

2012 • INTERIM REPORT  
JANUARY – JUNE



# We create living meeting places for people, for the retail sector, and for business.

## WHO WE ARE

- We are one of Sweden's largest listed property companies. We have been listed on the **NASDAQ OMX Stockholm** exchange since 1994 listed under its Large Cap segment since January 2012.
- We **own, develop and manage properties**, principally in the retail and office sectors.
- We generate added value by **developing areas into attractive meeting places** where retail and office premises combine with other types of property, such as residential units, cultural, service and educational facilities.
- Our **wholly-owned subsidiary company, TL Bygg**, is a profitable building contractor specialising in all types of reconstruction, extension, new construction and building services work.

## OUR BUSINESS

- Atrium Ljungberg takes a **long-term approach to property ownership**.
- We **create value growth** by developing and improving new and existing properties and development rights through active management, based around the customer.
- We **direct and run the whole business process** – from acquisition, the creative process and concept development, through planning and construction, to leasing and management of the property. This gives us an insight into and understanding of the big picture that generates added value for the customer. Our development projects provide a long-term yield that is higher than the acquisition alternatives.
- Our goal is to **invest SEK 1 billion every year** in new build, extension and reconstruction objects as part of our own development project framework, and to achieve a good return on our investments.

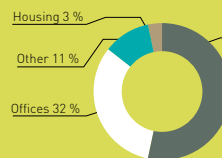
## OUR LOCATIONS

- We have a presence in Sweden's main growth markets of Stockholm, Malmö and Uppsala. All of our **retail hubs** are located in these regions.
- The **office properties** are primarily concentrated on growth areas in Stockholm.
- Our **residential properties** are an integral part of the city district of Ärvinge in Kista and the Mobilia area in Malmö.

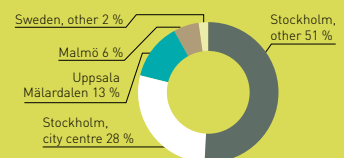
### QUICK FACTS & FIGURES

• Number of properties	54
• Property value	23.5 billion
• Total letting area	888,000 m <sup>2</sup>
• <b>Contracted annual rent</b>	<b>1.8 billion</b>
• Letting rate	95 per cent

CONTRACTED ANNUAL RENT PER PREMISES TYPE



CONTRACTED ANNUAL RENT PER REGION



# INTERIM REPORT

## 1st January – 30th June

- *NET SALES* totalled SEK 1,030 million (SEK 1,009 m), of which rental income totalled SEK 909 million (SEK 833 m).
- *THE OPERATING SURPLUS* from property management totalled SEK 604.8 million (SEK 531.9 m).
- *THE PROFIT BEFORE CHANGES IN VALUE* totalled SEK 356.3 million (SEK 344.3 m).
- *UNREALISED CHANGES IN THE VALUE* of properties totalled SEK 244.5 million (SEK 199.2 m). Unrealised changes in the value of financial instruments totalled SEK 21.3 million (SEK 0.0 m).
- A *PROVISION* of SEK 105.1 million, including estimated interest charges, has been made in relation to a tax dispute.
- *THE PROFIT AFTER TAX* totalled SEK 365.8 million (SEK 404.7 m), corresponding to SEK 2.81/share (SEK 3.11/share).
- *INVESTMENTS* in Atrium Ljungberg's own properties totalled SEK 700 million (SEK 486 m). Properties were acquired for a total of SEK 630.0 million (SEK 4.0 m)
- *THE LETTING RATE* was 95 per cent (94 per cent as of 31st Dec. 2011), including project properties.
- *THE 2012 PROFIT FORECAST* before changes in value and tax is SEK 670 million.



**- I'M ABSOLUTELY DELIGHTED** by the increase of almost 14 per cent in our operating surplus for the first six months of the year and that we have been able to exploit advantageous interest rates. Over the past year, we have doubled our fixed interest term at only a marginal increase in cost, thereby further reducing interest rate risk.

**WE ARE KEEN** to continue our high rate of development, so we are very pleased to have obtained an early land reservation in the Hagastaden district. If the preconditions are right, this could, in the long term, offer the potential for a major development project in one of Stockholm's most expansive and exciting areas.

*Ingalill Berglund, Managing Director*

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.

## THE MARKET

Assessing the outlook for the Swedish economy is difficult. The economy is performing relatively strongly in comparison with much of Europe, but there is still a prevailing uncertainty as to how the outside world's instability will affect Sweden. The Swedish National Institute of Economic Research has forecast that the Swedish economy will grow by 0.7 per cent in 2012, which is significantly weaker than last year when growth was 3.9 per cent.

The office rental market in Stockholm is stable, with good demand for modern, space-efficient premises. Central Stockholm has seen increased rental levels and the demand for office premises in locations outside the city limits is continuing to increase.

Rental levels in Atrium Ljungberg's subsidiary office markets in the Stockholm region are stable and demand is increasing, particularly in Hagastaden and Sickla. A number of new lease contracts have been signed during the last six months in, amongst others, the Blästern 6 and Blästern 11 properties in Hagastaden, where the tenants are due to move in during the latter half of the year.

The retail trade in Sweden performed better than expected, growing by 2.9 per cent during the period from January-May. HUI Research has, as a result, upgraded its growth forecast for the Swedish retail trade from 1.5 per cent to 2.5 per cent on a yearly basis.

Atrium Ljungberg's larger retail hubs have reported a combined increase in net sales during the period from January-May of 3.2 per cent in comparison with the corresponding period last year. Net sales have been affected both by completed and ongoing projects. We are still seeing widespread corporate interest in establishing outlets, particularly in the larger retail hubs, and rental levels for retail premises remain unchanged overall.

## PROJECTS

Atrium Ljungberg has invested SEK 700 million in its own development projects during the first half of the year.

As previously announced, Mobilia is currently being transformed from a retail centre into a city district, with enhanced retail outlets complemented by service, healthcare, fitness, and culture facilities, and 70 or so new build rental apartments. The transformation of Mobilia comprises a total of 29,000m<sup>2</sup> GFA, non-residential and 650 garage-based parking spaces, together with 4,000m<sup>2</sup> GRFA, and the work is being completed in phases. The first phase will be inaugurated on 27th September 2012, when seven retail outlets, restaurants

and service facilities, namely Gina Tricot, Spirit, Team Sportia, Intersport, SATS, Svea Vaccin and Slimfood, will open in a new retail centre adjacent to Mobilia's existing shopping centre. The next phase of the development will be inaugurated in September 2013, with the opening of the new garage and of new premises for retailers such as Åhléns, Willys and Clas Ohlson. The rental apartments are scheduled to be ready for occupation during the autumn of 2014.

The reconstruction and extension work on Gränby Centrum's western entrance is now in its final phase, and four new stores and a food court offering five different good concepts will open here during August and September 2012.

The Rådhuset (old City Hall building) in Uppsala, which was inaugurated during the first quarter of 2012, is now fully occupied. May saw the opening of a new interior design store on the third floor and of an outdoor café in the recently completed inner courtyard.

Work on a further rebuild and new build phase totalling 10,200m<sup>2</sup> of retail space is currently in progress at Port73 in Haninge, and new stores are scheduled to open there in the spring of 2013, of which a Willys outlet will be the largest.

Work on a detailed development plan for the construction of a new build totalling 3,300m<sup>2</sup> of letting area for ICA Kvantum, and a garage with approximately 170 parking spaces, is proceeding at Farsta Centrum. The amendments to the detailed development plan are expected to gain legal force at the end of 2012/beginning of 2013 and the ICA Kvantum outlet is scheduled to open in the spring of 2014.

In Sickla, work is continuing on the construction of a headquarters for Intrum Justitia, who will be moving into 6,000m<sup>2</sup> of the buildings total of 7,600m<sup>2</sup> floor space in October 2012. Urban Deli will be opening a combined restaurant/deli/store concept on the building's ground floor. The rebuilding and extension of Atlas Copco's former head office, HK60, is proceeding according to plan with new lease contracts signed during the second quarter. The work on HK60 is scheduled for completion in the fourth quarter of 2012. Work on the construction of Akzo Nobel's new operations centre in Sickla is proceeding apace and January 2014 will see Akzo Nobel move into 7,500m<sup>2</sup> of the building's total floor space of 10,800m<sup>2</sup> in January 2014.

In Kista, work on the construction of Kvarteret NOD – a new meeting place totalling 27,000m<sup>2</sup> of letting area for education, research and trade and industry etc., is proceeding. As previously announced, Stockholm University will be renting 8,100m<sup>2</sup> of space

## PROJECT PROPERTIES <sup>1)</sup>

Project/Property	Location	Recon- struction	New build	Premises type	Project area, m <sup>2</sup> , GFA, non- residential/GRFA	Invest- ment, SEK m	Of which remaining	Completed	Letting rate, %
Rådhuset, Dragarbrunn 19:1	Uppsala	x	x	Retail	3,100	150	10	Q2 2012	100
Port73, phase 2, Söderby Huvudgård 2:43	Haninge		x	Retail	3,500	50	0	Q2 2012	100
Gränby Centrum, phase 3, Gränby 21:4	Uppsala	x	x	Retail	1,500	50	30	Q3 2012	96
HK Intrum Justitia, Sicklaön 83:22	Nacka		x	Offices	7,600	200	70	Q4 2012	97
HK60, Sicklaön 83:22	Nacka	x	x	Offices	5,900	150	50	Q4 2012	33
Port73, phase 3, Söderby Huvudgård 2:43	Haninge	x	x	Retail	10,200	200	180	Q2 2013	35
Mobilia, phase 3, Bohus 8 <sup>2)</sup>	Malmö	x	x	Retail/Parking	29,000	1,000	580	Q4 2013	71
Farsta Centrum, ICA Kvantum <sup>3)</sup>	Stockholm		x	Retail/Parking	3,300	100	100	Q1 2014	100
HK Akzo Nobel, Sicklaön 83:32	Nacka		x	Offices	10,800	300	270	Q1 2014	72
Kvarteret NOD, Kista Gård	Stockholm		x	Offices/Others	27,000	800	730	Q3 2014	37
Mobilia, rental apartments	Malmö		x	Residential	4,000	100	80	Q4 2014	0
<b>Total</b>					<b>105,900</b>	<b>3,100</b>	<b>2,100</b>		

<sup>1)</sup> The term, project properties, refers to 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, irrespective of whether construction work has begun. The term, project property, also refers to buildings under construction and to undeveloped land and building rights. Reclassification from project property to completed property occurs in 1st January of the year after completion.

<sup>2)</sup> GFA, non-residential: 29,000 m<sup>2</sup> retail space and service facilities and 650 parking spaces in a garage. The project will be completed in phases linked to letting, etc.

<sup>3)</sup> The agreement with ICA is conditional upon the approval of changes to the detailed development plan, which is currently being sought.

in Kvarteret NOD. Occupation is scheduled to begin in July 2014. Lease contracts for almost 1,000m<sup>2</sup> have been signed during the second quarter of 2012 with a player who will help ensure the presence of an attractive range of restaurants and cafés in NOD.

In May, the City of Stockholm's Development Office decided to grant Atrium Ljungberg and Akademiska Hus an early land reservation within part of the Vasastaden 1:45 property on Solnavägen, in the Hagastaden district of northern Stockholm. The land reservation of approximately 36,000m<sup>2</sup> GFA has been obtained in order to investigate the preconditions for constructing premises for life science sector businesses. The decision is conditional upon an agreement being reached on the purchase price and the contents of the premises within the next two years.

## PROPERTY PORTFOLIO

Our property portfolio is largely made up of retail and office properties and comprises a total of 54 properties with a combined letting area of 888,000m<sup>2</sup>. The greater part of the portfolio is located in Stockholm, Uppsala and Malmö, with the Stockholm region accounting for 79 per cent of income.

The remaining 50 per cent of the Blästern 13 office property in the Hagastaden district of Stockholm was acquired in January, which means that Atrium Ljungberg now owns 100 per cent of the property. The purchase price was based on an underlying property value of SEK 630 million for half of the property. Possession was taken on 14th February 2012.

### CHANGE IN THE PROPERTY PORTFOLIO

	SEK m	Number
Property portfolio, 1st Jan. 2012	21,897	54
+ Acquisitions	630	-
+ New builds, reconstructions and extensions	700	-
+ Unrealised changes in value	244	-
<b>Property portfolio, 30th June 2012</b>	<b>23,471</b>	<b>54</b>

Compared with the same period last year, the transaction market in the first half of 2012 has seen a slight increase in transaction size, but the number of deals has decreased substantially. Demand for good quality properties in good locations continues to be strong, however. Active purchasers are mainly made up of institutional owners, but there is also considerable interest from foreign investors. Interest in less attractive properties outside of the major urban regions has fallen and prices in these areas have consequently come under pressure.

Atrium Ljungberg has conducted an external valuation of 21 per cent of its property holding during the second quarter. The valuation was carried out by Forum Fastighetsekonomi and Savills. The remain-

ing 79 per cent of the property holding was the subject of an internal valuation with assumed rents, 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 earnings 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 and land have been valued on the basis of an estimated value per m<sup>2</sup> and include only those development rights that are confirmed in accordance with approved detailed development plans. 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 project's current phase.

The reported value of the property holding on 30th June 2012 totalled SEK 23,471 million (SEK 21,897 m as of 31st December 2011). The average yield requirement in the valuation is 5.8 per cent (5.8% as of 31st December 2011). Development rights and land account for SEK 214 million (SEK 214 m as of 31st December 2011). Investments in properties during the first quarter totalled SEK 700 million (SEK 486 m). Properties were acquired during the period for a total of SEK 630.0 million (SEK 4.0 m). The unrealised change in value totalled SEK 244.5 million (SEK 199.2 m). The bulk of the change in value is attributable to Stockholm city centre and is primarily due to a slight decrease in the required rate of return and lower vacancies.

### YIELD REQUIREMENT PER PREMISES TYPE, %

Premises type	Interval	Average
Offices	4.8–8.0	5.9
Retail	4.8–7.5	5.8
Residential	4.5–4.8	4.6
Other	6.1–8.5	6.2
<b>Total</b>	<b>4.5–8.5</b>	<b>5.8</b>

### YIELD REQUIREMENT PER SEGMENT, %

Segment	Interval	Average
Stockholm city centre	4.8–6.8	5.3
Stockholm, other	4.5–8.5	6.0
Uppsala and Mälardalen	5.9–6.2	6.0
Sweden, other	5.5–7.3	6.0
Project properties	5.9–7.3	6.3
<b>Total</b>	<b>4.5–8.5</b>	<b>5.8</b>

### PROPERTY PORTFOLIO 30-06-2012

Property portfolio by segment	Number of properties	Letting area, m <sup>2</sup> k	Fair value, SEK m	Fair value, SEK/m <sup>2</sup>	Rental value, SEK m <sup>11</sup>	Rental value, SEK/m <sup>2</sup>	Economic letting rate, %
Stockholm city centre	12	187	7,295	39,108	541	2,898	95
Stockholm, other	31	504	10,473	20,770	977	1,937	95
Uppsala and Mälardalen	3	88	2,681	30,481	233	2,654	99
Sweden, other	4	94	1,771	18,907	148	1,576	97
<b>Total</b>	<b>50</b>	<b>872</b>	<b>22,220</b>	<b>25,470</b>	<b>1,899</b>	<b>2,176</b>	<b>96</b>
Project properties	2	15	1,037	N/A <sup>21</sup>	23	1,500	79
Land and development rights	2		214				
<b>Total</b>	<b>54</b>	<b>888</b>	<b>23,471</b>	<b>N/A<sup>21</sup></b>	<b>1,922</b>	<b>2,164</b>	<b>95</b>

<sup>11</sup> Reported rental value is based on the immediately following quarter.

<sup>21</sup> Letting area for new constructions is accumulated when the project is completed. Therefore the figure will not show a true and fair view.

## SALES AND NET PROFIT, 1ST JANUARY – 30TH JUNE

The Group's posted net sales for the first six months of the year totalled SEK 1,030 million (SEK 1,009 m). The profit before changes in value totalled SEK 356.3 million (SEK 344.3 m). Unrealised changes in the value of properties totalled SEK 244.5 million (SEK 199.2 m). Unrealised changes in the value of financial instruments totalled SEK 21.3 million (SEK 0.0 m). The profit after tax totalled SEK 365.8 million (SEK 404.7 m) and has been affected by a provision in relation to a tax dispute of SEK 105.1 million.

The Parent Company's net sales totalled SEK 95 million (SEK 122 m). The profit after tax totalled SEK 228.3 million (SEK 63.9 m).

The contracted annual rent, based on the coming quarter, totalled SEK 1,834 million (SEK 1,690 m). The rental value was SEK 1,922 million (SEK 1,796 m). The economic letting rate was 95 per cent (94% as of 31st December 2011), including project properties.

### RENTAL INCOME TREND

	2011 Result <sup>1)</sup>	2012 Q1 <sup>2)</sup>	2012 Q2 <sup>2)</sup>	2012 Q3 <sup>3)</sup>	2012 Q4 <sup>3)</sup>
Stockholm city centre	432	489	506	514	515
Stockholm, other	896	927	930	928	918
Uppsala and Mälardalen	210	242	235	231	234
Sweden, other	143	151	148	144	144
Project properties	1	4	13	18	57
Properties sold	4	–	–	–	–
<b>Total</b>	<b>1,686</b>	<b>1,814</b>	<b>1,832</b>	<b>1,834</b>	<b>1,868</b>

### LETTING RATE <sup>4)</sup>

	Rental value, SEK m	Rental con- tracts, SEK m	Letting rate, %
Stockholm city centre	541	514	95
Stockholm, other	977	928	95
Uppsala and Mälardalen	233	231	99
Sweden, other	148	144	97
	<b>1,899</b>	<b>1,817</b>	<b>96</b>
Project properties	23	18	79
<b>Total</b>	<b>1,922</b>	<b>1,834</b>	<b>95</b>

<sup>1)</sup> The result for 2011 has been recalculated using the property portfolio classifications as per Q2 2012.

<sup>2)</sup> Q1–Q2 refers to the result recalculated at a yearly rate.

<sup>3)</sup> The rental level for Q3–Q4 includes known contract changes for the respective quarters.

<sup>4)</sup> The reported letting rate is based on the immediately following quarter.

## SALES AND NET PROFIT, 1ST APRIL – 30TH JUNE

The Group's posted net sales for the second quarter of the year totalled SEK 512 million (SEK 497 m). The profit before changes in value totalled SEK 178.2 million (SEK 170.6 m). Unrealised changes in the value of properties totalled SEK 244.5 million (SEK 199.2 m). Unrealised changes in the value of financial instruments totalled SEK –85.3 million (SEK 0.0 m). The profit after tax totalled SEK 152.9 million (SEK 274.1 m) and has been affected by a provision in relation to a tax dispute of SEK 105.1 million.

### PROJECT AND CONSTRUCTION ACTIVITIES

Net sales by the project and construction activities during the period totalled SEK 121 million (SEK 176 m). The gross profit for the period was SEK 4.2 million (SEK 9.5 m). Ongoing project development costs have been charged to the result. TL Bygg's net sales totalled SEK 176 million (SEK 212 m), of which SEK 65 million (SEK 61 m) comprised work on behalf of Group companies.

### FINANCIAL POSITION

Interest-bearing liabilities totalled SEK 11,270 million (SEK 9,721 m as of 31st Dec. 2011). The average interest payable on interest-

bearing liabilities totalled 4.1 per cent (4.2% as of 31st Dec. 2011). The average fixed interest term was 4.0 years (3.1 yrs. as of 31st Dec. 2011). The average capital commitment term was 3.2 years (2.5 yrs. as of 31st December 2011). The gearing ratio was 48.0 per cent (44.4% as of 31st Dec. 2011). Shareholders' equity totalled SEK 9,583 million on the closing date (SEK 9,541 m as of 31st Dec. 2011), corresponding to SEK 73.6/share (SEK 73.3/share as of 31st Dec. 2011). The equity/assets ratio was 39.1 per cent (41.2% as of 31st December 2011).

### DERIVATIVE REPORTING

Atrium Ljungberg has, as of 1st January 2012, ceased to apply hedge accounting to the interest swaps that hedge interest flows on external loans. Unrealised changes in the value of derivatives are consequently reported directly to the profit/loss. The hedging reserve in shareholders' equity is being reversed linearly to Other comprehensive income for the terms of the respective derivatives. The unrealised change in value of financial instruments for the first six months of the year totalled SEK 21.3 million (SEK 0.0 m). The negative book value in the derivatives portfolio totalled SEK 180 million, as of 30th June 2012.

### FIXED INTEREST <sup>1)</sup>

Fixed interest term	Amount, SEK m	Percentage, %	Average interest rate, %
Variable	1,616	14	3.6
2012	925	8	4.1
2013	1,787	16	4.5
2014	640	6	4.5
2015	846	8	4.8
2016	910	8	3.6
2017 and later	4,545	40	4.1
<b>Total</b>	<b>11,270</b>	<b>100</b>	<b>4.1</b>

<sup>1)</sup> Average credit margins for the variable interest are reported in the time segment during which the derivative matures.

### CAPITAL COMMITMENT

Fixed term	Amount, SEK m	Percentage, %
2012	1,020	9
2013	2,077	18
2014	1,954	17
2015	2,769	25
2016	2,435	22
2017 and later	1,014	9
<b>Total</b>	<b>11,270</b>	<b>100</b>

### TAXES

As previously announced, Atrium Ljungberg has appealed a ruling by the Swedish Administrative Court on a tax case. The case concerns the taxation of a property transaction carried out in 2004 via a limited partnership. The ruling by the Swedish Administrative Court entails an increase in the tax assessment of SEK 326.7 million, which equates to a tax demand for SEK 91.5 million excluding interest. The Supreme Administrative Court has now pronounced judgement in the so-called "Cyprus case", ruling that the Swedish Tax Avoidance Act was applicable. There are numerous differences between the Cyprus case and the transaction carried out by Atrium Ljungberg, but provision has, nonetheless, been made for the entire tax demand, namely SEK 91.5 million, and for the estimated interest charge of SEK 13.6 million. Atrium Ljungberg is firmly of the opinion, however, that the company has complied with the legislation and praxis applicable at the time of the transaction and that, even if the company's tax assessment were to be increased, the amount calculated by the Swedish Tax Agency is incorrect. The Administrative Court of

Appeal will rule on the case in the autumn of 2012. Atrium Ljungberg has conducted an analysis of the Group's property transactions for the years from 2004 onwards. No other similar transaction has been identified.

The current tax for the period totalled SEK -103.0 million (SEK -33.4 m) and has been affected by the provision of SEK -91.5, fiscally deductible investments totalling approximately SEK 13.4 million and loss carry-forwards from previous years' tax assessments totalling SEK 26.4 million.

#### TAX CALCULATION 30-06-2012

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	622.1	
Fiscally deductible		
depreciation	-172.6	172.6
investments	-50.8	50.8
Non-taxable		
changes in the value of properties, unrealised	-244.5	244.5
changes in the value of financial instruments, unrealised	-21.3	21.3
consolidated capitalisation of interest on ongoing projects	-9.5	9.5
Non-deductible/non-taxable interest charges	13.3	-
Other fiscal adjustments	7.7	-16.6
Fiscal profit/loss before loss carry-forwards	144.4	482.1
Loss carry-forwards, opening balance	-100.8	100.8
Loss carry-forwards, closing balance	-	-
Taxable profit/loss	43.6	582.9
<b>Of which 26.3 per cent current/deferred tax</b>	<b>-11.5</b>	<b>-153.3</b>
Provision for tax dispute referring to previous year	-91.5	-
<b>Carrying tax expense</b>	<b>-103.0</b>	<b>-153.3</b>

#### EVENTS AFTER THE CLOSING DAY

No significant events have occurred after the closing day.

#### MARKET DEVELOPMENT, RISKS AND UNCERTAINTY FACTORS

Atrium Ljungberg's property portfolio, with retail, office and full-service environments, is primarily located in strong subsidiary markets in growth regions.

The company's financial position is strong, with strong key ratios, such as a low gearing ratio and high interest coverage ratio. For further information on risks and uncertainty factors in general, please see Atrium Ljungberg's 2011 Annual Report and the section entitled "Opportunities and Risks" on pages 81-83.

#### PROFIT FORECAST

A profit of SEK 670 million before changes in value and taxes is forecast for 2012. The forecast profit after tax is SEK 590 million, corresponding to SEK 4.53/share and including changes in value as of 30th June 2012 and a provision in relation to a tax dispute of SEK 105 m. Changes in value during the latter half of the year and any future acquisitions and sales of properties have not been taken into account in the forecast.

The Board of Directors and the Managing Director hereby attest that this Interim Report constitutes a fair review of the operations, position and results of the Parent Company and the Group, and that it describes the significant risks and uncertainty factors faced by the company and the companies that make up the corporate group.

Nacka 10th July 2012

Dag Klackenber  
Chairman of the Board

Sune Dahlqvist  
Member of the Board

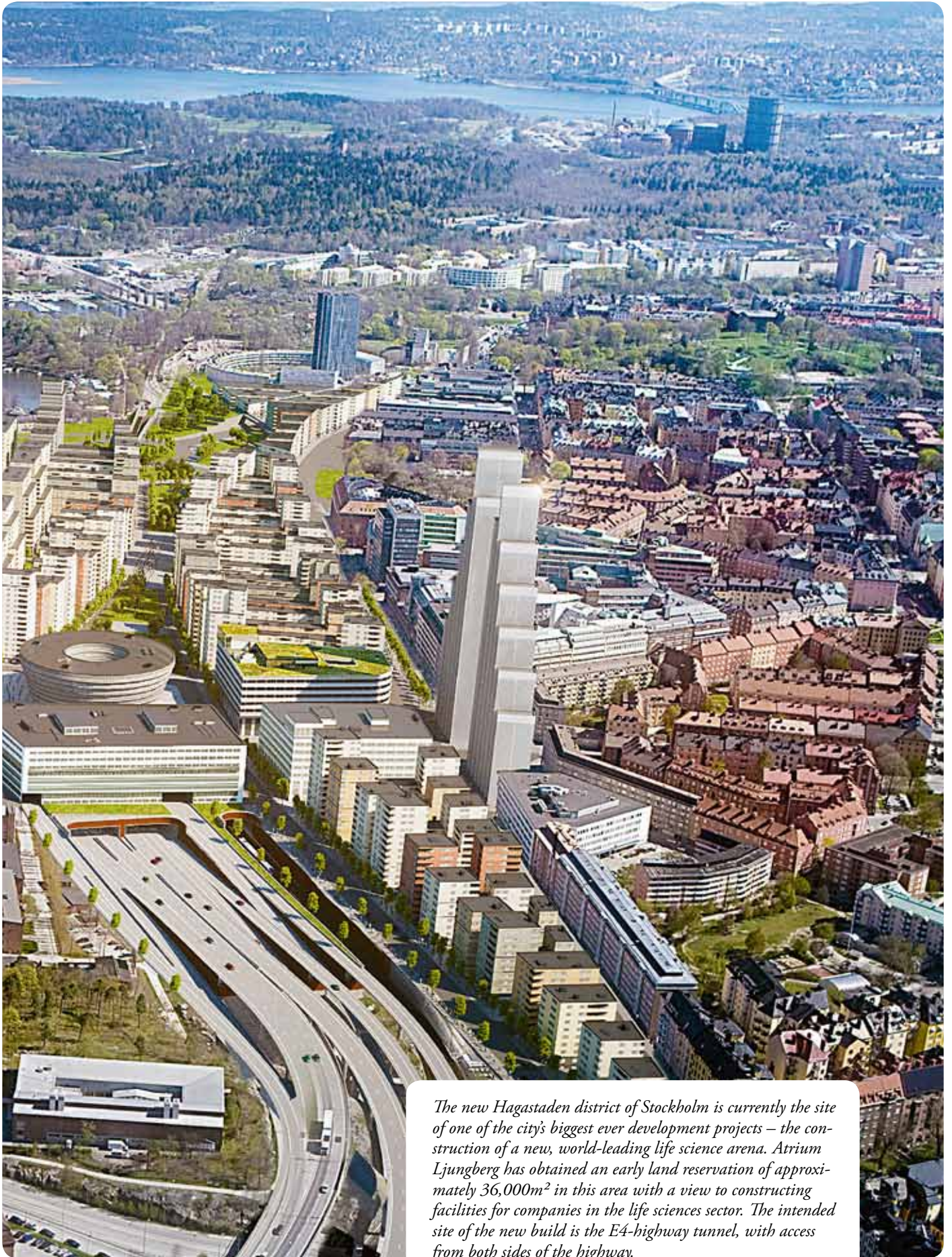
Thomas Evers  
Member of the Board

Anna Hallberg  
Member of the Board

Anders Nylander  
Member of the Board

Johan Ljungberg  
Member of the Board

Ingalill Berglund  
Managing Director



*The new Hagastaden district of Stockholm is currently the site of one of the city's biggest ever development projects – the construction of a new, world-leading life science arena. Atrium Ljungberg has obtained an early land reservation of approximately 36,000m<sup>2</sup> in this area with a view to constructing facilities for companies in the life sciences sector. The intended site of the new build is the E4-highway tunnel, with access from both sides of the highway.*



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	2012	2011	2012	2011	2011	2011/2012
	1/1-30/6	1/1-30/6	1/4-30/6	1/4-30/6	1/1-31/12	1/7-30/6
Rental income	908.9	832.9	453.7	414.0	1,686.3	1,762.3
Project and construction work sales	121.2	176.0	58.3	82.7	331.8	277.0
<b>Net sales</b>	<b>1,030.1</b>	<b>1,008.9</b>	<b>512.0</b>	<b>496.7</b>	<b>2,018.1</b>	<b>2,039.3</b>
Property management costs						
Service charge-related costs	-87.3	-94.7	-33.9	-40.0	-180.0	-172.6
Other operating costs	-65.1	-61.7	-31.4	-26.8	-122.0	-125.4
Management costs	-62.3	-58.5	-32.0	-31.4	-117.1	-120.9
Repairs	-18.2	-15.1	-8.4	-8.5	-38.2	-41.3
Property tax	-55.5	-52.9	-27.8	-26.5	-99.4	-102.0
Leasehold fees	-11.3	-14.0	-4.7	-7.3	-26.4	-23.7
Non-deductible VAT	-4.4	-4.1	-2.1	-1.7	-8.2	-8.5
	-304.1	-301.0	-140.3	-142.2	-591.3	-594.4
Project and construction work costs	-117.1	-166.5	-57.7	-78.1	-317.0	-267.6
<b>Gross profit</b>	<b>608.9</b>	<b>541.4</b>	<b>314.0</b>	<b>276.4</b>	<b>1,109.8</b>	<b>1,177.3</b>
– of which, gross profit, property management (operating surplus)	604.8	531.9	313.4	271.8	1,095.0	1,167.9
– of which, gross profit, project and construction work	4.2	9.5	0.6	4.6	14.8	9.4
Central administration, property management	-19.1	-19.1	-9.4	-10.5	-44.1	-44.1
Central administration, project and construction work	-7.2	-5.9	-4.5	-3.6	-12.2	-13.5
	-26.3	-25.0	-13.9	-14.1	-56.3	-57.6
Financial income	10.3	5.6	2.4	3.6	10.6	15.3
Financial expenses <sup>1)</sup>	-236.6	-177.7	-124.3	-95.3	-369.7	-428.6
	-226.3	-172.1	-121.9	-91.7	-359.1	-413.3
<b>Profit before changes in value</b>	<b>356.3</b>	<b>344.3</b>	<b>178.2</b>	<b>170.6</b>	<b>694.4</b>	<b>706.4</b>
<b>Changes in value</b>						
Properties, unrealised	244.5	199.2	244.5	199.2	528.3	573.6
Properties, realised	–	2.0	–	1.9	2.0	–
Financial instruments, unrealised <sup>2)</sup>	21.3	–	-85.3	–	–	21.3
	265.8	201.2	159.2	201.1	530.3	594.9
<b>Profit before tax</b>	<b>622.1</b>	<b>545.5</b>	<b>337.4</b>	<b>371.6</b>	<b>1,224.7</b>	<b>1,301.3</b>
Current tax <sup>1)</sup>	-103.0	-33.4	-103.0	-14.6	-1.5	-71.1
Deferred tax	-153.3	-107.4	-81.5	-82.9	-318.7	-364.6
	-256.3	-140.8	-184.5	-97.5	-320.2	-435.7
<b>Profit after tax</b>	<b>365.8</b>	<b>404.7</b>	<b>152.9</b>	<b>274.1</b>	<b>904.5</b>	<b>865.6</b>
<b>Other comprehensive income</b>						
Cash flow hedging <sup>2)</sup>	20.9	10.5	10.0	-31.3	-204.6	-194.2
Tax attributable to other reported income and expenses	-5.5	-2.8	-2.6	8.2	53.8	51.1
<b>Total other comprehensive income</b>	<b>15.4</b>	<b>7.7</b>	<b>7.4</b>	<b>-23.1</b>	<b>-150.8</b>	<b>-143.1</b>
<b>Total comprehensive income for the period</b>	<b>381.2</b>	<b>412.4</b>	<b>160.3</b>	<b>251.0</b>	<b>753.7</b>	<b>722.5</b>
Earnings per share, SEK	2.81	3.11	1.17	2.11	6.95	6.65

For Notes to the Financial Statements and note references, see page 15.

# SEGMENT REPORTING 1/1–30/6 2012

Atrium Ljungberg's segmentation is based on two business areas: property management and project and construction activities. The property management is broken down by geographic market and project properties.

Amounts in SEK	Stockholm city centre	Stockholm, other	Uppsala and Mälardalen	Sweden, other	Project properties	Properties sold	Property management, total	Project and construction activities	Non-allocated items	The Group
Rental income	249.4	464.0	117.0	74.1	4.4		908.9			908.9
Project and construction work sales								121.2		121.2
<b>Net sales</b>	<b>249.4</b>	<b>464.0</b>	<b>117.0</b>	<b>74.1</b>	<b>4.4</b>		<b>908.9</b>	<b>121.2</b>		<b>1,030.1</b>
Property management costs	-80.7	-158.5	-33.5	-29.4	-2.0		-304.1			-304.1
Production costs								-117.1		-117.1
<b>Gross profit</b>	<b>168.7</b>	<b>305.5</b>	<b>83.5</b>	<b>44.7</b>	<b>2.4</b>		<b>604.8</b>	<b>4.2</b>		<b>608.9</b>
<i>– of which, gross profit, property management</i>	<i>168.7</i>	<i>305.5</i>	<i>83.5</i>	<i>44.7</i>	<i>2.4</i>		<i>604.8</i>			<i>604.8</i>
<i>– of which, gross profit, project and construction work</i>								<i>4.2</i>		<i>4.2</i>
Central administration, property management							-19.1			-19.1
Central administration, project and construction work								-7.2		-7.2
Financial income									10.3	10.3
Financial expenses									-236.6	-236.6
<b>Profit before changes in value</b>	<b>168.7</b>	<b>305.5</b>	<b>83.5</b>	<b>44.7</b>	<b>2.4</b>		<b>585.7</b>	<b>-3.1</b>	<b>-226.3</b>	<b>356.3</b>
Unrealised changes in the value of properties	157.9	63.0	-5.1	17.4	11.3		244.5			244.5
Realised changes in the value of properties										
Unrealised changes in the value of financial instruments									21.3	21.3
	157.9	63.0	-5.1	17.4	11.3		244.5		21.3	265.8
Current tax									-103.0	-103.0
Deferred tax									-153.3	-153.3
<b>Profit after tax</b>	<b>326.6</b>	<b>368.5</b>	<b>78.4</b>	<b>62.1</b>	<b>13.7</b>		<b>830.2</b>	<b>-3.1</b>	<b>-461.3</b>	<b>365.8</b>
<b>Investments, acquisitions and sales per business segment</b>										
Investments in investment properties	25.9	92.6	38.1	14.5	528.7		699.8			699.8
Investments in project and construction work										
Acquisitions, investment properties	630.0						630.0			630.0
	<b>655.9</b>	<b>92.6</b>	<b>38.1</b>	<b>14.5</b>	<b>528.7</b>		<b>1,329.8</b>			<b>1,329.8</b>
<b>Assets per business segment, end of period</b>										
Investment properties	7,295.0	10,473.2	2,681.0	1,771.0	1,251.0		23,471.2			23,471.2
Project and construction work								74.9		74.9
Non-allocated assets in common									959.3	959.3
<b>Total assets</b>	<b>7,295.0</b>	<b>10,473.2</b>	<b>2,681.0</b>	<b>1,771.0</b>	<b>1,251.0</b>		<b>23,471.2</b>	<b>74.9</b>	<b>959.3</b>	<b>24,505.4</b>

# SEGMENT REPORTING 1/1–30/6 2011

Amounts in SEK	Stockholm city centre	Stockholm, other	Uppsala and Mälardalen	Sweden, other	Project properties	Properties sold	Property management, total	Project and construction activities	Non-allocated items	The Group
Rental income	216.7	427.7	101.7	31.8	54.9		832.9			832.9
Project and construction work sales								176.0		176.0
<b>Net sales</b>	<b>216.7</b>	<b>427.7</b>	<b>101.7</b>	<b>31.8</b>	<b>54.9</b>		<b>832.9</b>	<b>176.0</b>		<b>1,008.9</b>
Property management costs	-73.0	-157.4	-34.8	-13.5	-22.2		-301.0			-301.0
Production costs								-166.5		-166.5
<b>Gross profit</b>	<b>143.7</b>	<b>270.3</b>	<b>66.8</b>	<b>18.3</b>	<b>32.7</b>		<b>531.9</b>	<b>9.5</b>		<b>541.4</b>
<i>– of which, gross profit, property management</i>	<i>143.7</i>	<i>270.3</i>	<i>66.8</i>	<i>18.3</i>	<i>32.7</i>		<i>531.9</i>			<i>531.9</i>
<i>– of which, gross profit, project and construction work</i>								<i>9.5</i>		<i>9.5</i>
Central administration, property management							-19.1			-19.1
Central administration, project and construction work								-5.9		-5.9
Financial income									5.6	5.6
Financial expenses									-177.7	-177.7
<b>Profit before changes in value</b>	<b>143.7</b>	<b>270.3</b>	<b>66.8</b>	<b>18.3</b>	<b>32.7</b>		<b>512.8</b>	<b>3.6</b>	<b>-172.1</b>	<b>344.3</b>
Unrealised changes in the value of properties	145.2	130.6	13.3	-0.9	-89.0		199.2			199.2
Realised changes in the value of properties						2.0	2.0			2.0
	145.2	130.6	13.3	-0.9	-89.0	2.0	201.2			201.2
Current tax									-33.4	-33.4
Deferred tax									-107.4	-107.4
<b>Profit after tax</b>	<b>288.9</b>	<b>400.9</b>	<b>80.1</b>	<b>17.4</b>	<b>-56.3</b>	<b>2.0</b>	<b>714.0</b>	<b>3.6</b>	<b>-312.9</b>	<b>404.7</b>
<b>Investments, acquisitions and sales per business segment</b>										
Investments in investment properties	24.3	99.4	29.7	5.9	326.4		485.7			485.7
Investments in project and construction work								0.4		0.4
Acquisitions, investment properties	4.0						4.0			4.0
	<b>28.3</b>	<b>99.4</b>	<b>29.7</b>	<b>5.9</b>	<b>326.4</b>		<b>489.7</b>	<b>0.4</b>		<b>490.1</b>
<b>Assets per business segment, end of period</b>										
Investment properties	6,017.0	9,555.0	2,266.0	675.0	2,116.0		20,629.0			20,629.0
Project and construction work								88.1		88.1
Non-allocated assets in common									1,141.7	1,141.7
<b>Total assets</b>	<b>6,017.0</b>	<b>9,555.0</b>	<b>2,266.0</b>	<b>675.0</b>	<b>2,116.0</b>		<b>20,629.0</b>	<b>88.1</b>	<b>1,141.7</b>	<b>21,858.8</b>

# CONSOLIDATED BALANCE SHEETS, SUMMARY

Amounts in SEK m	2012-06-30	2011-06-30	2012-03-31	2011-03-31	2011-12-31
<b>ASSETS</b>					
Investment properties	23,471.2	20,629.0	22,841.2	20,164.2	21,896.7
Tangible fixed assets	21.6	18.9	21.7	10.5	23.8
Goodwill	389.8	389.8	389.8	389.8	389.8
Deferred tax receivable	–	–	7.5	–	26.4
Other fixed assets	0.6	155.4	0.8	154.9	0.8
<b>Total fixed assets</b>	<b>23,883.2</b>	<b>21,193.1</b>	<b>23,261.0</b>	<b>20,719.5</b>	<b>22,337.5</b>
Current assets	429.1	323.9	536.1	314.7	564.1
Liquid assets	193.1	341.8	509.3	330.5	274.2
<b>Total current assets</b>	<b>622.2</b>	<b>665.7</b>	<b>1,045.4</b>	<b>645.2</b>	<b>838.3</b>
<b>Total assets</b>	<b>24,505.4</b>	<b>21,858.8</b>	<b>24,306.4</b>	<b>21,364.7</b>	<b>23,175.8</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
Shareholders' equity	9,583.3	9,199.2	9,761.4	9,260.6	9,540.5
Deferred tax liability	2,746.9	2,430.5	2,670.3	2,355.8	2,612.5
Long-term liabilities to credit institution	8,270.7	7,294.9	8,646.5	7,388.4	7,839.6
Other long-term liabilities	198.3	39.3	125.3	8.2	243.9
<b>Total long-term liabilities</b>	<b>11,215.9</b>	<b>9,764.7</b>	<b>11,442.1</b>	<b>9,752.3</b>	<b>10,696.0</b>
Current provisions <sup>11</sup>	105.1	–	–	–	–
Current liabilities to credit institution	2,998.8	2,247.5	2,526.2	1,707.4	1,881.3
Other current liabilities	602.3	647.3	576.7	644.4	1,058.0
<b>Total current liabilities</b>	<b>3,706.2</b>	<b>2,894.8</b>	<b>3,102.9</b>	<b>2,351.8</b>	<b>2,939.3</b>
<b>Total shareholders' equity and liabilities</b>	<b>24,505.4</b>	<b>21,858.8</b>	<b>24,306.4</b>	<b>21,364.7</b>	<b>23,175.8</b>

## CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

Amounts in SEK m	Attributable to Parent Company shareholders					
	Share capital	Other capital contributed	Hedging provisions	Profit brought forward	Profit brought forward incl. comprehensive income	Total shareholders' equity
<b>Opening balance on 1<sup>st</sup> January 2011</b>	<b>333.0</b>	<b>3,959.8</b>	<b>-12.9</b>	<b>4,819.3</b>	<b>4,806.4</b>	<b>9,099.2</b>
<b>Change in shareholders' equity, 2011</b>						
Total comprehensive income for the period, 1 <sup>st</sup> January–30 <sup>th</sup> June			7.7	404.7	412.4	412.4
Dividend				-312.4	-312.4	-312.4
<b>Closing balance on 30<sup>th</sup> June 2011</b>	<b>333.0</b>	<b>3,959.8</b>	<b>-5.2</b>	<b>4,911.5</b>	<b>4,906.4</b>	<b>9,199.2</b>
Total comprehensive income for the period, 1 <sup>st</sup> July–31 <sup>st</sup> December			-158.5	499.9	341.3	341.3
<b>Closing balance on 31<sup>st</sup> December 2011</b>	<b>333.0</b>	<b>3,959.8</b>	<b>-163.7</b>	<b>5,411.4</b>	<b>5,247.7</b>	<b>9,540.5</b>
<b>Change in shareholders' equity, 2012</b>						
Total comprehensive income for the period, 1 <sup>st</sup> January–30 <sup>th</sup> June			15.4	365.8	381.2	381.2
Dividend				-338.4	-338.4	-338.4
<b>Closing balance on 30<sup>th</sup> June 2012</b>	<b>333.0</b>	<b>3,959.8</b>	<b>-148.3</b>	<b>5,438.8</b>	<b>5,290.5</b>	<b>9,583.3</b>

There are a total of 133,220,736 (133,220,736) shares, 4,000,000 (4,000,000) of which are class A shares and 129,220,736 (129,220,736) of which are class B shares. One class A share grants entitlement to ten votes and one class B share grants entitlement to 1 vote. At the period end, there were a total of 130,156,988 (130,156,988) outstanding shares. The company holds 3,063,748 (3,063,748) of its own class B shares.

# CONSOLIDATED CASH FLOW STATEMENTS

Amounts in SEK m	2012 1/1-30/6	2011 1/1-30/6	2012 1/4-30/6	2011 1/4-30/6	2011 1/1-31/12	2011/2012 1/7-30/6
<b>OPERATING ACTIVITIES</b>						
Profit before tax	622.1	545.5	337.4	371.7	1,224.7	1,301.3
Reversal of depreciation and write-downs	3.1	0.7	1.6	0.4	4.3	6.7
Realised changes in value, investment properties	-	-2.0	-	-1.9	-2.0	-
Unrealised changes in value, investment properties	-244.5	-199.2	-244.5	-199.2	-528.3	-573.6
Unrealised changes in value, financial instruments	-21.3	-	85.3	-	-	-21.3
Other non-cash items	-5.7	-	-	-	-	-5.7
Tax paid	79.0	-61.2	-30.3	-43.8	-86.0	54.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>432.7</b>	<b>283.8</b>	<b>149.5</b>	<b>127.2</b>	<b>612.7</b>	<b>761.6</b>
Net change in working capital	-56.3	9.2	166.0	23.4	27.0	-38.5
<b>Cash flow from operating activities</b>	<b>376.4</b>	<b>293.0</b>	<b>315.5</b>	<b>150.6</b>	<b>639.7</b>	<b>723.1</b>
<b>INVESTMENT ACTIVITIES</b>						
Acquisition of properties <sup>31</sup>	-972.6	-4.4	-0.5	-4.4	-36.8	-1,005.0
Reconstruction and new construction of properties	-699.8	-485.9	-385.6	-261.4	-1,049.8	-1,263.7
Acquisition/sale of equipment	5.1	-9.2	-1.5	-9.2	-17.8	-3.5
<b>Cash flow from investment activities</b>	<b>-1,667.3</b>	<b>-499.5</b>	<b>-387.6</b>	<b>-275.0</b>	<b>-1,104.4</b>	<b>-2,272.2</b>
<b>FINANCING ACTIVITIES</b>						
Change in other long-term receivables	-0.4	-9.8	-2.6	2.4	1.6	11.0
Loans raised	1,599.5	450.0	100.0	450.0	635.5	1,785.0
Amortisation of debts	-50.9	-18.8	-3.2	-4.2	-25.1	-57.2
Dividend paid	-338.4	-312.4	-338.4	-312.4	-312.4	-338.4
<b>Cash flow from financing activities</b>	<b>1,209.8</b>	<b>109.0</b>	<b>-244.2</b>	<b>135.8</b>	<b>299.6</b>	<b>1,400.4</b>
<b>Cash flow for the period</b>	<b>-81.1</b>	<b>-97.5</b>	<b>-316.3</b>	<b>11.4</b>	<b>-165.1</b>	<b>-148.7</b>
<b>Liquid assets at the beginning of the period</b>	<b>274.2</b>	<b>439.3</b>	<b>509.3</b>	<b>330.5</b>	<b>439.3</b>	<b>341.8</b>
<b>Liquid assets at the end of the period</b>	<b>193.1</b>	<b>341.8</b>	<b>193.1</b>	<b>341.8</b>	<b>274.2</b>	<b>193.1</b>

# INCOME STATEMENTS PARENT COMPANY

Amounts in SEK m	2012 1/1–30/6	2011 1/1–30/6	2011 1/1–31/12
Net sales	95.1	121.5	246.8
Management and production costs	-51.4	-65.8	-122.3
<b>Gross profit/loss</b>	<b>43.7</b>	<b>55.7</b>	<b>124.5</b>
Profit/loss on real estate sales <sup>41</sup>	-168.7	-	-
Central administration and marketing	-19.0	-18.2	-43.7
<b>Operating profit/loss</b>	<b>-144.0</b>	<b>37.5</b>	<b>80.8</b>
Profit on participations in Group companies	376.7	85.8	170.5
Interest income and similar profit/loss items	153.3	112.1	227.4
Interest expenses and similar profit/loss items	-191.2	-147.7	-397.7
	338.8	50.2	0.2
<b>Profit after financial items</b>	<b>194.8</b>	<b>87.7</b>	<b>81.0</b>
Appropriations	11.7	-0.6	-2.3
Current tax	-11.5	-14.0	-
Deferred tax	33.3	-9.2	-20.3
	21.8	-23.2	-20.3
<b>Profit after tax</b>	<b>228.3</b>	<b>63.9</b>	<b>58.4</b>

# SUMMARY BALANCE SHEETS PARENT COMPANY

Amounts in SEK m	2012-06-30	2011-06-30	2011-12-31
<b>ASSETS</b>			
Tangible fixed assets	1,264.5	1,793.2	1,806.7
Financial fixed assets	6,121.0	5,934.6	6,029.4
Current assets	4,361.5	3,072.4	3,898.7
<b>Total assets</b>	<b>11,747.0</b>	<b>10,800.2</b>	<b>11,734.8</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	5,644.7	5,760.3	5,754.8
Untaxed reserves	9.7	29.6	21.4
Provisions	225.9	248.1	259.3
Long-term liabilities	4,505.9	3,604.3	3,963.6
Current liabilities	1,360.8	1,157.9	1,735.7
<b>Total shareholders' equity and liabilities</b>	<b>11,747.0</b>	<b>10,800.2</b>	<b>11,734.8</b>

# CHANGES IN SHAREHOLDERS' EQUITY

## PARENT COMPANY

Amounts in SEK m	Attributable to Parent Company shareholders					
	Share capital	Statutory reserve	Fair value reserve	Share premium reserve	Profits brought forward	Total shareholders' equity
<b>Opening balance on 1<sup>st</sup> January 2011</b>	<b>333.0</b>	<b>265.4</b>	<b>-12.9</b>	<b>3,948.4</b>	<b>1,462.0</b>	<b>5,995.9</b>
Adjustment as a result of an amendment to the accounting principle			12.9			12.9
<b>Change in shareholders' equity, 2011</b>						
Profit after tax for the period						
1 <sup>st</sup> January–30 <sup>th</sup> June					63.9	63.9
Dividend					-312.4	-312.4
<b>Closing balance on 30<sup>th</sup> June 2011</b>	<b>333.0</b>	<b>265.4</b>	<b>-</b>	<b>3,948.4</b>	<b>1,213.5</b>	<b>5,760.3</b>
Profit after tax for the period						
1 <sup>st</sup> July–31 <sup>st</sup> December					-5.5	-5.5
<b>Closing balance on 31<sup>st</sup> December 2011</b>	<b>333.0</b>	<b>265.4</b>	<b>-</b>	<b>3,948.4</b>	<b>1,208.0</b>	<b>5,754.8</b>
<b>Change in shareholders' equity 2012</b>						
Profit after tax for the period						
1 <sup>st</sup> January–30 <sup>th</sup> June					228.3	228.3
Dividend					-338.4	-338.4
<b>Closing balance on 30<sup>th</sup> June 2012</b>	<b>333.0</b>	<b>265.4</b>	<b>-</b>	<b>3,948.4</b>	<b>1,097.9</b>	<b>5,644.7</b>

There are a total of 133,220,736 shares (133,220,736), 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 period end, there were a total of 130,156,988 (130,156,988) outstanding shares. The company holds 3,063,748 (3,063,748) of its own class B shares.

### NOTES TO THE FINANCIAL STATEMENTS AND NOTE REFERENCES

**Accounting principles** – This Interim Report has been prepared in accordance with IAS 34 and the provisions of the Swedish Annual Accounts Act.

#### New accounting principles, 2012

*The Group:* new and revised IFRS and interpretative statements from IFRIC applicable to the Group as of 1st January 2012 have had no effect on the Group's result or financial position.

*The Parent Company:* The Parent Company has ceased, as of 1st January 2012, to apply IAS 39 to the reporting of financial instruments. These items will, in future, be reported on the basis of their acquisition value, in accordance with the provisions of the Swedish Annual Accounts Act. The comparison periods for 2011 have been recalculated.

#### Note references

- <sup>1)</sup> The company has made provision, during the second quarter for a tax dispute. SEK 91.5 million of this provision has been charged to current tax, and SEK 13.6 million in estimated interest charges has been charged to financial expenses.
- <sup>2)</sup> Atrium Ljungberg has, as of 1st January 2012, ceased to apply hedge accounting to the interest swaps that hedge interest flows on external loans. Unrealised changes in the value of derivatives are consequently reported directly to the profit/loss. The financial effect of the hedges remains unchanged, however. The hedging reserve, which totalled SEK -163.7 million as of 31st December 2011, has been reversed linearly to other comprehensive income in tandem with the term of the respective derivatives. The remaining redeemable amount, as of 30th June 2012, totalled SEK 148.3 million.
- <sup>3)</sup> During the interim period 2012, the remaining 50 per cent of the Blästern 13 property, have been acquired. The acquisition of the remaining 50 per cent of the Blästern 6 property that occurred during the fourth quarter of 2011 has, in conjunction with possession being taken, yielded an effect on the cash flow during 2012.
- <sup>4)</sup> During the first quarter of 2012, the parent company has sold properties to other group companies.

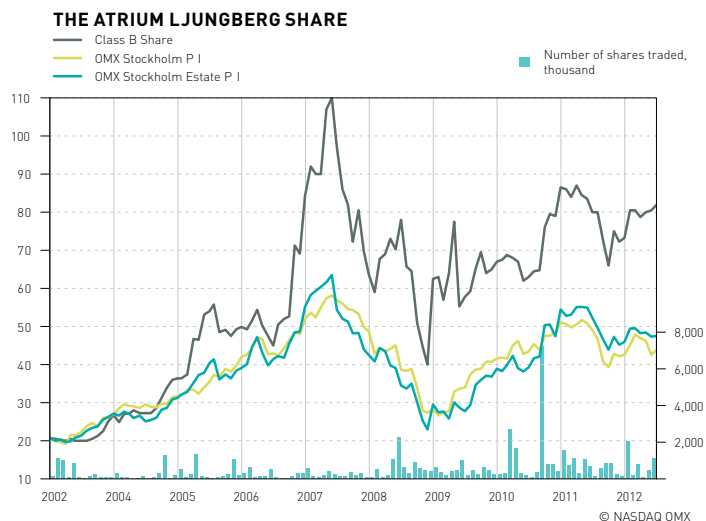
The Interim Report has not been subject to review by the company's auditors.

# KEY RATIOS

	2012 1/1-30/6	2011 1/1-30/6	2012 1/4-30/6	2011 1/4-30/6	2011 1/1-31/12	2011/2012 1/7-30/6
Letting rate, %	95	94	95	94	94	95
Operating surplus margin, %	67	64	69	66	65	66
Equity/assets ratio, %	39.1	42.1	39.1	42.1	41.2	39.1
Debt/equity ratio, multiple	1.2	1.0	1.2	1.0	1.0	1.2
Gearing ratio, %	48.0	46.3	48.0	46.3	44.4	48.0
Interest coverage ratio, multiple	2.5	2.9	2.4	2.8	2.9	2.6
Return on shareholders' equity, %	7.7	8.8	6.3	11.9	9.7	9.2
Return on shareholders' equity excluding changes in value, %	5.5	5.6	5.4	5.5	5.6	5.6
Return on total assets, %	7.2	6.7	7.6	8.6	7.2	7.5
Return on total assets excluding changes in value, %	5.0	4.9	5.0	4.9	4.8	4.9
Average number of employees	258	258	258	258	260	258
Average interest on interest-bearing liabilities (at end of period), %	4.1	4.0	4.1	4.0	4.2	4.1

# DATA PER SHARE

	2012 1/1-30/6	2011 1/1-30/6	2012 1/4-30/6	2011 1/4-30/6	2011 1/1-31/12	2011/2012 1/7-30/6
Amounts in SEK	1/1-30/6	1/1-30/6	1/4-30/6	1/4-30/6	1/1-31/12	1/7-30/6
Profit/loss after tax	2.81	3.11	1.17	2.11	6.95	6.65
Profit/loss before changes in value less applicable nominal tax	2.02	1.95	1.01	0.97	3.93	4.00
Cash flow	2.89	2.25	2.42	1.16	4.91	5.56
Shareholders' equity	73.63	70.68	73.63	70.68	73.30	73.63
Net worth, 10% deferred tax	83.71	79.26	83.71	79.26	82.75	83.71
Market value	81.85	80.00	81.85	80.00	73.25	81.85
Average number of outstanding shares, thousand	130,157	130,157	130,157	130,157	130,157	130,157
Number of outstanding shares at end of period, thousand	130,157	130,157	130,157	130,157	130,157	130,157

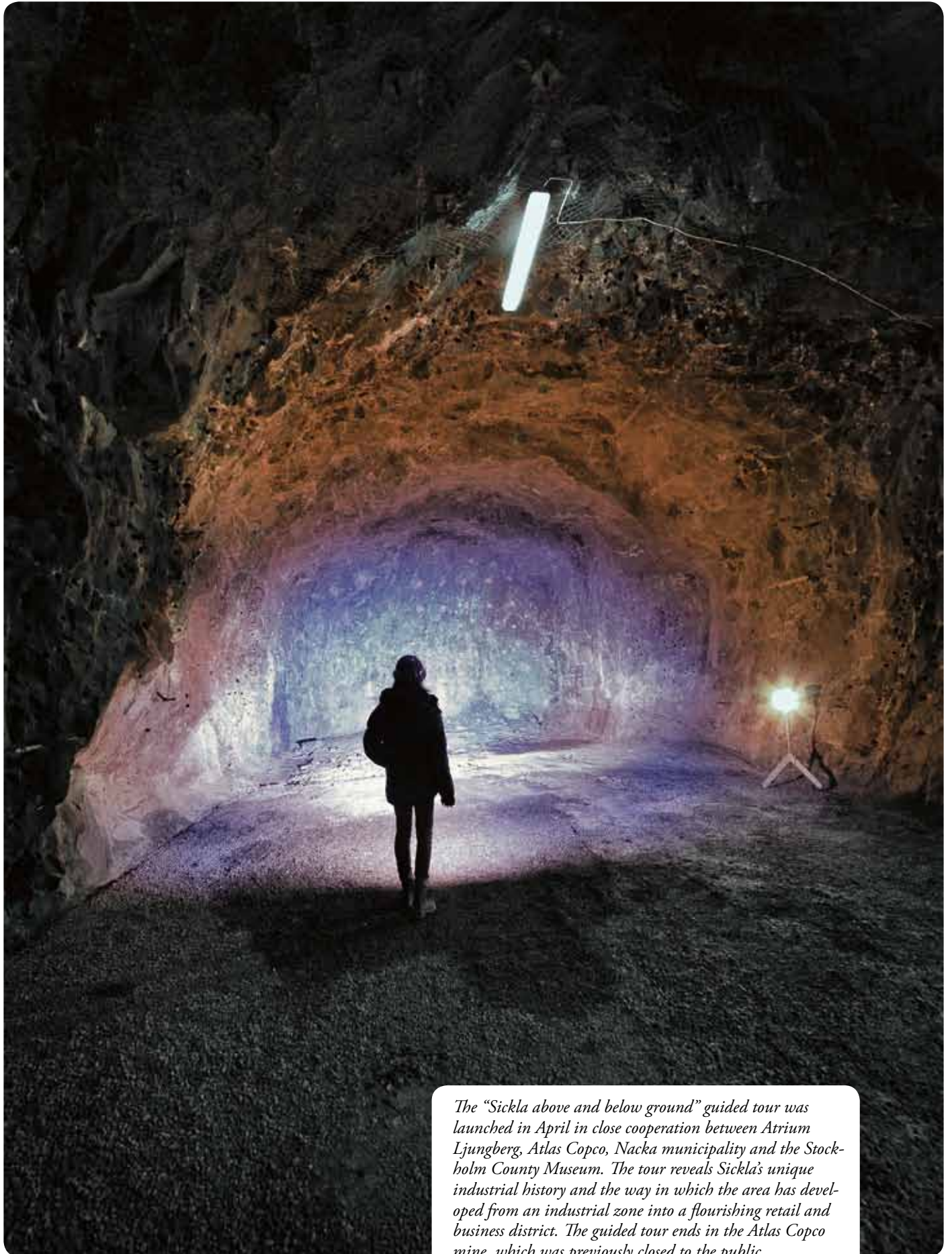




# FIVE-YEAR OVERVIEW

Amounts in SEK m	2011	2010	2009	2008	2007
<b>INCOME STATEMENTS</b>					
Rental income	1,686.3	1,613.5	1,655.7	1,499.6	1,512.7
Project and construction work sales	331.8	322.9	323.9	355.1	337.7
<b>Net sales</b>	<b>2,018.1</b>	<b>1,936.4</b>	<b>1,979.6</b>	<b>1,854.7</b>	<b>1,850.4</b>
Property management costs	-591.3	-584.0	-603.7	-564.6	-571.4
Project and construction work costs	-317.0	-313.5	-316.5	-343.8	-329.0
<b>Gross profit/loss</b>	<b>1,109.8</b>	<b>1,038.9</b>	<b>1,059.4</b>	<b>946.3</b>	<b>950.0</b>
– of which, gross profit/loss, property management	1,095.0	1,029.5	1,052.0	934.9	941.3
– of which, gross profit/loss, project and construction work	14.8	9.4	7.4	11.3	8.7
Central administration, property management	-44.1	-45.4	-49.2	-47.7	-41.0
Central administration, project and construction work	-12.2	-11.9	-10.7	-14.2	-11.8
Result from participations in Group companies	–	–	–	–	2.6
Financial income	10.6	7.7	6.6	21.2	14.7
Financial expenses	-369.7	-320.6	-338.7	-368.3	-306.0
	-359.1	-313.0	-332.1	-347.1	-288.7
<b>Profit/loss before changes in value</b>	<b>694.4</b>	<b>668.6</b>	<b>667.4</b>	<b>537.2</b>	<b>608.5</b>
Unrealised changes in value of properties	528.3	525.1	-523.0	-1,202.1	1,286.7
Realised changes in value of properties	2.0	14.2	0.1	-21.6	176.2
Write-down of goodwill	–	-16.9	-51.7	-26.2	-37.0
	530.3	522.4	-574.6	-1,249.9	1,425.9
<b>Profit/loss before tax</b>	<b>1,224.7</b>	<b>1,191.1</b>	<b>92.8</b>	<b>-712.7</b>	<b>2,034.4</b>
Current tax	-1.5	-23.5	-77.4	-72.9	-93.3
Deferred tax	-318.7	-252.1	171.5	383.2	-305.2
<b>Profit/loss after tax</b>	<b>904.5</b>	<b>915.5</b>	<b>186.9</b>	<b>-402.4</b>	<b>1,635.9</b>
<b>KEY RATIOS</b>					
Letting rate, %	94	94	93	94	92
Operating surplus margin, %	65	64	64	62	62
Equity/assets ratio, %	41.2	42.9	42.4	42.2	45.5
Debt/equity ratio, multiple	1.0	1.0	1.0	1.0	0.8
Gearing ratio, %	44.4	45.7	45.6	43.8	39.8
Interest coverage ratio, multiple	2.9	3.1	3.0	2.5	3.0
Return on shareholders' equity, %	9.7	10.5	2.2	-4.5	19.2
Return on shareholders' equity excl. changes in value, %	5.6	5.6	5.7	4.3	5.6
Return on total assets, %	7.2	7.4	2.2	-1.7	12.4
Return on total assets excluding changes in value, %	4.8	4.8	5.0	4.4	4.9
Average number of employees	260	251	242	233	228
Average interest on interest-bearing liabilities (at end of period), %	4.2	3.8	3.8	4.7	4.6
<b>DATA PER SHARE</b>					
Profit/loss for the year, SEK	6.95	7.03	1.44	-3.09	12.55
Profit/loss before changes in value, less applicable nominal tax, SEK	3.93	3.79	3.78	2.97	3.36
Dividend, SEK	2.60	2.40	2.25	2.00	2.00
Dividend share, %	66.2	63.4	59.5	67.3	59.5
The share's dividend yield, %	3.5	2.8	3.4	3.2	3.1
Cash flow, SEK	4.91	5.16	4.67	4.55	3.64
Shareholders' equity, SEK	73.30	69.91	64.66	65.27	71.14
Net worth per share, 10% deferred tax, SEK	82.75	77.97	71.28	72.32	79.98
Market value, 31 <sup>st</sup> Dec, SEK	73.25	86.50	67.00	62.50	63.75
Number of outstanding shares, thousand	130,157	130,157	130,157	130,157	130,157
Average number of outstanding shares after dilution, thousand <sup>11</sup>	130,157	130,157	130,157	130,157	130,295

<sup>11</sup> All of the stock option programmes expired on 31st December 2009.



*The “Sickla above and below ground” guided tour was launched in April in close cooperation between Atrium Ljungberg, Atlas Copco, Nacka municipality and the Stockholm County Museum. The tour reveals Sickla’s unique industrial history and the way in which the area has developed from an industrial zone into a flourishing retail and business district. The guided tour ends in the Atlas Copco mine, which was previously closed to the public.*

# DEFINITIONS

## FINANCIAL DEFINITIONS

### Cash flow per share, SEK

Cash flow from the operating activities divided by the number of outstanding shares at the end of the period.

### Debt/equity ratio, multiple

Interest-bearing liabilities divided by reported shareholders' equity.

### Earnings per share, SEK

The profit/loss for the period divided by the average number of outstanding shares after dilution.

### Equity/assets ratio, %

Reported shareholders' equity as a percentage of the balance sheet total at the end of the period.

### Equity per share, SEK

Reported equity divided by the number of outstanding shares at the end of the period.

### Gearing ratio

Interest-bearing liabilities as a percentage of properties' reported value.

### Interest coverage ratio, multiple

Profit/loss before changes in value plus interest expenses, divided by interest expenses.

### Net worth per share, 10% deferred tax, SEK

Equity per share calculated using a deferred tax rate of 10 per cent.

### Number of outstanding shares

The number of shares registered, less shares bought back, which do not grant entitlement to voting rights or to receive a dividend.

### Number of outstanding shares after dilution

The number of outstanding shares after dilution, calculated in accordance with IAS 33. Dilution occurs in conjunction with stock option programmes when the redemption price is lower than the current market value.

### P/E ratio

Market price at the period end divided by the profit after tax per share for the most recent twelve-month period.

### Profit/loss before change in value per share, SEK

Profit/loss before changes in value, less applicable nominal tax, divided by the number of outstanding shares.

### Return on shareholders' equity, %

The profit/loss after tax as a percentage of the average shareholders' equity.

### Return on total assets, %

Profit/loss before tax plus interest expenses as a percentage of the average balance sheet total.

### Rounding off

Amounts have been rounded off to the nearest SEK 1 million and the tables do not, therefore, always tally.

### Share dividend yield

Share dividend as a percentage of the share price on the balance sheet date.

## PROPERTY-RELATED DEFINITIONS

### GFA, m<sup>2</sup>

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

### GFA, non-residential, m<sup>2</sup>

GFA (Gross Floor Area), non-residential comprises space intended for purposes other than residential, the operation of the building, or public transport.

### GRFA, m<sup>2</sup>

GRFA (Gross Residential Floor Area) refers to areas above ground that are, either wholly or in part, adapted for residential purposes.

### Letting rate

Contracted annual rents as a percentage of the rental value when fully let. Figures reported are based on the impending quarter.

### Operating surplus

Rental income less property management costs.

### Operating surplus margin, %

Gross profit/loss on property management as a percentage of reported rental income.

### Project property

Property or clearly delimited section of a property that has been vacated for conversion and improvement purposes, irrespective of whether construction work has begun. The term, project property, also refers to buildings under construction and undeveloped land and building rights. Reclassification from project property to completed property occurs on 1st January of the year following completion.

### Rental value

Contracted annual rents and estimated market rent for vacant premises in current condition.

# 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

**AS A LISTED COMPANY**, Atrium Ljungberg is subject to the rules of the listing agreement with the NASDAQ OMX Stockholm exchange. Significant events, interim reports and preliminary financial statements are published immediately via press releases. The information is also available on the company's website; [www.atriumljungberg.se](http://www.atriumljungberg.se).

Regular meetings with analysts, investors, shareholders and financiers, and with our customers and partners, enable us to provide ongoing information on our operations, changes and current events.

A printed version of our annual reports and interim reports is distributed to all shareholders by post upon request. 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. The site also provides updated information on our operations, our properties and projects, key financial ratios, the share, and much more besides.

## **PUBLICATION OF FINANCIAL INFORMATION**

Interim Report Jan.–Sep. 2012	2012-10-18
Year-end Report	February 2013
Annual Report 2012	March 2013



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