be Klöver AB's first full year as a property company, and it enjoys good prospects of making positive progress.

Annual Report and Annual General Meeting

The Annual Report for 2002 will be available at the company's head office in Nyköping, and Klöver AB's Website www.klovern.se, from the end of March onwards. Klöver AB's Annual General Meeting will be held on Wednesday, 23 April 2003 at 2 p.m. at Salénhuset, Norrlandsgatan 15 D, Stockholm, Sweden.

Forthcoming financial reports

Annual Report 2002	March 2003
Annual General Meeting 2003	23 April 2003
Interim Report, January-March 2003	15 May 2003
Interim Report, January-June 2003	21 August 2003
Interim Report, January-September 2003	5 November 2003

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Klöver AB (publ)

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Klöver AB is a listed real estate corporation active on the Swedish property market through acquiring, developing, managing and divesting properties, focusing on high returns on equity. The book value of its properties is SEK 1.8 billion; its annualized rental income is approximately SEK 260 m.

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Group Income Statement SEK m	2002	2001	2002	2001
	3 mth. 1) 4) Oct.-Dec.	3 mth. 2) Oct.-Dec.	12 mth. 3) 4) Jan.-Dec.	12 mth. 2) Jan.-Dec.
Net sales	51.1	137.0	96.5	1,062.4
Property costs	-21.6	-	-36.1	-
Other operating costs	-2.5	-139.2	-4.1	-1,257.7
Gross profit	27.0	-2.2	56.3	-195.3
Items affecting comparability	0.1	7.7	143.4	-582.6
Goodwill amortisation	-	-1.8	-	-48.4
Goodwill write-downs	-	-	-	-1,299.3
Operating profit	27.1	3.7	199.7	-2,125.7
Interest income	1.2	1.4	2.7	3.3
Interest costs	-19.1	-	-36.3	-
Profit after financial items	9.2	5.1	166.1	-2,122.4
Current tax 5)	4.3	1.2	4.3	-
Deferred tax	39.2	-75.3	39.2	-75.9
Net profit	52.7	-69.0	209.6	-2,198.3

1) Values for Q4 2002 mainly comprise Klöver AB's real estate business.

2) Values for 2001 include the former Adcore group's consulting business.

3) The values for Q1-4 2002 include Klöver AB's real estate business for Q3-Q4 and for the parent company (formerly Adcore AB) in Q1-2.

4) Operating costs attributable to the operational restructuring were reclassified from other operating costs to items affecting comparability in Q4. This reclassification has been effected from the beginning of the year, and SEK -8.0 m net is included in items affecting comparability for the full year 2002.

5) Amounts for 2002 relate to effects coincident with the acquisition of StrandFastigheter i Nyköping AB and StrömFastigheter i Norrköping AB.

Group Balance Sheet		
SEK m	2002-12-31	2001-12-31¹⁾
Fixed assets		
Deferred income taxes recoverable ²⁾	200.0	197,8
Equipment	5.4	29,0
Intangible fixed assets	0.0	33,3
Total fixed assets	205.4	260,1
Current assets		
Properties	1,875.9	0.0
Current receivables	89.2	131.5
Liquid funds	62.9	78.1
Total current assets	2,028.0	209.6
TOTAL ASSETS	2,233.4	469.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	522.2	124.9
Provisions	18.7	81.4
Convertible subordinated debenture	50.0	0.0
Interest-bearing liabilities	1,502.0	70.8
Accrued costs and prepaid income	84.9	65.2
Accounts payable	36.2	35.6
Non-interest bearing liabilities	19.4	91.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,233.4	469.7

Change in shareholders' equity	Restricted reserves		Nonrestricted equity	Total
	Share capital			
Opening balance, 1 Jan. 2002	57.6	2,298.0	-2,230.7	124.9
New issue ³⁾	195.1	226.2		421.3
Other, net ⁴⁾	-46.1	-2,394.2	2,206.7	-233.6
Net profit			209.6	209.6
Closing balance, 31 December 2002	206.6	130.0	185.6	522.2

1) The values for 2001 include the former Adcore group's consulting business

2) The balance sheet item of 31 December 2002 also includes SEK 39.2 m of deferred tax receivables attributable to real estate acquisitions in 2002. This amount has been offset against the deferred tax liability that arose coincident with the acquisition analyses of the aforementioned acquisitions.

3) Of which SEK 253.3 m relates to a new issue coincident with restructuring and SEK 168.0 m coincident with the acquisitions of StrandFastigheter AB and StrömFastigheter AB.

4) Primarily relates to a reduction of shareholders' equity and the transfer of Adcore Consulting AB.

Group Cash Flow Statement, SEK m	2002 12 mth. 1) Jan.-Dec.	2001 12 mth. 2) Jan.-Dec.
Ongoing operations		
Operating profit, in cash terms	199.0	-298.9
Financial items	-33.6	3.3
Income tax paid	0.0	-1.9
Cash flow from ongoing operations before change in working capital	165.4	-297.5
Change in working capital		
Accounts receivable	84.3	69.0
Property acquisitions	-1,875.9	
Current receivables	-42.1	-216.6
Current liabilities	-86.3	127.8
Total change in working capital	-1,920.0	-19.8
Cash flow from ongoing operations	-1,754.6	-317.3
Investment activity		
Investments in goodwill, additional purchase price	-	-40.1
Acquisitions of subsidiaries and operations	-	-115.8
New issue coincident with acquisitions	-	67.6
Divestments of subsidiaries	-	-31.2
Acquisitions of intangible fixed assets	-	-10.2
Acquisitions of tangible fixed assets	-5.9	18.7
Investments in financial fixed assets	-2.2	0.0
Cash flow from investment activity	-8.1	-111.0
Financing activity		
New issue reduced with costs therefore	232.0	157.5
Change in long-term liabilities	1,515.5	29.3
Change in long-term receivables	-	18.4
Change in current liabilities	-	44.4
Change in current receivables	-	26.9
Option premiums received	-	28.5
Cash flow from financing activity	1,747.5	305.0
Cash flow for the period	-15.2	-123.3
Liquid funds, opening balance	78.1	201.5
Liquid funds, closing balance	62.9	78.1

- 1) The values for Q1-4 2002 include Klövern AB's real estate business for Q3-4 and for the parent company (formerly Adcore AB) in Q1-2.
- 2) Values for 2001 include the former Adcore group's consulting business

Group key figures	2002 3 mth. ¹⁾ Oct.-Dec.	2002 12 mth. ³⁾ Jan.-Dec.	2001 12 mth. ²⁾ Jan.-Dec.
Return on equity excl. items affecting comparability and tax, before conversion, %	2.2	7.0	Neg
Return on equity excl. items affecting comparability and tax, after conversion, %	2.1	7.0	Neg
Return on equity before conversion, %	12.8	64.8	Neg
Return on equity after conversion, %	12.2	56.5	Neg
Equity ratio at end of period before conversion, %	23.4	23.4	27
Equity ratio at end of period after conversion, %	25.6	25.6	27
Earnings per share before dilution and conversion, SEK	1.71	0.71	-9.33
Earnings per share after dilution and conversion, SEK ⁴⁾	1.51	0.67	-8.81
Visible shareholders' equity per share before dilution effects and conversion, closing balance, SEK	12.64	12.64	0.22
Visible shareholders' equity per share after dilution effects and conversion, closing balance, SEK	12.47	12.47	0.21
Number of shares before dilution and conversion, closing balance, million	41.3	41.3	575.7
Number of shares after dilution and conversion, closing balance, million	45.9	45.9	592.4
Average number of shares before dilution and conversion, million	30.8	293.9	235.6
Average number of shares after dilution and conversion, million	35.4	317.2	249.6

1) Values for Q4 2002 mainly comprise Klöver AB's real estate business

2) Values for 2001 include the former Adcore group's consulting business

3) The values for Q1-4 2002 include Klöver AB's real estate business for Q3-Q4 and for the parent company (formerly Adcore AB) in Q1-2.

4) Key figures for earnings per share have been calculated on the basis of weighted averages.

Definitions

Calculation of key figures

Key figures based on the average number of shares have been calculated on the basis of weighted averages.

Key figures after dilution consider the effect of warrants issued.

Key figures after conversion consider the effects of convertible debentures issued.

Return on equity

Profit after tax in relation to average shareholders' equity

Equity ratio

Accounted shareholders' equity in relation to the closing balance of total assets.

Earnings per share

Net profit in relation to the average number of shares.

Visible shareholders' equity per share

Accounted shareholders' equity in relation to the number of shares at the end of the period.