PRELIMINARY FINANCIAL STATEMENT 2016

JANUARY – DECEMBER

ATRIUM LJUNGBERG

INTERIM REPORT 1 JANUARY–31 DECEMBER 2016

- NET SALES totalled SEK 2,299 million (SEK 2,468 m), of which rental income increased to SEK 2,150 million (SEK 2,122 m). Rental income in comparable portfolios increased by 3.5 per cent.
- THE LETTING RATE was 93 per cent (94%), including project properties.
- THE OPERATING SURPLUS from property management increased to SEK 1,458 million (SEK 1,450 m), an increase of 0.5 per cent. The increase is primarily the result of sold properties but also contributions from acquired properties, new lettings and renegotiations. The operating surplus margin is unchanged at 68 per cent (68%).
- THE PROFIT BEFORE CHANGES IN VALUE increased to SEK 965 million (SEK 945 m).
- THE UNREALISED CHANGE IN VALUE for properties increased to SEK 2,772 million (SEK 2,328 m) and is explained by the market's lower yield requirements and higher rents as a result of new lettings and renegotiations. Unrealised changes in the value of derivatives amounted to SEK –307 million (SEK 201 m) as market interest rates during the period declined on the terms covered by the derivatives.
- THE NET PROFIT FOR THE YEAR totalled SEK 2,681 million (SEK 2,784 m), corresponding to SEK 20.13/share (SEK 20.89/share).
- INVESTMENTS in Atrium Ljungberg's own properties amounted to SEK 1,002 million (SEK 768 m).
- ACQUISITION OF PROPERTIES amounted to SEK 1,461 million (SEK 872 m).
- THE BOARD proposes a dividend of SEK 3.95/share (SEK 3.55/share).
- THE 2017 PROFIT FORECAST before changes in value and tax is SEK 1,055 million.

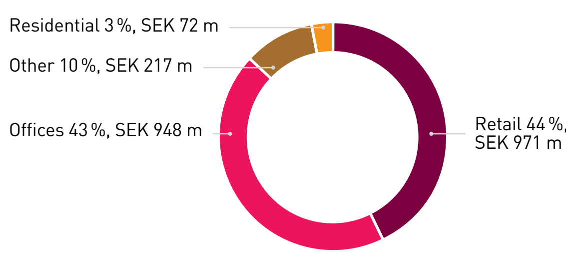
SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- Atrium Ljungberg concluded an agreement for acquisition of the property Fatburen 2 in Söderhallarna, at Medborgarplatsen in Stockholm. The property houses a food hall, stores and offices with a total letting area of approximately 8,500 m^2. The acquisition is conditional on a decision in the city council of the City of Stockholm.
- An agreement was concluded with IBM Svenska AB for letting approximately 6,500 m^2 of office space in the property Borgarfjord 3 in Kista – a property which was acquired in April 2016.
- Atrium Ljungberg received the award "BREEAM project of the year" for the sustainability work in Gränbystaden in Uppsala.
- Monica Fallenius, new director of the business area Transaction and establishment and member of the company management was recruited.
- Construction start of two residential projects in Gränbystaden, Gränby Entré buildings 2 and 3, with a total of approximately 130 apartments. In addition, reconstruction of Forumkvarteret in central Uppsala started.

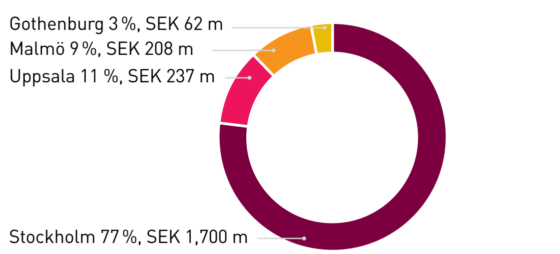
KEY RATIOS[1]	2016 Jan–Dec	2015 Jan–Dec	2016 Oct–Dec	2015 Oct–Dec
Net sales, SEK m	2,299	2,468	588	638
Profit/loss before changes in value, SEK m	965	945	228	227
Net profit/loss for the period, SEK m	2,681	2,784	1,582	1,272
Investments in Atrium Ljungberg's own properties, SEK m	1,002	768	382	269
Acquisition of properties, SEK m	1,461	872	–	–
Cash flow from operating activities, SEK m	949	1,006	247	230
Letting rate, %	93	94	93	94
Equity/assets ratio, %	43.7	43.7	43.7	43.7
Adjusted gearing ratio, %	41.9	43.0	41.9	43.0
Interest coverage ratio, multiple	3.5	3.3	3.5	3.2
Average interest rate at the period end, %	2.3	2.9	2.3	2.9
Earnings per share, SEK	20.13	20.89	11.72	8.25
Profit/loss before changes in value less nominal tax, SEK/share	5.65	5.54	1.34	1.33
Share price at period end, SEK/share	142.30	133.00	142.30	133.00
EPRA NNNAV, SEK/share	144.38	122.95	144.38	122.95
Shareholders' equity, SEK/share	121.42	104.73	121.42	104.73

[1] For definitions, see pages 22 and 23.

Contracted annual rent per premises type



Contracted annual rent per region



This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

CEO'S STATEMENT

2016 was characterised by strong development and a high pace. We conducted several important acquisitions with significant future opportunities and over coming years we will further increase the investment rate. There is significant potential by means of our large project portfolio in which our new residential initiative is an important piece of the puzzle in order to build sustainable urban environments.

RESULTS AND FUTURE PROSPECTS

We are continuing to deliver stable results and exceed our forecast. A record-breaking property market with lower yield requirements and several positive new lettings and renegotiations of lease contracts has contributed to us appreciating the value of our properties during 2016 by 9 per cent. Net letting amounted to SEK 128 million.

We are delivering a slightly higher operating surplus than last year but are still quite far from our growth target of 10 per cent. The reason is that in 2015 we made a large strategic sale of retail properties for approximately SEK 1.3 billion, which impacted the operating surplus for 2016. In addition, the investment rate during 2014 and 2015 has been lower than our target of SEK 1 billion per year. We are now increasing the pace by several project starts in 2017 with completion 2018–2019.

The acquisitions we conducted in 2016 will result in higher income for 2017. The forecast for profit before changes in value is SEK 1,055 million for 2017 in comparison to the result of SEK 965 million in 2016.

There is a lot to indicate that Sweden's growth rate will be good in 2017 as well. However, irrespective of this we are a long-term player who has chosen to have strong key ratios. If the market slackens we have a strong balance sheet to rely on. Thus, irrespective of the economy we will be able to continue investment in new development projects.

PROJECT PORTFOLIO ACCELERATING

We currently have an ongoing project portfolio with a remaining investment of just under SEK 2 billion. In 2017 we expect to start projects with a total investment volume of approximately SEK 2 billion. The construction starts include retail, residentials and offices in both Gränbystaden and in Sickla as well as offices in Hagastaden. In addition to this, our project portfolio enables us to invest an additional SEK 9 billion within the land we own and the land allocations which we possess. A significant project portfolio!

STRATEGY FOR RESIDENTIALS COMPLETE

We are continuing to create sustainable and vibrant urban environments by combining different operations such as retail, culture, offices, service and education in the same place. For an urban environment to be vibrant, a supplement of residentials is an absolute necessity. Therefore, during the year we have developed a clear strategy for our new residential initiative where the objective is to build approximately 300 apartments per year over the coming years. The great majority will be tenant-owned dwellings but we are of the opinion that it is also important to add rental dwellings to an area. The starting shot has been fired in Gränbystaden where we will construct a total of 450 rental and tenant-owned dwellings over the coming years close to Gränbystaden shopping centre. Sickla is next in line.

"In 2017 we expect to start projects with a total investment volume of approximately SEK 2 billion. In addition to this, we have a significant project portfolio in which our new residential initiative is an important piece of the puzzle in order to build sustainable urban environments."

NOTICEABLE SUSTAINABILITY WORK

We have intensified our sustainability work with the aim of becoming the leader of sustainable urban development in the sector. Sustainability work is a natural part of our daily operations and is integrated into our strategies, where the housing initiative also is a key part. The work is appreciated by both tenants and municipalities. During the year we were also recognised through the award "BREEAM project of the year" for our sustainability work with Gränbystaden.

SEVERAL IMPORTANT ACQUISITIONS

During 2016 we conducted several important acquisitions with significant future opportunities. By purchasing the second of the two properties which comprise Söderhallarna in Stockholm, we will own the entire Söderhallarna complex. There is vast potential here to further develop the food market and strengthen the cultural atmosphere at Medborgarplatsen. We now have good opportunities to create synergies, both in operation and in concept between both properties and develop the entire Söderhallarna to an attractive meeting place. It fits in well with our strategy to build urban environments with a mixed content in which we can affect the entirety. The deal was approved by the city council in February 2017.

The acquisition of an office property worth one billion in Sundbyberg, the former chocolate factory, entails that we entered a new subsidiary market with vast growth potential. Sundbyberg is a dynamic municipality undergoing strong development where the number of residents will increase significantly over the coming years. We hope for several business opportunities in Sundbyberg so that we can be a part of the municipality's development in the future.

RATING

We have recently received a rating from the credit rating agency Moody's, which conducts an independent assessment of the company's credit risk. We have been awarded the grade Baa2 with stable outlook, which entails investment grade. In all likelihood this will further improve our opportunities to finance ourselves through the capital market at good conditions.

SWEDEN'S BEST WORKPLACE

I am delighted that again in 2016 we were included in the list of Sweden's best workplaces. Our strong employer brand is also noticeable when we search for new employees. We get many good candidates and can recruit competent personnel who share our strong core values.

To conclude, I would like to express my deepest gratitude to our tenants and other stakeholders for good collaboration last year. I would also like to thank all employees for their strong drive and commitment which is important when we together are continuing to develop Atrium Ljungberg for the future!

Annica Ånäs, CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	**2016** 1/1–31/12	2015 1/1–31/12	2016 1/10–31/12	2015 1/10–31/12
Rental income	2,150	2,122	553	551
Sales, project and construction work	149	346	35	87
Net sales	**2,299**	**2,468**	**588**	**638**
Property management costs				
Service charge-related costs	–176	–177	–48	–46
Other operating costs	–154	–150	–45	–38
Management costs	–148	–136	–58	–44
Repairs	–50	–47	–18	–16
Property tax	–130	–126	–34	–32
Leasehold fees	–25	–26	–5	–6
Non-deductible VAT	–10	–10	–3	–3
	–692	–671	–211	–185
Project and construction work costs	–162	–372	–35	–99
Gross profit/loss	**1,445**	**1,425**	**342**	**354**
– of which gross profit/loss property management (operating surplus)	*1,458*	*1,450*	*342*	*366*
– of which gross profit/loss from project and construction work	*–12*	*–26*	*–1*	*–12*
Central administration, property management	–82	–60	–17	–21
Central administration, project and construction work	–15	–15	–5	–4
	–97	–76	–22	–25
Financial income	1	2	0	0
Financial expenses	–385	–405	–92	–102
	–384	–403	–92	–101
Profit/loss before changes in value	**965**	**945**	**228**	**227**
Changes in value				
Properties, unrealised	2,772	2,328	1,483	928
Properties, realised	6	–44	–	–44
Derivatives, unrealised	–307	201	307	161
	2,471	2,485	1,790	1,045
Profit/loss before tax	**3,436**	**3,431**	**2,018**	**1,272**
Current tax	–4	–17	0	8
Deferred tax	–751	–630	–457	–180
	–755	–647	–457	–173
Profit for the period	**2,681**	**2,784**	**1,561**	**1,100**
Other comprehensive income				
Items which will be reclassified to profit/loss				
Cash flow hedging	19	25	5	5
Tax attributable to other reported income and expenses	–4	–5	–1	–1
Total other comprehensive income	**15**	**19**	**4**	**4**
Total comprehensive income for the period	**2,696**	**2,803**	**1,565**	**1,103**
Earnings per share, SEK	20.13	20.89	11.72	8.25

RESULTS JANUARY–DECEMBER 2016

NET SALES
The Group's net sales for the year totalled SEK 2,299 million (SEK 2,468 m), of which rental income comprised SEK 2,150 million (SEK 2,122 m). Rental income increased by 3.5 per cent in comparable portfolios. Project and construction sales have declined compared to last year as a result of TL Bygg having lower external sales.

During the year non-recurring remuneration of SEK 2 million (SEK 16 m) was received for premature vacating of premises.

RENTAL INCOME TREND

	2016 1/1–31/12	2015 1/1–31/12	Change, %
Like-for-like	1,892	1,828	3.5
Non-recurring remuneration	2	16	
Project properties	82	71	
Properties acquired	173	95	
Properties sold	–	112	
Rental income	**2,150**	**2,122**	**1.3**

At the end of the period the market value for the like-for-like portfolio was SEK 30,300 million (SEK 27,207 m).

PROPERTY COSTS
Property expenses totalled SEK –692 million (SEK –671 m). For the like-for-like portfolio, property expenses have increased by 2.8 per cent in comparison to the previous year.

PROPERTY COSTS TREND

	2016 1/1–31/12	2015 1/1–31/12	Change, %
Like-for-like	–589	–573	2.8
Project properties	–35	–27	
Properties acquired	–68	–29	
Properties sold	0	–43	
Property management costs	**–692**	**–671**	**3.2**

GROSS PROFIT/LOSS
The gross profit for the property management activities (the operating surplus) increased to SEK 1,458 million (SEK 1,450 m), corresponding to 0.5 per cent. The increase is primarily the result of sold properties but also contributions from acquired properties, new lettings and renegotiations. During the fourth quarter the operating surplus has been charged with approximately SEK 10 million, of which the majority relates to compensation for delayed possession. The operating surplus margin is unchanged at 68 per cent (68%).

Contributions from acquired properties primarily relate to the properties Lundbyvassen 4:7 and Lundbyvassen 4:13 in Gothenburg which were taken into possession on 30 September 2015 and Borgarfjord 3 in Kista which was taken into possession on 20 April 2016.

The gross profit for project and construction activities totalled SEK –12 million (SEK –26 m). Costs in connection with ongoing development projects that cannot be capitalised have been charged to profit/loss.

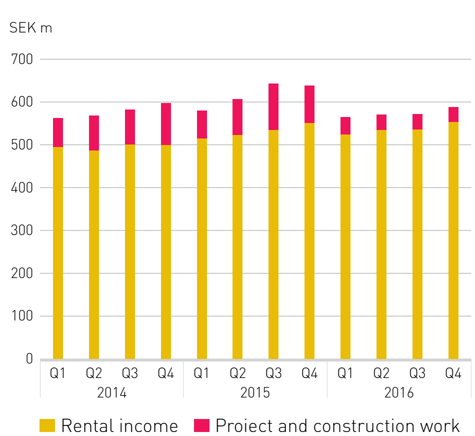
TL Bygg's gross profit amounted to SEK 20 million (SEK 5 m). The results for last year were charged by acceleration costs in a construction contract that was carried out.

CENTRAL ADMINISTRATION
Central administration comprises of costs for the company management as well as central support functions. The cost for the year amounted to SEK –97 million (SEK –76 m) and has been affected by costs in connection with changes in the company management as well as investments in certain central functions.

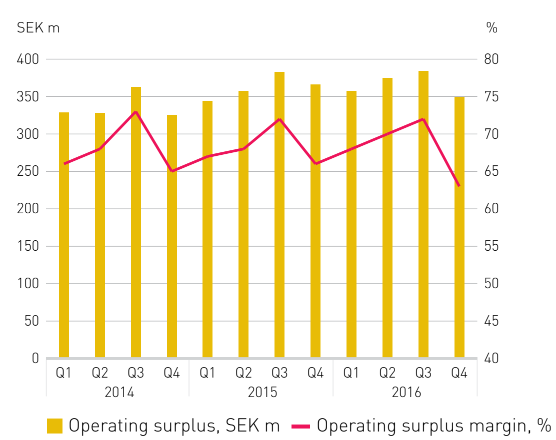
FINANCIAL INCOME AND EXPENSES
Financial expenses for the year amounted to SEK –385 million (SEK –405 m), the expenses decreased despite higher interest-bearing liabilities. Financial income totalled SEK 1 million (SEK 2 m).

The average interest rate at the end of the year amounted to 2.3 per cent (2.9%). For more information, refer to the section on financing on page 12.

Sales



Operating surplus and operating surplus margin



CHANGES IN VALUE

Unrealised changes in the value of properties totalled SEK 2,772 million (SEK 2,328 m), an increase by 19.1 per cent. For more information, refer to the section on the property portfolio on page 8.

Unrealised changes in the value of derivatives totalled SEK –307 million (SEK –201 m) as a result of lower market interest rates.

TAXES

The current tax for the period totalled SEK –4 million (SEK –17 m) and has been affected by, among other things, tax deductible depreciation and investments, and by loss carry-forwards from the previous year's tax assessment.

The change in deferred tax amounts to SEK –751 million (SEK –630 m) and has primarily been impacted by deferred tax on unrealised changes in the value of properties.

At the end of the period the Group's accumulated fiscal deficit is estimated at SEK 130 million (SEK 196 m), of which SEK 101 million (SEK 136 m) comprises the base of the Group's deferred tax receivable.

TAX CALCULATION, 31/12/2016

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	3,436	
Tax deductible		
depreciation	–559	559
investments	–234	234
disposal of building	–	–
Non-taxable/non-deductible		
changes in the value of properties, unrealised	–2,772	2,772
changes in the value of properties, realised	9	–11
changes in the value of derivatives, unrealised	307	–307
goodwill write-downs	–	–
consolidated capitalisation of borrowing	–14	14
Other fiscal adjustments	3	–12
Taxable profit/loss before loss carry-forwards	**176**	**3,249**
Change in loss carry-forwards	–167	156
Taxable profit/loss	9	3,405
Of which 22% current/deferred tax	**–2**	**–749**
Revaluation of previous tax assessments and other adjustments	–2	–2
Reported tax expense	**–4**	**–751**

RESULTS

The profit before changes in value increased to SEK 965 million (SEK 945 m).

Net profit for the period totalled SEK 2,681 million (SEK 2,784 m), which corresponds to SEK 20.13/share (SEK 20.89/share) and was primarily affected by unrealised changes in the value of derivatives.

PROFIT AND LOSS 1 OCTOBER–31 DECEMBER

Net sales for the fourth quarter totalled SEK 588 million (SEK 638 m), of which rental income comprised SEK 553 million (SEK 511 m). Rental income has been impacted by additional rental income from acquired properties, new lettings and renegotiations, but also by the effect of sold properties. During the fourth quarter rental income has been impacted negatively by ongoing adaptation for occupancy or further extensions.

During the fourth quarter no additional compensation for premature vacating of premises was received (2). Property expenses totalled SEK –211 million (SEK –185 m). During the fourth quarter the operating surplus has been charged with approximately SEK 10 million, of which the majority relates to compensation for delayed possession. Costs of central administration for the fourth quarter amounted to SEK –22 million (SEK –25 m). Financial expenses for the fourth quarter amounted to SEK –92 million (SEK –102 m). Unrealised changes in the value of properties totalled SEK 1,483 million (SEK 928 m) and are primarily explained by the market's lower yield requirements. Unrealised changes in the value of derivatives totalled SEK 307 million (SEK 161 m) as a result of higher market interest rates for the periods covered by the derivatives. The current tax for the period totalled SEK 0 million (SEK 8 m). The profit before changes in value increased to SEK 228 million (SEK 227 m), corresponding to SEK 1.71/share (SEK 1.71/share).

NET LETTING

Net letting, i.e. newly agreed contracted annual rents less annual rents terminated due to clients vacating the premises, amounted to SEK 38 million (SEK –1 m) during the fourth quarter, and has primarily been impacted by a number of office lettings, among others to IBM Svenska AB for 6,500 m^2 in Borgarfjord 3 in Kista. The time lag between net letting and its effect on profit is assessed to be 6–9 months.

During the year net letting totalled SEK 128 million (SEK 62 m), of which SEK 28 million (SEK 36 m) referred to project properties.

PROFIT FORECAST

The forecast profit before changes in value and tax for 2017 is SEK 1,055 million. The forecast profit after tax is SEK 822 million, corresponding to SEK 6.17/share. The forecast includes the property Fatburen 2. Future changes in value and any other future property acquisitions and sales of properties have not been taken into account in the forecast.

RENTAL VALUE AND LETTING RATE

	31/12/2016			31/12/2015		
Premises type	Rental value, SEK m	Rental value, SEK/m^2	Letting rate, %	Rental value, SEK m	Rental value, SEK/m^2	Letting rate, %
Office	979	2,422	90	877	2,410	91
Retail	955	3,201	96	948	3,110	97
Other	214	1,877	96	214	1,874	90
Residentials	71	1,327	98	71	1,313	100
Garage	62	–	98	52	–	91
Business area Property	**2,280**	**2,622**	**93**	**2,162**	**2,582**	**94**
Project properties	94	1,755	88	30	1,074	97
Land and development rights	–	–	–	–	–	–
Total	**2,374**	**2,572**	**93**	**2,192**	**2,534**	**94**

CONSOLIDATED BALANCE SHEETS SUMMARY

Amounts in SEK m	**31/12/2016**	31/12/2015	30/09/2016	30/09/2015
ASSETS				
Investment properties	36,054	30,841	34,195	30,936
Goodwill	263	263	263	274
Other fixed assets	52	48	41	45
Total fixed assets	**36,368**	**31,152**	**34,499**	**31,255**
Current assets	357	405	586	486
Liquid assets	276	389	255	59
Total current assets	**633**	**795**	**841**	**545**
Total assets	**37,001**	**31,947**	**35,340**	**31,800**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	16,176	13,953	14,612	12,849
Deferred tax liability	4,010	3,275	3,545	3,129
Long-term interest-bearing liabilities	13,125	10,976	11,796	11,357
Derivatives	900	621	1,207	786
Other long-term liabilities	60	32	52	31
Total long-term liabilities	**18,095**	**14,905**	**16,601**	**15,303**
Short-term interest-bearing liabilities	1,970	2,285	3,150	2,738
Derivatives	9	0	13	1
Other current liabilities	751	804	964	909
Total current liabilities	**2,730**	**3,090**	**4,127**	**3,648**
Total shareholders' equity and liabilities	**37,001**	**31,947**	**35,340**	**31,800**

CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to the Parent Company shareholders				
Amounts in SEK m	Share capital	Other capital contributed	Hedging reserves	Profits brought forward	Total share-holders' equity
Opening balance as per 1 January 2015	**333**	**3,960**	**–88**	**7,385**	**11,590**
Profit for the period				2,784	2,784
Other comprehensive income			19		19
Dividend, SEK 3.30/share				–440	–440
Closing balance, as per 31 December 2015	**333**	**3,960**	**–69**	**9,729**	**13,953**
Change in shareholders' equity, 2016	**333**	**3,960**	**–69**	**9,729**	**13,953**
Profit for the period				2,681	2,681
Other comprehensive income			15		15
Dividend, SEK 3.55/share				–473	–473
Closing balance, as per 31 December 2016	**333**	**3,960**	**–54**	**11,937**	**16,176**

There are a total of 133,220,736 (133,220,736) shares, of which 4,000,000 (4,000,000) are class A shares and 129,220,736 (129,220,736) are class B shares. One class A share grants entitlement to ten votes and one class B share grants entitlement to one vote. At the end of the period, the number of outstanding shares amounted to 133,220,736 (133,220,736 as of 31/12/2015). The average number of outstanding shares for the period 01/01/2016 – 31/12/2016 amounts to 133,220,736 (133 220 736).

PROPERTY PORTFOLIO

THE PROPERTY MARKET

The Swedish property market continues to be strong with low vacancies and higher market rents. Continued large interest in property investments as a result of the low yield for other assets has resulted in that the market's yield requirements have continued to decline.

According to Savills, the transaction volume in the Swedish property market during 2016 amounted to a record level of SEK 201 billion, 23 per cent higher than the top quotation of 2014.

OUR PROPERTY PORTFOLIO

Atrium Ljungberg's property portfolio consists of 50 properties located in Stockholm, Uppsala, Malmö and Gothenburg. Our portfolio, which mainly consists of retail and office properties, is made up of modern, attractive properties with a total letting area of 1,124,000 m^2.

In March the office and health care property Malmen 12 in central Malmö was acquired, totalling approximately 7,500 m^2 of letting area. The acquisition took place through a share deal with an underlying property value of SEK 125 million. Possession took place in May.

In April, the office property Borgarfjord 3 was acquired and taken into possession. It is located in Kista with 13,500 m^2 of letting area. The acquisition took place through a share deal with an underlying property value of SEK 325 million.

In July, the office property Eken 6 was acquired, located in Sundbyberg with 28,500 m^2 of letting area. The acquisition took place through a share deal with an underlying property value of SEK 1,059 million. Possession took place in September.

In November an agreement was concluded on acquiring Fatburen 2, Söderhallarna in Stockholm. The acquisition is conditional on a decision in the city council and is therefor not included in the accounts.

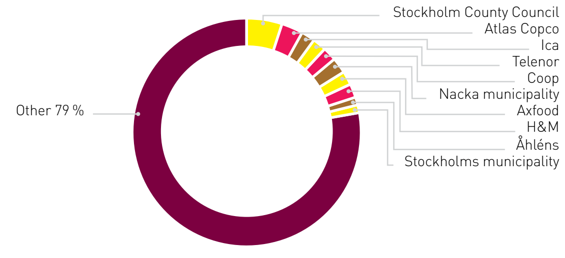
CONTRACTED ANNUAL RENT AND LETTING RATE

The contracted annual rent at the turn of the year totalled SEK 2,208 million (SEK 2,054 m) and the rental value amounted to SEK 2,374 million (SEK 2,192 m). This gives a letting rate including project properties of 93 per cent (94%) and excluding project properties of 93 per cent (94). The EPRA vacancy rate is thus 7 per cent (6%).

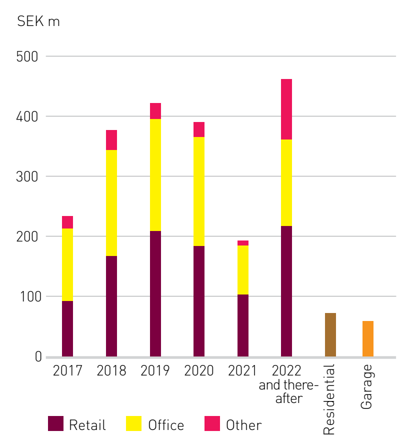
The commercial lease contract portfolio is well-diversified and comprises 1,865 lease contracts (1,771), excluding residentials and garage/parking. The average remaining term at the turn of the year was 3.7 years (3.4 years). The ten largest tenants comprise 21 per cent of the contracted annual rent.

During 2017, 11 per cent (21%) of the contracted annual rents will be subject to renegotiation. 94 per cent of contracted annual rent is regulated with an index clause linked to inflation. 28 per cent (29%) of the contracted annual rent has a sales-based rent where rent is regulated based on the tenant's sales. The rental levels have primarily been secured through agreed minimum rents and sales premium in addition to the minimum rent and comprise 1 per cent (1%) of the contracted annual rent.

Ten largest customers, contracted annual rent



Contracted annual rent per maturity year and premises type



PROPERTY PORTFOLIO, 31/12/2016

Property type	Letting area, '000 m²	Fair value, SEK m	Fair value, SEK/m²[2]	Result January–December 2016 [1] Rental income, SEK m	Property costs, SEK m	Operating surplus, SEK m	Operating surplus margin, %
Office properties	584	17,716	37,247	1,021	–293	728	71
Retail properties	415	14,400	43,006	963	–334	629	65
Residential properties	71	1,390	23,530	84	–30	53	64
Business area Property	**1,070**	**33,506**	**38,533**	**2,068**	**–657**	**1,410**	**68**
Project properties	54	1,846	N/A[3]	82	–35	48	58
Land and development rights	–	702	–	–	–	–	–
Total	**1,124**	**36,054**		**2,150**	**–692**	**1,458**	**68**
Properties sold				–	0	–	–
Total Group				**2,150**	**–692**	**1,458**	**68**

[1] Refers to reported result during the year.
[2] m^2 excluding garage.
[3] Letting area for new production is not reported until the project is completed and the figures hence do not accurately represent the actual situation.

Changes in the property portfolio

SEK m	2016 1/1–31/12	2015 1/1–31/12
Fair value at the start of the period	30,841	28,163
Acquisitions (after deduction of deferred tax)	1,461	872
Sale	–23	–1,291
Investments in our own properties	1,002	768
Unrealised changes in value	2,772	2,328
Fair value at the end of the period	**36,054**	**30,841**

PROPERTY VALUES

During 2016 we externally valued the equivalent of 44 per cent of the property portfolio's market value, of which 20 per cent was conducted during the fourth quarter. The valuations were carried out by Forum Fastighetsekonomi and Savills in accordance with the International Valuation Standards (IVS). The remaining properties were subject to an internal valuation with market rents, operating costs, vacancies and yield requirements quality assured by Forum Fastighetsekonomi.

The market valuation is based on analyses of completed property transactions for properties of a similar standard and in a similar location, in order to assess the market's yield requirements. The valuation also entails cash flow calculations, with individual assessments of the earning capacity of each individual property. Assumed rental levels in conjunction with contract expirations correspond to current market rent levels. Operating costs have been assessed on the basis of the company's actual costs. Development rights have been valued based on an assessed market value per m^2 of GFA for determined development rights in accordance with an approved detailed development plan or where the detailed development plan is assessed to enter into force within the near future. Project properties are valued on the basis of completed projects, less remaining investments. A risk surcharge is added to the yield requirement on the basis of the current phase of the project.

The unrealised change in value during the period amounted to SEK 2,772 million (SEK 2,328 m) and is explained by the market's lower yield requirements and higher rents as a result of new lettings and renegotiations. Development rights have increased by SEK 334 million (–), largely due to several residential development rights assessed as entering into force within the near future.

Unrealised changes in value, properties

SEK m	31/12/2016	31/12/2015
Change in yield requirements	1,799	2,139
Change in operating net etc.	639	189
Development rights	334	–
Total	**2,772**	**2,328**

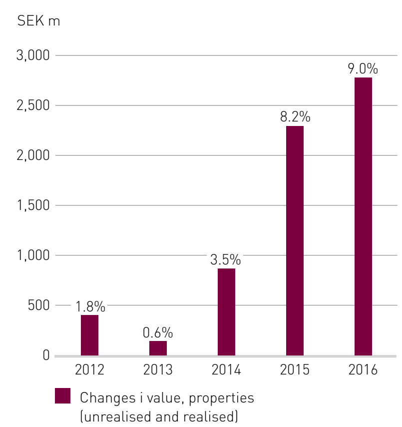
Dividend yield requirement per premises type

%	31/12/2016 Interval	31/12/2016 Average	31/12/2015 Average
Office	3.8–6.5	4.8	5.2
Retail	3.8–6.3	5.0	5.2
Residentials	3.0–3.8	3.2	3.7
Other	3.8–6.3	5.2	5.5
Total	**3.0–6.5**	**4.9**	**5.2**

Dividend yield requirement per region

%	31/12/2016 Interval	31/12/2016 Average	31/12/2015 Average
Stockholm	3.0–6.3	4.8	5.1
Uppsala	3.5–6.5	5.3	5.6
Malmö	3.8–6.3	5.5	5.7
Gothenburg	4.8–5.3	4.8	5.3
Total	**3.0–6.5**	**4.9**	**5.2**

Changes in value, properties



PROPERTY PORTFOLIO, 31/12/2015

Property type	Letting area, '000 m²	Fair value, SEK m	Fair value, SEK/m²[2]	Result January–December 2015 [1]: Rental income, SEK m	Property costs, SEK m	Operating surplus, SEK m	Operating surplus margin, %
Office properties	505	14,323	33,497	939	–258	681	73
Retail properties	431	14,146	40,324	971	–330	640	66
Residential properties	71	1,223	20,688	76	–31	45	59
Business area Property	**1,007**	**29,692**	**35,450**	**1,986**	**–619**	**1,367**	**69**
Project properties	28	843	E/T[3]	24	–10	14	58
Land and development rights	–	307	–	–	–	–	–
Total	**1,034**	**30,841**		**2,010**	**–629**	**1,381**	**69**
Properties sold				112	–43	69	62
Total Group				**2,122**	**–671**	**1,450**	**68**

[1] Refers to reported result during the year.
[2] m^2 excluding garage.
[3] Letting area for new production is not reported until the project is completed and the figures hence do not accurately represent the actual situation.

ONGOING PROJECTS

In 2016, we invested SEK 1,002 million in our own properties, of which SEK 509 million was in project properties. The investments in project properties mainly refer to Northern Gränbystaden and Sickla Front II. Other investments primarily refer to major internal renovation of the Gränbystaden shopping centre and Mobilia, as well as tenant-specific adaptations in our properties in Gothenburg, Liljeholmen and Hagastaden. The remaining investment volume for ongoing project properties amounted to approximately SEK 1,690 million at the turn of the year.

SICKLA FRONT II – STOCKHOLM

The construction of two office buildings and a parking garage on Uddvägen in Sickla is proceeding according to plan. Here we are creating an urban district for large and small office businesses which links together Hammarby Sjöstad with Sickla. On the ground floor we are planning for public activities such as restaurants and a gym. The extension of Tvärbanan cross-town light rail link, which will be put into service during the second half of 2017, will run past our new district on the way to nearby Sickla station.

The project Sickla Front II covers approximately 25,000 m² of letting office area in total and 14,000 m² GFA for parking. Occupancy by the Swedish National Courts Administration, which will become a significant tenant in one of the new buildings, is expected to take place during the second quarter of 2018.

GRÄNBYSTADEN – UPPSALA

Our long-term work with Gränbystaden is continuing with full intensity. New builds and extensions are continuing at both Gränbystaden's northern area alongside the E4 and by Gränbystaden Galleria (formerly Gränby Centrum).

In Northern Gränbystaden we completed three buildings for stores, restaurants and activities during the second quarter of 2016 and at the end of 2016 and start of 2017 we commenced the construction of two more buildings in the area. Among other businesses, Elon will open here during the autumn of 2017 and Jula, Jysk and Rusta during the autumn of 2018. When these two projects have been completed, Northern Gränbystaden will cover a total letting area of 31,000 m².

Gränby Entré buildings 1, 2 and 3 – Construction of two residential buildings with approximately 60 and 70 rental apartments respectively as well as business premises on the bottom floor is taking place close to Gränbystaden Galleria. Occupancy is expected to take place during the autumn of 2017 and by the turn of the year 2018/2019. The buildings will be certified in accordance with the Environmental Building level silver.

It has also been decided to construct a third residential building with roughly 70 more rental apartments with occupancy in the first quarter of 2019.

Gränbystaden, south garage – Next to Gränbystaden shopping centre, construction is ongoing of a parking garage with approximately 300 underground parking spaces. The garage is expected to be completed in 2018.

FORUMKVARTERET – UPPSALA

We are managing major transformation work in Forumkvarteret in central Uppsala. Our aim for the district, which contains retail in the form of Forumgallerian as well as office premises and residentials, is to create a city centre district with a strong retail range combined with attractive office environments and residentials. In 2016 improvements to office premises and rental apartments were made and currently reconstruction of the shopping centre is being conducted. Among other things, we are making space available and creating a clear internal concourse through the shopping centre. The ongoing projects in Forumkvarteret are expected to be completed during the autumn of 2018.

POTENTIAL DEVELOPMENT PROJECTS

Our existing project portfolio with future projects enables investments corresponding to approximately SEK 11 billion. The increase in investment volume can be attributed to additional project areas as well as changed assumptions on investment costs.

In terms of area, half of our project portfolio consists of residentials and half of offices, retail, education and hotel. The project portfolio is divided among all our areas where Sickla and Uppsala account for approximately 70 per cent. The rate at which we can complete the projects depends on the market situation and the progress made in the detailed development plan process.

POTENTIAL PROJECT STARTS 2017–2018

We are planning several project starts during 2017–2018 which are covered by current detailed development plans and others depend on new detailed development plans.

ONGOING PROJECTS

Project, property	Municipality	Letting area, Retail, m²	Letting area, Office, m²	Letting area, Residentials, m²	Parking, GFA	Total investment, SEK m	Of which remaining, SEK m	Completed	Fair value, SEK m	Rental value, SEK m[1]	Letting rate, %	Environmental certification
New builds and extensions												
Sickla Front II, Sicklaön 346:1	Nacka		25,000		14,000	830	570	2018		63	N/A[2]	BREEAM
Northern Gränbystaden, Brillinge 8:1/9:1	Uppsala	31,000				590	190	2014–2018,[3]		50	80	BREEAM
Gränby Entré building 1, Gränby 21:4,	Uppsala	2,700		3,100		220	150	2017		16	62[4]	Environmental Building
Gränby Entré building 2, Gränby 21:4,	Uppsala	900	1,300	3,300		220	210	2018		14	16[5]	Environmental Building
Gränby Entré building 3, Gränby 21:4,	Uppsala	1,100	1,300	3,400		240	230	2019		15	0	Environmental Building
Gränbystaden, south garage, Gränby 21:4	Uppsala				11,000	180	130	2017		[6]		BREEAM In-Use[7]
Reconstruction												
Forumkvarteret[8]	Uppsala	8,100	2,600	1,400		260	210	2018	558	37	36[9]	[7]
Total ongoing projects		**43,800**	**30,200**	**11,200**	**25,000**	**2,540**	**1,690**		**1,522**	**195**		
Other project properties									324			
Total project properties									**1,846**			

1) Excluding premiums and any net sales result.
2) Letting rate not reported as a subtotal with regard to individual business transactions.
3) Covers approximately 45,000 m² GFA in total. Investment decisions and completion take place in stages, among other things, connected to letting.
4) The letting rate for commercial premises amounts to 99%. Residentials are leased closer to completion.
5) The letting rate for commercial premises amounts to 31%. Residentials are leased closer to completion.
6) The garage will be used as a free of charge guest parking.
7) The entire property will be certified in accordance with BREEAM In-Use.
8) The investment is partially conditional on letting.
9) Lease contract terminated for renegotiation not included in letting rate.

In Sickla we expect to start extension of an old office property in 2017 for 12,000 m² GFA for hotel and offices as well as a garage. We are planning to start reconstruction and extension by Järnvägsgatan of 14,500 m² of GFA for retail and health care operations by the end of 2017. Both projects are covered by current detailed development plans.

In Sickla Galleria we are planning for an extension of approximately 3,000 m² GFA for retail and two floors for a parking garage with approximately 220 parking spaces. A new detailed development plan is expected to enter into force during 2017.

In addition, detailed development plans are ongoing for residentials at Nobelberget, Kyrkviken and Gillevägen where we expect a complete detailed development plan for Nobelberget by the turn of the year 2017/2018.

Detailed development plans are also ongoing for reconstruction and extension of the school Svindersviksskolan from the current 3,000 m² to approximately 9,000 m² GFA.

In Gränbystaden we want to create Uppsala's second city centre. In the northern part a retail area of 50,000 m² GFA is being created to supplement the shopping centre's offering. There is a complete detailed development plan and development is taking place in line with the letting work. Next to the galleria we are also planning for approximately 250 tenant-owned dwellings by the adjacent Gränbyparken. Construction of the first phase of tenant-owned dwellings is expected to take place in 2019.

We are also planning for a major reconstruction and extension project by the gallerias's southern area. The project covers 11,700 m² for retail, restaurants, culture and entertainment and is expected to start in 2017.

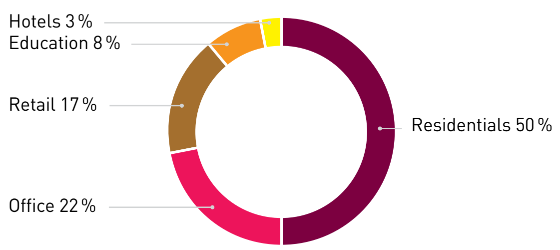
In addition, detailed development plans are ongoing for the area just north of the galleria which can enable the development of additional 27,000 m² GFA for retail and 30,000 m² GFA for parking.

In Hagastaden, in the centre of the emerging life science cluster, we have a land allocation with a development right of 32,000 m² GFA. Here, above the E4, we are planning to build Life City, a complete district for businesses, academia and society. Construction is expected to start at the end of 2017 with planned occupancy during the autumn of 2020.

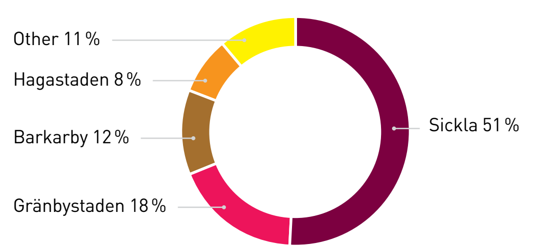
In Mobilia in Malmö our aim is to create new construction and extension of approximately 16,500 m² GFA for retail, residentials and cultural activities in the heart of the district as well as several restaurants in towards Mobilia's square. The project is covered by current detailed development plans and construction is expected to start around the turn of the year 2017/2018.

In Barkarby in Järfälla, together with Järfälla municipality, work is ongoing to create BAS Barkarby, a regional meeting place for learning, businesses and culture. The detailed development plan for the area is expected to be adopted by the end of 2017. A decision on environmental permits is expected to be made in the summer of 2018 by the Land and Environmental Court. Construction of the first phase of BAS Barkarby is expected to start by the summer of 2018 at the earliest, with occupancy in the spring of 2021.

Potential projects by premises type, m²



Potential projects by location, m²



POTENTIAL DEVELOPMENT PROJECTS

	Municipality	Premises type [1]	Project area, m², GFA: Detailed development plan exists	Project area, m², GFA: Change to detailed development plan required	Inv., SEK m [2]
Barkarby [3]	Järfälla	Education		26,000	
Barkarby [3]	Järfälla	Residentials		11,000	
Barkarby [3]	Järfälla	Office		13,000	
Farsta Centrum	Stockholm	Retail	5,000		
Forumgallerian	Uppsala	Residentials		3,000	
Gränbystaden Galleria	Uppsala	Retail	10,000	27,000	
Gränbystaden Galleria	Uppsala	Residentials	34,000		
Hagastaden [4]	Stockholm	Retail	1,000		
Hagastaden [5]	Stockholm	Office	32,000		
Mobilia	Malmö	Retail	11,000		
Mobilia	Malmö	Residentials	5,500		
Northern Gränbystaden	Uppsala	Retail	5,000		
Port 73	Haninge	Retail	8,000		
Sickla	Nacka	Office	22,000	11,000	
Sickla	Nacka	Retail	3,000	3,000	
Sickla	Nacka	Residentials		161,000	
Sickla	Nacka	Hotels	12,000		
Sickla	Nacka	Education		9,000	
Södermalm [6]	Stockholm	Office	17,000		
Total			**165,500**	**264,000**	**11,000**

[1] Anticipated premises use may change and may include other elements.
[2] The investment volume includes possible land acquisition.
[3] Refers to a land allocation with the option of acquiring land with a development right of approximately 50,000 m² GFA in Barkarbystaden.
[4] Refers to a land allocation with the option of leasing land with a development right of approximately 30,000m² GFA alongside Solnavägen (part of the Vasastaden 1:45 property).
[5] Refers to a land allocation with the option of transferring land with development rights of approximately 1,000 m² GFA alongside Norra Stationsgatan.
[6] Refers to a land allocation with the option of acquiring land with development rights of approximately 16,000–18,000 m² GFA on Stadsgårdsleden in front of Glashuset.

FINANCING

THE FINANCIAL MARKET

Recovery of the global economy continues to be sluggish. The sluggishness contributes to inflation in large parts of Europe being lower than the inflation target over coming years, which indicates that the European central banks will continue with a low-interest policy.

The Swedish economy is continuing to develop positively. The primary driving force is strong private consumption and higher investments, among other things through increasing housing construction. The National Institute of Economic Research predicts continued growth where exports and household consumption are the key drivers of growth. The GDP growth forecast of the National Institute of Economic Research for 2016 is 3.4 per cent, which indicates good continued growth. The forecast for 2017 is 2.2 per cent.

The variable interest rate, 3M Stibor, remains at a low level and was –0.59 per cent at the turn of the year, which is a decline by 0.30 percentage points during the year. The long-term interest rate increased during the fourth quarter after falling to the lowest level during August. The 10 year swap interest rate was 1.10 per cent at the turn of the year.

INTEREST-BEARING LIABILITIES

Atrium Ljungberg meets its financing requirements through five Nordic banks and the capital market. The banks are Atrium Ljungberg's biggest financiers, and bank loans accounted for 58 per cent of the total loan volume at the turn of the year. Interest-bearing liabilities at the end of the period amounted to SEK 15,095 million (SEK 13,261 m). During the fourth quarter, liabilities increased by SEK 148 million, which is primarily related to investments in Atrium Ljungberg's own properties.

At period end, the average interest rate amounted to 2.3 per cent (2.9%). Including unutilised loan guarantees the average interest rate amounted to 2.4 per cent (2.9%). Unutilised loan guarantees in addition to loan guarantees which cover outstanding commercial papers amounted to SEK 550 million (SEK 650 m). The unutilised overdraft facility amounted to SEK 300 million (SEK 300 m). The average fixed interest term was 3.9 years (4.4 years) and the capital commitment term was 3.5 years (3.1 years).

COLLATERAL

Our borrowing is largely secured by real estate mortgages. Of the interest-bearing liabilities, SEK 8,697 million (SEK 9,469 m) is secured by mortgage deeds and SEK 6,390 million (SEK 3,792) is unsecured.

DERIVATIVES

At the end of the period, the derivative portfolio comprised of SEK 9,125 million (SEK 8,411 m) in interest swaps, with maturity between the years 2017–2029. In addition, there is SEK 900 million in forward-started swaps starting in 2017. The derivatives portfolio is valued at market rate in conjunction with every closing of the accounts and the change in value is reported via the Profit and Loss Statement. During final maturity, a derivative contract's market value has been entirely dissolved and the change in value over time has thereby not impacted shareholders' equity. The unrealised change in the value of derivatives during the period totalled SEK –307 million (SEK 201 m) as market interest rates have fallen on the terms covered by the derivatives during the period. The deficit book value of the derivatives portfolio totalled SEK –909 million (SEK –621 m) at the end of the period.

FIXED INTEREST

Fixed interest term	Amount, SEK m	Percentage, %	Average interest, % [1]
2017	6,600	44	0.9
2018	949	6	3.3
2019	–	–	–
2020	600	4	4.3
2021	760	5	4.3
2022 and thereafter	6,186	41	3.5
Total	**15,095**	**100**	**2.3**

[1] The average credit margin for variable interest rates is spread over the time segment during which the derivative falls due for payment. The average interest is reported excluding the cost of unutilised loan guarantees.

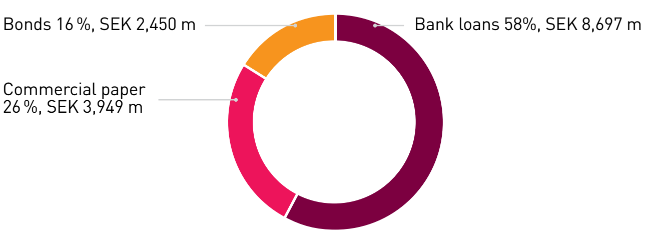
Capital commitment

Maturity date	Amount, SEK m	Percentage, %
2017	1,960	13
2018	3,197	21
2019	3,520	23
2020	1,779	12
2021	1,019	7
2022 and thereafter	3,621	24
Total	**15,095**	**100**

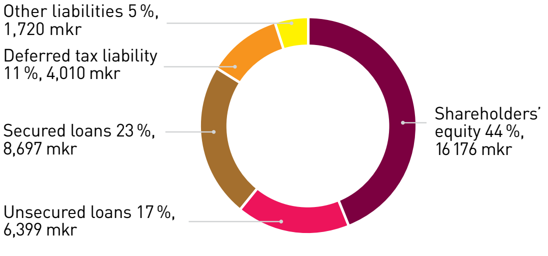
Key ratios financing

	31/12/2016	31/12/2015
Interest-bearing liabilities, SEK m	15,095	13,261
Shareholders' equity, SEK m	16,176	13,953
Gearing ratio, %	41.9	43.0
Adjusted gearing ratio, %	41.9	43.0
Average fixed interest term, years	3.9	4.4
Average capital commitment term, years	3.5	3.1
Average interest rate for interest-bearing liabilities, %	2.3	2.9

Interest-bearing liabilities



Capital structure



CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in SEK m	**2016** 1/1–31/12	2015 1/1–31/12	2016 1/10–31/12	2015 1/10–31/12
OPERATING ACTIVITIES				
Profit/loss before tax	3,436	3,431	2,018	1,272
Reversal of depreciation and write-downs	6	8	2	2
Realised changes in value, investment properties	–6	33	–	33
Unrealised changes in value, investment properties	–2,772	–2,328	–1,483	–928
Unrealised changes in value, derivatives	307	–201	–306	–161
Other items not included in the cash flow	6	17	1	9
Tax paid	–35	–22	–8	1
Cash flow from operating activities before changes in working capital	**941**	**938**	**223**	**228**
Net change in working capital	8	68	25	2
Cash flow from operating activities	**949**	**1,006**	**247**	**230**
INVESTMENT ACTIVITIES				
Acquisition of properties	–1,461	–1,958	6	–
Reconstruction and new construction of properties	–1,002	–769	–382	–269
Sale of properties	36	1,201	–	1,201
Purchase/sale of equipment	–8	–9	–5	–2
Cash flow from investment activities	**–2,435**	**–1,535**	**–381**	**930**
FINANCING ACTIVITIES				
Change in other long-term liabilities	16	5	8	1
Loans raised	5,090	3,811	298	200
Amortisation of debts	–3,260	–2,873	–150	–1,031
Dividends paid	–473	–440	–	–
Cash flow from financing activities	**1,373**	**504**	**155**	**–830**
Cash flow for the period	**–113**	**–25**	**21**	**331**
Liquid assets at the beginning of the period	**389**	**415**	**255**	**59**
Liquid assets at the end of the period	**276**	**389**	**276**	**389**

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow from operating activities totalled SEK 949 million (SEK 1,006 m), corresponding to SEK 7.06/share (SEK 7.55/share). The lower cash flow during the period compared to the same period last year is mainly explained by a lower change in operating capital.

SEK –2,435 million (SEK –1,535 m) in investment activities has been charged to the cash flow and refers to acquisitions of properties and investments in Atrium Ljungberg's own properties.

The cash flow within financing activities amounted to SEK 1,373 million (SEK 504 m) due to net borrowing and dividend paid.

Available liquidity amounted to SEK 1,126 million (SEK 1,339 m) and comprised bank deposits of SEK 276 million (SEK 389 m), unutilised overdraft facilities of SEK 300 million (SEK 300 m) and unutilised lines of credit of SEK 550 million (SEK 650 m) in addition to credit facilities covering outstanding commercial papers.

SEGMENT REPORTING 1/1–31/12 2016

Atrium Ljungberg's segmentation is based on two business areas: Property management and Project and construction activities. As of Q2 2016, the business area Property management is divided into Business area Property and Project properties. Project and construction activities are divided into Project development and TL Bygg.

Amounts in SEK m	Business area Property	Project properties[1]	Properties sold	**Property management, total**	Project development [2]	TL Bygg	**Project and construction activities, total**	Non-allocated items and eliminations	**The Group**
Rental income	2,078	82	0	2,160				−10	2,150
Sales, project and construction work					28	435	463	−314	149
Net sales	**2,078**	**82**	**0**	**2,160**	**28**	**435**	**463**	**−324**	**2,299**
Property management costs	−665	−33	0	−698				6	−692
Project and construction work costs					−63	−415	−478	317	−162
Gross profit/loss	**1,413**	**49**	**0**	**1,462**	**−35**	**20**	**−15**	**−2**	**1,445**
– of which gross profit/loss from property management	*1,413*	*49*	*0*	*1,462*				*−4*	*1,458*
– of which gross profit/loss from project and construction work					*−35*	*20*	*−15*	*−3*	*−12*
Central administration, property management				−83				1	−82
Central administration, project and construction work						−16	−16	1	−15
Financial income								1	1
Financial expenses								−385	−385
Profit/loss before changes in value	**1,413**	**49**	**0**	**1,380**	**−35**	**4**	**−31**	**−384**	**965**
Properties, unrealised changes in value	2,445	327		2,772					2,772
Properties, realised changes in value			6	6					6
Derivatives, unrealised changes in value								−307	−307
Current tax								−4	−4
Deferred tax								−751	−751
Profit for the period	**3,858**	**376**	**6**	**4,158**	**−35**	**4**	**−31**	**−1,446**	**2,682**
Investments and acquisitions									
Investments, investment properties	493	509		1,002					1,002
Investments, project and construction work									
Acquisitions, investment properties	1,461			1,461					1,461
Total investments	**1,954**	**509**		**2,463**					**2,463**
Assets, period end									
Investment properties	33,506	2,548		36,054					36,054
Other assets						104	104	843	947
Total assets	**33,506**	**2,548**		**36,054**		**104**	**104**	**843**	**37,001**

[1] Including land and development rights
[2] The profit within Project development mainly refers to costs of investigations in early project stages and ongoing development projects.

SEGMENT REPORTING 1/1–31/12 2015[1)]

Amounts in SEK m	Business area Property	Project properties[2)]	Properties sold [3)]	**Property management, total**	Project development [4)]	TL Bygg	**Project and construction activities, total**	Non-allocated items and eliminations	**The Group**
Rental income	1,996	24	112	2,132				–10	2,122
Sales, project and construction work					38	472	510	–164	346
Net sales	**1,996**	**24**	**112**	**2,132**	**38**	**472**	**510**	**–174**	**2,468**
Property management costs	–624	–10	–43	–677				6	–671
Project and construction work costs					–69	–470	–539	167	–372
Gross profit/loss	**1,372**	**14**	**69**	**1,455**	**–31**	**2**	**–29**	**–1**	**1,425**
– of which gross profit/loss from property management	*1,372*	*14*	*69*	*1,455*				*–4*	*1,450*
– of which gross profit/loss from project and construction work					*–31*	*2*	*–29*	*3*	*–26*
Central administration, property management				–61				1	–60
Central administration, project and construction work						–16	–16	1	–15
Financial income								2	2
Financial expenses								–405	–405
Profit/loss before changes in value	**1,372**	**14**	**69**	**1,394**	**–31**	**–14**	**–45**	**–403**	**945**
Properties, unrealised changes in value	2,310	19		2,329					2,329
Properties, realised changes in value			–44	–44					–44
Derivatives, unrealised changes in value								201	201
Current tax								–17	–17
Deferred tax								–630	–630
Profit for the period	**3,682**	**33**	**25**	**3,679**	**–31**	**–14**	**–45**	**–849**	**2,784**
Investments and acquisitions									
Investments, investment properties	550	219		768					768
Investments, project and construction work						1	1		1
Acquisitions, investment properties	872			872					872
Total investments	**1,422**	**219**		**1,640**					**1,641**
Assets, period end									
Investment properties	29,692	1,150		30,841					30,841
Other assets						171	171	935	1,106
Total assets	**29,692**	**1,150**		**30,841**		**171**	**171**	**935**	**31,947**

1) Segment reporting has been recalculated taking into account the merger of previous Business area Retail and Business area Offices.
2) Including land and development rights
3) The gross profit in the segment reporting 1/1–30/6 2015 has been adjusted for sold properties in the fourth quarter of 2015.
4) The profit within Project development mainly refers to costs of investigations in early project stages and ongoing development projects.

KEY RATIOS

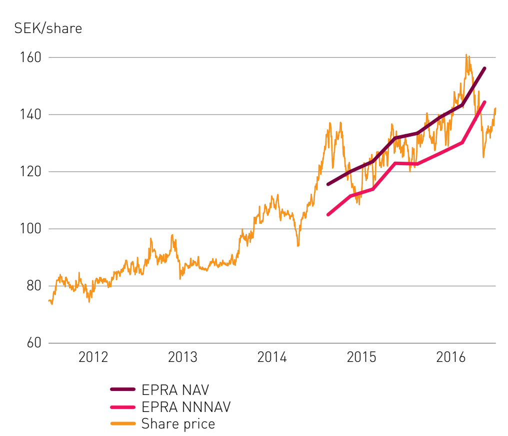
PROPERTY-RELATED KEY RATIOS	2016 1/1–31/12	2015 1/1–31/12	2016 1/10–31/12	2015 1/10–31/12
Letting rate, %	93	94	93	94
Operating surplus margin, %	68	68	62	67
Letting area, ´000 m²	1,124	1,034	1,124	1,110
Investments in properties, SEK m	1,002	768	382	268
Number of properties (period end)	50	48	50	48
FINANCIAL KEY RATIOS [2] [3]				
Equity/assets ratio, %	43.7	43.7	43.7	43.7
Gearing ratio %	41.9	43.0	41.9	43.0
Adjusted gearing ratio, %	41.9	43.0	41.9	43.0
Interest coverage ratio, multiple	3.5	3.3	3.5	3.2
Average interest rate for interest-bearing liabilities, %	2.3	2.9	2.3	2.9
Return on shareholders´ equity, %	17.8	21.8	40.6	32.8
Return on shareholders´ equity, excluding changes in value, %	5.8	6.3	4.9	5.7
Return on total assets, %	11.1	12.5	23.3	17.2
Return on total assets excluding changes in value, %	4.2	4.6	3.6	4.3
DATA PER SHARE				
Earnings per share, SEK	20.13	20.89	11.72	8.25
Profit/loss before changes in value less applicable nominal tax, SEK	5.65	5.54	1.34	1.33
EPRA EPS, SEK	6.96	6.91	1.73	1.75
Cash flow, SEK	7.12	7.55	1.85	1.73
Shareholders´ equity, SEK	121.42	104.73	121.42	104.73
EPRA NAV, SEK	156.21	131.78	156.21	131.78
EPRA NNNAV, SEK [1]	144.38	122.95	144.38	122.95
Share price at period end, SEK	142.30	133.00	142.30	133.00
Average number of outstanding shares, ´000	133,221	133,221	133,221	133,221
Number of outstanding shares at end of period, thousand	133,221	133,221	133,221	133,221
EMPLOYEES				
Average number of employees	281	282	280	282

[1] For calculation of EPRA NNNAV, an estimated deferred tax of 4.0 per cent has been used for properties.
[2] See reconciliation for key ratios on Atrium Ljungberg´s website.
[3] For definitions, see pages 22 and 23.

EPRA KEY RATIOS

	31/12/2016	31/12/2015
EPRA Earnings, SEK m	927	921
EPRA EPS, SEK/share	6.96	6.91
EPRA NAV, SEK m	20,809	17,556
EPRA NAV, SEK/share	156.21	131.78
EPRA NNNAV, SEK m	19,234	16,379
EPRA NNNAV, SEK/share	144.38	122.95
EPRA Vacancy rate	7 %	6 %

EPRA NAV, EPRA NNNAV and share price



QUARTERLY SUMMARY

INCOME STATEMENTS

Amounts in SEK m	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1
Rental income	553	535	538	524	551	534	522	515
Sales, project and construction work	35	37	37	40	87	109	85	66
Net sales	**588**	**572**	**575**	**564**	**638**	**643**	**607**	**580**
Property management costs	–211	–151	–164	–167	–185	–151	–165	–170
Project and construction work costs	–35	–44	–41	–41	–99	–118	–85	–70
Gross profit/loss	**342**	**377**	**371**	**356**	**354**	**374**	**357**	**341**
– of which gross profit property management (operating surplus)	*342*	*384*	*375*	*357*	*366*	*383*	*357*	*344*
– of which gross profit/loss from project and construction work	*–1*	*–7*	*–4*	*–1*	*–12*	*–9*	*–1*	*–4*
Central administration, property management	–17	–16	–20	–30	–21	–13	–13	–13
Central administration, project and construction work	–5	–3	–4	–3	–4	–3	–4	–4
	–22	–19	–24	–33	–25	–16	–18	–17
Financial income and expenses	–92	–93	–98	–100	–101	–100	–101	–101
Profit/loss before changes in value	**228**	**265**	**249**	**223**	**227**	**257**	**238**	**223**
Properties, unrealised changes in value	1,483	316	959	14	928	216	818	366
Properties, realised changes in value	–	13	–1	–6	–44	–	1	–
Derivatives, unrealised changes in value	307	–54	–248	–311	161	–165	403	–199
	1,790	275	710	–303	1,045	50	1,222	168
Profit/loss before tax	**2,018**	**539**	**959**	**–80**	**1,272**	**307**	**1,460**	**391**
Tax	–457	–121	–199	22	–173	–68	–322	–85
Profit for the period	**1,561**	**418**	**760**	**–57**	**1,100**	**240**	**1,138**	**306**

KEY RATIOS [2] [3]

Property-related key ratios	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1
Letting rate, %	93	94	94	94	94	94	94	93
Operating surplus margin, %	62	72	69	68	67	72	68	67
Letting area, 1,000 m^2 (period end)	1,124	1,105	1,077	1,052	1,034	1,110	1,110	1,064
Investments in properties, SEK m	382	213	206	201	268	187	164	149
Number of properties (period end)	50	50	50	49	48	52	52	49
Financial key ratios								
Equity/assets ratio, %	43.7	41.3	41.8	43.1	43.7	40.4	39.7	39.8
Gearing ratio, %	41.9	43.7	43.6	41.8	43.0	45.6	44.6	46.4
Adjusted gearing ratio, %	41.9	43.7	43.6	42.0	43.0	45.6	45.9	46.4
Interest coverage ratio, multiple	3.5	3.8	3.5	3.2	3.2	3.5	3.4	3.2
Average interest rate for interest-bearing liabilities, %	2.5	2.3	2.5	2.8	2.9	2.8	2.8	3.0
Return on shareholders' equity, %	40.6	11.6	21.6	–1.7	32.8	7.5	37.2	10.4
Return on shareholders' equity, excluding changes in value, %	4.9	5.9	5.6	5.4	5.7	6.6	6.4	5.9
Return on total assets, %	23.3	7.3	12.8	0.3	17.2	5.1	20.3	6.6
Return on total assets excluding changes in value, %	3.6	4.2	4.2	4.1	4.3	4.6	4.5	4.4
Data per share								
Earnings per share, SEK	11.72	3.14	5.70	–0.43	8.25	1.80	8.54	2.29
Profit/loss before changes in value less applicable nominal tax, SEK	1.34	1.55	1.46	1.31	1.33	1.50	1.40	1.30
EPRA EPS, SEK	1.73	1.85	1.79	1.59	1.75	1.86	1.68	1.61
Cash flow, SEK	1.85	2.46	1.17	1.64	1.73	1.59	1.99	2.25
Shareholders' equity, SEK	121.42	109.68	106.51	104.33	104.73	96.45	94.62	89.34
EPRA NAV, SEK	156.21	143.36	139.01	133.46	131.78	123.58	120.07	115.59
EPRA NNNAV, SEK [1]	144.38	130.19	126.40	122.73	122.95	113.89	111.48	104.95
Share price at period end, SEK	142.30	149.60	136.50	140.50	133.00	126.60	108.50	131.30
Average number of outstanding shares, '000	133,221	133,221	133,221	133,221	133,221	133,221	133,221	133,221
Number of outstanding shares at end of period, thousand	133,221	133,221	133,221	133,221	133,221	133,221	133,221	133,221

[1] For calculation of EPRA NNNAV, an estimated deferred tax of 4.0 per cent has been used.
[2] See reconciliation for key ratios on Atrium Ljungberg's website.
[3] For definitions, see pages 22 and 23.

PARENT COMPANY

The Parent Company's operations comprise Group-wide functions and the organisation for the management of the properties owned by the Parent Company and the subsidiary companies.

Net sales totalled SEK 343 million (SEK 378 m). Operating profit/loss totalled SEK 14 million (SEK 59 m). The profit/loss after financial items totalled SEK 744 million (SEK 726 m).

Interest-bearing liabilities amount to SEK 13,027 million (SEK 9,685 m). These funds finance the parent company's property portfolio and are lent on to other Group companies.

INCOME STATEMENTS PARENT COMPANY

Amounts in SEK m	2016 1/1–31/12	2015 1/1–31/12
Rental income	169	169
Management income	175	209
Net sales	**343**	**378**
Property expenses	–57	–58
Management and administration expenses	–254	–240
Depreciation	–19	–20
Operating profit/loss	**14**	**59**
Result of participations in Group companies	665	620
Interest income and similar profit/loss items	484	473
Interest expenses and similar profit/loss items	–418	–426
	731	**667**
Profit/loss after financial items	**744**	**726**
Appropriations	–50	–139
Profit/loss before tax	**694**	**587**
Current tax	0	–12
Deferred tax	–16	–22
	–16	–34
Profit for the period	**678**	**553**

SUMMARY BALANCE SHEETS PARENT COMPANY

Amounts in SEK m	31/12/2016	31/12/2015
ASSETS		
Tangible fixed assets	1,497	1,439
Financial fixed assets	461	2,613
Current assets	20,575	14,721
Total assets	**22,533**	**18,773**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	7,602	7,401
Untaxed reserves	50	42
Provisions	277	258
Long-term liabilities	11,310	8,934
Current liabilities	3,293	2,138
Total shareholders' equity and liabilities	**22,533**	**18,773**

OTHER INFORMATION

CORPORATE SOCIAL RESPONSIBILITY

One of Atrium Ljungberg's overall operational goals is Corporate Social Responsibility. We have defined four sustainability goals in this context. All our major new construction projects should be environmentally certified, premises in accordance with BREEAM, residentials in accordance with Environmental Building and the energy consumption per square metre should decrease by 20 per cent between the years 2014 and 2021. By 2021, the proportion of green lease contracts is also to be 50 per cent of the contracted annual rent. Finally, we shall be one of Sweden's best workplaces. The goals are monitored annuallyin our Annual Reports.

MARKET DEVELOPMENT, RISKS AND UNCERTAINTY FACTORS

Atrium Ljungberg's property portfolio, with retail, offices and full-service environments, is primarily located in strong subsidiary markets in the expanding regions Stockholm, Uppsala, Malmö and Gothenburg. The primary prioritised risk management areas, in light of both their complexity and size of the amounts involved, are letting, property valuation, project activities and financing. The company has good procedures for managing these risks. The company also has a strong financial position with strong key ratios, such as a low gearing ratio and high interest coverage ratio.

Several tax investigations are ongoing, which is creating uncertainty and could mean higher taxes for the property sector in form of limitation of tax deduction related to interest expenses, increased title deeds costs and increased taxation on sales of properties.

For further information on risks and uncertainty factors in general, please see Atrium Ljungberg's 2015 Annual Report and the section entitled "Risks and risk management" on pages 97–101.

RETAIL SECTOR'S SALES TREND

According to the Swedish Retail Sales Index (DHI), total retail sales in Sweden increased by 3.3 per cent in 2016. The stores within our five largest retail hubs – Sickla, Farsta Centrum, Port 73, Gränbystaden and Mobilia – collectively reported a net sales increase of 4.0 per cent compared to last year.

SEASONAL EFFECTS

The operating surplus is impacted by seasonal variations in operating costs. Generally costs are higher during the first and last quarter of the year, primarily caused by higher costs of heating and property maintenance.

ONGOING DISPUTES

On 3 June Nacka District Court communicated its judgment in the dispute with Casco Adhesives AB (Akzo Nobel). The dispute refers to the revocation of a lease contract which was conducted in 2013 regarding renting of premises in Sickla Front I, Nacka. The District Court established that Casco Adhesives AB is liable to pay damages to Atrium Ljungberg and has an obligation to indemnify for the litigation costs. The amount of damages will be tried in separate court proceedings. Casco Adhesives AB has appealed the judgment to Svea Court of Appeal and has been granted leave to appeal. The date of court proceedings is confirmed as the end of March 2017.

ORGANISATION

Monica Fallenius was appointed as the new director of the business area Transaction and establishment. Monica assumed her role on 1 February 2017 and is a member of the company management.

WHISTLEBLOWING

We manage our company in a long-term and sustainable manner. It is therefore important that improprieties which affect Atrium Ljungberg and which may seriously injure our staff are highlighted, investigated and prevented in as early a stage as possible. We have therefore established a whistleblowing service through an external party. In this manner we can guarantee a system with highest secrecy and total anonymity which makes it safe for our employees, customers and collaboration partners to submit a complaint. Complaints can be submitted on our website.

ACCOUNTING PRINCIPLES

Atrium Ljungberg's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS). The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies Swedish Financial Reporting Board's recommendation, RFR2 Accounting for Legal Entities, and the Swedish Annual Accounts Act. The accounting principles applied conform to those described in the 2015 Annual Report.

New and revised standards from IFRS and interpretations from IFRIC to be applied by the Group as of 1 January 2016 have had no effect on the Group's results or financial position.

Valuation method for investment properties

Investment properties are valued at fair value in the Balance Sheet. The valuation took place in accordance with level 3 in the IFRS valuation hierarchy.

Valuation method for derivatives

Derivatives (interest swap agreements) are valued at fair value in the Balance Sheet. Pursuant to the IFRS valuation hierarchy, the fair value of derivatives has been valued in accordance with level 2. This level means that the valuation is based on input data other than the listed prices, and which are observable for the asset or the liability, either directly or indirectly. The derivative agreements (ISDA-agreements) include an option to net obligations in respect of the same counterparty.

Fair value interest-bearing liabilities

According to the Balance Sheet, the Group's reported interest-bearing liabilities total SEK 14,947 million (SEK 13,261 m) and their fair value totals SEK 14,991 million (SEK 13,318 m). The fair value calculation is based on discounted estimated future cash flows. The discounting is effected on the basis of current market rates plus the relevant borrowing margin. The valuation is hereby conducted with IFRS valuation hierarchy level 2. Atrium Ljungberg is of the opinion, with regard to other financial assets and liabilities reported at accrued acquisition value, that the differences between book values and fair values are insignificant.

EPRA

As of 1 January 2015, Atrium Ljungberg reports EPRA EPS, EPRA NAV as well as EPRA NNNAV in accordance with the European Public Real Estate Association's definitions.

For calculation of EPRA NNNAV (the triple net asset value), an estimated deferred tax of 4.0 per cent has been used for properties. The calculation of the tax rate is based on a discount rate of 3.0 per cent (real) and that the property portfolio is realised over 50 years, where 10 per cent of the properties are sold directly with a nominal tax rate of 22 per cent and that 90 per cent are sold indirectly through transfer of shares with a tax deduction for the buyer of 6 per cent.

Alternative Performance Measures

Atrium Ljungberg applies the guidelines of the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APMs). The guidelines aim to make APMs in financial reports more comprehensible, reliable and comparable and thereby promote their applicability.

According to these guidelines, an APM is a financial measure of historical or future profit performance, financial position, financial results or cash flows which are not defined or stated in applicable rules for financial reporting; IFRS and the Swedish Annual Accounts Act.

Reconciliation of APMs is available on Atrium Ljungberg's website, www.al.se.

EVENTS AFTER THE CLOSING DAY

At the city council meeting of the City of Stockholm on 13 February, the sale of Fatburen 2 was decided in accordance with a previously communicated policy decision.

In February Atrium Ljungberg was awarded a public investment grade rating of Baa2 with stable outlook from the credit rating agency Moody's.

OUTLOOK FOR 2017

Atrium Ljungberg's conditions are good. The higher urbanisation and population growth continue to drive growth in the metropolitan regions, where we are established.

The investment volume in own properties for 2017 is assessed to amount to approximately SEK 1.5 billion. The forecast for profit before changes in value amounts to SEK 1,055 million in comparison to SEK 965 million for 2016.

The forecast includes acquisition of the property Fatburen 2. The forecast net profit after tax is SEK 822 million, corresponding to SEK 6.17/share. Changes in value and any other future property acquisitions and sales have not been taken into account in the forecast.

DIVIDEND

Dividend payments shall correspond to at least 50 per cent of the profit before changes in value, after estimated tax, unless investments or the company's financial position otherwise justify a deviation from this policy. A dividend of SEK 3.95 per share (SEK 3.55/share) is proposed for the financial year, which corresponds to a dividend of SEK 69.9 per cent of the distributable profit (SEK 64.1/share) and a dividend yield of 2.8 per cent (2.9%).

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) will be held on Wednesday, 5th April 2017 at 17.00 (CET) in the SF bio building, at Marcusplatsen 19 in Sickla, Nacka. Notices convening the AGM will be sent by letters in the post to shareholders and the AGM will also be advertised in Post- och Inrikes Tidningar (the Official Swedish Gazette). A statement that the AGM has been convened will be published in the Dagens Nyheter daily newspaper. The Annual Report will be available on Atrium Ljungberg's website no later than three weeks before the AGM and will also be distributed by post to shareholders who have requested a printed version. Please see the company's website (www.al.se) for full details of the Nomination Committee's proposals and of the items on the agenda for the AGM.

CAPITAL MARKET DAY

Atrium Ljungberg will hold a capital market day on 24 February 2017 at 09.00 (CET) on Slöjdgatan in Stockholm. The event will be broadcast live and can be followed on our website www.al.se or on our YouTube channel.

The Interim Report has not been subject to review by the company's auditors.

Nacka, 23 February 2017

BOARD OF DIRECTORS

In October 2016 we received the award "BREEAM project of the year" for our sustainability work in Gränbystaden in Uppsala. The motivation of the award emphasises target-oriented work on integrating a building in its immediate surroundings by extending social functions, building new playgrounds and meeting places, and improving public transport.

DEFINITIONS

FINANCIAL DEFINITIONS

Adjusted gearing ratio, %
Interest-bearing liabilities as a percentage of the sum of the properties' fair values at the end of the period, less properties acquired but not possessed and plus properties sold but not vacated.
The adjusted gearing ratio is used to illustrate Atrium Ljungberg's financial risk.

Average capital commitment, years
Average remaining term until final maturity of all credits in the liabilities portfolio.
The average capital commitment is used to illustrate Atrium Ljungberg's financial risk.

Average fixed interest, years
Average remaining term until interest settlement date of all credits in the liabilities portfolio.
The average fixed interest is used to illustrate Atrium Ljungberg's financial risk.

Average interest rate for interest-bearing liabilities, %
Weighted average contracted interest for all credits in the liabilities portfolio at the end of the period excluding unutilised credit facilities.
The average interest is used to illustrate Atrium Ljungberg's financial risk.

Average number of outstanding shares
Weighted average number of outstanding shares calculated in accordance with IAS 33.

Cash flow per share, SEK
Cash flow from operating activities divided by the average number of outstanding shares.
Cash flow per share, SEK is used to illustrate Atrium Ljungberg's cash flow, and particularly its dividend capacity.

Dividend pay-out ratio, %
Dividend per share as a percentage of the profit/loss per share before changes in value, less applicable nominal tax.
Dividend pay-out ratio is used to illustrate how large share of the results is shifted out to the Group's owners and reinvested in the operations respectively.

Earnings per share, SEK
Net profit/loss for the period divided by the average number of outstanding shares after dilution.

EPRA
The European Public Real Estate Association is a trade organisation for publicly listed real estate companies and investors in Europe which sets standards for the financial reporting.

EPRA EPS (EPRA Earnings per share), SEK
Profit/loss before changes in value, less calculated current tax excluding loss carry-forwards, divided by the average number of outstanding shares. The deducted tax has been calculated by taking into account tax deductible depreciation and investments.
EPRA EPS is used to provide stakeholders information on Atrium Ljungberg's management result per share calculated in a uniform manner for publicly listed real estate companies.

EPRA NAV (Net Asset Value) per share, SEK
Reported shareholders' equity with reversal of goodwill, interest derivatives and deferred tax, divided by the number of outstanding shares at the end of the period.
EPRA NAV per share is used to provide stakeholders information on Atrium Ljungberg's current net worth per share calculated in a uniform manner for publicly listed real estate companies.

EPRA NNNAV) (Triple Net Asset Value) per share, SEK
Reported shareholders' equity with reversal of goodwill adjusted with estimated actual deferred tax, divided by the number of outstanding shares at the end of the period.
EPRA NNNAV per share is used to provide stakeholders information on Atrium Ljungberg's long-term net worth per share calculated in a uniform manner for publicly listed real estate companies.

Equity/assets ratio, %
Reported shareholders' equity as a percentage of the balance sheet total at the end of the period.
The equity/assets ratio is used to illustrate Atrium Ljungberg's interest rate sensitivity and financial stability.

Equity per share, SEK
Reported equity divided by the number of outstanding shares at the end of the period.
Equity per share is used to illustrate the owners' share of the company's total assets per share.

Gearing ratio, %
Interest-bearing liabilities as a percentage of the sum of the properties' fair value at the end of the period.
The gearing ratio is used to illustrate Atrium Ljungberg's financial risk.

Gross profit/loss project and construction work
Project and construction sales minus project and construction costs.

Gross profit/loss property management
Rental income less property management costs.

Interest coverage ratio, multiple
Profit/loss before changes in value, plus interest expenses divided by interest expenses.
The interest coverage ratio is used to illustrate how sensitive the company's profit/loss is to interest rate changes.

Number of outstanding shares
Number of registered shares at the end of the period less bought-back shares, which do not provide entitlement to dividend or voting rights.

Profit/loss before changes in value per share, SEK
Profit/loss before changes in value, less current tax, divided by the average number of outstanding shares.
Profit/loss before changes in value per share is used to illustrate the ongoing management operations.

Property costs
Total property management costs, which exclude central administration.

Return on shareholders' equity, excluding changes in value, %
Net profit/loss for the year as a percentage of average shareholders' equity excluding changes in value.

Return on shareholders' equity excluding changes in value is used to illustrate Atrium Ljungberg's capacity to generate current cash flow on the owners' capital in the Group.

Return on total assets excluding changes in value %
Profit/loss before changes in value plus interest expenses as a percentage of the average balance sheet total.¬

Return on total assets excluding changes in value is used to illustrate Atrium Ljungberg's capacity to generate current cash flow on the Group's assets uninfluenced by the Group's financing.

Share dividend yield, %
The proposed share dividend as a percentage of the share price at the end of the previous year.

The share's dividend yield is used to illustrate which current yield shareholders are expected to receive.

Share's total yield, %
The year's change in the share price plus the paid dividend during the year as a percentage of the share price at the end of the previous year.

The share's total yield is used to illustrate the shareholders' total yield on their ownership in Atrium Ljungberg.

PROPERTY-RELATED DEFINITIONS

BREEAM
Is an environmental certification system developed in Europe for built environments. BREEAM takes a big picture approach to environmental performance. The areas addressed by BREEAM are energy and water consumption, health, transport, materials, waste, land usage, emissions, ecology and management.

EPRA Vacancy rate, %
The rental value of unlet premises divided by the rental value of the entire property portfolio. Project properties are excluded.

The EPRA Vacancy rate is reported in accordance with the EPRA's definition of vacancy rate, which enables comparison between different companies.

GFA, m²
GFA (Gross Floor Area) refers to the building's total area, including outer walls.

Environmental Building
Environmental Building is a certification system for buildings which are based on Swedish construction practice and covers energy, the indoor environment and material.

Letting area, m²
Total area available for letting.

Letting rate, %
Contracted annual rents as a percentage of the rental value in conjunction with full letting. Reported figures are based on the immediately subsequent quarter.

The letting rate is used to illustrate the Group's efficiency in the use of its investment properties.

Like-for-like portfolio
Like-for-like portfolio refers to the properties which were not classified as project properties and were owned throughout the period and entire comparison period.

Like-for-like portfolio is used to illustrate the trend of rental income excluding non-recurrent effects for premature vacating of premises and property expenses uninfluenced by project properties as well as acquired and sold properties.

Net letting
Total contracted annual rent for new lettings less annual rents terminated due to notice to leave premises during the period.

Net letting is used to illustrate the letting situation.

Operating surplus
Refers to Gross profit/loss in property management.

Operating surplus margin, %
Gross profit/loss from property management as a percentage of the reported rental income.

Operating surplus margin is used to illustrate how large share of the Group's rental income remains after property costs. The operating surplus margin also forms the basis of valuation of the Group's investment properties.

Premises type
The operations managed in the individual premises determine the premises type: retail, offices, residentials or other. Other includes, among other things, education, culture and service enterprises.

The letting rate and yield requirement are reported per premises type.

Project property
An individual property or a clearly delimited part of a property that has been vacated in order to permit the renovation and upgrading of the property. The term, project property, also refers to buildings under construction and to undeveloped land and development rights. Reclassification from project property to completed property occurs on 1 January of the year after completion.

Project return, %
Market value after completed project minus total investment as a percentage of total investment.

Project return is used to illustrate value creation in the project activities.

Property type
The premises type which comprise the predominant share of the rental value of a register property determine the property type.

The market value is reported per property type.

Rental value
Contracted annual rents including rent surcharges (e.g. for property tax and electricity) and estimated market rents for vacant space in existing condition.

Rental value is used to illustrate the Group's income potential.

ABOUT US

Atrium Ljungberg owns, develops and manages properties. Our primary focus is on retail and offices, but our vibrant urban environments also include residential properties and cultural, service and educational facilities. We create city districts where people want to be, today and tomorrow. We are located where Sweden is growing: Stockholm, Uppsala, Malmö and Gothenburg.

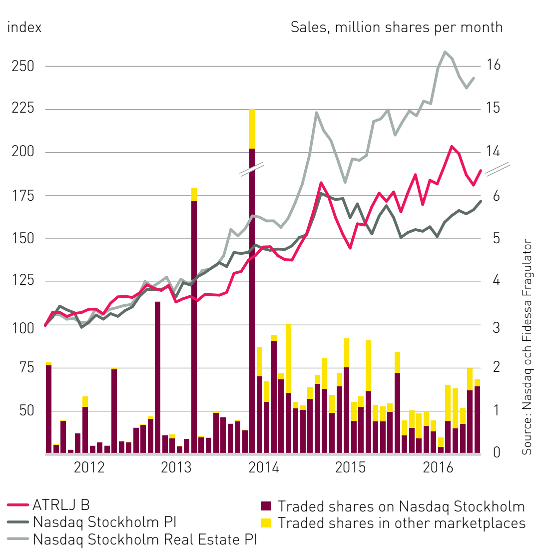
Deciding to build attractive spaces for the future is every bit as obvious to us as deciding to create long-term value – for us, our customers and for society.

Atrium Ljungberg has been listed on the NASDAQ Stockholm Exchange since 1994.

FACTS

Number of properties	**50**
Property value, SEK billion	**36**
Contracted annual rent, SEK billion	**2.2**
Total letting area, 1,000 m^2	**1,124**
Letting rate, %	**93**
Number of employees	**281**

The Atrium Ljungberg share



FOUR REASONS TO OWN SHARES IN ATRIUM LJUNGBERG

- **A stable dividend yield** – The dividend yield over the last five years was 3.0 per cent. The dividends paid by the company since its flotation in 1994 have never fallen in SEK per share.
- **Low risk** – The company's operations are stable and its financial position is strong, with solid key ratios such as a low gearing ratio and high interest coverage ratio.
- **Potential for good value growth** – With a planned investment rate of SEK 1 billion per year and a goal of 20 per cent returns on new build and extension projects, the company – and hence the share – has excellent potential for good value growth over time.
- **Sustainable urban development** – The sustainability work is integrated in the business model where we continuously develop our areas in a sustainable direction. We are a long-term player that takes responsibility for the impact of our business on human beings and the environment.

BUSINESS CONCEPT

Our long-term approach to ownership, development and management enables us to offer our customers attractive urban environments for retail, office and residentials in strong subsidiary markets. Our in-house expertise and holistic perspective enable us to generate added value for our customers and partners and to create value growth within the company.

GOALS

Atrium Ljungberg's operations focus on growth in the operating surplus. This, together with a stable capital structure, generates excellent conditions for good growth in value. Our goals are divided into three areas:

PROFITABILITY AND GROWTH

The operating net shall increase by 10% per annum, we shall invest SEK 1 billion each year in in-house projects, and the return on new build and extension projects shall be 20%. The dividend shall correspond to a minimum of 50% of the profit before changes in value, after nominal tax.

LONG-TERM STABILITY

The minimum equity/assets ratio shall be 30% and the interest coverage ratio shall be a multiple of 2.0.

CORPORATE SOCIAL RESPONSIBILITY

All major new builds are to be environmentally certified – business premises in accordance with BREEAM and residential properties in accordance with the Sweden Green Building Council's Environmental Building certification. Energy consumption per m² is to decrease by 20 % between 2014 and 2021. By 2021, the proportion of green lease contracts is to be 50% of the contracted annual rent. We shall be one of Sweden's best workplaces.

STRATEGIES

- Focus on developing environments for retail and office operations and, where possible, add housing, service, culture and education.
- Develop and improve properties and development rights.
- Operate in strong subsidiary markets in large urban regions.
- Be a significant player with large, unified units in each subsidiary market.
- Our focus, in everything we do, shall be on our customers. Collaboration with customers, suppliers, municipalities and other stakeholders should be close, long-term, stable and personal.
- Conduct and manage the entire business process in-house using our in-house expertise.
- The sustainability work should be integrated in the business strategy and should comprise an important component of our offering.
- Have committed employees who are passionate about what we do.

BUSINESS MODEL

Atrium Ljungberg's business model creates profitability and value growth, mostly through long-term property ownership, management and improvement, as well as through project development of properties. Our construction business also contributes to profitability, as do our property acquisitions and sales.

INFORMATION FROM ATRIUM LJUNGBERG

THE INFORMATION we release to the market concerning Atrium Ljungberg's operations shall be transparent, clear and correct in order to build market confidence in our company and our brand.

AS A LISTED COMPANY Atrium Ljungberg is subject to the rules of the listing agreement with the NASDAQ Stockholm exchange. Significant events, interim reports and preliminary financial statements are published immediately via press releases and the information is also available on the company's website: www.al.se.

REGULAR MEETINGS WITH analysts, investors, shareholders and financiers, and with our customers and partners, enable us to provide ongoing information on our company, current events and operational changes.

THE ANNUAL REPORT and interim reports are available on our website. The annual report is also distributed in printed format by post to shareholders who have actively requested it. Interim reports and preliminary financial statements are translated into English and all language versions are published simultaneously on our website. The annual reports are translated into English shortly after the publication of the Swedish language version.

INTERESTED PARTIES can subscribe to both financial reports and press releases via our website: www.al.se. The site also provides updated information on our operations, our properties and projects, financial key ratios, the share, and much more besides. The information on the website is also available in English.

PUBLICATION OF FINANCIAL INFORMATION

2016 Annual Report	**10/03/2017**
Annual General Meeting	**05/04/2017**
Interim report Jan–Mar 2017	**20/04/2017**
Interim report Jan–June 2017	**12/07/2017**
Interim report Jan–Sep 2017	**18/10/2017**

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Atrium Ljungberg, February 2017. Images: Christoffer Edling, Erik Lefvander and Danish Saroe. Production: Ineko, Stockholm, 258488.