JANUARY TO JUNE

INTERIM REPORT 2017

ATRIUM LJUNGBERG

INTERIM REPORT
1 JANUARY–30 JUNE 2017

- NET SALES increased to SEK 1,262 million (SEK 1,139 m) of which rental income increased to SEK 1,191 million (SEK 1,062 m). Rental income in like-for-like portfolios increased by 3.0 per cent.
- THE LETTING RATE was 94 per cent (94% as per 01/01/2017), including project properties.
- THE OPERATING SURPLUS from property management increased to SEK 823 million (SEK 731 m), an increase of 12.5 per cent. The increase is primarily the result of acquired properties and a settlement in a rent dispute but also contributions from new lettings and renegotiations. The operating surplus margin is unchanged at 69 per cent (69%).
- THE PROFIT BEFORE CHANGES IN VALUE increased to SEK 589 million (SEK 472 m).
- THE UNREALISED CHANGES IN THE VALUE for properties increased to SEK 1,356 million (SEK 973 m) and is mainly explained by the market's lower yield requirements and higher rental levels. Unrealised changes in the value of derivatives amounted to SEK 112 million (SEK –559 m) as market interest rates during the period increased on the terms covered by the derivatives.
- THE NET PROFIT FOR THE PERIOD increased to SEK 1,638 million (SEK 702 m), corresponding to SEK 12.30/share (SEK 5.27/share).
- INVESTMENTS in Atrium Ljungberg's own properties increased to SEK 749 million (SEK 407 m).
- ACQUISITION OF PROPERTIES increased to SEK 1,823 million (SEK 453 m).
- THE 2017 PROFIT FORECAST before changes in value is unchanged at SEK 1,135 million. The 2017 profit forecast after tax amounts to SEK 2,046 million, corresponding to SEK 15.36/share.

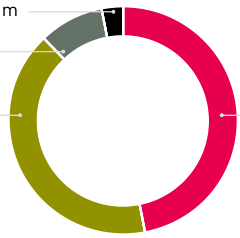
SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- A decision to start a new construction project in Sickla, called Sickla 1898, covering a total of 15,000 m² GFA.
- Rental apartments in the first residential building in Gränbystaden were released for letting.
- A rent dispute between Atrium Ljungberg and Akzo Nobel was resolved by a settlement being reached. This settlement had a positive effect of approximately SEK 45 million on the profit.

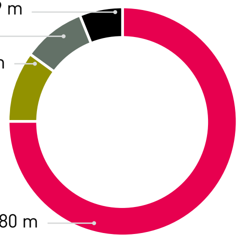
KEY RATIOS[1]	2017 Jan–Jun	2016 Jan–Jun	2017 Apr–Jun	2016 Apr–Jun
Net sales, SEK m	1,262	1,139	671	575
Profit/loss before changes in value, SEK m	589	472	315	249
Net profit/loss for the period, SEK m	1,638	702	1,016	760
Investments in Atrium Ljungberg's own properties, SEK m	749	407	398	206
Acquisition of properties, SEK m	1,823[2]	453	23	332
Cash flow from operating activities, SEK m	539	374	156	156
Letting rate, %	94	94	94	94
Operating surplus margin, %	69	69	70	70
Equity/assets ratio, %	41.9	41.8	41.9	41.8
Adjusted gearing ratio, %	44.4	43.6	44.4	43.6
Interest coverage ratio, multiple	4.1	3.4	4.4	3.5
Average interest rate at the period end, %	2.0	2.5	2.0	2.5
Earnings per share, SEK	12.30	5.27	7.63	5.70
EPRA ESP, SEK/share	4.13	3.38	1.89	1.79
Cash flow, SEK/share	4.04	2.81	2.00	1.17
Share price at period end, SEK/share	140.50	136.50	140.50	136.50
EPRA NNNAV, SEK/share	154.86	126.40	154.86	126.40
Shareholders' equity, SEK/share	129.82	106.51	129.82	106.51

[1] For definitions, see pages 22 and 23.
[2] Including possession of Fatburen 2, Söderhallarna.

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

We have started the first part of 2017 as ambitiously as I expected. Two important property acquisitions in Stockholm and Gothenburg, a new land allocation in Gränbystaden in Uppsala and three decided project starts are proof of how decisive we have been in our growth strategy; a strategy that requires both new acquisitions and the development of our existing portfolio.

In the first half of the year we took possession of properties worth SEK 1.8 billion. We also increased our project portfolio and can now invest an additional SEK 13 billion in our existing portfolio and obtained land allocations.

Our credit rating has confirmed our financial stability and we are now in a better position to finance our future projects on favourable terms through the capital market.

PROFIT IN THE FIRST SIX MONTHS

Our operating surplus increased by 13 per cent to SEK 823 million. We carried out several positive renegotiations and rental income increased by three per cent in like-for-like portfolios during the period. Several new lettings has contributed to a net letting of SEK 23 million for the second quarter.

The profit before changes in value increased by SEK 117 million to SEK 589 million in the first six months.

NEW HEALTH COMPLEX IN SICKLA

At the beginning of the year we started two development projects: the extension of the south entrance of Gränbystaden Galleria in Uppsala and Torghuset in Mobilia in Malmö. We have also decided to start an exciting project in Sickla in Nacka. We call this project Sickla 1898. It is going to be a health complex for private healthcare companies, including doctor's surgeries, dentists and physiotherapists in functional and modern premises. The ground floors of the complex will be reserved for retail.

Healthcare and nursing play a central role in social development, and there is a greater need for modern and suitable healthcare premises throughout the growing Stockholm region. We have seen a clear need for this in Sickla and the rest of Nacka, as a result of the growing population in the municipality of Nacka, investment in more residential properties and the development of public transport in the area.

"In the first half of the year we took into possession of properties for SEK 1.8 billion. We also increased our project portfolio and can now invest an additional SEK 13 billion in our existing portfolio and obtained land allocations."

The new health complex will be right next to Sickla station, which services both Saltsjöbanan and Tvärbanan. Together with the new underground entrance, which will be complete in 2025 and an improved road network in the area, the accessibility will be high.

With this project start, we have ongoing projects totaling SEK 3.9 billion, with a remaining investment volume of SEK 2.6 billion.

During the first sixt months, we invested nearly SEK 750 million in our own properties, just in line with our investment forecast of SEK 1.5 billion.

SUCCESSFUL RECRUITMENT WORK

With several projects underway, a higher project volume in the future and our residential property investment, we have recently been focusing on recruiting new employees. We have been able to recruit several project leaders, foremen and business developers as well as business support functions.

The level of interest was high and we received many good applications. This enabled us to recruit extremely skilled people who share our important values, where collaboration and reliability play a key role. We have a strong brand and are an attractive employer!

NEW TAX PROPOSAL

In June the Ministry of Finance submitted a proposal for a general limitation of tax deductions for companies. In practice, this will mean that some of the interest expenses of real estate companies will not be tax-deductible.

The low interest level at the moment combined with our current gearing ratio mean that this proposal, if it goes ahead, will not affect Atrium Ljungberg's tax situation. If the interest level increases in the future, this proposal will have a negative impact on capital-intensive property investments and will hamper investments in urban development and housing construction, it if is introduced.

OUTLOOK FOR 2017

Sweden's economy is strong and the National Institute of Economic Research assesses that the economy will grow by 2.5 per cent during 2017 and by 2.4 per cent during 2018. Both the Riksbank and banking analysts expect a negative key interest rate up until 2019. The rental market continues to be strong in the areas where we are active and the transaction volume of properties remains high with historically low yield requirements.

Our 2017 profit forecast before changes in value is unchanged at SEK 1,135 million.

After a busy first six months, it will soon be time for all our employees, customers and partners to enjoy a well-deserved holiday. I look forward to continuing our work in the autumn on the approval of of the detailed development plans and preparing the groundwork for new projects.

Annica Ånäs,
CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	2017 1/1–30/6	2016 1/1–30/6	2017 1/4–30/6	2016 1/4–30/6	2016 1/1–31/12	2016/2017 1/7–30/6
Rental income	1,191	1,062	624	538	2,150	2,279
Sales, project and construction work	71	78	48	37	149	143
Net sales	**1,262**	**1,139**	**671**	**575**	**2,299**	**2,422**
Property management costs						
Service charge-related costs	–100	–91	–40	–38	–176	–184
Other operating costs	–80	–70	–41	–34	–154	–163
Management costs	–69	–63	–39	–36	–148	–154
Reparis	–24	–22	–12	–12	–50	–52
Property tax	–70	–68	–37	–35	–130	–132
Leasehold fees	–20	–12	–13	–6	–25	–33
Non-deductible VAT	–6	–5	–3	–2	–10	–10
	–368	–331	–185	–164	–692	–730
Project and construction work costs	–84	–82	–66	–41	–162	–163
Gross profit/loss	**811**	**727**	**421**	**371**	**1,445**	**1,530**
– of which gross profit/loss property management (operating surplus)	*823*	*731*	*439*	*375*	*1,458*	*1,550*
– of which gross profit/loss from project and construction work	*–12*	*–5*	*–18*	*–4*	*–12*	*–20*
Central administration, property management	–26	–50	–9	–20	–82	–58
Central administration, project and construction work	–7	–7	–3	–4	–15	–15
	–33	–57	–12	–24	–97	–74
Financial income	0	1	0	0	1	1
Financial expenses	–189	–198	–93	–99	–385	–375
	–188	–198	–93	–98	–383	–374
Profit/loss before changes in value	**589**	**472**	**315**	**249**	**965**	**1,082**
Changes in value						
Properties, unrealised	1,356	973	912	959	2,772	3,155
Properties, realised	–0	–7	–	–1	6	13
Derivatives, unrealised	112	–559	77	–248	–307	364
	1,468	407	989	710	2,471	3,532
Profit/loss before tax	**2,057**	**879**	**1,304**	**959**	**3,436**	**4,614**
Current tax	–25	–2	–25	5	–4	–27
Deferred tax	–394	–175	–263	–204	–751	–970
	–419	–177	–288	–199	–755	–997
Profit for the period	**1,638**	**702**	**1,016**	**760**	**2,681**	**3,617**
Other comprehensive income						
Items which will be reclassified to profit/loss						
Cash flow hedging	9	10	5	5	19	19
Tax attributable to other reported income and expenses	–2	–2	–1	–1	–4	–4
Total other comprehensive income	**7**	**7**	**4**	**4**	**15**	**15**
Total comprehensive income for the period	**1,646**	**710**	**1,020**	**763**	**2,696**	**3,632**
Earnings per share, SEK	12.30	5.27	7.63	5.70	20.13	27.15

RESULTS JANUARY–JUNE 2017

NET SALES

The Group's net sales for the period increased to SEK 1,262 million (SEK 1,139 m), of which rental income comprised SEK 1,191 million (SEK 1,062 m).

During the first half of the year non-recurring remuneration of SEK 5 million (SEK 2 m) was received for premature vacating of premises. During the quarter SEK 45 million was received in a settlement in a rent dispute, of which SEK 40 million increases rental income.

RENTAL INCOME TREND

	2017 1/1–30/6	2016 1/1–30/6	Change, %
Like-for-like	1,042	1,011	3.0
Non-recurring remuneration	45	2	
Project properties	41	42	
Properties acquired	63	6	
Rental income	**1,191**	**1,062**	**12.2%**

At the end of the period the market value for the like-for-like portfolio was SEK 32,232 million excluding building rights, corresponding to 81 per cent of the property portfolio's total value.

PROPERTY COSTS

Property costs totalled SEK –368 million (SEK –331). For the like-for-like portfolio, property costs have increased by 4.3 per cent compared with the first half of the previous year. SEK 7 million in property costs for like-for-like portfolio in 2017 refers to retroactive cost for leasehold fee in Stockholm. Excluding this retroactive cost, property cost for like-for-like portfolio have increased by 2.1 per cent compared with the first half of the previous year.

PROPERTY COSTS TREND

	2017 1/1–30/6	2016 1/1–30/6	Change, %
Like-for-like	–328	–314	4.3
Project properties	–17	–17	
Properties acquired	–23	1	
Property management costs	**–368**	**–331**	**11.2%**

GROSS PROFIT/LOSS

The gross profit for the property management activities (the operating surplus) increased to SEK 823 million (SEK 731 m), corresponding to 12.5 per cent. The increase is primarily the result of acquired properties and a settlement in the rent dispute but also contributions from new lettings and renegotiations. The operating surplus margin is unchanged at 69 per cent (69%).

Contributions from acquired properties primarily relate to the properties Lindholmen 30:1 in Gothenburg which was taken into possession on 29 March 2017 and Eken 6 in Sundbyberg which was taken into possession on 15 September 2016.

The gross profit for project and construction activities totalled SEK –12 million (SEK –5 m).

TL Bygg's gross profit amounted to SEK 17 million (SEK 10 m). The increase is mainly due two external projects that had a negative impact on the profit in 2016.

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.

CENTRAL ADMINISTRATION

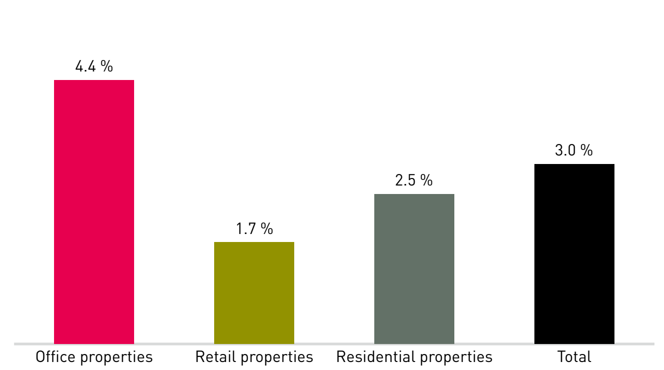
Central administration comprises costs for the company management as well as central support functions. The cost for the period amounted to SEK –33 million (SEK –57 m). Higher costs last year is mainly explained by costs associated with changes in the company management. During the quarter SEK 45 million was received in a settlement in a rent dispute, of which SEK 5 million reduces the cost of central administration.

FINANCIAL INCOME AND EXPENSES

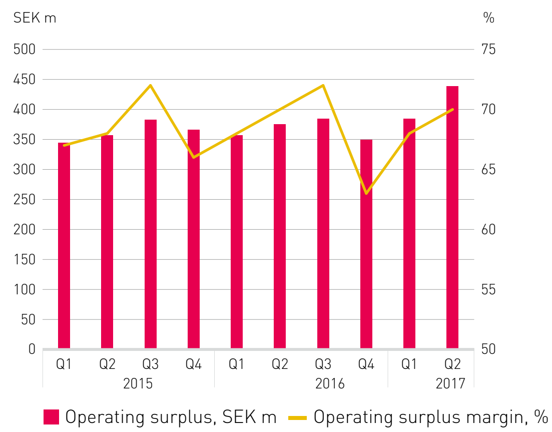
Financial expenses for the period amounted to SEK –189 million (SEK –198 m) despite higher interest-bearing liabilities. Financial income totalled SEK 0 million (SEK 1 m).

The average interest rate at the end of the period amounted to 2.0 per cent (2.5%). For more information, refer to the section on financing on page 11.

Like-for-like net rental income growth



Operating surplus and operating surplus margin



CONT. RESULTS JANUARY–JUNE 2017

CHANGES IN VALUE

Unrealised changes in the value of properties totalled SEK 1,356 million (SEK 973 m) and are mainly explained by the market's lower yield requirements and higher rental levels. For more information, refer to the section on the property portfolio on page 8.

Unrealised changes in the value of derivatives totalled SEK 112 million (SEK –559 m) as market interest rates during the period increased on the terms covered by the derivatives.

TAXES

The current tax for the period totalled SEK –25 million (SEK –2 m). The current tax has been affected by 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 –394 million (SEK –175 m) and has primarily been impacted by deferred tax on unrealised changes in the value of properties and derivatives and the use of tax loss carry-forwards.

At the end of the period the Group's accumulated fiscal deficit amounted to SEK 54 million (SEK 115 m), of which SEK 54 million (SEK 96 m) comprises the base of the Group's deferred tax receivable.

The fiscal value of investment properties amounts to SEK 15,929 million (SEK 13,552 m).

TAX CALCULATION, 30/06/2017

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	2,057	
Tax deductible		
depreciation	–277	277
investments	–125	125
Non-taxable/non-deductible		
changes in the value of properties, unrealised	–1,356	1,356
changes in the value of derivatives, unrealised	–112	112
consolidated capitalisation of borrowing	–11	11
consolidated internal profit	–	–13
Other fiscal adjustments	10	–130
Taxable profit/loss before loss carry-forwards	**186**	**1,738**
Change in loss carry-forwards	–76	54
Taxable profit/loss	110	1,792
Of which 22% current/deferred tax	**–25**	**–394**
Reported tax expense	**–25**	**–394**

PROFIT

The profit before changes in value increased to SEK 589 million (SEK 472 m).

Net profit for the period totalled SEK 1,638 million (SEK 702 m), which corresponds to SEK 12.30/share (SEK 5.27/share) and was primarily affected by higher operating surplus and unrealised changes in the value of properties and derivatives.

NET LETTING

Net letting, i.e. newly agreed contracted annual rents less annual rents terminated due to clients vacating the premises, amounted to SEK 23 million (SEK 70 m) during the second quarter, of which SEK 11 million (SEK 41 m) refers to project properties. Net letting has not been affected by any major individual notices of termination or new lettings; this is distributed among many of our areas.

The time lag between net letting and its effect on profit is assessed to be 3–12 months.

CONTRACTED ANNUAL RENT AND LETTING RATE

The Group's contracted annual rent amounted to SEK 2,369 million on 01/04/2017 (SEK 2,208 m as of 01/01/2017) and the rental value amounted to SEK 2,526 million (SEK 2,374 m as of 01/01/2017). This gives a letting rate including project properties of 94 per cent (93% as of 01/01/2017) and excluding project properties of 95 per cent (93% as of 01/01/2017). The EPRA vacancy rate is thus 5 per cent (7% as of 01/01/2017).

The average remaining term for contracted rent excluding residentials and parking, was per 01/07/2017 3.7 years (3.7 years as of 01/01/2017).

PROFIT FORECAST

The 2017 profit forecast before changes in value is unchanged at SEK 1,135 million and includes the effect of the acquisitions made during the first six months. The forecast profit after tax is SEK 2,046 million, corresponding to SEK 15,36/share and including changes in value as of 30/06/2017. Future changes in value and any future property acquisitions and sales of properties have not been taken into account in the forecast.

RENTAL VALUE AND LETTING RATE

	01/07/2017			01/07/2016		
Premises type	Rental value, SEK m	Rental value, SEK/m²	Letting rate, %	Rental value, SEK m	Rental value, SEK/m²	Letting rate, %
Office	1,080	2,497	96	922	2,414	92
Retail	978	3,259	95	966	3,146	95
Other	217	1,902	96	211	1,852	94
Residentials	71	1,327	99	73	1,322	100
Garage	60	–	94	53	–	93
Business area Property	**2,407**	**2,180**	**95**	**2,226**	**2,141**	**94**
Project properties	120		62	44		97
Land and development rights	–		–	–		–
Total	**2,526**		**94**	**2,270**		**94**

CONSOLIDATED BALANCE SHEETS SUMMARY

Amounts in SEK m	**30/06/2017**	30/06/2016	31/03/2017	31/03/2016	31/12/2016
ASSETS					
Investment properties	39,981	32,654	38,694	31,157	36,054
Goodwill	263	263	263	263	263
Other fixed assets	43	39	40	45	52
Total fixed assets	**40,287**	**32,955**	**38,997**	**31,464**	**36,368**
Current assets	606	594	469	568	357
Derivatives	–	–	–	1	–
Liquid assets	374	421	152	179	276
Total current assets	**980**	**1,015**	**622**	**747**	**633**
Total assets	**41,267**	**33,971**	**39,618**	**32,211**	**37,001**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	17,295	14,189	16,802	13,899	16,176
Deferred tax liability	4,387	3,443	4,130	3,243	4,010
Long-term interest-bearing liabilities	17,020	11,237	15,721	9,594	13,125
Derivatives	787	1,154	865	927	900
Other long-term liabilities	64	38	63	34	60
Total long-term liabilities	**22,223**	**15,872**	**20,779**	**13,799**	**18,095**
Short-term interest-bearing liabilities	732	2,992	1,175	3,442	1,970
Derivatives	0	16	4	–	9
Other current liabilities	980	901	858	1,071	751
Total current liabilities	**1,712**	**3,909**	**2,038**	**4,514**	**2,730**
Total shareholders' equity and liabilities	**41,267**	**33,971**	**39,618**	**32,211**	**37,001**

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 2016	**333**	**3,960**	**–69**	**9,729**	**13,953**
Profit for the period				702	702
Other comprehensive income			7		7
Dividend, SEK 3.55/share				–473	–473
Closing balance, as per 30 June 2016	**333**	**3,960**	**–61**	**9,672**	**14,189**
Profit for the period				1,979	1,979
Other comprehensive income			7		7
Closing balance, as per 31 December 2016	**333**	**3,960**	**–54**	**11,937**	**16,176**
Profit for the period				1,638	1,638
Other comprehensive income			7		7
Dividend, SEK 3.95/share				–526	–526
Closing balance, as per 30 June 2017	**333**	**3,960**	**–46**	**13,049**	**17,295**

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 31/12/2016). The average number of outstanding shares for the period 01/01/2017 – 30/06/2017 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. Interest in property investments as a result of the low yield for other assets remains high, resulting in the market's yield requirements continuing to decline.

The transaction volume fell some in the second quarter of the year, following record sales in the first quarter of the year. According to Savills, the transaction volume in the first six months amounted to SEK 80 billion, which is 18 per cent lower than the corresponding period last year. Last year's number included Castellum's large acquisition of Norrporten.

OUR PROPERTY PORTFOLIO

Atrium Ljungberg's property portfolio consists of 54 properties located in Stockholm, Gothenburg, Malmö and Uppsala. Our portfolio, which mainly consists of retail and office properties, is made up of modern, attractive properties with a total letting area of 1,179,000 m^2.

In November 2016 an agreement was signed for the acquisition of Fatburen 2, Söderhallarna in Stockholm, and it was taken into possession in March this year. The property houses a food market, retail and offices with a total lettable area of approximately 8,500 m^2. The purchase price amounted to SEK 380 million.

In March the property Tranbodarne 13, located in Slussen in Stockholm, was aquired and taken into possession, with a lettable area of aproximately 3,300 m^2 offices and residentials. The acquisition was was made through a share deal with an underlying property value of SEK 252 million.

In March the office property Lindholmen 30:1 on Lindholmen in Gothenburg was also acquired and taken into possession, with approximately 37,000 m^2 lettable area. The acquisition was was made through a share deal with an underlying property value of approximately SEK 1,300 million.

Changes in the property portfolio

SEK m	2017 1/1–30/6	2016 1/1–30/6
Fair value at the start of the period	36,054	30,841
Acquisitions (after deduction of deferred tax)	1,823	453
Sale	–	–21
Investments in our own properties	749	407
Unrealised changes in value	1,356	973
Fair value at the end of the period	**39,981**	**32,654**

PROPERTY VALUES

Atrium Ljungberg has commissioned an external market valuation of 18 per cent of the property portfolio's total value during the second quarter of the year. The valuation was carried out by Forum Fastighetsekonomi and Savills. The remainder of the portfolio was subject to an internal valuation with market rents, costs, vacancies and yield requirements that was 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 changes in value during the period amounted to SEK 1,356 million (SEK 973 m) and are mainly explained by the market's lower yield requirements and higher rental levels.

Unrealised changes in value, properties

SEK m	30/06/2017	30/06/2016
Change in yield requirements	684	522
Change in operating net etc.	672	451
Total	**1,356**	**973**

Dividend yield requirement per premises type

%	30/06/2017 Interval	30/06/2017 Average	31/12/2016 Average
Office	3.7–6.5	4.7	4.8
Retail	6.7–6.2	5.0	5.0
Residentials	2.9–3.8	3.1	3.2
Other	3.7–6.3	5.1	5.2
Total	**2.9–6.5**	**4.8**	**4.9**

Dividend yield requirement per region

%	30/06/2017 Interval	30/06/2017 Average	31/12/2016 Average
Stockholm	2.9–6.5	4.7	4.8
Uppsala	5.0–5.2	5.1	5.3
Malmö	3.8–6.3	5.4	5.5
Gothenburg	4.6–5.1	4.6	4.8
Total	**2.9–6.5**	**4.8**	**4.9**

PROPERTY PORTFOLIO

Property type	30/06/2017 Letting area, 1,000 m^2	30/06/2017 Fair value, SEK m	30/06/2017 Fair value, SEK/m^2 [1]	30/06/2016 Letting area, 1,000 m^2	30/06/2016 Fair value, SEK m	30/06/2016 Fair value, SEK/m^2 [1]
Office properties	620	20,069	39,467	537	15,474	34,628
Retail properties	413	14,956	44,918	432	14,543	41,316
Residential properties	71	1,469	24,867	71	1,325	22,408
Total	**1,104**	**36,494**	**40,525**	**1,040**	**31,342**	**36,530**
Project properties	75	2,807	N/A[2]	37	991	N/A[2]
Land and development rights	–	680		–	321	
Total	**1,179**	**39,981**		**1,077**	**32,654**	

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

CONT. PROPERTY PORTFOLIO

DECIDED PROJECTS

During the first half of 2017, we invested SEK 749 million (SEK 407 million) in our own properties, of which SEK 450 million (SEK 139 million) was in project properties. Investments in project properties mainly refer to Sickla Front II, Gränby Entré building 1, the south garage in Gränbystaden as well as Forumkvarteret in Uppsala. Other investments mainly refer to tenant-specific activities in Gränbystaden Galleria and in Söderhallarna, as well as in properties in Liljeholmen, Gothenburg and Stockholm city.

The remaining investment volume for decided project properties amounted to approximately SEK 2.6 billion on 30 June.

SICKLA – STOCKHOLM

Sickla Front II

The construction of Sickla Front II on Uddvägen in Sickla is progressing according to plan. The project involves the construction of two office buildings of approximately 25,000 m^2 letting area in total as well as 14,000 m^2 GFA of parking area. The buildings will form a district which connects Hammarby Sjöstad with Sickla. Tvärbanan which is being extended through Sickla will be put into service in the autumn of 2017 and will run past this new district.

In the second quarter we concluded an agreement with Yamaha Motor Europe N.V. Its Swedish subsidiary will let approximately 1,200 m^2 of office space in Sickla Front II. This is where Yamaha Motor will establish its Swedish head office in the autumn of 2018. We had already concluded an agreement with the Swedish National Courts Administration, which will be a significant tenant in one of the new office buildings. The Swedish National Courts Administration is planning to move in during the second quarter of 2018.

Sickla 1898

In the second quarter we decided to start another new construction project, Sickla 1898, in Sickla. It will be in the historic heart of Sickla, where the first factory for AB Diesels Motorer was set up in 1898. Parts of the old factory are still there and will be used in the new construction project.

This project aims to create a healthcare destination for South-East Stockholm, combined with retail business. The project comprises a total of 15,000 m^2 GFA, which includes 9,500 m^2 for healthcare and 5,500 m^2 for retail. Construction is expected to start at the end of 2017 with occupancy starting during the autumn of 2019.

GRÄNBYSTADEN – UPPSALA

In Gränbystaden new builds and extensions are continuing at both the area's northern part and by Gränbystaden Galleria.

Norra Gränbystaden – Two new buildings are being constructed at the big-box hub in the northern part of Gränbystaden. Stores including Elon, Jula, Jysk and Rusta will open in the autumn of 2017 and the autumn of 2018. When these two projects have been completed, the big-box hub will cover a letting area of 31,000 m^2. There is a complete detailed development plan for approximately 50,000 m^2 GFA.

Gränby Entré buildings 1, 2 and 3 – We are constructing three residential buildings with approximately 200 rental apartments close to Gränbystaden Galleria, as well as business premises on the ground floor of the buildings. Tenants are scheduled to move into 60 apartments in one of the residential buildings in the autumn of 2017. Tenants will move into the two other residential buildings at the end of 2018 and the beginning of 2019.

All residential buildings will be certified in accordance with the Miljöbyggnad level silver.

Gränbystaden, south garage – A parking garage with approximately 300 underground parking spaces is being constructed next to Gränbystaden Galleria. The garage is expected to be completed in 2018.

DECIDED PROJECTS

Project, property	Municipality	Letting area, Retail, m^2	Letting area, Offices, m^2	Letting area, Residentials, m^2	Parking, GFA	Total investment, SEK m	Of which remaining, SEK m	Completed	Fair value, SEK m	Rental value excl. additions, SEK m[1]	Letting rate, %	Environmental certification
New builds and extensions												
Sickla Front II, Sicklaön 346:1	Nacka		25,000		14,000	830	430	2018		65	N/A[2]	Breeam
Sickla 1898, Sicklaön 83:22	Nacka	3,600	8,100[3]			470	460	2020		32	–	Breeam
Northern Gränbystaden, Brillinge 8:1/9:1	Uppsala	31,000				560	140	2014–2018[4]		50	86	Breeam
Gränby Entré building 1, Gränby 21:5	Uppsala	2,700		3,100		230	100	2017		16	69[5]	Miljöbyggnad
Gränby Entré building 2, Gränby 21:4	Uppsala	900	1,300	3,300		220	200	2018		14	18[6]	Miljöbyggnad
Gränby Entré building 3, Gränby 21:4	Uppsala	1,100	1,300	3,400		240	230	2019		15	–	Miljöbyggnad
Gränbystaden, south garage, Gränby 21:4	Uppsala				11,000	180	80	2017		[7]		Breeam In-Use[8]
Gränbystaden, south entrance, Gränby 21:4	Uppsala	11,600				320	290	2018		35	47	Breeam In-Use[8]
Mobilia Torghuset, Bohus 8	Malmö	9,700		3,800		520	480	2020		41	33[9]	Breeam
Reconstruction												
Part of Kista+, Borgarfjord 3	Stockholm		7,500			80	30	2017		N/A[2]	N/A[2]	Breeam In-Use[8]
Forumkvarteret[10], Dragarbrunn 27:2	Uppsala	7,900	3,000	1,400		270	170	2018		38	69[11]	Breeam In-Use[8]
Total		**68,500**	**46,200**	**15,000**	**25,000**	**3,920**	**2,610**		**2,401**[12]			
Other project properties									406			
Total project properties									**2,807**			

[1] Excluding any net sales result.
[2] Letting rate not reported as a subtotal with regard to individual business transactions.
[3] The area is mainly for healthcare.
[4] Covers approximately 45,000 m^2 GFA in total. Investment decisions and completion take place in stages, among other things, connected to letting.
[5] The letting rate for commercial premises amounts to 95%. The letting rate for residentials is 30%.
[6] The letting rate for commercial premises amounts to 36%. Residentials are leased closer to completion.
[7] The garage will be used as a free of charge guest parking.
[8] The entire property will be certified in accordance with BREEAM In-Use.
[9] The letting rate for commercial premises amounts to 40%. Residentials are leased closer to completion.
[10] The investment is partially conditional on letting.
[11] Lease contract terminated for renegotiation not included in letting rate.
[12] SEK 1,394 million new building and extensions and SEK 1,007 million reconstruction.

CONT. PROPERTY PORTFOLIO

Gränbystaden, south entrance – An extension project is underway at the southern part of the shopping centre, which comprises 11,700 m^2 letting area for retail, restaurants, culture and entertainment. The project will be completed in the end of 2018. For exampel, Nordisk Film will open a cinema here.

MOBILIA – MALMÖ

Mobilia Torghuset – In the first quarter we decided to conduct new construction and extension of approximately 13,500 m^2 letting area for retail, residentials, restaurants and cultural activities in the heart of the district Mobilia. The project is comprised by the current detailed development plan. Construction is planned to start at the end of 2017 and is scheduled to be completed in the spring of 2020. Nordisk Film will open a cinema also here.

KISTA

Part of Kista+ – A major tenant-specific adaptation and re-profiling of Kista+ are currently underway. This is the office property in north-east Kista which we acquired in 2016. IBM is the largest tenant, letting almost half of the premises for its head office. IBM will move in during October 2017.

FORUMKVARTERET – UPPSALA

Transformation work is currently underway in Forumkvarteret in central Uppsala, covering every part of the district. Improvements to office premises and rental apartments are complete. We are now extending the shopping centre, making space available and creating a clear internal concourse through it.

Our ambition for Forumkvarteret is to create a city centre district with a strong retail offering combined with attractive office environments and residentials. Intense letting work is currently underway and in the second quarter we concluded agreements with various companies, including the beauty chain Sephora, which will open its first store in Uppsala at the end of August.

The ongoing projects are expected to be completed during the autumn of 2018.

POTENTIAL DEVELOPMENT PROJECTS

Our existing project portfolio with own land and land allocations enables future investments corresponding to approximately SEK 13 billion.

In terms of area, half of the project portfolio consists of residentials and half of offices, retail, education and hotels. 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 2017–2019

We are planning several project starts during 2017–2019 which are covered by current detailed development plans and others depend on new detailed development plans.

In Sickla our ambition is to reconstruct and extend an old office property during the year which will be converted to 12,000 m^2 GFA for hotel, offices and a garage. The project is comprised by the current detailed development plan.

In Sickla Galleria we are planning an extension of approximately 3,000 m^2 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 in Sickla where we expect a complete detailed development plan for Nobelberget at the March 2018. Detailed development plans are also ongoing for the reconstruction and extension of Svindersviksskolan from the current 3,000 m^2 to approximately 9,000 m^2 GFA.

In Gränbystaden we are continuing to create urban qualities and develop the area with a mix of retail, offices and residentials as well as service and cultural activities. In addition to the rental apartments which have been decided and are being constructed by Gränbystaden Galleria, we have plans for approximately 250 tenant-owned dwellings by Gränbyparken next to the shopping centre. Construction of the first phase of the tenant-owned dwellings is expected to take place in 2019.

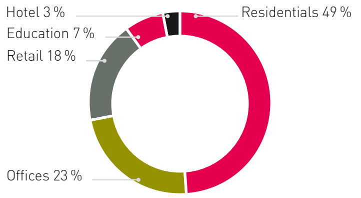
In addition, detailed development plans are ongoing for our area just north of the shopping centre which can enable the development of additional 27,000 m^2 GFA retail and 30,000 m^2 GFA parking.

In the first quarter of 2017 we also received a land allocation with a development right of approximately 50,000 m^2 GFA just south of Gränbystaden Galleria. As a result of the opportunity to acquire the land, we can strongly continue to develop Gränbystaden towards our vision of creating Uppsala's second city centre.

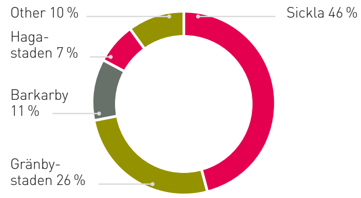
In Hagastaden, in the centre of the emerging life science cluster, we have a land allocation with a development right of 32,000 m^2 GFA. Here, above the E4, we are planning to build Life City, a complete district for businesses, academia and society. Construction is expected to start in the middle of 2018 with planned occupancy during the autumn of 2020.

In Barkarby in Järfälla, 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.

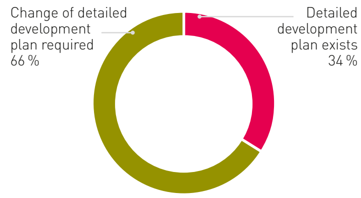
Potential development projects by premises type



Potential development projects by location



Potential development projects by detailed development plan



FINANCING

THE FINANCIAL MARKET

Economic recovery continues to be modest in the market, but this recovery is now being seen in an increasing number of countries, according to Riksbanken. The financial markets are showing relatively stable growth, with stock markets continuing to strengthen. The National Institute of Economic Research believes that GDP growth will weaken slightly this year and next year, but the boom will still continue. The GDP growth forecast of the National Institute of Economic Research for 2017 is 2.5 per cent.

The variable rate, 3M Stibor, amounted to –0.50 per cent at the turn of the quarter, remaining relatively unchanged during the quarter.

In the last quarter the 10-year swap rate increased by 0.12 percentage points to 1.23 per cent.

INTEREST-BEARING LIABILITIES

Atrium Ljungberg meets its financing requirements through five Nordic banks and the capital market. Bank loans accounted for 51 per cent (62%) of the total loan volume at the end of the quarter. Interest-bearing liabilities at the end of the period amounted to SEK 17,753 million (SEK 14,229 m). During the second quarter, previous liabilities increased by SEK 857 million, which is primarily related to property acquisitions and ongoing investments.

The average interest rate continues to decline and at period end amounted to 2.0 per cent (2.5%), both excluding and including unutilised loan guarantees. The average fixed interest term was 3.9 years (5.0 years) and the average capital commitment term was 3.9 years (2.8 years).

Unutilised loan guarantees in addition to loan guarantees which cover outstanding commercial papers amounted to SEK 1,156 million (SEK 475 m). The unutilised overdraft facility amounted to SEK 300 million (SEK 300 m).

COLLATERAL

Our borrowing is largely secured by real estate mortgages. Of the interest-bearing liabilities, SEK 9,035 million (SEK 9,169 m) is secured by mortgage deeds which corresponds to 22 per cent (26%) in relation to the total assets.

DERIVATIVES

At the end of the period, the derivative portfolio comprised of SEK 8,896 million (SEK 8,825 m) in interest swaps, with maturity between the years 2018–2029. In addition, there is SEK 500 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 Income Statement. The unrealised changes in the value of derivatives during the period totalled SEK 112 million (SEK –559 m) as market interest rates increased on the terms covered by the derivatives during the period. The deficit book value of the derivatives portfolio totalled SEK –787 million (SEK –1,170 m) at the end of the period.

PUBLIC RATING AND INCREASED BOND VOLUME

In February Atrium Ljungberg received an investment grade rating from the credit rating agency Moody's and was awarded Baa2 grade with stable outlook.

In the second quarter we issued bonds for SEK 800 million with a term of two years. During the year, the volume of outstanding bonds under the MTN programme increased from SEK 2,450 million to SEK 4,999 million.

FIXED INTEREST

Fixed interest term	Amount, SEK m	Percentage, %	Average interest, % [1]
2017	7,632	43	0.7
2018	325	2	0.4
2019	300	2	0.2
2020	1,100	6	2.6
2021	760	4	4.2
2022 and thereafter	7,636	43	3.2
Total	**17,753**	**100**	**2.0**

[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.

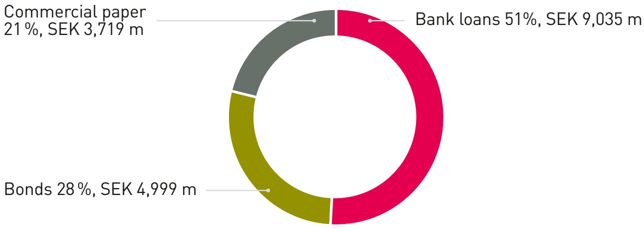
Capital commitment

Maturity date	Amount, SEK m	Percentage, %
2017	–	–
2018	2,541	14
2019	5,127	29
2020	3,035	17
2021	1,394	8
2022 and thereafter	5,656	32
Total	**17,753**	**100**

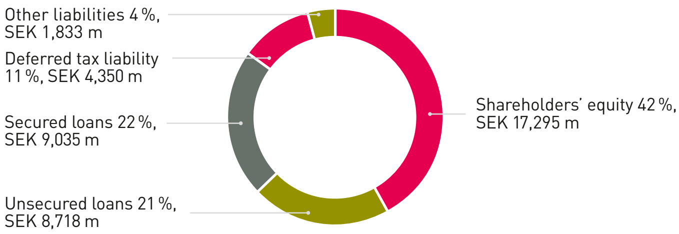
Key ratios financing

	30/06/2017	31/12/2016
Interest-bearing liabilities, SEK m	17,753	15,095
Shareholders' equity, SEK m	17,295	16,176
Gearing ratio, %	44.4	41.9
Average fixed interest term, years	3.9	3.9
Average capital commitment term, years	3.9	3.5
Average interest rate for interest-bearing liabilities, %	2.0	2.3

Interest-bearing liabilities



Capital structure



CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in SEK m	2017 1/1–30/6	2016 1/1–30/6	2017 1/4–30/6	2016 1/4–30/6	2016 1/1–31/12	2016/2017 1/7–30/6
OPERATING ACTIVITIES						
Profit/loss before tax	2,057	879	1,304	959	3,436	4,614
Reversal of depreciation and write-downs	4	1	2	–1	6	9
Realised changes in value, investment properties	–	7	–	1	–6	–13
Unrealised changes in value, investment properties	–1,356	–973	–912	–959	–2,772	–3,155
Unrealised changes in value, derivatives	–112	559	–77	248	307	–364
Other items not included in the cash flow	3	2	1	0	6	7
Tax paid	–22	–18	–13	–9	–35	–39
Cash flow from operating activities before changes in working capital	**573**	**457**	**305**	**239**	**941**	**1,057**
Net change in working capital	–35	–83	–38	–83	8	57
Cash flow from operating activities	**539**	**374**	**267**	**156**	**949**	**1,114**
INVESTMENT ACTIVITIES						
Acquisition of properties	–1,823	–453	23	–453	–1,461	2,830
Reconstruction and new construction of properties	–749	–407	–398	–206	–1,002	1,344
Sale of properties	–0	21	–	21	36	15
Purchase/sale of equipment	–6	–1	–4	1	–8	–13
Cash flow from investment activities	**–2,577**	**–841**	**–378**	**–637**	**–2,435**	**–4,172**
FINANCING ACTIVITIES						
Change in other long-term liabilities	4	5	2	4	16	15
Loans raised	3,975	3,321	1,800	2,298	5,090	5,744
Amortisation of debts	–1,318	–2,355	–943	–1,105	–3,260	–2,223
Dividends paid	–526	–473	–526	–473	–473	–526
Cash flow from financing activities	**2,135**	**499**	**333**	**725**	**1,373**	**3,009**
Cash flow for the period	**97**	**32**	**221**	**243**	**–113**	**421**
Liquid assets at the beginning of the period	**276**	**389**	**153**	**179**	**389**	**–49**
Liquid assets at the end of the period	**374**	**421**	**374**	**421**	**276**	**374**

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow from operating activities totalled SEK 539 million (SEK 374 m), corresponding to SEK 4.04/share (SEK 2.81/share). The higher cash flow during the period compared to the same period last year is mainly explained by net operating results.

SEK –2,577 million (SEK –841 m) 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 2,135 million (SEK 499 m) due to net borrowing for acquisitions and investments.

Available liquidity amounted to SEK 1,830 million (SEK 1,196 m) and comprised bank deposits of SEK 374 million (SEK 421 m), unutilised overdraft facilities of SEK 300 million (SEK 300 m) and unutilised lines of credit of SEK 1,156 million (SEK 475 m) in addition to credit facilities covering outstanding commercial papers.

CORPORATE SOCIAL RESPONSIBILITY

SUSTAINABLE ENTERPRISE

One of Atrium Ljungberg's overall operational goals is Corporate Social Responsibility. We have defined four sustainability goals that are followed up every quarter:

- By 2021, 100 per cent of our properties shall be certified.
- 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 to be 50 per cent of the contracted annual rent.
- We shall be one of Sweden's best workplaces, as a part of having sustainable employees.

ENVIRONMENTAL CERTIFICATION

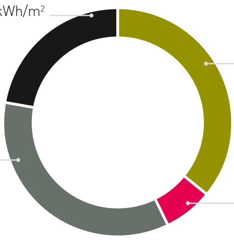
We have chosen to certify our commercial premises in accordance with BREEAM and our residentials in accordance with Miljöbyggnad. On 30/06/2017 18 per cent (13% as per 31/12/2016) of lettable area was certified.

ENERGY CONSUMPTION

Electricity is responsible for the greatest share of our energy consumption. Usually, we provide the tenants with electricity and, with a few exceptions, we charge on the basis of actual consumption, which creates incentives for resource efficiency. Some tenants have their own subscription. A majority of our properties use district heating as their heat source. We also have two properties with geothermal heating and one project property which is heated with wood pellets and oil. Comfort cooling has been installed in the majority of the properties. This type of cooling is provided partly by district cooling and partly by self-generated cooling.

Area	Unit	**2016/2017** 1/7–30/6	2015/2016 1/7–30/6	Change, %
Heating	kWh/m²	79	78	1
Cooling	kWh/m²	16	17	–9
Tenant electricity	kWh/m²	78	85	–9
Property electricity	kWh/m²	48	56	–15
Total energy intensity	**kWh/m²**	**220**	**236**	**– 7**

Energy Intensity 2017/2016



GREEN LEASE CONTRACTS

Sustainable and cost-efficient solutions are created most effiectively in close collaboration between tenants and property owners. Green lease contracts are an example of a joint undertaking to reduce environmental impact together; they comprise energy, waste and transportation, for example. The goal is to achieve at least 50 per cent of contracted annual rent by 2021.

	2017 30/6	2016 30/6	2016 31/12
Green lease contracts, share of contracted annual rent	15%	8%	10%

SUSTAINABLE EMPLOYEES

We have taken part in the Great Place to Work® evaluation of "Sweden's best workplaces" since 2011. Our goal is to achieve an average index of 85 per cent. In 2016 we exceeded our goals and achieved an index of 89 per cent (87%). The survey for 2017 will be conducted in the autumn of 2017.

ECONOMIC VALUE DISTRIBUTED

Atrium Ljungberg generates value by management, development and acquisition of properties. The generated economic value mainly comprises rental income, investments and unrealised changes in the value of properties. In accordance with Global Reporting Initiatives (GRI) EC1 there is a description below of how the generated economic values are distributed between suppliers, employees, lenders, society and the owners.

	2017 1/1–30/6	2016 1/1–30/6	2016 1/1–31/12	2016/2017 1/7–30/6
Suppliers	974	623	1,490	1,838
Employees	93	98	186	181
Lenders	205	200	388	393
Society	169	148	261	284
Owners	526	473	473	526
Economic value distributed[1)]	**1,966**	**1,542**	**2,798**	**3,222**

[1)] Economic value distributed corresponds to economic value generated. See reconciliation on Atrium Ljungberg's website.

TAXES

Atrium Ljungberg's directly distributed economic value to society comprises taxes and leasehold fees. These taxes mainly comprise current tax, property tax, non-deductible VAT, stamp duty, social security payments and special payroll tax. The rules on these taxes are monitored carefully as this is an essential part of the commercial offer with requirements for high predictability and minimisation of administrative expenses. Within the framework of this, Atrium Ljungberg undertakes not to conduct aggressive tax planning in its tax policy. Aggressive tax planning refers to arrangements which only aim to minimise the tax without links to own business activities.

	2017 1/1–30/6	2016 1/1–30/3	2016 1/1–31/12	2016/2017 1/7–30/6
Current tax	25	2	4	27
Property tax	70	68	130	132
Non-deductible VAT	22	12	21	32
Stamp duty	4	24	23	3
Social security payments	26	27	52	50
Special payroll tax	2	3	6	7
Taxes	**149**	**136**	**236**	**251**
Leasehold fees	20	12	25	33
Society	**169**	**148**	**261**	**284**

GREEN BONDS

During this year a green framework linked to the MTN programme was published. This enables green financing with a clear link to our sustainable projects. During the first six months, green bonds worth SEK 2,100 billion were issued.

SEGMENT REPORTING

Atrium Ljungberg's segmentation is based on two business areas: Properties and Project and construction activities.

30/06/2017

Amounts in SEK m	Properties	Project development [1]	TL Bygg	Project and construction activities	Non-allocated items and eliminations	The Group
Rental income	1,197				–6	1,191
Sales, project and construction work		25	315	340	–269	71
Net sales	**1,197**	**25**	**315**	**340**	**–275**	**1,262**
Property management costs	–372				4	–368
Project and construction work costs		–43	–298	–341	257	–84
Gross profit/loss	**825**	**–18**	**17**	**–1**	**–14**	**811**
Central administration	–27		–8	–8	1	–33
Financial income and expenses					–188	–188
Profit/loss before changes in value	**798**	**–18**	**9**	**–9**	**–201**	**589**
Changes in value	1,356 [2]				112 [3]	1,468
Tax					–419	–419
Profit for the period	**2,154**	**–18**	**9**	**–9**	**–508**	**1,638**
Investments and acquisitions	2,572		2	2	4	2,578
Assets, period end	39,981 [4]		107	107	1,178	41,267

[1] The profit within Project development mainly refers to costs of investigations in early project stages and ongoing development projects.
[2] Properties, unrealised SEK 1,356 million. Properties, realised SEK 0 million.
[3] Derivatives, unrealised SEK 112 million.
[4] Refers to properties only. Other assets attributable to the segment are reported under Non-allocated items and eliminations.

30/06/2016

Amounts in SEK m	Properties	Project development [1]	TL Bygg	Project and construction activities	Non-allocated items and eliminations	The Group
Rental income	1,067				–5	1,062
Sales, project and construction work		10	202	212	–134	78
Net sales	**1,067**	**10**	**202**	**212**	**–139**	**1,139**
Property management costs	–334				3	–331
Project and construction work costs		–26	–192	–217	135	–82
Gross profit/loss	**733**	**–16**	**10**	**–6**	**–1**	**727**
Central administration	–51		–8	–8	1	–57
Financial income and expenses					–198	–198
Profit/loss before changes in value	**683**	**–16**	**2**	**–13**	**–198**	**472**
Changes in value	966 [2]				–559 [3]	407
Tax					–177	–177
Profit for the period	**1,649**	**–16**	**2**	**–13**	**–933**	**702**
Investments and acquisitions	861		1	1		862
Assets, period end	32,654 [4]		91	91	1,226	33,971

[1] The profit within Project development mainly refers to costs of investigations in early project stages and ongoing development projects.
[2] Properties, unrealised SEK 973 million. Properties, realised SEK –7 million.
[3] Derivatives, unrealised SEK –559 million.
[4] Refers to properties only. Other assets attributable to the segment are reported under Non-allocated items and eliminations.

KEY RATIOS

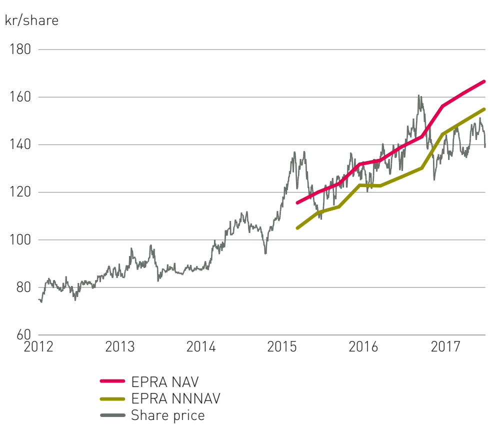
PROPERTY-RELATED KEY RATIOS	2017 1/1–30/6	2016 1/1–30/6	2017 1/4–30/6	2016 1/4–30/6	2016 1/1–31/12	2016/2017 1/4–30/6
Letting rate, %	94	94	94	94	93	94
Operating surplus margin, %	69	69	70	70	68	68
Letting area, ´000 m²	1,179	1,077	1,179	1,077	1,124	1,179
Investments in properties, SEK m	749	407	398	453	1,002	1,344
Number of properties (period end)	54	50	54	50	50	54
FINANCIAL KEY RATIOS [1) 2)]						
Equity/assets ratio, %	41.9	41.8	41.9	41.8	43.7	41.9
Gearing ratio %	44.4	43.6	44.4	43.6	41.9	44.4
Adjusted gearing ratio, %	44.4	43.6	44.4	43.6	41.9	44.4
Interest coverage ratio, multiple	4.1	3.4	4.4	3.5	3.5	3.9
Average interest rate for interest-bearing liabilities, %	2.0	2.5	2.0	2.5	2.3	2.0
Return on shareholders' equity, %	19.7	10.1	23.8	21.6	17.8	23.0
Return on shareholders' equity, excluding changes in value, %	5.5	5.1	5.7	5.4	5.3	5.8
Return on total assets, %	11.3	6.5	13.8	12.8	11.1	13.3
Return on total assets excluding changes in value, %	3.1	3.2	3.2	3.3	3.1	3.1
DATA PER SHARE						
Earnings per share, SEK	12,30	5.27	7.63	5.70	20.13	27,15
Profit/loss before changes in value less applicable nominal tax, SEK	3.45	2.76	1.84	1.46	5.65	6.34
EPRA EPS, SEK	4.13	3.38	1.89	1.79	6.96	7.72
Cash flow, SEK	4.04	2.81	2.00	1.17	7.12	8.36
Shareholders' equity, SEK	129.82	106.51	129.82	106.51	121.42	129.82
Share price at period end, SEK	140.50	136.50	140.50	136.50	142.30	140.50
EPRA NNNAV, SEK	154.86	126.40	154.86	126.40	144.38	154.86
Average number of outstanding shares, ´000	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
EMPLOYEES						
Average number of employees	287	282	291	283	281	285

[1)] For definitions, see pages 22 and 23.
[2)] See reconciliation for key ratios on Atrium Ljungberg's website.

EPRA KEY RATIOS

	30/06/2017	30/06/2016	31/12/2016
EPRA Earnings, SEK m	550	450	930
EPRA EPS, SEK/share	4.13	3.38	6.98
EPRA NAV, SEK m	22,196	18,518	20,809
EPRA NAV, SEK/share	166.60	139.01	156.21
EPRA NNNAV, SEK m	20,638	16,840	19,234
EPRA NNNAV, SEK/share	154.86	126.40	144.38
EPRA Vacancy rate	5%	6%	7%

EPRA NAV, EPRA NNNAV and share price



QUARTERLY SUMMARY

INCOME STATEMENTS

Amounts in SEK m	**2017 Q2**	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3
Rental income	624	567	553	535	538	524	551	534
Sales, project and construction work	48	24	35	37	37	40	87	109
Net sales	**671**	**591**	**588**	**572**	**575**	**564**	**638**	**643**
Property management costs	–185	–183	–211	–151	–164	–167	–185	–151
Project and construction work costs	–66	–18	–35	–44	–41	–41	–99	–118
Gross profit/loss	**421**	**390**	**342**	**377**	**371**	**356**	**354**	**374**
– of which gross profit property management (operating surplus)	*439*	*384*	*342*	*384*	*375*	*357*	*366*	*383*
– of which gross profit/loss from project and construction work	*–18*	*6*	*–1*	*–7*	*–4*	*–1*	*–12*	*–9*
Central administration, property management	–9	–17	–17	–16	–20	–30	–21	–13
Central administration, project and construction work	–3	–4	–5	–3	–4	–3	–4	–3
	–12	–21	–22	–19	–24	–33	–25	–16
Financial income and expenses	–93	–95	–92	–93	–98	–100	–101	–100
Profit/loss before changes in value	**315**	**274**	**228**	**265**	**249**	**223**	**227**	**257**
Properties, unrealised changes in value	912	444	1,483	316	959	14	928	216
Properties, realised changes in value	–	–0	–	13	–1	–6	–44	–
Derivatives, unrealised changes in value	77	35	307	–54	–248	–311	161	–165
	989	479	1,790	275	710	–303	1,045	50
Profit/loss before tax	**1,304**	**753**	**2,018**	**539**	**959**	**–80**	**1,272**	**307**
Tax	–252	–131	–457	–121	–199	22	–173	–68
Profit for the period	**1,052**	**622**	**1,561**	**418**	**760**	**–57**	**1,100**	**240**

KEY RATIOS [1] [2]

Property-related key ratios	**2017 Q2**	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3
Letting rate, %	94	94	93	94	94	94	94	94
Operating surplus margin, %	70	68	62	72	70	68	67	72
Letting area, 1,000 m^2 (period end)	1,179	1,176	1,124	1,105	1,077	1,052	1,034	1,110
Investments in properties, SEK m	398	351	382	213	206	201	268	187
Number of properties (period end)	54	53	50	50	50	49	48	52
Financial key ratios								
Equity/assets ratio, %	41.9	42.4	43.7	41.3	41.8	43.1	43.7	40.4
Gearing ratio, %	44.4	43.7	41.9	43.7	43.6	41.8	43.0	45.6
Adjusted gearing ratio, %	44.4	43.7	41.9	43.7	43.6	42.0	43.0	45.6
Interest coverage ratio, multiple	4.4	3.9	3.5	3.8	3.5	3.2	3.2	3.5
Average interest rate for interest-bearing liabilities, %	2.0	2.2	2.3	2.3	2.5	2.8	2.9	2.8
Return on shareholders' equity, %	23.8	15.1	40.6	11.6	21.6	–1.7	32.8	7.5
Return on shareholders' equity, excluding changes in value, %	5.7	5.1	4.8	5.7	5.4	4.9	5.4	6.2
Return on total assets, %	13.8	8.9	23.3	7.3	12.8	0.3	17.2	5.1
Return on total assets excluding changes in value, %	3.2	3.0	2.8	3.2	3.3	3.1	3.3	3.5
Data per share								
Earnings per share, SEK	7.63	4.67	11.72	3.14	5.70	–0.43	8.25	1.80
Profit/loss before changes in value less applicable nominal tax, SEK	1.84	1.60	1.34	1.55	1.46	1.31	1.33	1.50
EPRA EPS, SEK	1.89	1.91	1.73	1.85	1.79	1.59	1.75	1.86
Cash flow, SEK	2.00	2.04	1.85	2.46	1.17	1.64	1.73	1.59
Shareholders' equity, SEK	129.82	126.11	121.42	109.68	106.51	104.33	104.73	96.45
EPRA NAV, SEK	166.61	161.61	156.21	143.36	139.01	133.46	131.78	123.58
EPRA NNNAV, SEK [3]	154.86	149.69	144.38	130.19	126.40	122.73	122.95	113.89
Share price at period end, SEK	140.50	136.40	142.30	149.60	136.50	140.50	133.00	126.60
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) See reconciliation for key ratios on Atrium Ljungberg's website.
2) For definitions, see pages 22 and 23.
3) For calculation of EPRA NNNAV, an estimated deferred tax of 4.0 per cent has been used.

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 212 million (SEK 167 m). Operating profit/loss totalled SEK 63 million (SEK 0 m). The profit/loss after financial items totalled SEK 105 million (SEK 134 m).

Interest-bearing liabilities amount to SEK 14,685 million (SEK 11,556 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	2017 1/1–30/6	2016 1/1–30/6	2016 1/1–31/12
Rental income	126	83	169
Management income	86	84	175
Net sales	**212**	**167**	**343**
Property expenses	–31	–24	–57
Management and administration expenses	–109	–133	–254
Depreciation	–10	–10	–19
Operating profit/loss	**63**	**0**	**14**
Result of participations in Group companies	–	111	665
Interest income and similar profit/loss items	271	229	484
Interest expenses and similar profit/loss items	–229	–207	–418
	42	**134**	**731**
Profit/loss after financial items	**105**	**134**	**744**
Appropriations	–8	–4	–50
Profit/loss before tax	**98**	**129**	**694**
Current tax	–25	0	0
Deferred tax	–3	–11	–16
	–28	**–11**	**–16**
Profit for the period	**69**	**118**	**678**

SUMMARY BALANCE SHEETS PARENT COMPANY

Amounts in SEK m	30/06/2017	30/06/2016	31/12/2016
ASSETS			
Tangible fixed assets	1,551	1,463	1,497
Financial fixed assets	456	2,724	461
Current assets	20,359	14,877	20,575
Total assets	**22,365**	**19,064**	**22,533**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	7,145	7,045	7,602
Untaxed reserves	58	46	50
Provisions	292	269	277
Long-term liabilities	14,220	9,401	11,310
Current liabilities	650	2,303	3,293
Total shareholders' equity and liabilities	**22,365**	**19,064**	**22,533**

OTHER INFORMATION

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, Gothenburg, Malmö and Uppsala. 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 and 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 some uncertainty and could result in higher taxation for the property sector in the form of more limited tax deductions in relation to interest expenses, higher title deed costs and increased taxation on property sales.

For further information on risks and uncertainty factors in general, please see Atrium Ljungberg's 2016 Annual Report and the section entitled "Risks and risk management" on pages 81–84.

RETAIL SECTOR'S SALES TREND

According to the Swedish Retail Sales Index (DHI), total retail sales in Sweden increased by 2.2 per cent accumulatively for the period January–May. Sales at our five largest regional retail hubs Sickla, Farsta Centrum, Port 73, Gränbystaden and Mobilia collectively reported an increase of 2.1 per cent.

Savings rates remains at a historic low for households. This has a negative short-term effect on sales in Sweden, as households are cautious about using their income for immediate consumption. The Swedish Institute of Retail, HUI Research, is therefore lowering its forecast for the retail sector's total sales to 2.5 per cent in rolling prices for 2017.

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 2016 Annual Report.

New and revised standards from IFRS and interpretations from IFRIC to be applied by the Group as of 1 January 2017 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 17,753 million (SEK 14,229 m) and their fair value totals SEK 17,829 million (SEK 14,283 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.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS AFTER 2017

The International Accounting Standards Board (IASB) has issued new standards mandatory from 2018 and 2019; IFRS 9 Financial instruments, IFRS 15 Revenue from Contracts with Customers, and IFRS 16 Leasing. At the end of the previous financial year, Atrium Ljungberg assessed that none of these new standards were expected to have any significant impact on the Group and its financial reports. In 2017 Atrium Ljungberg has continued to analyse these standards and has found no reason to revise its previous assessment. For further information, see the Annual Report 2016.

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). 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.

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

The Board of Directors and the CEO hereby attest that the Q2 Interim Report provides an accurate overview of the operations, position and results of the Parent Company and the Group and that it describes significant risks and uncertainty factors faced by the company and the companies that make up the corporate Group.

Nacka, 12 July 2017

Johan Ljungberg Chairman of the Board	Sune Dahlqvist Member of the Board	Simon de Château Member of the Board
Anna Hallberg Member of the Board	Erik Langby Member of the Board	Hanna Graflund Sleyman Member of the Board

Annica Ånäs
CEO

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, Gothenburg, Malmö and Uppsala.

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.

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.

54
NUMBER OF PROPERTIES

40
PROPERTY VALUE, SEK BILLION

2.4
CONTRACTED ANNUAL RENT, SEK BILLION

1,179
TOTAL LETTING AREA, 1,000 M²

94
LETTING RATE, %

291
NUMBER OF EMPLOYEES

FOUR REASONS TO OWN SHARES IN ATRIUM LJUNGBERG

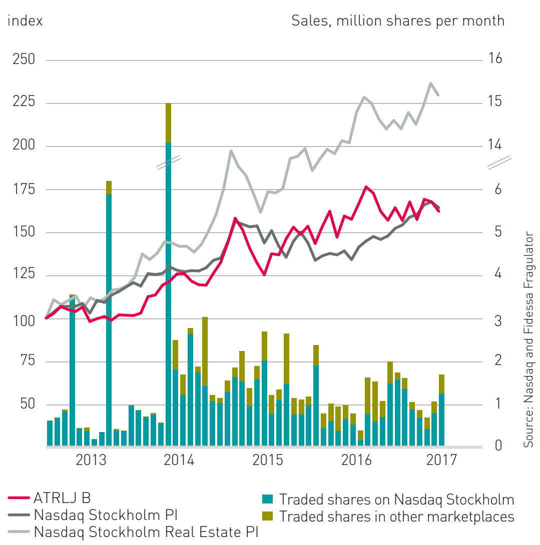
1 **A stable dividend yield** – The dividend yield over the last five years was 3.0 per cent. The dividends paid by the company since its flotation in 1994 have never fallen in SEK per share.

2 **Low risk** – 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, with a public credit rating of Baa2 from Moody's.

3 **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.

4 **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.

The Atrium Ljungberg share



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.

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

By 2021, 100% of our properties is to be environmentally certified. 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.

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.

SUSTAINABILITY-RELATED DEFINITIONS

Economic value distributed, Suppliers

Economic value distributed, Suppliers comprises the period's total expenses and investments besides those reported below Economic value distributed, Employees, Lenders and society.

Economic value distributed, Suppliers is used to describe Atrium Ljungberg's total compensation to other companies during the period.

Economic value distributed, Lenders

Economic value distributed, Lenders comprises the period's reported interest expenses plus consolidated capitalised interest expenses.

Economic value distributed, Lenders is used to describe Atrium Ljungberg's total compensation to lenders during the period.

Economic value distributed, Employees

Economic value distributed, Employees comprises the period's total payroll expenses and pension costs including benefits. Employees do not include consultants or other temporary staff.

Economic value distributed, Employees is used to describe Atrium Ljungberg's total compensation to its employees during the period.

Economic value distributed, Owners

Economic value distributed, Owners comprises the period's paid dividend.

Energy intensity

Total energy consumption from Heating, Cooling, Tenant electricity and Property electricity divided by the average estimated total heated letting area, excluding garage.

Green lease contracts, %

Contracted annual rent for commercial premises excluding the garage and storage for lease contracts with green rent supplement in per cent of contracted annual rent for commercial premises excluding the garage and storage. Green rent supplement is a supplement to the agreement from the Swedish Property Federation in which the tenant and landlord jointly undertake to reduce the environmental impact and covers, for example, energy, waste and transport. Reported figures are based on the immediately subsequent quarter.

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

Interim report Jan–Sep 2017	18 October 2017
Preliminary financial statement 2017	16 February 2018
2017 Annual Report	March 2018
Annual General Meeting	28 March2018
Interim report Jan–Mar 2018	20 April 2018
Interim report Jan–Jun 2018	11 July 2018
Interim report Jan–Sep 2018	19 October 2018

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