

# QL Q1

ATRIUM LJUNGBERG

2013 • INTERIM REPORT JANUARY – MARCH



## THIS IS ATRIUM LJUNGBERG

• NUMBER OF PROPERTIES	57
• PROPERTY VALUE	SEK 24.9 BILLION
• CONTRACTED ANNUAL RENT	SEK 1.9 BILLION
• LETTING AREA	903,000M <sup>2</sup>
• LETTING RATE	95%
• NUMBER OF EMPLOYEES	276

Atrium Ljungberg's work involves creating sustainable environments where people want to be, today and in the future – environments that contribute to society's development and which provide a foundation for growth and business. Properties are the core of our operations but we are actually more interested in the people who spend their time in the environments that we create. Because together with customers, suppliers, local authorities and other partners, we are building a sustainable future.

- Atrium Ljungberg is one of Sweden's largest listed property companies and has been **listed on the NASDAQ OMX** Stockholm Exchange since 1994.
- We **own, develop and manage properties**, primarily for the retail and office sectors.
- We **create attractive meeting places** by adding residential premises and cultural, service and educational facilities to our areas.

## OUR LOCATIONS

- We are primarily located in **Stockholm, Uppsala and Malmö**.
- Our **retail hubs** are located in all of these regions.
- **The office properties** are concentrated on strong 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.

## OUR BUSINESS CONCEPT

Atrium Ljungberg's long-term approach to ownership, development and management enables us to offer our customers attractive retail, office and full-service environments in strong subsidiary markets. Our in-house expertise and big picture approach enables us to generate added value for our customers and partners and creates value growth within the company.

## OUR GOALS

Atrium Ljungberg's business focuses at all times on the customer and the transaction. Our goals can be divided into three categories:

- **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 a multiple of 2.0.
- **Corporate social responsibility** – all major new builds shall be environmentally certified and we shall be one of Sweden's best workplaces.

Find out more at: [www.atriumljungberg.se](http://www.atriumljungberg.se)

## OUR STRATEGIES & VALUE-ENHANCING FACTORS

- We shall focus on developing environments for retail and office activities and, wherever possible, complement them with residential, service, cultural and educational facilities.

*The combination creates synergies and a risk spread that ensures we remain strong across business cycles.*

- We shall maintain a presence in strong subsidiary markets in Stockholm, Uppsala and Malmö where the preconditions exist for long-term population growth.

*Long-term population growth generates the preconditions for long-term profitability, both for us and for our customers.*

- We shall develop and upgrade properties and development rights.

*Our project development work generates value growth within the company and added value for our customers.*

- We shall be a significant operator with large, unified units in every subsidiary market.

*As a significant operator, we can lead and influence development and create full-service environments with long-term sustainability and viability.*

- Our focus, in everything we do, shall be on our customers. Our partnerships with customers, suppliers, local authorities and other stakeholders shall be close, long-term, stable and personal.

*Collaborative partnerships enable us to identify innovative solutions and by working together, we can create sustainable, attractive environments.*

- We shall manage and conduct the entire commercial process in-house using in-house expertise.

*Conducting the development and construction process in-house ensures our ability to satisfy our customers' interests and generate good returns on our projects over time.*

- Sustainability work shall be an integral part of our business strategy and an important component of our offering.

*Building sustainably for the future not only enhances the company's value and results, but also strengthens the outside world's confidence in us.*

- We shall have a committed workforce that is passionate about what we do. Our core values – a long-term approach, cooperation, reliability and innovative thinking – shall be firmly rooted in the workforce psyche.

*In-depth commitment strengthens our brand and living up to our core values ensures our tenants want to be long-term customers.*

## OUR BUSINESS MODEL

Atrium Ljungberg's business model generates profitability and value growth through ongoing upgrading and effective, customer-orientated management of our properties. The model is based on a number of commercial processes, all of which are conducted in-house and with a varying degree of involvement by the company's different functions, depending on where we are in the process at any given time.



# INTERIM REPORT

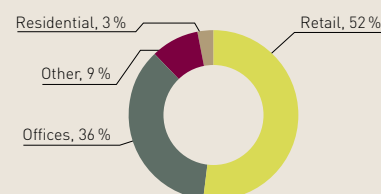
## 1 JANUARY – 31 MARCH

- NET SALES increased to SEK 579 million (SEK 518 m), of which rental income totalled SEK 488 million (SEK 455 m).
- THE LETTING RATE was 95 per cent (95 per cent as of 31st December 2012), including project properties.
- THE OPERATING SURPLUS from property management increased to SEK 305.3 million (SEK 291.4 m).
- THE PROFIT BEFORE CHANGES IN VALUE increased to SEK 188.7 million (SEK 178.1 m).
- UNREALISED CHANGES IN THE VALUE of properties totalled SEK 0.0 million (SEK 0.0 m). Unrealised changes in the value of financial instruments totalled SEK 121.5 million (SEK 106.6 m).
- THE PROFIT FOR THE PERIOD increased to SEK 241.8 million (SEK 212.9 m), corresponding to SEK 1.86/share (SEK 1.64/share).
- INVESTMENTS in Atrium Ljungberg's own properties totalled SEK 320 million (SEK 314 m).
- THE 2013 PROFIT FORECAST before changes in value and tax is SEK 790 million.

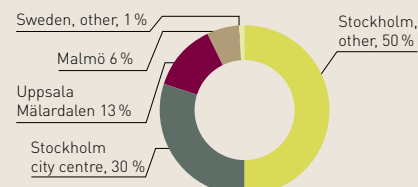
### KEY RATIOS

	2013 Jan – Mar	2012 Jan – Mar	2012 Jan – Dec
Net sales, SEK m	579	518	2,078
Profit before changes in value, SEK m	189	178	739
Profit for the period, SEK m	242	213	1,031
Investments, SEK m	320	314	1,512
Cash flow from operating activities, SEK m	175	61	832
Letting rate, %	95	95	95
Equity/assets ratio, %	40.7	40.2	40.3
Gearing ratio, %	47.4	48.9	47.3
Average interest at end of period, %	3.7	4.1	3.9
Interest coverage margin, multiple	2.7	2.6	2.6
Earnings per share, SEK	1.86	1.64	7.92
Profit/loss before changes in value less applicable nominal tax per share, SEK	1.13	1.01	4.19
Share price, SEK	91.00	78.70	87.00
Shareholders' equity per share, SEK	80.71	75.00	78.79
Net worth per share, 10% deferred tax, SEK	88.73	84.84	86.67

### CONTRACTED ANNUAL RENT PER TYPE OF PREMISES



### CONTRACTED ANNUAL RENT PER SEGMENT



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.



# MANAGING DIRECTOR'S STATEMENT

*ATRIUM LJUNGBERG'S NEW letting levels were good during the first quarter of the year and both rental income and the operating surplus have increased. One of the important events during the period was the agreement reached with the City of Stockholm with regard to New Slussen and which will enable the site to be upgraded.*



The beginning of the year has been characterised by an economic climate of zero growth in Sweden's economy. The retail sector has experienced a challenging start to the year, particularly in the footwear and clothing retail trade, but our rental levels have remained stable and demand in our subsidiary markets has continued strong. The first quarter has been good for us, with both increased rental income and an increased operating surplus.

New letting levels were good during the quarter, yielding annual rents totalling SEK 17 million. Our net letting level during the quarter, i.e. the difference between the contract value for agreed new lets and agreements terminated for vacation of the premises, totalled SEK –1 million. Net letting levels were affected by the fact that Skanska, who will complete construction of their new headquarters during the year, will be vacating the 3,500m<sup>2</sup> project office that they are renting in Hagastaden by the end of the year.

One of the important events of the first quarter was the agreement we have reached with the City of Stockholm with regard to Slussen. I am delighted that after many years of discussion on the subject, we have now, by working in partnership with the City, reached a solution that will enable the site as a whole to be upgraded and, at the same time, limit and

compensate for the financial damage caused to Glashuset by the work. The agreement will, amongst other things, enable us by means of a slight reduction in the development work, to divide the development right into several free-standing blocks, rather than creating the solid, single block specified in the detailed development plan. This will allow us to design the new buildings in a way that benefits the cityscape as a whole and, at the same time, create better visual and lighting conditions for our tenants in Glashuset. The new buildings along Stadsgårdsleden will also enable us to provide attractive new office space in what is, for us, a prioritised subsidiary market. The agreement is, however, conditional upon approval being granted for the detailed development plan – an issue that will be resolved by the Land and Environment Court of Appeal during the year. If the detailed development plan is approved, construction work in front of Glashuset will probably be able to start in 2020.

The outlook for the year is stable and the potential for continuing our successful operations in both the project development and management spheres is good. Our profit forecast for 2013 remains unchanged at SEK 790 million before changes in value and tax.

*Ingalill Berglund, Managing Director*

---

“The first quarter has been good for us, with both increased rental income and an increased operating surplus”

## THE MARKET AND MANAGEMENT

The Swedish economy ended the year weakly and 2013 has begun with zero growth. The global economic slump is clearly leaving its mark on the export sector and in industry as a whole, and no recovery is expected until the end of 2013, with investments expected to fall during the year.

Household finances are, by contrast, strong. Incomes have increased at a healthy rate in recent years and this trend is expected to continue in 2013. Households' assets have benefited from a strong stock market trend and rising house prices, and savings are at their highest level in twenty years. These factors, coupled with low interest rates and increased optimism for the future, mean that households' consumption levels are expected to increase in the year ahead.

Sweden's growth rate is expected to stay low in 2013 and the Swedish National Institute of Economic Research is predicting a 1.3 per cent increase in GNP in 2013, which is on a par with the increase seen in 2012. HUI Research is forecasting a cautiously positive growth of ca. 2 per cent in the Swedish retail sector in 2013, which corresponds to growth levels in this sector in 2012.

The Swedish retail sector grew by 0.9 per cent during the period from January to February, measured in rolling prices and in comparison with the corresponding period in 2012.

Atrium Ljungberg's four retail hubs – Sickla Köp kvarter in Nacka, Farsta Centrum in Stockholm, Port73 in Haninge, and Gränby Centrum in Uppsala collectively reported a positive net sales trend in January–February, growing by 2.2 per cent in comparison with the corresponding period last year. As anticipated, the extensive reconstruction work on Mobilia in Malmö, coupled with the competition from the newly opened Emporia retail centre, have had a negative effect on Mobilia's net sales, but the aggregate net sales of Atrium Ljungberg's major retail hubs, including Mobilia, increased year-on-year by 0.7 per cent for the period from January to February 2013.

We are noticing an increased cost-awareness on the part of retail chains and a slightly longer decision-making process when it comes to signing new lease contracts. Rental levels for Atrium Ljungberg's retail premises remain stable, however.

The current economic climate has resulted in reduced levels of activity by companies in the office rental market in Stockholm and demand

for new premises has levelled off. Demand in Stockholm is, however, higher than elsewhere in Sweden, thanks to a stable labour market, high levels of inward movement to the capital city, and a positive growth in the services sector. If the high level of cost-awareness continues, it will result in increased corporate interest in areas outside the city centre.

Demand for premises has been relatively good in all of Atrium Ljungberg's office subsidiary markets at the start of 2013 and we are seeing continued healthy demand for office premises, particularly in Hagastaden, Sickla and Farsta Centrum. Rental levels in our office property portfolio are stable.

Our net letting, i.e. newly agreed contracted annual rents during the period, less annual rents terminated due to clients vacating the premises, totalled SEK –1 million. Newly agreed annual rents totalled SEK 17 million and terminated annual rents for vacating tenants have been affected by Skanska vacating the 3,500m<sup>2</sup> project office they have been renting in Hagastaden.

The detailed development plan for New Slussen was annulled by the Land and Environment Court when the Court granted Atrium Ljungberg's suit in this regard. In March,

## PROJECT PROPERTIES <sup>11</sup>

Project/Property/Location	Reconstruction, letting area m <sup>2</sup>	New build, letting area m <sup>2</sup>	Premises type	Inv, SEK m	Of which remaining	Completed	Rental value <sup>31</sup> excl. surcharge, SEK m	Letting rate, %
Port73, Etapp 3, Söderby Huvudgård 2:43, Haninge		10,500	Retail	250	110	Q3 2013	16	53
Mobilia, Etapp 3, Bohus 8, Malmö <sup>21</sup>		29,000	Retail/Parking	1,000	300	Q4 2013	72	78
HK AkzoNobel, Sicklaön 83:32, Nacka		10,800	Offices	300	160	Q1 2014	25	72
Mobilia, rental apartments, Bohus 8, Malmö		4,100	Residential	100	50	Q1 2014	7	0
Farsta Centrum, Ica Kvantum, Storö 24, Stockholm	400	3,500	Retail/Parking	150	120	Q2 2014	E/T <sup>41</sup>	85
Kvarteret Nod, Kista Gård, Borgarnäs 1, Stockholm		27,000	Offices/Other	800	490	Q3 2014	62	41
<b>Total</b>	<b>400</b>	<b>84,900</b>		<b>2,600</b>	<b>1,230</b>		<b>E/T <sup>41</sup></b>	

<sup>11</sup> The term, project properties, refers to individual properties or clearly delimited parts of an individual property that have been vacated in order to permit the reconstruction and upgrading of the property, irrespective of whether construction work has begun. The term, project properties, also refers to buildings under construction and to undeveloped land and development rights. Properties are reclassified from project properties to finished properties on 1 January of the year after completion.

<sup>21</sup> 29,000m<sup>2</sup> letting area for retail and service facilities and 650 parking spaces in a garage. The project will be completed in phases linked to letting etc.

<sup>31</sup> Excl. any net sales result.

<sup>41</sup> Rental value is not, with regard to individual business transactions, reported as a subsidiary amount and the total amount hence cannot be reported.

the City of Stockholm appealed the ruling to the Land and Environment Court of Appeal. Atrium Ljungberg simultaneously submitted its consent to the City of Stockholm's proposal that the new detailed development plan be approved once an agreement had been reached with the City. The import of the agreement is, in brief, that Atrium Ljungberg will receive a land allocation for the buildings planned for the area in front of Glashuset on Stadsgårdsleden at a price of SEK 17,500/m<sup>2</sup> and the adjustment of the leasehold fee for Glashuset by a total of SEK 80 million over eight years. The land allocation agreement grants the company exclusive rights to negotiate with the City over a two-year period. The Land and Environment Court of Appeal have granted leave to appeal the matter, which may be resolved in 2013.

## PROJECTS

Atrium Ljungberg has invested a total of SEK 320 million in its own development projects during the first quarter of 2013.

An expansion project creating 10,500m<sup>2</sup> of new retail space is currently taking place at Port73 in Haninge in what is the third expansion phase of the retail hub. When the phase is completed in the autumn of 2013, Port73 will comprise forty or so stores and restaurants in a total area of ca. 37,000m<sup>2</sup>. The biggest tenant in the new section is Willys, who are opening a large FMCG store there. Lease contracts have also been agreed with a delicatessen and three restaurant concepts. A new outdoor square, with a bus stop and outdoor eating and drinking facilities is currently under construction outside

one of the new entrances. Phase 3 of Port73 will be inaugurated on 28 August.

At Mobilia in Malmö, the massive transformation process that will convert Mobilia from a traditional retail centre into a city district and a natural part of Malmö's city centre, is continuing. The entire transformation project comprises the new build of a total of 29,000m<sup>2</sup> letting area, a garage with ca. 650 new parking spaces, and two residential blocks with seventy or so new rental apartments. The work began in 2011 and September 2012 saw the completion of a new build comprising ca. 10,000m<sup>2</sup> in which ten or so new operations opened for business. The grand opening will take place on 26 September 2013 when a further forty or so new operations in the retail, service, health and culture sectors will open their doors. The rental apartments will be ready for occupation from the end of 2013.

Work on the construction of AkzoNobel's new offices in Sickla is continuing. The carcass and the façade are now in place and building services and internal construction work are now in progress. The office block is strategically located alongside the off-ramp to Sickla between Sickla Köpkvarter and Hammarby Sjöstad. AkzoNobel is renting 7,800m<sup>2</sup> of the building's total letting area of 10,800m<sup>2</sup>. The remaining area is being built to house additional office and service operations. AkzoNobel will move in in early 2014.

A change to the detailed development plan for Farsta Centrum gained legal force in January 2013, enabling work on constructing a new ICA Kvantum store comprising ca. 3,300m<sup>2</sup> to begin. The store is being built on Karlandaplan,

a part of Farsta Centrum currently being used for outdoor parking. The new building will be linked to the existing stores in the retail centre. A garage with ca. 160 parking spaces will be built underneath ICA Kvantum, in addition to the retail space. The ICA Kvantum store is scheduled to open in June 2014.

Kvarteret NOD is taking shape in Kista, immediately to the north of Stockholm. The vision for the development will see NOD become Sweden's leading meeting place for innovation and creativity in the information and communication technology (ICT) sector – a meeting place for trade and industry, students, researchers, entrepreneurs, and creative industries specialising in cutting edge digital technology. NOD will have a total letting area of 27,000m<sup>2</sup> and the plans for the project include a digital centre for new technology, creativity and innovation, together with restaurant, conference and café environments and premises for educational and research activities. NOD will also house office environments for both established companies and newly launched ICT companies.

The University of Stockholm has taken out a 10-year lease on 8,700m<sup>2</sup> for its Department of Computer and Systems Sciences (DSV). A contract has also been signed with the Stockholm School of Innovation & Science (SSIS) – a newly founded upper secondary school specialising in entrepreneurship where the education is provided in cooperation with partners from trade and industry, including Ericsson, IBM, Microsoft and TATA Consultancy Services, and with the Royal Institute of Technology and the University of Stockholm. Atrium Ljungberg has also agreed a lease contract with Eatry, who will

## PROPERTY PORTFOLIO, 31 MARCH 2013

Property portfolio by segment	Letting area, m <sup>2</sup> k	Fair value, SEK m	Fair value, SEK/m <sup>2</sup>	Rental value, SEK m <sup>-1</sup>	Rental value, SEK/m <sup>2</sup>	Economic letting rate, %
Stockholm city center	195	7,640	39,106	566	2,896	98
Stockholm, other	521	11,077	21,261	1,028	1,973	93
Uppsala and Mälardalen	93	2,971	31,983	253	2,718	98
Sweden, other	82	1,616	19,678	137	1,666	95
<b>Total</b>	<b>891</b>	<b>23,304</b>	<b>26,144</b>	<b>1,983</b>	<b>2,225</b>	<b>95</b>
Project properties	12	1,292	E/T <sup>2)</sup>	19	1,554	74
Land and development rights		301				
<b>Total</b>	<b>903</b>	<b>24,896</b>	<b>E/T <sup>2)</sup></b>	<b>2,002</b>	<b>2,216</b>	<b>95</b>

<sup>1)</sup> Reported rental value is based on the immediately subsequent quarter.

<sup>2)</sup> Letting area for new production is not reported until the project is completed and the figures hence do not accurately represent the actual situation.

be operating a restaurant, café and seminar concept in NOD.

Kvarteret NOD will be completed in the summer of 2014.

### BREEAM CERTIFICATION OF NEW BUILDS

Atrium Ljungberg's goal, as part of its sustainability work, is to environmentally certify all of our major new builds. We have elected to certify in accordance with the BREEAM eco-classification system. Environmental certification is currently in progress for the four major new build projects, namely Intrum Justitia's and AkzoNobel's respective headquarters in Sickla, and phase 3 of Mobilia and Kvarteret NOD. The first certification process will be completed during the spring of 2013 and refers to the Intrum Justitia headquarters building.

### PROPERTY PORTFOLIO AND TRANSACTIONS

The transaction volume in Sweden totalled SEK 16 billion during the first quarter of 2013, according to Savills, corresponding to a fall of 39 per cent in comparison with the first quarter of 2012. Demand for attractive properties in good locations continues to be strong but the number of transactions completed has fallen. Uncertainty with regard to price levels has increased with increases in price spreads for properties or geographical areas regarded as secondary.

### OUR PROPERTY PORTFOLIO

Atrium Ljungberg's portfolio comprises 57 properties located primarily in Stockholm, Uppsala and Malmö. Our property portfolio, which

mainly comprises retail and office properties, is made up of modern and attractive properties with a total letting area of 903,000m<sup>2</sup>.

### CHANGE IN THE PROPERTY PORTFOLIO

	SEK m	Number
Property portfolio, 1 Jan. 2013	24,576	57
Acquisitions	–	–
New builds, reconstructions and extensions	320	–
Sales	–	–
Unrealised changes in value	–	–
<b>Property portfolio, 31 Mar. 2013</b>	<b>24,896</b>	<b>57</b>

### PROPERTY VALUES

Atrium Ljungberg has conducted an internal valuation of its entire property portfolio during the first quarter. 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. Analyses of completed transactions indicate that yield requirements have remained unchanged since the start of the new year. Other assumptions are also adjudged to be on a par with previously applied assumptions. The value of the properties has been adjusted to take into account the period's investments.

The reported value of the property portfolio on 31 March 2013 totalled SEK 24,896 million (SEK 24,576 m as of 31st Dec. 2012). The average yield requirement in the valuation is 5.7 per cent (5.7% as of 31st Dec. 2012). Investments in Atrium Ljungberg's own properties during the period totalled SEK 320 million (SEK 314 m).

### YIELD REQUIREMENT PER PREMISES TYPE, %

Premises type	Interval	Average
Offices	4.8–8.5	5.9
Retail	4.8–8.5	5.8
Residential	4.0–4.8	4.3
Other	4.8–8.5	6.1
<b>Total</b>	<b>4.0–8.5</b>	<b>5.7</b>

### YIELD REQUIREMENT PER SEGMENT, %

Segment	Interval	Average
Stockholm city center	4.8–6.7	5.3
Stockholm, other	4.0–8.5	5.9
Uppsala and Mälardalen	5.8–6.4	6.0
Sweden, other	5.6–7.3	6.0
Project properties	5.8–7.3	6.3
<b>Total</b>	<b>4.0–8.5</b>	<b>5.7</b>

### CONTRACTED ANNUAL RENT TREND, SEK M

	2012 result <sup>1)</sup>	2013 Q1 <sup>2)</sup>	2013 Q2 <sup>3)</sup>	2013 Q3 <sup>3)</sup>	2013 Q4 <sup>3)</sup>
Stockholm city center	512	558	554	559	559
Stockholm, other	928	960	958	960	960
Uppsala and Mälardalen	238	253	247	248	248
Sweden, other	135	139	130	130	131
Project properties	5	14	14	14	71
Properties sold	7				
<b>Total</b>	<b>1,825</b>	<b>1,925</b>	<b>1,903</b>	<b>1,911</b>	<b>1,969</b>

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

	Letting rate, SEK m	Rental contracts, SEK m	Letting rate, %
Stockholm city center	566	554	98
Stockholm, other	1,028	958	93
Uppsala and Mälardalen	252	247	98
Sweden, other	137	130	95
	<b>1,983</b>	<b>1,889</b>	<b>95</b>
Project properties	19	14	74
<b>Total</b>	<b>2,002</b>	<b>1,903</b>	<b>95</b>

<sup>1)</sup> The 2012 result has been recalculated in accordance with the classification of the property portfolio as of Q1 2013.

<sup>2)</sup> Q1 refers to the result recalculated on a per annum basis.

<sup>3)</sup> Rental levels for Q2–Q4 include known contract changes in the respective quarters.

<sup>4)</sup> Reported rental value is based on the immediately subsequent quarter.

## SALES AND NET PROFIT, 1 JANUARY – 31 MARCH

The Group's posted net sales for the first quarter of the year totalled SEK 579 million (SEK 518 m). The profit before changes in value totalled SEK 188.7 million (SEK 178.1 m). Unrealised changes in the value of properties totalled SEK 0.0 million (SEK 0.0 m). Unrealised changes in the value of financial instruments totalled SEK 121.5 million (SEK 106.6 m). Net profit for the period totalled SEK 241.8 million (SEK 212.9 m), corresponding to SEK 1.86/share (SEK 1.64/share).

The Parent Company's net sales totalled SEK 43 million (SEK 52 m). Net profit for the period totalled SEK 10.7 million (SEK 203.7 m).

The Group's contracted annual rent, based on the second quarter 2013, totalled SEK 1,903 million (SEK 1,834 m). The rental value was SEK 2,002 million (SEK 1,928 m). The economic letting rate was 95 per cent (95% as of 31st Dec. 2012), including project properties.

## PROJECT AND CONSTRUCTION ACTIVITIES

Net sales by the project and construction activities for the period totalled SEK 90 million (SEK 63 m). The gross profit for the period was SEK 3.6 million (SEK 3.5 m). Ongoing project development costs have been charged to the profit.

TL Bygg's net sales during the period totalled SEK 116 million (SEK 85 m), SEK 30 million (SEK 31 m) of which comprised work on behalf of Group companies. The pre-tax profit totalled SEK 7.7 million (SEK 7.4 m).

## FINANCING

Atrium Ljungberg meets its financing requirements through five Nordic banks and the capital market. The banks are Atrium Ljungberg's biggest financiers, and bank loans account for 93.2 per cent of the total loan volume.

The company conducted its first commercial papers issue in February. The programme's framework amount totals SEK 2 billion. The company has secured two lines of credit totalling SEK 1 billion as security for the programme. SEK 800 million in papers had been issued by the end of the first quarter. Interest-bearing liabilities totalled SEK 11.8 billion at the period end, with an average interest rate at that time of 3.7 per cent. The average fixed interest term was 4.7 years and the capital commitment term was 3.2 years.

The derivatives portfolio comprised SEK 7.5 billion in interest swaps at the period end. These interest swaps are valued at market rate in conjunction with every year-end closing and the change in value is reported via the Income Statement. The unrealised change in the value of financial instruments totalled SEK 121.5 million (SEK 106.6 m) as interest rates had risen on the terms of the derivatives taken out in relation to those at the turn of the year. The deficit book value of the derivatives portfolio on 31 March totalled SEK 232 million.

## FIXED INTEREST <sup>11</sup>

Fixed interest term	Amount, SEK m	Per-cent-age, %	Average interest rate, %
Variable + 3 month Stibor	1,464	12	2.6
2013	992	8	2.9
2014	1,277	11	3.4
2015	846	7	4.8
2016	1,585	13	3.8
2017	830	7	3.7
2018 and later	4,815	41	4.1
<b>Total</b>	<b>11,810</b>	<b>100</b>	<b>3.7</b>

<sup>11</sup> Average credit margins for the variable interest rates are reported in the time segment during which the derivative matures.

## CAPITAL COMMITMENT

Fixed term	Amount, SEK m	Percentage, %
2013	1,188	10
2014	2,204	19
2015	3,057	26
2016	2,635	22
2017	1,135	10
2018 and later	1,591	13
<b>Total</b>	<b>11,810</b>	<b>100</b>

## FINANCIAL KEY RATIOS

	2013-03-31	2012-12-31
Interest-bearing liabilities, SEK m	11,810	11,613
Gearing ratio, %	47.4	47.3
Average fixed interest term, yrs.	4.7	4.9
Average capital commitment term, yrs.	3.2	3.1
Average interest rate for interest-bearing liabilities, %	3.7	3.9
Shareholders' equity, SEK m	10,505	10,255
Equity/assets ratio, %	40.7	40.3



## 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 and SEK 14.8 million in estimated interest. Provision was made for the tax demand in the company's accounts in 2012. The Administrative Court of Appeal may rule on the case in the second quarter of 2013. 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 -4.9 million (SEK 0.0 m) and has been affected by, amongst other things, fiscally deductible depreciation and investments and by loss carry-forwards from the previous year's tax assessment.

## ORGANISATION

Carola Lavén, who was the Head of Business Development for Atrium Ljungberg and a member of the company's management group, announced in February that she was resigning her position in the company to take up the position of Director of NCC Property Development in April. Work on appointing a successor is now in progress.

## EVENTS AFTER THE CLOSING DAY

A further SEK 750 million in credit guarantees was obtained in April with a view to expanding the company's commercial papers programme.

On 18th April, the City of Stockholm Development Council granted Atrium Ljungberg a land allocation comprising 36,000m<sup>2</sup> in Nya Hagastaden (part of the Vasastaden 1:45 property). This was previously granted to the company, along with another property owner, in the form of an early land allocation. The ruling means that Atrium Ljungberg now has exclusive rights to the land allocation.

## 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 the growth regions of Stockholm, Uppsala and Malmö.

The primary prioritised risk management areas, in the light of both their complexity and the size of the amounts involved, are the property valuation, the project activities, and financing. The company has good routines for managing these risks. The company also has a strong financial position with solid key ratios, such as a low gearing ratio and a high interest coverage ratio.

For further information on risks and uncertainty factors in general, please see Atrium Ljungberg's 2012 Annual Report and the section entitled "Opportunities and Risks" on pages 84-87.

## ANNUAL GENERAL MEETING

The Annual General Meeting of the company, held on 10 April 2013, resolved that the Board of Directors shall comprise six ordinary Members of the Board. Dag Klackenbergh, Sune Dahlqvist, Thomas Evers, Anna Hallberg, Johan Ljungberg and Anders Nylander were re-elected for the period until the end of the next

Annual General Meeting. Dag Klackenbergh was re-elected as Chairman of the Board.

It was further resolved that a new Nomination Committee would, ahead of the 2014 Annual General Meeting, comprise representatives of the company's five biggest shareholders on 30 April 2013. The members of the Nomination Committee will be announced no later than 14 June 2013.

A dividend payment of SEK 2.85 per share (SEK 2.60/share) was approved.

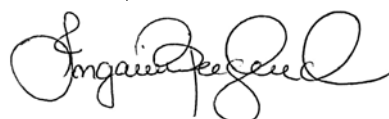
The Annual General Meeting resolved to authorise the Board of Directors to transfer the company's own class B shares, provided that certain specified preconditions are met, during the period until the next Annual General Meeting.

Full minutes of the Annual General Meeting will be available on Atrium Ljungberg's website.

## PROFIT FORECAST

A profit of SEK 790 million before changes in value and taxes is forecast for 2013. The forecast profit after tax is SEK 710 million, corresponding to SEK 5.45/share and including changes in value as of 31 March 2013. Future changes in value and any future acquisitions and sales of properties have not been taken into account in the forecast.

Nacka, 19 April 2013



Ingall Berglund, Managing Director

## TAX CALCULATION, 31 MARCH 2013

SEKm	Current tax	Deferred tax
Reported profit/loss before tax	310.2	
Fiscally deductible		
depreciation	-109.1	109.1
investments	-24.9	24.9
Non-taxable/non-deductible		
changes in value of properties, unrealised	-121.5	121.5
consolidated capitalisation of Interest on ongoing projects	-8.8	8.8
Other fiscal adjustments	0.7	-
Fiscal profit/loss before loss carry-forwards	46.6	264.3
Loss carry-forwards, opening balance	-16.3	16.3
Fiscally deductible investments, adjustment of previous tax assessments	-8.0	8.0
Loss carry-forwards, closing balance	-	-
Taxable profit/loss	22.3	288.6
Of which 22% current/deferred tax	-4.9	-63.5



*Friskis&Svettis Stockholm, Sweden's biggest non-profit sports association, opened a new training facility in Atrium Ljungberg's properties on Gävlegatan in Hagastaden during the first quarter of 2013. The association's offices are also moving to the same address.*

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	2013 1/1–31/3	2012 1/1–31/3	2012 1/1–31/12	2012/2013 1/4–31/3
Rental income	488.3	455.2	1,824.8	1,857.9
Project and construction work sales	90.2	62.9	252.9	280.2
<b>Net sales</b>	<b>578.5</b>	<b>518.1</b>	<b>2,077.7</b>	<b>2,138.1</b>
Property management costs				
Service charge-related costs	–56.5	–53.4	–167.1	–170.2
Other operating costs	–43.6	–33.7	–137.0	–146.9
Management costs	–32.8	–30.3	–124.9	–127.4
Repairs	–8.4	–9.8	–41.8	–40.4
Property tax	–32.0	–27.7	–97.8	–102.1
Leasehold fees	–6.7	–6.6	–23.5	–23.6
Non-deductible VAT	–3.0	–2.3	–8.7	–9.4
	–183.0	–163.8	–600.9	–620.0
Project and construction work costs	–86.6	–59.4	–242.0	–269.2
<b>Gross profit</b>	<b>308.9</b>	<b>294.9</b>	<b>1,234.8</b>	<b>1,248.9</b>
– of which gross profit property management (operating surplus)	305.3	291.4	1,224.0	1,237.9
– of which gross profit project and construction work	3.6	3.5	10.9	11.0
Central administration, property management	–8.4	–9.7	–41.7	–40.4
Central administration, project and construction work	–2.6	–2.7	–16.6	–16.5
	–11.0	–12.4	–58.2	–56.9
Financial income	0.2	7.9	13.9	6.2
Financial expenses <sup>1)</sup>	–109.4	–112.3	–451.3	–448.4
	–109.2	–104.4	–437.4	–442.2
<b>Profit before changes in value</b>	<b>188.7</b>	<b>178.1</b>	<b>739.2</b>	<b>749.8</b>
<b>Changes in value</b>				
Properties, unrealised	–	–	367.8	367.8
Properties, realised	–	–	32.7	32.7
Financial instruments, unrealised <sup>2)</sup>	121.5	106.6	–182.5	–167.6
Write-downs, goodwill	–	–	–82.2	–82.2
	121.5	106.6	135.8	150.7
<b>Profit before tax</b>	<b>310.2</b>	<b>284.7</b>	<b>875.0</b>	<b>900.5</b>
Current tax <sup>1)</sup>	–4.9	–	–89.8	–94.7
Deferred tax	–63.5	–71.8	245.6	253.9
	–68.4	–71.8	155.8	159.2
<b>Net profit for the period</b>	<b>241.8</b>	<b>212.9</b>	<b>1,030.8</b>	<b>1,059.7</b>
<b>Other comprehensive income</b>				
<i>Items that will be reclassified to net profit for the period</i>				
Cash flow hedging <sup>2)</sup>	10.0	10.9	40.9	40.0
Tax attributable to other reported income and expenses	–2.2	–2.9	–18.5	–17.8
<b>Total other comprehensive income</b>	<b>7.8</b>	<b>8.0</b>	<b>22.4</b>	<b>22.2</b>
<b>Total comprehensive income for the period</b>	<b>249.6</b>	<b>220.9</b>	<b>1,053.2</b>	<b>1,081.9</b>
Earnings per share, SEK	1.86	1.64	7.92	8.14

For Notes to the Financial Statements and note references. see page 17.

# SEGMENT REPORTING 1/1–31/3 2013

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 m	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	141.0	242.3	65.8	35.6	3.6		488.3			488.3
Net sales, project and construction work								90.2		90.2
<b>Net sales</b>	<b>141.0</b>	<b>242.3</b>	<b>65.8</b>	<b>35.6</b>	<b>3.6</b>		<b>488.3</b>	<b>90.2</b>		<b>578.5</b>
Property management costs	-46.1	-94.1	-20.6	-18.6	-3.6		-183.0			-183.0
Production costs								-86.6		-86.6
<b>Gross profit</b>	<b>94.9</b>	<b>148.2</b>	<b>45.2</b>	<b>17.0</b>	<b>0.0</b>		<b>305.3</b>	<b>3.6</b>		<b>308.9</b>
– of which gross profit/loss from property management	94.9	148.2	45.2	17.0	0.0		305.3			305.3
– of which gross profit/loss from project and construction work								3.6		3.6
Central administration, property management							-8.4			-8.4
Central administration, project and construction work								-2.6		-2.6
Financial income									0.2	0.2
Financial expenses									-109.4	-109.4
<b>Profit before changes in value</b>	<b>94.9</b>	<b>148.2</b>	<b>45.2</b>	<b>17.0</b>	<b>0.0</b>		<b>296.9</b>	<b>1.0</b>	<b>-109.2</b>	<b>188.7</b>
Unrealised changes in value, properties										
Realised changes in value, properties										
Unrealised changes in value, financial instruments									121.5	121.5
									121.5	121.5
Current tax									-4.9	-4.9
Deferred tax									-63.5	-63.5
<b>Net profit for the period</b>	<b>94.9</b>	<b>148.2</b>	<b>45.2</b>	<b>17.0</b>	<b>0.0</b>		<b>296.9</b>	<b>1.0</b>	<b>-56.1</b>	<b>241.8</b>
<b>Investments, acquisitions, disposals per business segment</b>										
Investments, investment properties	29.0	36.6	2.1	4.6	247.9		320.3			320.3
Investments, project and construction work								0.0		0.0
Acquisitions, investment properties										
	<b>29.0</b>	<b>36.6</b>	<b>2.1</b>	<b>4.6</b>	<b>247.9</b>		<b>320.3</b>	<b>0.0</b>		<b>320.3</b>
<b>Assets per business segment, period end</b>										
Investment properties	7,639.6	11,077.5	2,971.1	1,615.6	1,592.7		24,896.5			24,896.5
Project and construction work								88.7		88.7
Non-allocated assets in common									813.5	813.5
<b>Total assets</b>	<b>7,639.6</b>	<b>11,077.5</b>	<b>2,971.1</b>	<b>1,615.6</b>	<b>1,592.7</b>		<b>24,896.5</b>	<b>88.7</b>	<b>813.5</b>	<b>25,798.7</b>

# SEGMENT REPORTING 1/1–31/3 2012

Amounts in SEK m	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	122.2	233.6	60.6	37.7	1.1		455.2			455.2
Net sales, project and construction work								62.9		62.9
<b>Net sales</b>	<b>122.2</b>	<b>233.6</b>	<b>60.6</b>	<b>37.7</b>	<b>1.1</b>		<b>455.2</b>	<b>62.9</b>		<b>518.1</b>
Property management costs	-41.5	-87.3	-18.8	-15.4	-0.8		-163.8			-163.8
Production costs								-59.4		-59.4
<b>Gross profit</b>	<b>80.7</b>	<b>146.3</b>	<b>41.8</b>	<b>22.3</b>	<b>0.3</b>		<b>291.4</b>	<b>3.5</b>		<b>294.9</b>
– of which gross profit/loss from property management	80.7	146.3	41.8	22.3	0.3		291.4			291.4
– of which gross profit/loss from project and construction work								3.5		3.5
Central administration, property management							-9.7			-9.7
Central administration, project and construction work								-2.7		-2.7
Financial income									7.9	7.9
Financial expenses									-112.3	-112.3
<b>Profit before changes in value</b>	<b>80.7</b>	<b>146.3</b>	<b>41.8</b>	<b>22.3</b>	<b>0.3</b>		<b>281.7</b>	<b>0.8</b>	<b>-104.4</b>	<b>178.1</b>
Unrealised changes in value, properties										
Realised changes in value, properties										
Unrealised changes in value, financial instruments									106.6	106.6
									106.6	106.6
Current tax									–	–
Deferred tax									-71.8	-71.8
<b>Net profit for the period</b>	<b>80.7</b>	<b>146.3</b>	<b>41.8</b>	<b>22.3</b>	<b>0.3</b>		<b>281.7</b>	<b>0.8</b>	<b>-69.6</b>	<b>212.9</b>
<b>Investments, acquisitions, disposals per business segment</b>										
Investments, investment properties	11.7	46.8	19.9	11.1	224.7		314.2			314.2
Investments, project and construction work								1.0		1.0
Acquisitions, investment properties	630.0						630.0			630.0
	<b>641.7</b>	<b>46.8</b>	<b>19.9</b>	<b>11.1</b>	<b>224.7</b>		<b>944.2</b>	<b>1.0</b>		<b>945.2</b>
<b>Assets per business segment, period end</b>										
Investment properties	7,122.7	10,365.5	2,667.9	1,750.1	935.0		22,841.2			22,841.2
Project and construction work								68.3		68.3
Non-allocated assets in common									1,396.9	1,396.9
<b>Total assets</b>	<b>7,122.7</b>	<b>10,365.5</b>	<b>2,667.9</b>	<b>1,750.1</b>	<b>935.0</b>		<b>22,841.2</b>	<b>68.3</b>	<b>1,396.9</b>	<b>24,306.4</b>



# CONSOLIDATED BALANCE SHEETS SUMMARY

Amounts in SEK m	2013-03-31	2012-03-31	2012-12-31
<b>ASSETS</b>			
Investment properties	24,896.5	22,841.2	24,576.2
Tangible fixed assets	19.1	21.7	19.6
Goodwill	307.6	389.8	307.6
Deferred tax receivable	–	7.5	3.6
Other fixed assets	0.4	0.8	0.5
<b>Total fixed assets</b>	<b>25,223.6</b>	<b>23,261.0</b>	<b>24,907.5</b>
Current assets	346.3	536.1	370.9
Liquid assets	228.8	509.3	188.5
<b>Total current assets</b>	<b>575.1</b>	<b>1,045.4</b>	<b>559.4</b>
<b>Total assets</b>	<b>25,798.7</b>	<b>24,306.4</b>	<b>25,466.9</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	10,504.9	9,761.4	10,255.3
Deferred tax liability	2,426.7	2,670.3	2,364.5
Long-term interest-bearing liabilities <sup>3l</sup>	9,372.0	8,646.5	8,810.9
Derivative	231.9	100.4	361.8
Other long-term liabilities	23.1	24.9	22.7
<b>Total long-term liabilities</b>	<b>12,053.7</b>	<b>11,442.1</b>	<b>11,559.9</b>
Current provisions <sup>1l</sup>	106.2	–	105.9
Short-term interest-bearing liabilities <sup>3l</sup>	2,424.9	2,526.2	2,802.4
Derivative	0.2	4.2	1.9
Other current liabilities	708.8	572.5	741.5
<b>Total current liabilities</b>	<b>3,240.1</b>	<b>3,102.9</b>	<b>3,651.7</b>
<b>Total shareholders' equity and liabilities</b>	<b>25,798.7</b>	<b>24,306.4</b>	<b>25,466.9</b>

# CONSOLIDATED CHANGES IN SHAREHOLDER'S EQUITY

Amounts in SEK m	Attributable to the Parent Company shareholders				
	Share capital	Other capital contributed	Hedging provisions	Profits brought forward	Total shareholders' equity
<b>Opening balance, as per 1 January 2012</b>	<b>333.0</b>	<b>3,959.8</b>	<b>–163.7</b>	<b>5,411.4</b>	<b>9,540.5</b>
<b>Change in shareholders' equity, 2012</b>					
Total comprehensive income for the period, 1 January – 31 March			8.0	212.9	220.9
<b>Closing balance as per 31 March 2012</b>	<b>333.0</b>	<b>3,959.8</b>	<b>–155.7</b>	<b>5,624.3</b>	<b>9,761.4</b>
Total comprehensive income for the period, 1 April – 31 December			14.4	817.9	832.3
Dividend, SEK 2.60/share				–338.4	–338.4
<b>Closing balance on 31 December 2012</b>	<b>333.0</b>	<b>3,959.8</b>	<b>–141.3</b>	<b>6,103.8</b>	<b>10,255.3</b>
<b>Change in shareholders' equity, 2013</b>					
Total comprehensive income for the period, 1 January – 31 March			7.8	241.8	249.6
<b>Closing balance as per 31 March 2013</b>	<b>333.0</b>	<b>3,959.8</b>	<b>–133.5</b>	<b>6,345.6</b>	<b>10,504.9</b>

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 period end, there were a total of 130,156, 988 (130,156,988) outstanding shares, which corresponds to the average number of outstanding shares. The company holds 3,063,748 (3,063,748) of its own class B shares.

# CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in SEK m	<b>2013</b> 1/1–31/3	2012 1/1–31/3	2012 1/1–31/12	2012/2013 1/4–31/3
<b>OPERATING ACTIVITIES</b>				
Profit before tax	310.2	284.7	875.0	900.5
Reversal of depreciation and write-downs	1.5	1.5	6.1	6.1
Realised changes in value, investment properties	–	–	–37.4	–37.4
Unrealised changes in value, investment properties	–	–	–367.8	–367.8
Unrealised changes in value, financial instruments	–121.5	–106.6	182.5	167.7
Other items not included in the cash flow	1.8	–5.7	82.2	89.7
Tax paid	3.9	109.3	51.6	–53.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>195.9</b>	<b>283.2</b>	<b>792.2</b>	<b>705.0</b>
Net change in working capital	–21.0	–222.3	39.7	241.0
<b>Cash flow from operating activities</b>	<b>174.9</b>	<b>60.9</b>	<b>831.9</b>	<b>946.0</b>
<b>INVESTMENT ACTIVITIES</b>				
Change in other receivables	–	–	142.5	142.5
Acquisition of properties	–	–972.1	–1,236.4	–264.3
Reconstruction and new construction of properties	–320.3	–314.2	–1,511.8	–1,517.9
Sale of properties	–	–	130.0	130.0
Acquisition/sale of equipment	–1.0	6.6	4.1	–3.5
<b>Cash flow from investment activities</b>	<b>–321.3</b>	<b>–1,279.7</b>	<b>–2,471.6</b>	<b>–1,513.2</b>
<b>FINANCING ACTIVITIES</b>				
Change in other long-term receivables	0.4	2.2	0.0	–1.8
Loans raised	789.4	1,499.5	1,999.5	1,289.4
Amortisation of debts	–603.1	–47.7	–107.1	–662.5
Dividend paid	–	–	–338.4	–338.4
<b>Cash flow from financing activities</b>	<b>186.7</b>	<b>1,454.0</b>	<b>1,554.0</b>	<b>286.7</b>
<b>Cash flow for the period</b>	<b>40.3</b>	<b>235.1</b>	<b>–85.7</b>	<b>–280.5</b>
<b>Liquid assets at the beginning of the period</b>	<b>188.5</b>	<b>274.2</b>	<b>274.2</b>	<b>509.3</b>
<b>Liquid assets at the end of the period</b>	<b>228.8</b>	<b>509.3</b>	<b>188.5</b>	<b>228.8</b>

# INCOME STATEMENTS PARENT COMPANY

Amounts in SEK m	<b>2013</b> 1/1–31/3	2012 1/1–31/3	2012 1/1–31/12
Net sales	42.8	51.6	181.0
Management and production costs	–24.4	–26.9	–98.4
<b>Gross profit/loss</b>	<b>18.4</b>	<b>24.7</b>	<b>82.6</b>
Profit/loss on property sales	–	–168.7	–168.8
Central administration and marketing	–8.4	–9.6	–41.5
<b>Operating profit/loss</b>	<b>10.0</b>	<b>–153.6</b>	<b>–127.7</b>
Result of participations in Group companies	39.5	328.4	1,775.5
Interest income and similar profit/loss items	80.2	73.5	320.8
Interest expenses and similar profit/loss items	–109.8	–93.7	–413.8
	9.9	308.2	1,682.5
<b>Profit/loss after financial items</b>	<b>19.9</b>	<b>154.6</b>	<b>1,554.8</b>
Appropriations	0.2	11.7	11.6
Current tax	–4.9	–	0.7
Deferred tax	–4.5	37.4	50.1
	–9.4	37.4	50.8
<b>Net profit/loss for the period</b>	<b>10.7</b>	<b>203.7</b>	<b>1,617.2</b>

# SUMMARY BALANCE SHEETS PARENT COMPANY

Amounts in SEK m	<b>2013-03-31</b>	2012-03-31	2012-12-31
<b>ASSETS</b>			
Tangible fixed assets	1,357.1	1,257.5	1,326.9
Financial fixed assets	6,259.3	6,072.7	6,219.8
Current assets	7,894.3	4,708.2	7,172.1
<b>Total assets</b>	<b>15,510.7</b>	<b>12,038.4</b>	<b>14,718.8</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	7,044.3	5,958.5	7,033.6
Untaxed reserves	9.6	9.7	9.8
Provisions	213.7	221.8	209.2
Long-term liabilities	4,997.4	5,025.0	4,647.7
Current liabilities	3,245.7	823.4	2,818.5
<b>Total shareholders' equity and liabilities</b>	<b>15,510.7</b>	<b>12,038.4</b>	<b>14,718.8</b>

# CHANGES IN SHAREHOLDERS' EQUITY

## PARENT COMPANY

Amounts in SEK m	Attributable to the Parent Company shareholders				
	Share capital	Statutory reserve	Share premium reserve	Profits carried forward	Total shareholders' equity
<b>Opening balance as per 1 January 2012</b>	<b>333.0</b>	<b>265.4</b>	<b>3,948.4</b>	<b>1,208.0</b>	<b>5,754.8</b>
<b>Change in shareholders' equity, 2012</b>					
Net result for the period, 1 January – 31 March				203.7	203.7
<b>Closing balance, as per 31 March 2012</b>	<b>333.0</b>	<b>265.4</b>	<b>3,948.4</b>	<b>1,411.7</b>	<b>5,958.5</b>
Net result for the period, 1 April – 31 December				1,413.5	1,413.5
Dividend, SEK 2.60/share				-338.4	-338.4
<b>Closing balance, as per 31 December 2012</b>	<b>333.0</b>	<b>265.4</b>	<b>3,948.4</b>	<b>2,486.8</b>	<b>7,033.6</b>
<b>Change in shareholders' equity, 2013</b>					
Net result for the period, 1 January – 31 March				10.7	10.7
<b>Closing balance, as per 31 March 2013</b>	<b>333.0</b>	<b>265.4</b>	<b>3,948.4</b>	<b>2,497.5</b>	<b>7,044.3</b>

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 period end, there were a total of 130,156,988 (130,156,988) outstanding shares, which corresponds to the average number of outstanding shares. The company holds 3,063,748 (3,063,748) of its own class B shares.

### 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 correspond to those described in the 2012 Annual Report, with the addition of the supplementary disclosures regarding financial instruments required in accordance with IFRS 13 Fair Value Measurement.

#### Valuation method for financial instruments

Derivatives (interest swap agreements) are valued at fair value in the Balance Sheet and the fair value of derivatives has, in accordance with the IFRS valuation hierarchy, been valued in accordance with level 2. This level means that the valuation is based on input data other than the listed prices used in level 1, 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. Other financial instruments are not affected by the fair value hierarchy in that they are reported at the accrued acquisition value in the Balance Sheet.

New and revised standards from IFRS and interpretations from IFRIC to be applied by the Group as of 1 January 2013 have had no effect on the Group's results or financial position.

### NOTE REFERENCES FOR THE FINANCIAL REPORTS

1) In 2012, the company made a provision in 2012 for a tax dispute. This provision was charged to current tax in the sum of SEK 91.5 million, while the estimated interest of SEK 14.4 million was charged to financial expenses.

2) Atrium Ljungberg has ceased, as of 1 January 2012, to apply hedge accounting to the interest swaps that hedge the interest flows on external loans. The hedging reserve, which totalled SEK -163.7 million on 31 December 2011, is being reversed linearly to Other comprehensive income over the terms of the respective derivatives. The remaining amount to be redeemed as of 31 March 2013 totals SEK -133.5 million.

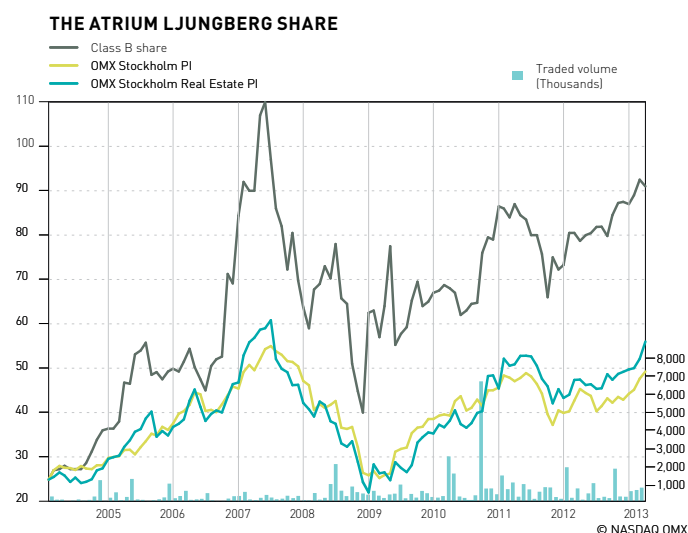
3) The Group's reported interest-bearing liabilities total SEK 11,797 million (SEK 11,613 m as of 31st Dec. 2012) and their fair value totals SEK 11,917 million (SEK 11,729 m as of 31st Dec. 2012). The fair value calculation is based on discounted estimated future cash flows. The discounting is effected on the basis of current market rates plus the relevant borrowing margin. 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.

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

# KEY RATIOS

	2013 1/1–31/3	2012 1/1–31/3	2012 1/1–31/12	2012/2013 1/4–31/3
<b>PROPERTY-RELATED KEY RATIOS</b>				
Letting rate, %	95	95	95	95
Operating surplus margin, %	63	64	67	67
Letting area, '000 m <sup>2</sup>	903	888	903	903
Investments in properties, SEK m	320	314	1,512	1,518
Number of properties	57	54	57	57
<b>FINANCIAL KEY RATIOS</b>				
Equity/assets ratio, %	40.7	40.2	40.3	40.7
Debt/equity ratio, multiple	1.1	1.1	1.1	1.1
Gearing ratio, %	47.4	48.9	47.3	47.4
Interest coverage margin, multiple	2.7	2.6	2.6	2.7
Average rate of interest on interest-bearing liabilities (at period end), %	3.7	4.1	3.9	3.7
Return on shareholders' equity, %	9.3	8.8	10.4	10.5
Return on shareholders' equity, excluding changes in value, %	5.7	5.5	5.6	5.9
Return on assets, %	6.5	6.7	5.5	5.4
Return on assets excluding changes in value, %	4.7	4.9	4.9	4.8
<b>DATA PER SHARE</b>				
Net profit for the period, SEK	1.86	1.64	7.92	8.14
Profit before changes in value less applicable nominal tax, SEK	1.13	1.01	4.19	4.49
Cash flow, SEK	1.34	0.47	6.39	7.27
Shareholders' equity, SEK	80.71	75.00	78.79	80.71
Net worth, 10% deferred tax, SEK	88.73	84.84	86.67	88.73
Share price, SEK	91.00	78.70	87.00	91.00
Average number of outstanding shares, '000 <sup>1)</sup>	130,157	130,157	130,157	130,157
Number of outstanding shares at end of period, '000 <sup>1)</sup>	130,157	130,157	130,157	130,157
<b>EMPLOYEES</b>				
Average number of employees	276	261	265	276

<sup>1)</sup> Registered number of shares less 3,063,748 class B shares bought back.



**A stable return** – The dividend yield over the last five years was 3 per cent. The dividends paid by the company since its flotation in 1994 have never fallen in SEK per share. On the contrary, the trend has been towards an increased dividend in SEK per share.

**Low risk** – The company's operations are stable and its financial position is strong, with solid key ratios such as a low gearing ratio and high interest coverage margin.

**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.



# QUARTERLY SUMMARY

## INCOME STATEMENTS

	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2
<b>Amounts in SEK m</b>								
Rental income	488.3	457.0	458.9	453.7	455.2	430.1	423.3	414.0
Project and construction sales	90.2	66.0	65.7	58.3	62.9	94.5	61.3	82.7
<b>Net sales</b>	<b>578.5</b>	<b>523.0</b>	<b>524.6</b>	<b>512.0</b>	<b>518.1</b>	<b>524.6</b>	<b>484.6</b>	<b>496.7</b>
Property management costs	-183.0	-164.8	-132.0	-140.3	-163.8	-161.5	-128.8	-142.2
Project and construction costs	-86.6	-61.7	-63.2	-57.7	-59.4	-90.7	-59.8	-78.1
<b>Gross profit</b>	<b>308.9</b>	<b>296.5</b>	<b>329.4</b>	<b>314.0</b>	<b>294.9</b>	<b>272.4</b>	<b>296.0</b>	<b>276.4</b>
– of which gross profit from property management	305.3	292.2	326.9	313.4	291.4	268.6	294.5	271.8
– of which gross profit from project and construction work	3.6	4.3	2.5	0.6	3.5	3.8	1.5	4.6
Central administration, property management	-8.4	-13.1	-9.5	-9.4	-9.7	-16.6	-8.4	-10.5
Central administration, project and construction work	-2.6	-4.5	-4.9	-4.5	-2.7	-4.2	-2.1	-3.6
	-11.0	-17.5	-14.4	-13.9	-12.4	-20.8	-10.5	-14.1
Financial income	0.2	2.5	1.1	2.4	7.9	2.6	2.4	3.6
Financial expenses	-109.4	-108.5	-106.2	-124.3	-112.3	-95.3	-96.7	-95.3
	-109.2	-106.0	-105.1	-121.9	-104.4	-92.7	-94.3	-91.7
<b>Profit before changes in value</b>	<b>188.7</b>	<b>173.0</b>	<b>209.9</b>	<b>178.2</b>	<b>178.1</b>	<b>158.9</b>	<b>191.2</b>	<b>170.6</b>
Unrealised changes in value, properties	–	123.3	–	244.5	–	286.1	43.0	199.2
Realised changes in value, properties	–	-0.1	32.8	–	–	–	–	1.9
Unrealised changes in value, financial instruments	121.5	-55.9	-147.9	-85.3	106.6	–	–	–
Goodwill write-downs	–	-74.9	-7.3	–	–	–	–	–
	121.5	-7.6	-122.4	159.2	106.6	286.1	43.0	201.1
<b>Profit before tax</b>	<b>310.2</b>	<b>165.4</b>	<b>87.5</b>	<b>337.4</b>	<b>284.7</b>	<b>445.0</b>	<b>234.2</b>	<b>371.6</b>
Tax	-68.4	410.9	1.2	-184.5	-71.8	-117.8	-61.6	-97.5
<b>Net profit for the period</b>	<b>241.8</b>	<b>576.3</b>	<b>88.7</b>	<b>152.9</b>	<b>212.9</b>	<b>327.2</b>	<b>172.6</b>	<b>274.1</b>
<b>KEY RATIOS</b>								
<b>Property-related key ratios</b>	<b>2013 Q1</b>	<b>2012 Q4</b>	<b>2012 Q3</b>	<b>2012 Q2</b>	<b>2012 Q1</b>	<b>2011 Q4</b>	<b>2011 Q3</b>	<b>2011 Q2</b>
Letting rate, %	95	95	95	95	95	94	94	94
Operating surplus margin, %	63	64	71	69	64	62	70	66
Letting area, '000 m <sup>2</sup>	903	903	887	888	888	871	831	822
Investments in properties, SEK m	320	465	347	386	314	334	230	262
Number of properties	57	57	54	54	54	54	50	50
<b>Financial key ratios</b>								
Equity/assets ratio, %	40.7	40.3	39.2	39.1	40.2	41.2	41.9	42.1
Debt/equity ratio, multiple	1.1	1.1	1.2	1.2	1.1	1.0	1.0	1.0
Gearing ratio, %	47.4	47.3	47.3	48.0	48.9	44.4	45.6	46.3
Interest coverage margin, multiple	2.7	2.6	3.0	2.4	2.6	2.7	3.0	2.8
Average rate of interest on interest-bearing liabilities (at period end), %	3.7	3.9	4.1	4.1	4.1	4.2	4.0	4.0
Return on shareholders' equity, %	9.3	23.1	3.7	6.3	8.8	13.9	7.5	11.9
Return on shareholders' equity, excluding changes in value, %	5.7	5.2	6.2	5.4	5.5	5.0	6.1	5.5
Return on assets, %	6.5	4.4	3.1	7.6	6.7	9.6	6.0	8.6
Return on assets excluding changes in value, %	4.7	4.5	5.0	5.0	4.9	4.5	5.2	4.9
<b>Data per share</b>								
Net profit for the period, SEK	1.86	4.43	0.68	1.17	1.64	2.51	1.33	2.11
Profit before changes in value less applicable nominal tax, SEK	1.13	0.98	1.19	1.01	1.01	0.90	1.08	0.97
Cash flow, SEK	1.34	1.83	1.67	2.42	0.47	1.24	1.43	1.16
Shareholders' equity, SEK	80.71	78.79	74.37	73.63	75.00	73.30	70.68	70.68
Net worth, 10% deferred tax, SEK	88.73	86.67	84.80	83.94	84.84	83.03	79.90	79.26
Share price, SEK	91.00	87.00	84.50	81.85	78.70	73.25	66.00	80.00
Average number of outstanding shares, '000 <sup>1)</sup>	130,157	130,157	130,157	130,157	130,157	130,157	130,157	130,157
Number of outstanding shares at end of period, '000 <sup>1)</sup>	130,157	130,157	130,157	130,157	130,157	130,157	130,157	130,157

<sup>1)</sup> Registered number of shares less 3,063,748 class B shares bought back.

# DEFINITIONS

## FINANCIAL DEFINITIONS

### 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 number of outstanding shares at the period end.

### Debt/equity ratio, multiple

Interest-bearing liabilities divided by reported shareholders' equity.

### Earnings per share, SEK

Net profit/loss for the period divided by the average number of outstanding shares.

### Equity/assets ratio, %

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

### Equity per share, SEK

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

### Gearing ratio, %

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

### Interest coverage ratio, multiple

Profit/loss after financial items 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 for investment properties.

### Number of outstanding shares

Number of registered shares at end of period less shares bought back, which do not give entitlement to dividends.

### Profit before changes in value per share, SEK

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

### Return on total assets, %

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

### Return on shareholders' equity, %

Net profit/loss for the period as a percentage of average shareholders' equity.

### Rounding off

As the figures have been rounded off to the nearest SEK million, the tables do not always add up.

## PROPERTY-RELATED DEFINITIONS

### BREEAM

Is an environmental certification system for built environments in Europe. BREEAM takes a big picture approach to a building's environmental performance. Areas addressed by BREEAM are divided into energy and water consumption, health, transport, materials, waste, land usage, ecology and management.

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

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

### Letting area, m<sup>2</sup>

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.

### Net letting

The sum of agreed contracted annual rents for new lets for the period less annual rents terminated for vacation of the premises.

### Operating surplus

Rental income less property management costs.

### Operating surplus margin, %

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

### Project property

The term, project property, 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 development rights. Reclassification from project property to completed property occurs in 1st January of the year after completion.

### Rental value

Contracted yearly rents including rent surcharges (e.g. for property tax and electricity) and estimated market rents for vacant space as found.



*Rådhuset in Uppsala, which celebrated 1 year as a fashion department store in March, has quickly become well known, both within Uppsala and outside the city boundaries. Picture: the Myrra interior design store, which opened on the third floor of Rådhuset in the spring.*

# 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 OMX 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.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 company, current events and operational changes.

**OUR ANNUAL REPORT** and our Interim Reports are available on our website and are also distributed in printed format by post to shareholders who have actively requested them. Interim Reports and preliminary financial statements are translated into English and both language versions are made available simultaneously on the website. The Annual Report is 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.atriumljungberg.se](http://www.atriumljungberg.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 our website is also available in English.

## PUBLICATION OF FINANCIAL INFORMATION

Interim Report, Jan – June 2013	9 July 2013
Interim Report, Jan – Sept. 2013	18 October 2013
Preliminary Financial Statement, 2013	February 2014
2013 Annual Report	March 2014



**ATRIUM LJUNGBERG**

Postal address: Box 4200, SE-131 04 Nacka. Street address: Sickla Industriväg 19  
Tel: +46 (0)8 615 89 00, fax: +46 (0)8 615 89 99, [info@atriumljungberg.se](mailto:info@atriumljungberg.se)  
Registered office: Nacka. Corporate ID no.: 556175-7047

[www.atriumljungberg.se](http://www.atriumljungberg.se)