

AL 12

ATRIUM LJUNGBERG ANNUAL REPORT



– TOGETHER, WE CREATE ATTRACTIVE MEETING PLACES –



THIS IS ATRIUM LJUNGBERG

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. The operations enrich one another and the combinations generate added value for our customers and society at large.

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

- Atrium Ljungberg takes a **long-term approach** to property ownership – we develop and manage in a manner that ensures long-term 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** using our own personnel – 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.

FIND OUT MORE AT:
WWW.ATRIUMLJUNGBERG.SE



QUICK FACTS & FIGURES

• Number of properties	57
• Property value	SEK 24.6 billion
• Contracted annual rent	SEK 1.9 billion
• Total letting area	903,000 m ²
• Letting rate	95%
• Number of employees	265

THE RESULTS IN BRIEF

- The Group's net sales increased to SEK 2,078 million (SEK 2,018 m). Rental income increased to SEK 1,825 million (SEK 1,686 m) of this total. Net sales by the project and construction activities totalled SEK 253 million (SEK 332 m).

The increase in rental income primarily comprised completed projects, new lets and completed acquisitions. Income from project and construction activities is primarily attributable to the wholly-owned subsidiary company, TL Bygg AB.

- The operating surplus increased to SEK 1,224.0 million (SEK 1,095.0 m), corresponding to a 12 per cent increase. The profit before changes in value increased to SEK 739.2 million (SEK 694.4 m).

The improvement in profits was due to additional operating nets for completed projects, net lets and properties acquired. There has been a marginal increase in property costs.

- Unrealised changes in the value of properties totalled SEK 367.8 million (SEK 528.3 m). The reported value of the property holding was SEK 24,576 million (SEK 21,897 m) and the valuation's average yield requirement was 5.7 per cent (5.8%).

The change in value corresponds to 1.6 per cent and is primarily attributable to a reduction of 0.1 percentage points in the yield requirement, higher rental levels, new lets and project development.

- The Group's development rate continued high and a total of SEK 1,512 million (SEK 1,050 m) was invested in Atrium Ljungberg's own properties in 2012. Properties were acquired for a total of SEK 895 million (SEK 379 m).

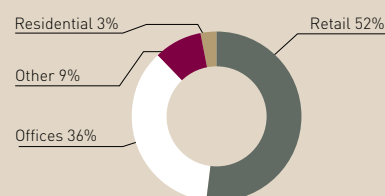
Substantial investments have been made in, amongst others, Mobilia in Malmö, Kvarteret NOD in Kista, Port73 in Haninge and offices in Sickla. Properties acquired comprise the remaining 50 per cent of the Blästern 13 property, together with the Härden 14 property, both of which are located in Hagastaden in Stockholm. A number of villa properties directly adjacent to Sickla Köp kvarter in Nacka were also acquired.

- The profit after tax totalled SEK 1,030.8 million (SEK 904.5 m), corresponding to SEK 7.92/share (SEK 6.95/share). The Board of Directors proposes a dividend payment of SEK 2.85/share (SEK 2.60/share).

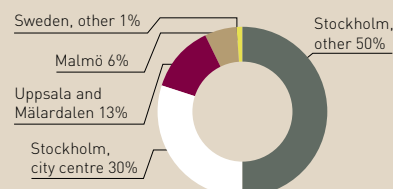
The dividend corresponds to a dividend yield of 3.3 per cent (3.5%).

	2012	2011	2010	2009	2008
Net sales, SEK	2,078	2,018	1,936	1,980	1,855
Profit before changes in value, SEK m	739	694	669	667	537
Profit after tax, SEK m	1,031	905	916	187	-402
Investments, SEK m	1,512	1,050	1,047	1,087	1,220
Cash flow from operating activities, SEK m	832	640	671	608	593
Letting rate, %	95	94	94	93	94
Equity/assets ratio, %	40.3	41.2	42.9	42.4	42.2
Gearing ratio, %	47.3	44.4	45.7	45.6	43.8
Average interest rate at period end, %	3.9	4.2	3.8	3.8	4.7
Interest coverage ratio, multiple	2.6	2.9	3.1	3.0	2.5
Earnings per share, SEK	7.92	6.95	7.03	1.44	-3.09
Profit/loss before changes in value less nominal tax, SEK/share	4.19	3.93	3.79	3.78	2.97
Dividend, SEK/share (proposed for 2012)	2.85	2.60	2.40	2.25	2.00
Share price as per 31 December, SEK/share	87.00	73.25	86.50	67.00	62.50
Shareholders' equity, SEK/share	78.79	73.30	69.91	64.66	65.27
Net worth, SEK/share, 10% deferred tax	86.67	83.03	77.98	71.48	72.37

CONTRACTED ANNUAL RENT PER PREMISES TYPE



CONTRACTED ANNUAL RENT PER REGION



SIGNIFICANT EVENTS IN 2012



Q1

- Atrium Ljungberg was moved up to the Large Cap list on the Stockholm Stock Exchange (NASDAQ OMX Stockholm).
- The remaining 50 per cent of the Blåstern 13 property in the Hagastaden district of Stockholm was acquired.
- The second expansion phase at Port73 in Haninge was inaugurated.
- Ground was broken for AkzoNobel's new Swedish headquarters in Sickla Affärskvarter, Nacka.
- The Rådhuset (the Old City Hall building) fashion department store in Uppsala was inaugurated after extensive renovation and extension work.
- Additional investment in the Kvarteret NOD project in Kista was approved.

Q2

- Atrium Ljungberg obtained an early land reservation for approximately 36,000 m² GFA on Solnavägen in the Hagastaden district of northern Stockholm.

Q3

- Significant letting agreements reached for office premises in Hagastaden in Stockholm and Sickla in Nacka.
- The Stormmarknaden 1 retail premises in Halmstad were sold.
- Atrium Ljungberg was declared "Best Landlord of the Year, 2012" in the NCSC (Nordic Council of Shopping Centers) Awards.
- Completion and inauguration of the reconstruction and extension of Gränby Centrum in Uppsala. Four new stores and a food court opened for business.
- A phased expansion in the transformation of Mobilia in Malmö was completed. Seven stores, restaurants and a gym opened for business.

Q4

- Intrum Justitia's new headquarters in Sickla were completed. The building will be the first of Atrium Ljungberg's new builds to receive the international BREEAM standard environmental certification.
- Reconstruction and extension of the HK60 office block in Sickla were completed and tenants began moving in.
- Acquisition of the Härden 14 property in the Hagastaden district of Stockholm.
- Acquisition of several villa properties, located directly adjacent to Sickla Köp kvarter in Nacka.

AS A SHAREHOLDER, you receive a stable return at a low risk, together with the potential for a good total yield through the company's interesting project portfolio.

Together, we create attractive meeting places that contribute to society's development and lay the foundations for growth and good business.

AS A CUSTOMER, you gain security and good preconditions for a profitable business, both now and in the future. We are a long-term landlord that engages in ongoing and close dialogues with our customers.

FOR SOCIETY, we create environments that will last. Sustainable urban development summarises the way in which we create economic, environmental and societal value.

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IT PAYS TO BUILD LONG TERM

2012 WAS AN intensive year for Atrium Ljungberg and one that saw healthy development and good progress. The pace has been fast and furious and we have achieved results of which we have every reason to be proud. The operating surplus increased by almost 12 per cent and a strong Balance Sheet has generated the preconditions for new business opportunities.



IN THE RIGHT PLACE

The impressive results in 2012 are proof that our strategy has been successful. The fact that we have boosted our letting rate from an already high level of 94 per cent to 95 per cent shows that we have good properties in good locations. The Hagastaden district in northern Stockholm – one of our most important office markets – where we have achieved a substantial increase in the letting rate to the point where our properties are now almost fully let is a perfect example of this. We have also made a number of acquisitions in this area in recent years and seen rental levels rise.

We have succeeded in maintaining high net sales and a good visitor flow to our retail hubs and in October, we were declared “Best Landlord of the Year, 2012” in conjunction with the NCSC (Nordic Council of Shopping Centers) Awards. This is, in my opinion, the highest praise one can receive as a property owner.

Our strategy is based on maintaining a presence in strong areas within the major conurbation regions of

“Having a local management organisation that knows the local market and has its ear to the ground at all time is an important factor in our success.”

Stockholm, Uppsala and Malmö and I believe that this is a tactic from which we will benefit more and more with time. These markets enjoy a stronger position, both when times are good and when they are bad, and have the advantage of increased population growth, which offers greater potential for business success there.

We have sold one retail property in Halmstad during the year and will be continuing with our efforts to streamline our property holdings – a process that enables us to offer our customers even higher service levels. We are reliant on our customers so it is important that we have a local management organisation that knows the local market and has its ear to the ground at all times. Our work is all about generating the optimum possible preconditions for our customers’ businesses.

HIGH PROJECT VOLUME CONTINUES

I believe that the importance of in-house project development in order to generate value growth will increase and this is an area in which Atrium Ljungberg will enjoy an advantage, thanks to our extensive experience of conducting projects completely in-house. We have personnel at every stage in the development chain, which allows us to develop the projects in collaboration with our customers throughout the process and to make adjustments as the work proceeds. This, I believe, makes us a better partner and a player with real flexibility and ability to realise our objectives.

We have maintained a high activity level for our project operations throughout the year and strengthened our position in all of our priority markets. We currently have SEK 2.5 billion invested in ongoing production work and a further SEK 5 billion for

“This creates excellent potential for continuing with our high rate of production.”

potential project development within the existing portfolio. Collectively, this creates excellent potential for continuing with our high rate of production for a number of years to come. In 2012, we took a decision to increase our residential development work as part of our efforts to create full-service environments, so I am very pleased with the land we acquired in Sickla during the year. With a beautiful waterfront location, proximity to a good range of retail and service outlets and good communications, this is a prime area for residential development. There are, however, other parcels of land in our holding that would be well suited to residential development and I can see interesting potential in continuing our development along this track.

2013 will also see the continuation of our efforts to acquire new project opportunities.

Accepting responsibility for the environment, the society and the people affected by our operations is a given for us. We create our urban environments from a sustainable and long-term perspective and four of the projects we have ongoing in 2012 will be environmentally certified in accordance with BREEAM criteria, with the first certification process scheduled for the spring of 2013. We have also signed up to the UN Global Compact and support its principles.

GOOD FINANCIAL READINESS

If we are to continue to push ahead strongly in our project activities, secure financing is a must. We have good access to financing from our existing financiers, with additional scope for increasing our capital vol-

umes. We are keen to ensure our borrowing is diversified and 2013 will consequently also see us reviewing alternative financing sources, such as the commercial papers and bonds market, in order to ensure our financial readiness.

Having owners who take a clear, long-term approach is a real strength. It generates the conditions under which the company can take business decisions that are correct in the long term and reduces the focus on quarterly results that characterises the operations of so many listed companies. The company would also benefit in the long-term from an increase in its share's liquidity.

TAKING THE NEXT STEP TOGETHER

Weak economic development is a distinct possibility in Sweden in 2013 and the risk this poses for our sector is that the number of layoffs will increase, with a consequent moderating effect on consumer demand and businesses' willingness to establish new outlets.

A weak market is, however, often when the best commercial opportunities arise. Sustainable companies which have the strength and the vigour to do business in times like these have a competitive advantage. With low borrowing levels and a high interest coverage ratio, Atrium Ljungberg is well positioned to remain strong throughout the business cycle – something that builds security for customers and owners alike.

I am extremely optimistic about our company's future. We will continue to develop sustainable and attractive urban environments. Our power lies in cooperation – between employees, with customers, with local authorities and with other partners. And when I look at the very real ambition present I see amongst our talented workforce, and the drive and the willingness to realise ambitious goals, I feel very proud indeed.

I am looking forward to the exciting year that lies ahead of us – a year for which we have forecast an increase in our profit before changes in value and tax to SEK 790 million.

Thank you to all of our customers, our employees, and our partners for your excellent teamwork in 2012!



Ingall Berglund, Managing Director

MOVING TOGETHER TOWARDS THE SAME GOALS

OUR VISION

We create vibrant meeting places for people, for the retail sector, and for businesses.

GOALS

Atrium Ljungberg's operations focus on growth in our operating net. This, together with a stable capital structure, generates excellent preconditions for good growth in value. Our goals can be divided into three categories:

PROFITABILITY AND GROWTH

LONG-TERM STABILITY

CORPORATE SOCIAL RESPONSIBILITY

PROFITABILITY AND GROWTH

The operating net shall increase by 10% per year.

We shall invest SEK 1 billion each year in in-house projects. The return for new build and extension projects shall be 20% as of 2012.

The dividend shall correspond to a minimum of 50% of the profit before changes in value, after nominal tax.

LONG-TERM STABILITY

The minimum assets/equity ratio shall be 30%.

The minimum interest coverage ratio shall be a multiple of 2.0.

CORPORATE SOCIAL RESPONSIBILITY

All major new builds shall be environmentally certified.

We shall be one of Sweden's best workplaces.

DESCRIPTION	GOAL FULFILMENT, 2012	HISTORIC GOAL FULFILMENT												
By investing in in-house projects, reducing vacancy levels, and ensuring cost-effective management, we shall increase our operating net by 10% per year. The investments also generate growth in the value of our properties and the company in that the return on the projects exceeds the market's yield requirements.	The operating surplus increased by 11.8% due to additional operating nets for completed projects, new lets and property acquisitions.	<table><tr><th>Year</th><th>Operating surplus (%)</th></tr><tr><td>2008</td><td>12.5</td></tr><tr><td>2009</td><td>-0.6</td></tr><tr><td>2010</td><td>14.1</td></tr><tr><td>2011</td><td>6.3</td></tr><tr><td>2012</td><td>11.8</td></tr></table>	Year	Operating surplus (%)	2008	12.5	2009	-0.6	2010	14.1	2011	6.3	2012	11.8
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Investments in our own properties totalled SEK 1,512 million and were primarily made in Mobilia in Malmö, Port73 i Haninge, Kvarteret NOD in Kista and offices in Sickla.	<table><tr><th>Year</th><th>Investments (SEK m)</th></tr><tr><td>2008</td><td>1,220</td></tr><tr><td>2009</td><td>1,087</td></tr><tr><td>2010</td><td>1,047</td></tr><tr><td>2011</td><td>1,050</td></tr><tr><td>2012</td><td>1,512</td></tr></table>	Year	Investments (SEK m)	2008	1,220	2009	1,087	2010	1,047	2011	1,050	2012	1,512	
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2012	1,512													
Two newbuild and extension projects were completed during the year, namely Port73 phase 2 in Haninge and the Intrum Justitia HQ in Sickla. The investment totalled SEK 255 million and the return for these investments was 17%.	<table><tr><th>Year</th><th>Investment (SEK m)</th><th>Return (%)</th></tr><tr><td>2012</td><td>255</td><td>17</td></tr></table>	Year	Investment (SEK m)	Return (%)	2012	255	17							
Year	Investment (SEK m)	Return (%)												
2012	255	17												
The owners shall share, in the long-term, in the company's profits by means of stable dividend payments.	The Board proposes a dividend of SEK 2.85/share, corresponding to a dividend payment of 68.0% of the profit available for distribution.	<table><tr><th>Year</th><th>Dividend payment (%)</th></tr><tr><td>2008</td><td>67.3</td></tr><tr><td>2009</td><td>59.5</td></tr><tr><td>2010</td><td>63.4</td></tr><tr><td>2011</td><td>66.2</td></tr><tr><td>2012</td><td>68.0</td></tr></table>	Year	Dividend payment (%)	2008	67.3	2009	59.5	2010	63.4	2011	66.2	2012	68.0
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The company's capital base shall be strong, helping ensure long-term stability and generating the preconditions for doing good business in different market situations. The rolling cash flow shall cover interest costs by a wide margin.	The equity/assets ratio continues to be high and at the end of 2012, was 40.3%.	<table><tr><th>Year</th><th>Equity/assets ratio (%)</th></tr><tr><td>2008</td><td>42.2</td></tr><tr><td>2009</td><td>42.4</td></tr><tr><td>2010</td><td>42.9</td></tr><tr><td>2011</td><td>41.2</td></tr><tr><td>2012</td><td>40.3</td></tr></table>	Year	Equity/assets ratio (%)	2008	42.2	2009	42.4	2010	42.9	2011	41.2	2012	40.3
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2009	42.4													
2010	42.9													
2011	41.2													
2012	40.3													
	The interest coverage ratio was a multiple of 2.6. Net borrowing totalled SEK 1,892 million and was designed to finance investments in our own properties and acquisitions.	<table><tr><th>Year</th><th>Interest coverage ratio (multiple)</th></tr><tr><td>2008</td><td>2.5</td></tr><tr><td>2009</td><td>3.0</td></tr><tr><td>2010</td><td>3.1</td></tr><tr><td>2011</td><td>2.9</td></tr><tr><td>2012</td><td>2.6</td></tr></table>	Year	Interest coverage ratio (multiple)	2008	2.5	2009	3.0	2010	3.1	2011	2.9	2012	2.6
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We have chosen to environmentally certify our major new build projects in accordance with the BREEAM environmental classification system. The goal is, at a minimum, to achieve the "very good" criteria.	The four major new build projects in progress in 2012 will be environmentally certified in accordance with BREEAM. These projects are the Intrum Justitia HQ, the AkzoNobel HQ, Mobilia phase 3, and Kvarteret NOD.	The first environmental certification process, for Intrum Justitia's new headquarters in Sickla, will be completed during the spring of 2013. The Intrum Justitia building was completed in the autumn of 2012.												
We take part in the Great Place to Work® (GPTW) evaluation of "Sweden's best workplaces", where our strengths and developmental areas as an employer are identified by means of an employee survey. See page 19 for further details. The survey is divided into 5 areas: credibility, respect, fairness, pride, and camaraderie. Our goal is to achieve a minimum average index of 85%.	The employee survey for 2012 showed our results had improved in all areas and the average index increased by 5 percentage points in comparison with last year to 81%.	<table><tr><th>Year</th><th>Average index (%)</th></tr><tr><td>2011</td><td>76</td></tr><tr><td>2012</td><td>81</td></tr></table>	Year	Average index (%)	2011	76	2012	81						
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2011	76													
2012	81													

WORKING TOGETHER FOR THE BIG PICTURE

BUSINESS CONCEPT

Our 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 perspective enable us to generate added value for our customers and partners, and to create growth in value for the company.

STRATEGIES

RETAIL – OFFICES – FULL-SERVICE ENVIRONMENTS

Atrium Ljungberg shall focus on developing environments for retail and office purposes. The combination creates synergies and offers a risk spread that makes us strong across business cycles. We shall, wherever possible, complement the retail and office environments with residential, service, cultural and educational elements, thereby enabling us to create vibrant, attractive and long-term sustainable full-service environments.

STRONG SUBSIDIARY MARKETS IN GROWTH TOWNS IN SWEDEN

We shall establish a presence in strong subsidiary markets in Stockholm, Uppsala and Malmö where the potential exists for long-term growth in value. This is vital if we are to achieve long-term profitability and growth for ourselves and our customers.

IMPROVEMENT AND DEVELOPMENT OF PROPERTIES AND DEVELOPMENT RIGHTS

We shall generate value growth within the company and added value for our customers by developing and improving properties and development rights. Our project portfolio is large, with many existing and potential development rights.

SIGNIFICANT PLAYER

We shall be a significant player with large, rational units in the respective subsidiary markets. This will enable us to lead and influence development and to create full-service environments with long-term durability. By having our own personnel on-site, we can provide customer-orientated management a good customer service.

We also gain knowledge of local conditions and can generate our own business opportunities.

LONG-TERM PARTNERSHIPS THAT FOCUS ON THE CUSTOMER

The starting point for everything we do shall be working closely with our customers and partners. Close, long-term, stable and personal relationships shall permeate every aspect of the company. This applies both to our relationships with customers and suppliers, and to those with local authorities and other stakeholders. Collaborating with these parties at an early stage in the development process enables us to create long-term, sustainable and attractive environments.

IN-HOUSE EXPERTISE AND EXPERIENCE

We shall conduct and manage the entire business process in-house using our in-house expertise – an approach that offers numerous advantages. Our customers and partners will be met by high levels of commitment and willingness to assume responsibility in all phases of the process, from acquisition, through the creative work and concept development, to planning, construction, letting and management. In this way, we enhance the likelihood of satisfying our customers' requirements and promoting our owners' interests.

INTEGRAL SUSTAINABILITY

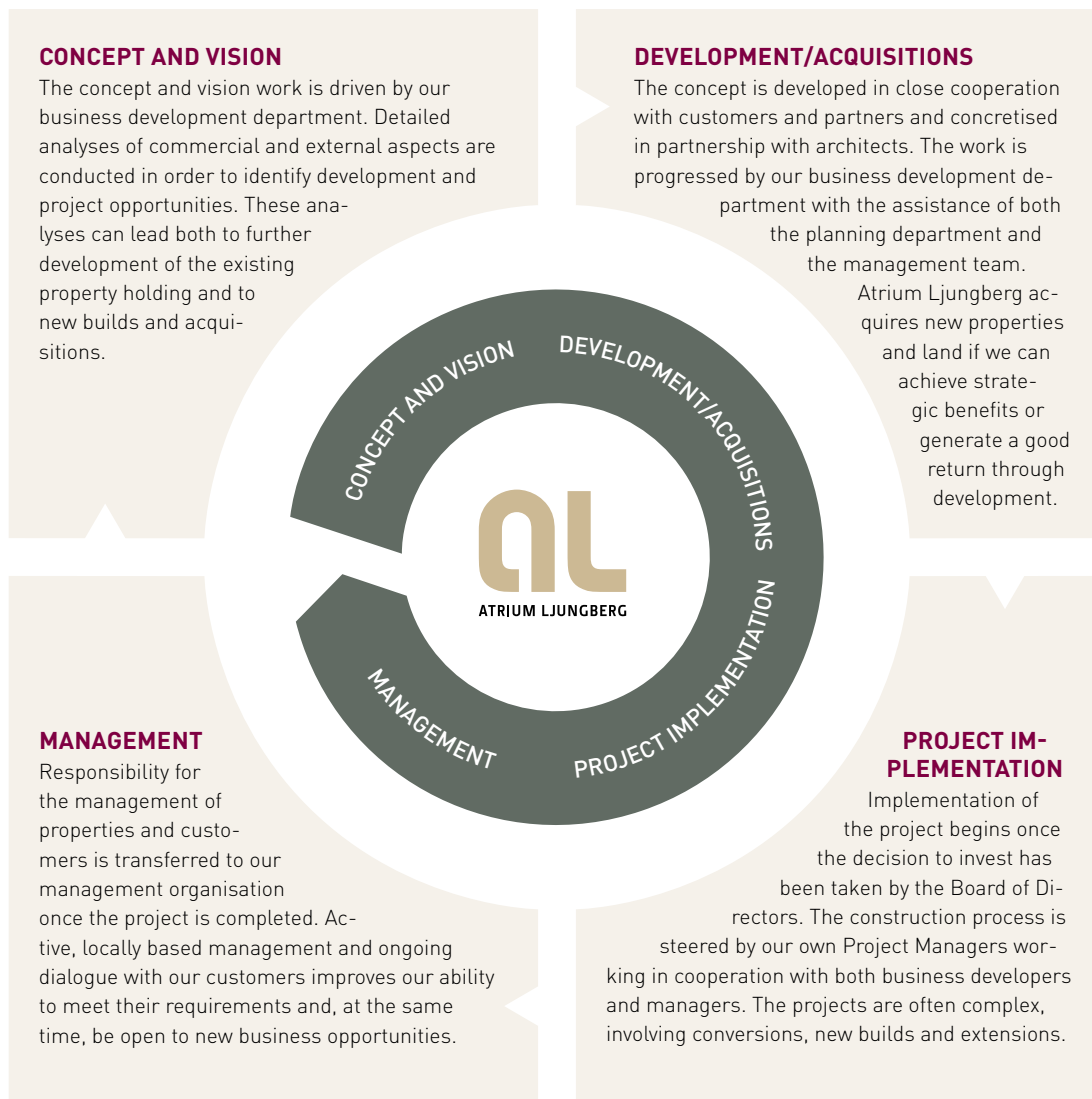
Sustainability issues and corporate social responsibility are integral parts of our business strategy and an important component of our offering. Atrium Ljungberg has defined three strategic cornerstones for its sustainability work: sustainable urban development, responsible property management, and the creation of sustainable conditions for our stakeholders. These cornerstones are an integral part of the strategies described above.

EMPLOYEES WITH PASSION AND WIDELY SUPPORTED CORE VALUES

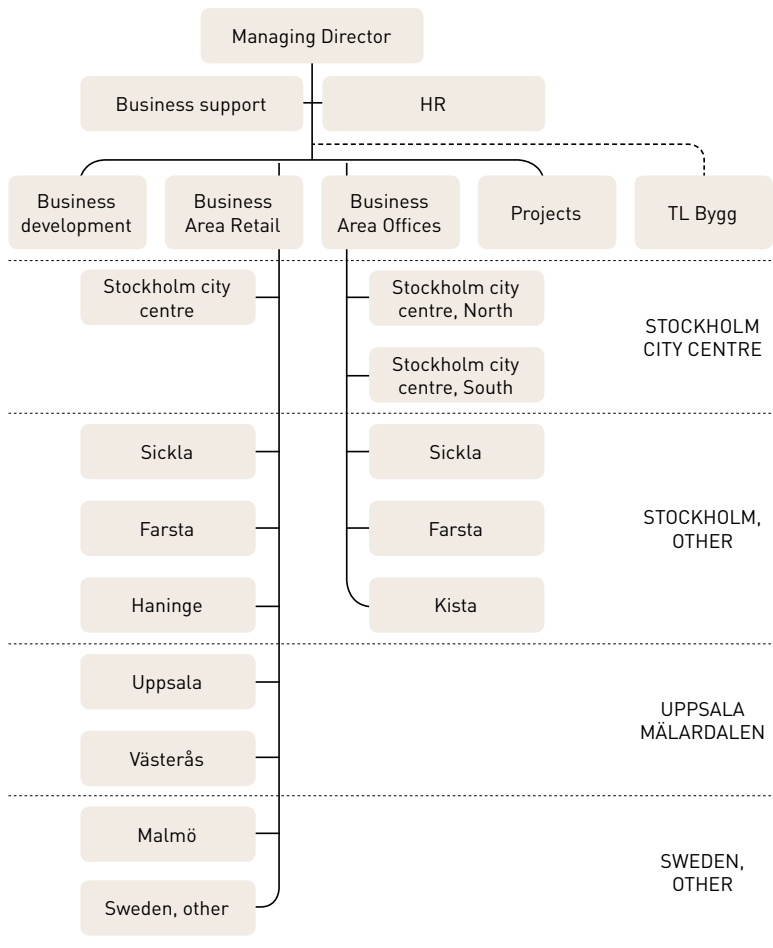
We shall have committed employees who are passionate about what we do. Our core values – a long-term approach, cooperation, reliability and innovative thinking – are widely supported by all our employees. These values steer our day-to-day work and permeate every aspect of the company's operations.

BUSINESS MODEL

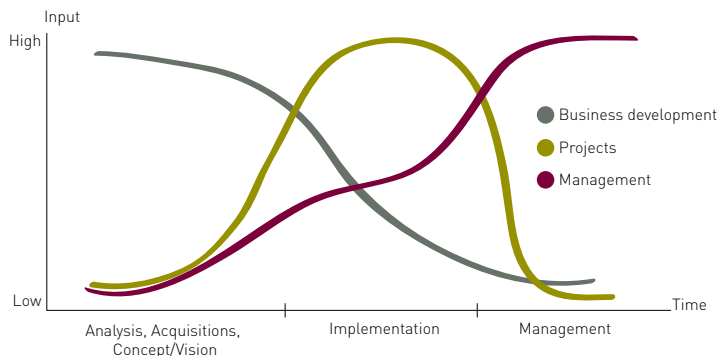
Atrium Ljungberg's business model generates profitability and growth in value through continuous improvement and efficient, customer-orientated management of our properties. The model is based on a number of business processes. All of these processes are conducted in-house and several of the company's functions participate to varying degrees, depending on the stage in the process.



ORGANISATION



BUSINESS PROCESS COLLABORATION



ORGANISATION

Our organisation is designed to focus on the customer and the individual business deal, to be close to our customers, and to have short decision-making routes within the business process. Our operations are divided into two branches, namely property management and project and construction operations. The management activities are conducted by two business areas: one for retail properties and the other for offices. Organisationally, the project and construction operations are divided into three units, namely business development, projects, and the subsidiary company, TL Bygg.

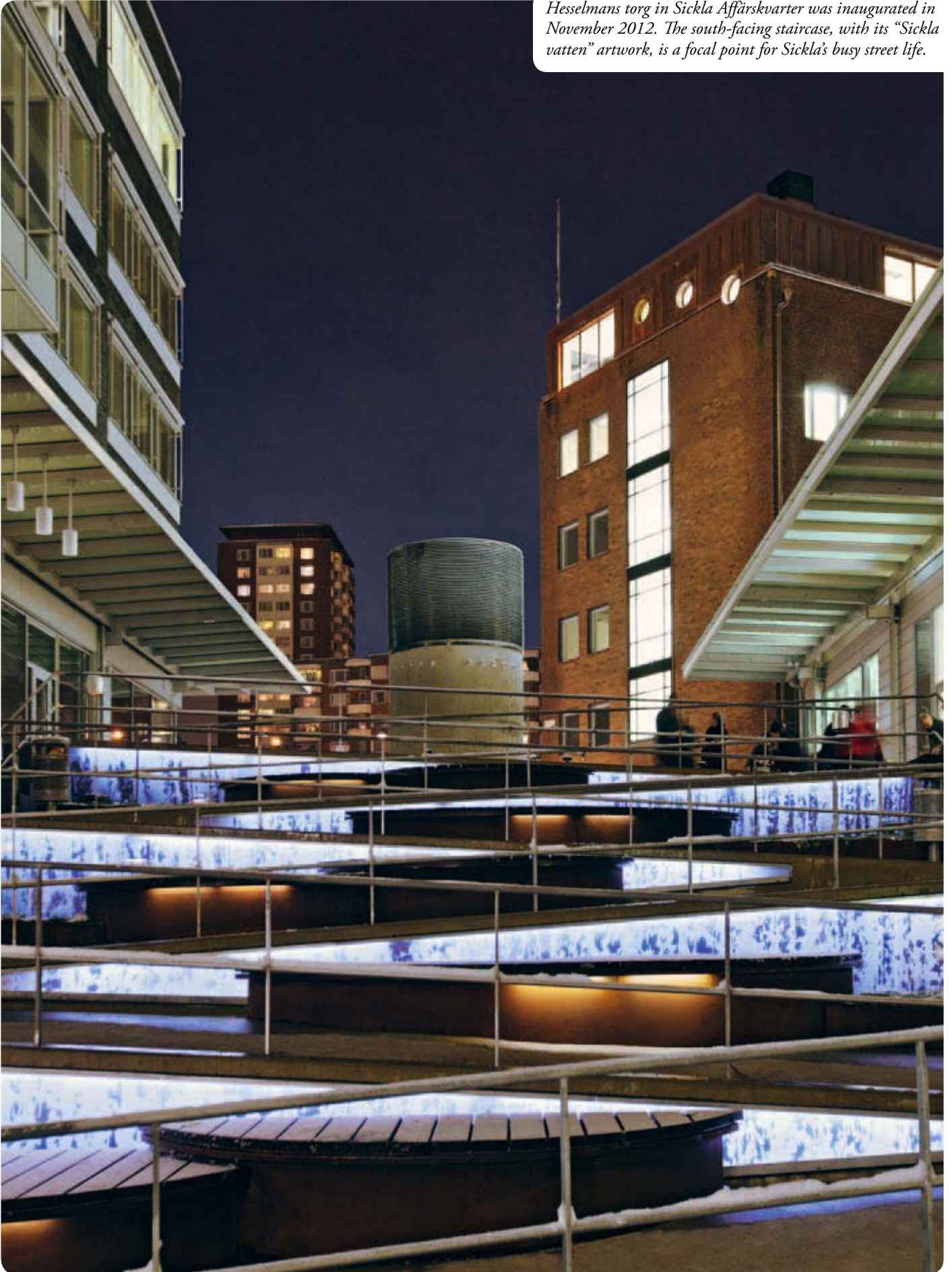
Our properties and areas are managed locally by our own, on-site staff. The management of our market areas is broken down by geographical area. Our head offices are located in Sickla in the Nacka local authority area, and we also have nine local offices where the majority of our employees have their day-to-day workplaces within walking distance of the customers.

Our support functions are divided into HR and business support. Business support includes functions such as accounts, finance, investor relations (IR), communication, IT support, and legal affairs.

BUSINESS PROCESS COLLABORATION

Our business process can be, roughly speaking, divided into the following phases: analysis, acquisition, concept/vision work, implementation, and management. We establish a steering group for each development project, comprising employees from the business development, project management, and property management functions participate in order to ensure continuity, high quality, and customer satisfaction. Our chosen methodology enables us to build a product and a transaction from a big picture perspective. It also allows us to reduce project lead times, improve monitoring and control, and benefits our relationships with customers and other partners alike.

Hesselmans torg in Sickla Affärskvarter was inaugurated in November 2012. The south-facing staircase, with its "Sickla vatten" artwork, is a focal point for Sickla's busy street life.



THE PROPERTY MARKET – STRONG POSITIONS EVEN STRONGER

GLOBAL GROWTH WAS moderated in 2012 due to continued uncertainty in the euro zone and the USA, and even growth regions such as China reported slow-downs in their growth. The Swedish economy grew by 1.2 per cent, considerably outperforming the other European economies.

The weak economic growth in the outside world had an increasingly marked effect on the Swedish market as the year progressed and reduced demand for Swedish exports resulted in falling levels of business and consumer confidence in the autumn, and by the end of the year, the National Institute of Economic Research was warning of a deeper recession. The Riksbank is forecasting a growth in GNP of 0.8 per cent for 2013.

With an unemployment level of 7.5 per cent, the outlook for the Swedish labour market was relatively bright at the beginning of the year. Levels of concern grew, however, as summer approached and in the autumn, layoffs reached the highest level seen since the financial crisis in 2008. The Swedish Public Employment Service estimates that unemployment will rise to 8.5 per cent over a 2-year period.

THE PROPERTY MARKET SITUATION

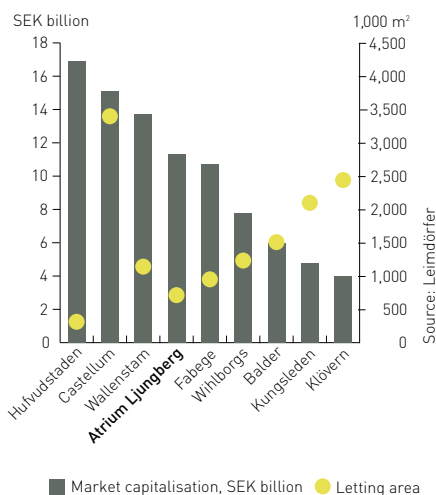
The weak economic climate has impacted the Swedish property market, where falling confidence levels have a

restraining effect on the housing and retail sector market. Equally, increasing cost consciousness and layoffs in the corporate sector pose a simultaneous risk of demand for office space falling. For players with stable finances and good access to financing, however, considerable potential exists for doing good business.

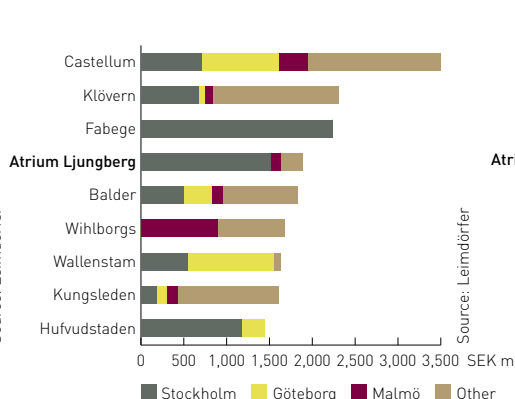
THE TRANSACTION MARKET DURING THE YEAR

The effect on the transaction market in Sweden of the problems in the outside world was more rapid than their effect on trade and industry as a whole. After a relatively weak opening to the year, activity levels increased in the latter half of 2012 in what was a reverse of the trend in the economy as a whole. The total year-on-year transaction volume increased overall by 11 per cent and achieved a total value, according to Savills, of SEK 107 billion. Institutional owners were the most active purchasers, but interest on the part of foreign investors has also increased.

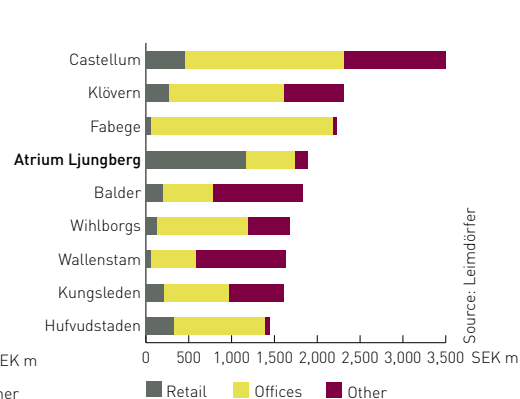
MARKET CAPITALISATION AND LETTING AREA ¹⁾



RENTAL VALUE PER REGION ¹⁾



RENTAL VALUE BY USE ¹⁾



¹⁾ From Leimdörfer's company review as of December 2012. Rental value refers to investment properties.

The main impact of the uncertain situation in the euro zone on the Swedish transaction market came in the form of its effect on the banks, which restricted access to external financing, resulting in a tapering off in demand for secondary properties.

DIFFERENTIATION IN DEMAND

Weakened demand and continued resistance on the part of vendors to lowering their price expectations resulted in low activity levels for poorer quality properties in weaker subsidiary markets. Growth for high quality properties in strong locations grew, however, and attractive city centre properties in the major conurbations were traded at almost record levels, and the fact of the matter is that the transaction market reported a record differentiation between interest in primary and secondary properties in 2012.

The difference in demand between the two categories is based on the fact that buyers have completely different financing strategies. Players who buy high quality properties in the primary segment are ones with low borrowing levels who largely finance their acquisitions using their own capital. With a long-term approach to ownership, they are looking for a growth in value over time, with small movements in the yield requirements. Players

who buy secondary properties are more opportunistic and dependent on external financing and tend to have a shorter-term approach to ownership with large variations in yield requirements.

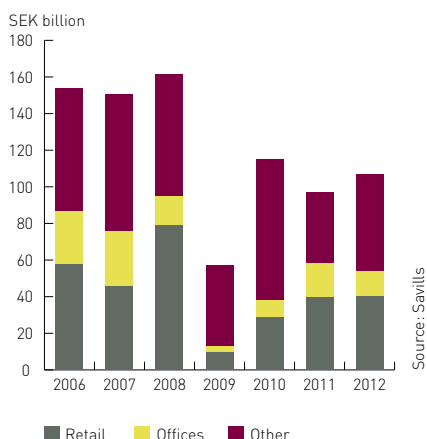
TRANSACTIONS DURING THE YEAR

The single biggest transaction in 2012 was the sale by DNB Livsforsikring ASA of Kista Galleria, which was acquired by a joint venture between Citycon and the Canadian firm, CPPIB, for a total of SEK 4.6 billion. The acquisition was CPPIB's first in Sweden and the company, which has considerable purchasing power, has given notice that more acquisitions are in the pipeline.

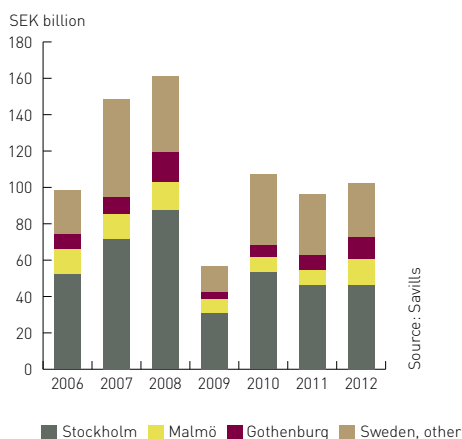
In April, Folksam acquired the Kungsbrohuset building in central Stockholm from Jernhusen. The SEK 2.1 billion paid by Folksam for the property represents the biggest purchase price paid for a single office building during the year.

The number of structural deals increased during the year, yielding an aggregate value of SEK 25 billion. Examples include the Hemsö transaction for just over SEK 10 billion, which saw Kungsleden sell their share to AP3, and Klöver's acquisition of Dagon for almost SEK 5.8 billion.

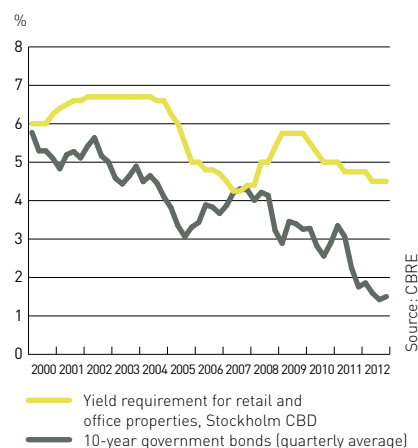
TRANSACTION VOLUME BY PROPERTY TYPE



TRANSACTION VOLUME BY GEOGRAPHIC AREA



YIELD REQUIREMENT FOR RETAIL AND OFFICE PROPERTIES AND 10-YEAR GOVERNMENT BONDS



RETAIL PROPERTY OWNERSHIP IN SWEDEN

The rental market for commercial premises in Sweden has, for many years now, been characterised by healthy demand in growth regions, which has attracted a whole string of strong owners. Letting of premises in traditional retail centres is now dominated by players with a long-term approach to ownership and a high degree of specialisation. These players, with their in-house property management organisations and a clear ownership orientation, attract tenants who are looking for premises of around 70–1,500 m² in milieus with a high footfall.

As the market has matured in recent years, we have seen an increasing degree of streamlining amongst retail centre owners, whose portfolios are becoming increasingly specialised. Unibail Rodamco, Atrium Ljungberg and Eurocommercial are all driving forces behind this trend.

A number of retail properties have changed hands in 2012. The biggest transaction of the year on the retail trade side of the business was the takeover by Citycon and CPPIB of Kista Galleria in northern Stockholm. Eurocommercial's sale of the now fully developed Burlöv Center outside Malmö was another substantial transaction.

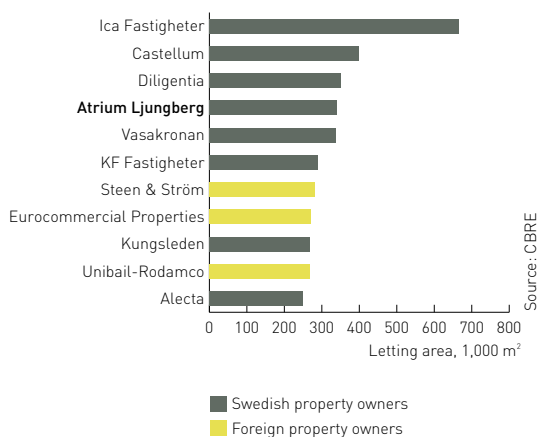
OFFICE PROPERTY OWNERSHIP IN THE STOCKHOLM REGION

With its high levels of population growth and relocation to the city, Stockholm is expected to continue to expand and dominate Swedish trade and industry, making it an attractive office rental market. As the hunt for office space intensifies and the variation in rental levels increases, the pressure on areas outside the most central parts of the city has increased in recent years, with the northern and southern inner suburbs, Kista and the emerging Hagastaden district prime examples of sought-after locations.

Fabege is the biggest property owner in the northern inner suburbs, with a 35 per cent share of the office stock market in Solna, while Kista is dominated by Klöver, whose holding corresponds to just over one quarter of the area's office space. Other major property owners in the northern inner suburbs include Akademiska Hus, AREIM, Atrium Ljungberg, Humlegården and Vasakronan.

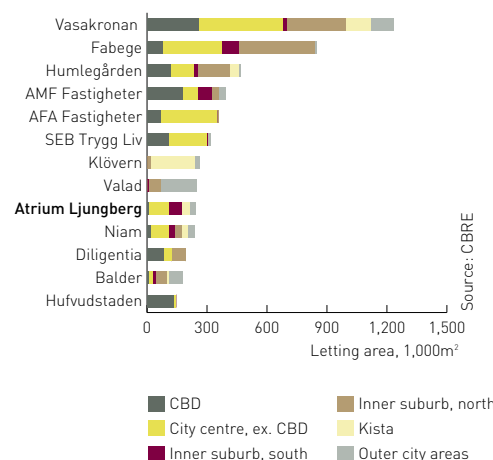
The southern inner suburbs are dominated by Atrium Ljungberg and Fabege. Atrium Ljungberg's holding is primarily concentrated on Sickla, where the Group owns a total of 170,000 m² of letting area, 60,000 m² of which comprises office space. Fabege is big in Hammarby sjöstad, while Vasakronan, which used to be a dominant player in the southern suburbs, has reduced its ownership in 2012 and sold its entire holding in Nacka Strand.

RETAIL LETTING AREA IN SWEDEN¹⁾

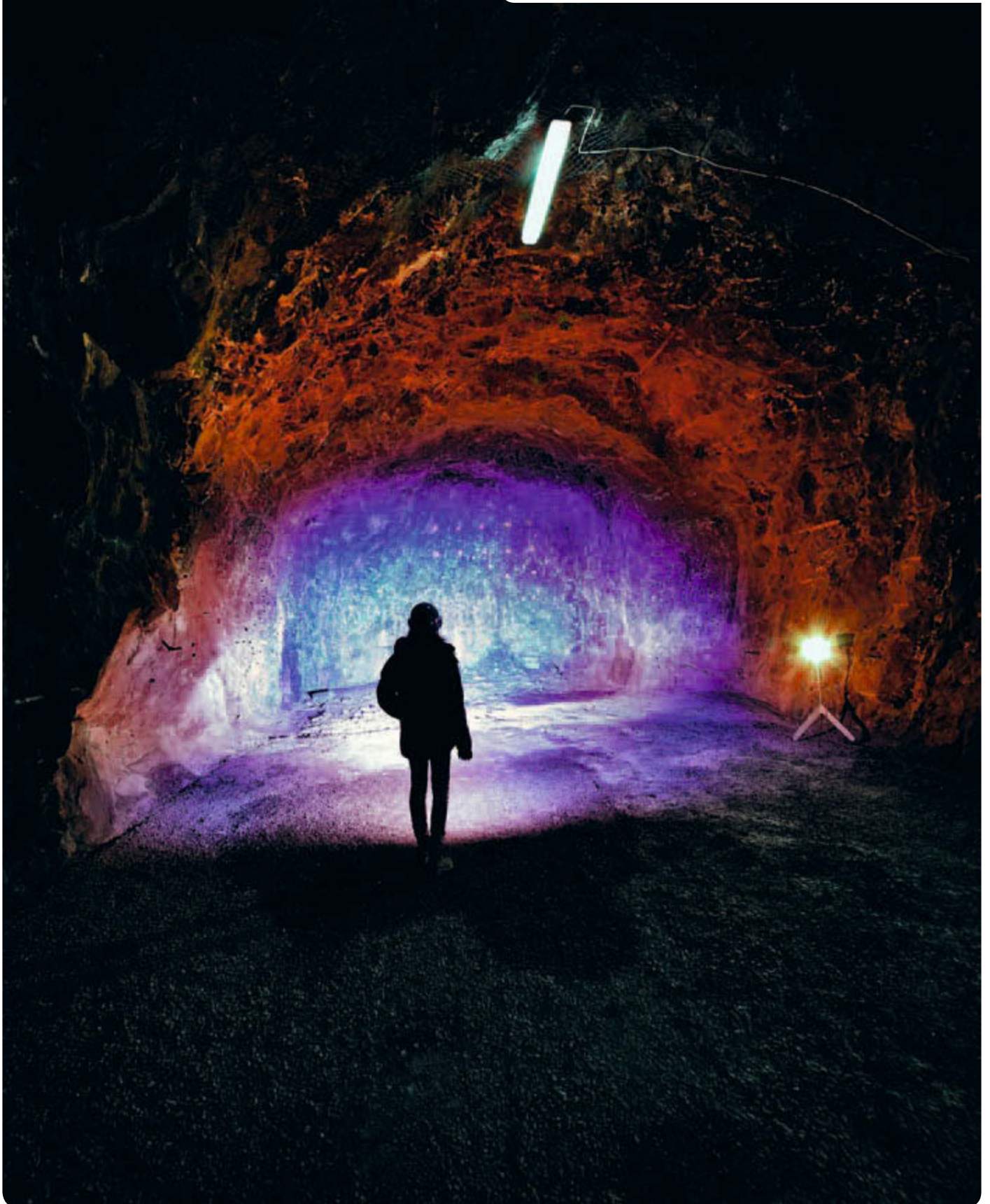


¹⁾ Estimated area, as per 31 Dec. 2012

OFFICE LETTING AREA IN STOCKHOLM¹⁾



The guided tour, "Sickla above and below ground", was launched in April 2012 in partnership between Atrium Ljungberg, Atlas Copco, Nacka local authority and Stockholm County Museum. The tour presents Sickla's industrial history as part of a guided tour that ends in the Atlas Copco mine, which was formerly closed to the public.



WE DEVELOP SUSTAINABLE CITIES

SUSTAINABLE URBAN DEVELOPMENT is our way of creating value and helping to establish a more sustainable society. Building sustainably for the future enhances both the company's value and results and the outside world's confidence in us.

Atrium Ljungberg's vision, business concept, values and business processes entail acceptance of a long-term responsibility for people and the environment. Many operators in this sector build or manage properties in order to sell at a short-term profit: we take a longer term and broader approach. We build and develop properties with a view to long-term ownership. The factors for success in this approach are knowing what the customer needs, keeping pace with technological developments, and maintaining a high tempo when it comes to developing our skills and expertise. By working closely in dialogues with our customers and by maintaining high levels of expertise in the various subsidiary processes, we can create innovative, new and sustainable offerings and thereby contribute to sustainable urban development.

STRATEGIC FOCUS AREAS AND GOALS

Our objectives can be divided into three categories: profitability and growth, long-term stability, and corporate social responsibility. These goals are defined in greater detail on pages 4–5. We have also defined three strategic focus areas in the corporate social responsibility sector:

- Sustainable urban development
- Responsible property management
- Generating sustainable conditions for employees, customers and partners.

Taking these focus areas as our starting point, we have formulated four operating goals. The goals and our goal fulfilment in 2012 are described in the table below.

SUSTAINABLE URBAN DEVELOPMENT

Our ability to successfully develop and manage vibrant meeting places for people, the retail sector and businesses relies on us maintaining continuous contact with the people affected by our operations. Atrium Ljungberg conducts ongoing stakeholder dialogues and takes part in local collaborative projects. These dialogues fulfil a number of functions, e.g. identifying the ways in which land, buildings and infrastructure can be optimally utilised or structured, taking into account both social and environmental factors.

Collaborative projects and involvements in 2012 included:

- Tyngdpunkt Farsta (Farsta)
- Kista Science City & Järvaandan (Kista)
- Stockholm Life (Hagastaden)
- Söderandan (Medborgarplatsen, Södermalm)
- Uppsala Citysamverkan (Uppsala)
- The Climate Pact of the City of Stockholm

CORPORATE SOCIAL RESPONSIBILITY GOAL	RELEVANCE/EFFECT	RESULTS, 2012
BREEAM certification of all major new builds	Ensure compliance with existing and future product requirements.	Certification is in progress for the four largest new builds in 2012. The Intrum Justitia building in Sickla, which was completed in the autumn of 2012, will achieve certification in the spring of 2013.
Increase the percentage of non-car-based visitors to our meeting places.	Ensure alternative forms of transport and accessibility needs.	To be evaluated in 2013.
More "green lease contracts" and voluntary sustainability agreements	Ensure we satisfy customer demand for clear division of responsibility with regard to environmental issues and consumption costs, for example.	To be evaluated in 2013.
One of Sweden's best workplaces	Ensure that Atrium Ljungberg is an attractive employer/workplace.	Our average index in the results of the 2012 employee survey conducted via Great Place to Work®, rose from 76% to 81% between 2011 and 2012.

RESPONSIBLE PROPERTY MANAGEMENT

Atrium Ljungberg develops and builds properties with a view to owning and managing them in the long-term. We endeavour to show consideration for people and the environment in every business dialogue and work at all times to extend the lifespan of our properties. In practical terms, this means that we, in collaboration with our partners, guide our tenants, helping them to make better environmental choices, and that we seek out and introduce new materials and methods that improve the properties' environmental performance over time.

ACCESSIBILITY, SECURITY AND SAFETY

We make every effort to ensure that our meeting places are as accessible, secure and safe as possible. In order to increase accessibility, for example, we offer suggestions on a range of alternative means of transport and optimised travel planning. Our ongoing work with accessibility issues also involves creating welcoming environments for everyone.

Safety in the environments that surround our properties is always a high priority for Atrium Ljungberg, which is why we work with the police, local authorities, business and property owners, for example, in order to increase security in public spaces. In our retail hubs, we work with security companies and the police in order to prevent and avoid threats, theft and robberies.

SUSTAINABLE CONDITIONS FOR OUR STAKEHOLDERS

More and more employees, customers and partners are prioritising sustainability issues and our ambition is to be one step ahead at all times when it comes to creating good, sustainable conditions for our stakeholders. We have, as part of our efforts in this area, certified all our major new builds in accordance with the BREEAM environmental classification system – a consistent application and approach that is appreciated by customers and the market alike.

Four environmental certification processes were carried out in 2012 on new build projects with the aim of achieving the “very good” BREEAM classification. One of the projects has now been completed and will receive its BREEAM certification in early 2013. Find out more about BREEAM on page 17.

FOCUSING ON ENERGY AND CO₂

A large part of Atrium Ljungberg's environmental impact derives from the production of district heating and district cooling for our properties. Our energy strategy

entails optimising consumption in conjunction with major investments and using the cleanest energy possible.

The majority of our properties are currently supplied with district heating and half of them have district cooling too. All of the electricity we use is CO₂-free hydroelectric power with a guarantee of production, and this is what we offer any of our customers who have no supply subscription of their own. The extent of the combined environmental impact and our carbon dioxide emissions depends mainly, however, on variations in energy suppliers' production mix, i.e. the raw materials used to produce heating, cooling and electricity. The properties' energy performance, user behaviour, and the measures we ourselves take to reduce the negative effects have a relatively little impact, but are very important in terms of cost performance. The fact is that energy is the single biggest operating cost during the lifespan of a property and focusing on our energy consumption is, therefore, a given for Atrium Ljungberg.

Atrium Ljungberg's overall energy goal is to reduce the combined energy consumption per heated m² and to achieve values that are well below applicable building norms. In concrete terms, our energy work aimed at achieving positive, climate-friendly characteristics involves choosing window sizes and types on the basis of the direction in which they face, conducting ongoing requirement adaptations and adjusting ventilation units, active provision of district heating and district cooling, and making serious attempts to influence our customers' choices, needs and behaviour. Energy consumption is important and is monitored continuously through an internal system where we analyse the results of our efforts and of diversions from the operational norm.

ENERGY CONSUMPTION/CARBON DIOXIDE EMISSIONS, RESULTS, 2012

Area*	Unit	2012	2011	2010
District heating ^{normal}	kWh/m ²	80	92	81
District cooling	kWh/m ²	19	27	22
Electricity	kWh/m ²	140	147	147
CO ₂ , total	g CO ₂ /kWh	28	28	33
Water	m ³ /m ²	0.63	0.64	0.48

See the GRI appendix for comments on these statistics, and www.atriumljungberg.se for further information.

* **District heating** is used in the majority of Atrium Ljungberg's properties. The value shown in the table is calculated on the basis of normal year-corrected, actual consumption.

District cooling is currently used in just over half of Atrium Ljungberg's property holding. The value shown in the table is calculated on the basis of normal use.

Electricity – all electricity consumed and supplied by Atrium Ljungberg is hydroelectric power with a guarantee of origin. The value in the table is calculated on the basis of actual consumption.

Carbon dioxide released into the atmosphere derives primarily from district heating and district cooling production, subcontractors' transports, and journeys

by Atrium Ljungberg's own personnel and visitors. The value shown in the table is based on actual consumption of district heating, district cooling, and journeys by Atrium Ljungberg's own journeys.

Water used in Atrium Ljungberg's properties is supplied by the local authority in question. The value shown in the table is based on actual consumption.

DOING THE RIGHT THING IS EASY

Atrium Ljungberg endeavours to make it easy for tenants to focus on environmental and cost issues. We offer tenants CO₂-free, hydroelectric power with a guarantee of origin as standard and eco-labelled wind power electricity as an optional extra. We are also happy to suggest energy-efficient solutions for lighting, heating and cooling.

We also offer so-called “green lease contracts” as a supplement to the standard lease contract. The green contract entails an undertaking by both Atrium Ljungberg and the tenant to work together to reduce their environmental impact, e.g. by reducing carbon dioxide emissions and improving waste management. We expect demand for green lease contracts to increase as the industry standard for green contracts becomes more widely accepted.

SUSTAINABILITY MANAGEMENT

Responsibility and sustainability issues are part of our values and our culture, of our guidelines, our action plans, and our day-to-day routines.

The values guide and influence everything we do, not least the way in which we carry out our projects and the way we conduct ourselves in dealings with customers and other stakeholders. Our values are explained on our website, www.atriumljungberg.se, and in our sustainability policy, which is also available from our website.

COMPREHENSIVE GUIDELINES

Atrium Ljungberg has individual environmental, ethical, work environment, equal opportunities, antidiscrimination policies and a comprehensive sustainability policy. The internal frameworks conform to international norms.

Atrium Ljungberg has been a signatory of the UN Global Compact since 2009 and hence supports the ten principles concerning human rights, labour law, the environment and anticorruption.

Our strategic sustainability work is followed up every six months. The management and Board evaluate policies and guidelines annually and revise them where necessary. All employees shall contribute towards the integration of sustainability into their work and take responsibility for the same in their day-to-day work.

The Managing Director has ultimate responsibility for our sustainability work.

Atrium Ljungberg also makes demands of its suppliers and partners and communicates our values, expectations and requirements. Atrium Ljungberg appends its ethics and suppliers policy to all contracts with suppliers in line with our undertaking to comply with the UN Global Compact.

We want to make it easy for shareholders and other stakeholders to gain an insight into how we work and since 2008, we have reported our sustainability work in line with the Global Reporting Initiatives (GRI) guidelines for level C sustainability reporting.

Our work is reviewed by shareholders and investors, e.g. as part of the Carbon Disclosure Project (CDP). CDP is a non-profitmaking organisation that works to reduce greenhouse gas emissions and promote sustainable water consumption. We participate in CDP's annual climate review and in 2012, Atrium Ljungberg achieved a result of 66E (68) out of 100 in CDP's overall review.

COMMITMENT AND ASSESSMENT

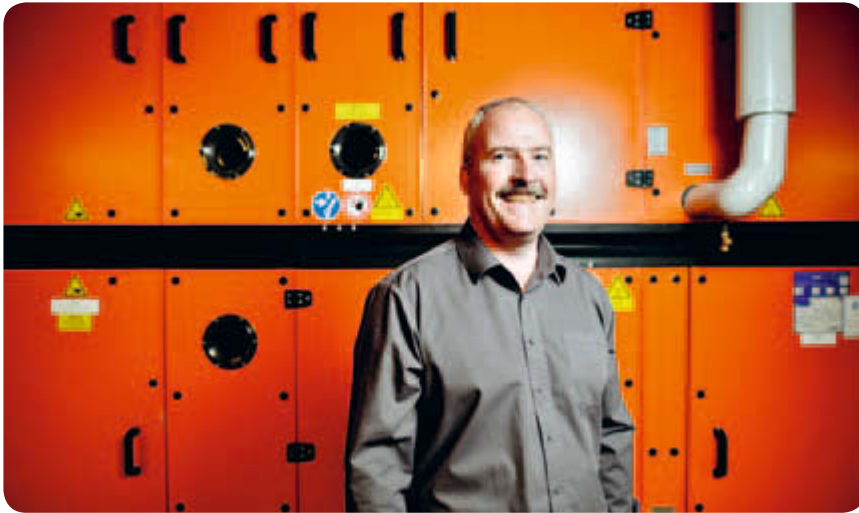
The Folksam insurance company stated, in its “2012 Corporate Social Responsibility Index”, that Atrium Ljungberg has the best human rights readiness of all of the property companies that took part in the study.

We support charitable activities in the areas in which we operate and are also a committed partner in the UNICEF “Companies for Malawi” project.

**CORE VALUES**

- › A LONG-TERM APPROACH
- › COOPERATION
- › RELIABILITY
- › INNOVATIVE THINKING

based, at all times on
THE CUSTOMER and THE TRANSACTION



"The choice of ventilation unit for Intrum Justitia's new headquarters is a direct consequence of the BREEAM certification. It is the most efficient unit on the market," says **Per Elias**, Project Manager at Atrium Ljungberg.



"The brick façade of AkzoNobel's new Swedish offices is a material choice that offers long-term sustainability," says **Angela Berg**, Project Manager at Atrium Ljungberg.



"BREEAM helps us to choose the right windows, screens and installation solutions and achieve the best indoor climate in the most sustainable way," says **Tommy Lager**, technical expert and Energy Coordinator at Atrium Ljungberg.



Construction waste is sorted directly into fractions for recycling at the Kvarteret NOD buildings site in Kista.

BREEAM

BRE Environmental Assessment Method, BREEAM, is the most widely applied environmental certification system for built environments in Europe. BREEAM takes a big picture approach to environmental performance.

The areas addressed by BREEAM are energy and water consumption, health, transport, materials, waste, land usage, emissions, ecology and management.



"BREEAM helps us pay attention to and impose clear requirements, both of ourselves and of our contractors." **Jakob Deling** and **Christian Strömberg** are BREEAM coordinators for the Kvarteret NOD project.

We have formed an employee group that focuses on our workplace culture.



“We set goals that not only say where we are going, but how we will get there.”

Helena Martini, HR Director, Atrium Ljungberg

HUGE POTENTIAL IN A GROWING ORGANISATION

THE KEY TO Atrium Ljungberg's success lies with our employees. We have a clear growth target and our ambition is to become one of Sweden's best workplaces. Much of our work during the year has involved generating the preconditions that will enable our employees and operations to handle the challenges faced by a larger organisation.

The most important part of our HR work is the creation of optimum conditions for achieving the goals set by the company. This means ensuring that our employees have the tools, the skill development and the support they need to ensure job satisfaction, that they are motivated, and that they are able to do a good job. It also means ensuring we recruit the right talent.

"EMPLOYEESHIP" IS AN IMPORTANT PART OF THE CORPORATE CULTURE

"Employee-ship" is an important concept at Atrium Ljungberg. While the company management creates the structures for our work, responsibility for carrying out the work lies with the organisation as a whole. "Employee-ship" is about every employee taking responsibility, being committed, and getting involved. Every single employee is important and is needed, and if we are to achieve our goals, we must work as a team. "Employee-ship" is supported by a flat organisation of team players that offers extensive scope for creativity and innovative thinking. Our management by objectives is extensively based on our values – values that also establish the framework for our workplace culture. Our corporate culture is characterised by commitment in an open climate and by strong camaraderie in which we trust each other, work with each other, communicate with each other, and are proud of what we achieve. Our methodology and our organisation are structured to focus on the customer and the transaction, to operate in a customer-orientated way, and to ensure a rapid decision-making process.

ONE OF SWEDEN'S BEST WORKPLACES

In 2011, we set ourselves a goal – to be one of Sweden's best workplaces. As part of our efforts to achieve this goal, we carry out recurring assessments through the Great Place to Work® survey. The survey includes both internal and external evaluations and gives us a good basis for the ongoing development of our workplace. The survey highlights both strengths and areas where

there is room for improvement and the results, which are presented and discussed at management, business area and departmental level, subsequently form the basis for the next year's focus areas when it comes to employee and management issues.

The results of the employee survey carried out in the autumn of 2012 showed that we have improved in all areas – credibility, respect, fairness, pride and camaraderie – since 2011 and that our average index has increased from 76 per cent to 81 per cent. The fifteen best companies in the same size class had an average index of 87 in 2012. On the development side, we can see a continued need to work with information provision and communication between managers and employees and for clarity when it comes to expectations, delegation and coordination.

We established a "Great Place to Work" group during the year. The group will act as a forum for workplace culture issues and comprises employees from a range of different departments. It will also function as a link between employees and management.

STRATEGIC LEADERSHIP

As the company grows, the need for leadership and management with a greater focus on strategic issues grows too. This requires time to be set aside for planning, clear definition of mandates and responsibilities, and long-term goal formulation that clarifies what we expect of every employee.

In 2012, all managers, business developers and project managers have taken part in a leadership programme that focused on:

- The importance of structure and clear roles
- The significance of clear goals
- In-depth learning and role-play
- Adapting leadership and communication in line with the group's dynamic and development phase

We have also carried out a comprehensive programme of work designed to define the skills and know-how that we need across the broad range of our operations and to generate job descriptions for every role within the organisation.

A new methodology that uses the Performance Management model has been implemented within the organisation during the year. The aim of the model is to create a structure around goal setting, goal fulfilment, reconciliation, feedback and a good workplace culture. This new methodology will help managers and employees set goals that not only state where we are going but how we will get there.

In 2012, we launched regular internal managerial meetings. All managers, irrespective of function, will meet three times a year to discuss challenges, to air issues, and to swap experiences. The forum will be an important tool for increasing cooperation within the company and for the ongoing expansion of our shared knowledge base.

GENDER BREAKDOWN, 2012

	Men	Women	Total
Board of Directors	5	1	6
Senior management	3	4	7
Mid-level management	10	8	18
Other	193	47	240
Total	211	60	271

Senior management	3	4	7
Support functions	10	15	25
Property management	58	32	90
Business development	6	2	8
Project management	11	2	13
TL Bygg	118	4	122
Total average number	206	59	265

KEY RATIOS

	31 Dec 2012	31 Dec 2011
Average number of employees	265	260
Staff turnover, %	13,6	10,6
Percentage collective agreements, %	100	100
Average age, years	41,8	42,0
Women, %	22	22
Men, %	78	78
Years employed	7.6	8.9

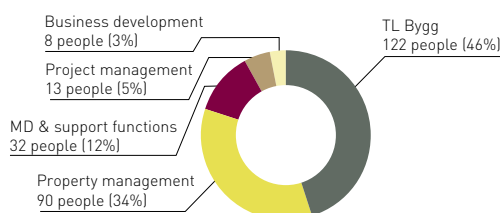
MAJOR ACTIVITIES IN 2012

- Performance Management leadership training for all managers
- Great Place to Work® employee survey
- Performance Management, CRM-system and Efficient Methodology training courses for all employees
- Conference for the entire company on the themes of communication and management by objectives
- Combined introduction days for all new recruits
- CPR training for twenty or so employees
- Sponsorship of employees' participation in UNICEF's "Run for Life", the "Midnattsloppet" and "Sicklalloppet" fun runs, and the "Stafettvasan" cross country skiing relay race

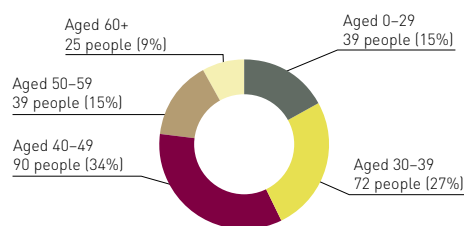
LOOKING AHEAD

In 2013, we will continue our efforts to expand "employeeship" and to strengthen our leadership and management skills. We believe that good leadership is not something that you learn once and then know, but is something you practice and develop over time. We will, amongst other things, start working in line with the Performance Management model and using managerial meetings as an important tool for managerial development and support.

AVERAGE NUMBER OF EMPLOYEES, AS OF 31 DEC. 2012



AGE BREAKDOWN, AS OF 31 DEC. 2012



“Greater personal responsibility also increases my motivation. My job is even more fun now.”

Tomo Durovic, Technical Manager, Sickla

“Management training has not only given me new tools; it’s given me new contacts with other managers throughout the company.”

Åke Reichard, Market Area Manager, Offices Sickla



THE PROPERTY PORTFOLIO IN FIGURES

ATRIUM LJUNGBERG'S PROPERTY portfolio comprises 57 properties with a total letting area of ca. 900,000 m². The greater part of the portfolio is located in the major urban regions. The total value of the property portfolio at the year-end was SEK 24.6 billion. The contracted yearly rents totalled SEK 1.9 billion and the economic letting level was 95 per cent.

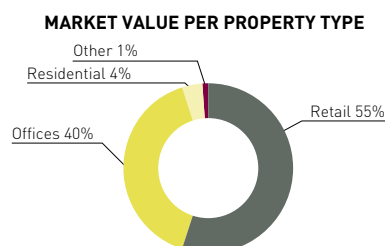
PROPERTY PORTFOLIO

Atrium Ljungberg's portfolio comprises 57 properties located mainly in Stockholm, Uppsala and Malmö, with the Stockholm region the biggest of the three, accounting for 79 per cent of Income. Atrium Ljungberg also owns one property in Östersund and one in Västerås. Our portfolio, which is primarily made up of retail and office properties, comprises modern and attractive properties with a combined letting area of 903,000 m². Five properties with a letting area of 29,300 m² have been acquired during the year and one, with a letting area of 10,800 m², has been sold.

PROPERTY VALUE

The book value of the property portfolio at the year-end was SEK 24,576 million (SEK 21,897 m), corresponding to SEK 27,203/m² (SEK 25,151/m²). The average yield requirement in the valuation is 5.7 per cent (5.8%). Development rights and land account for SEK 219 million of the total value. Atrium Ljungberg invested a total of SEK 1,512 million (SEK 1,050 m) in its own properties during the year, acquired properties for a total of SEK 895 million (SEK 879 m) and sold properties for a total of SEK 94 million (SEK 0). There are a total of 103,000 m² GFA development rights with an average value of SEK 2,100/m² and project plans for the creation of a further 112,000 m² of development rights.

The unrealised change in value of the properties during the year totalled SEK 368 million (SEK 528 m), corresponding to an increase in value of 1.6 per cent.



CHANGES IN PROPERTY PORTFOLIO

	SEK m	Number
Property portfolio, 1 Jan. 2012	21,897	54
Acquisitions	895	5
New builds, reconstructions and extensions	1,512	–
Reallotments	–	–1
Sales	–94	–1
Unrealised changes in value	368	–
Property portfolio, 31 Dec. 2012	24,576	57

PROPERTY PORTFOLIO AS OF 31 DEC. 2012

Property portfolio by segment	Number of properties	Letting area, 100 m ²	Fair value, SEK m	Fair value, SEK/m ²	Rental value, SEK m ²⁾	Rental value, SEK/m ²	Economic letting rate, %	JANUARY–DECEMBER 2012 ¹⁾			YIELD ¹⁾
								Rental income, SEK m	Property costs, SEK m	Operating surplus, SEK m	
Stockholm city centre	12	195	7,611	38,957	568	2,906	98	534	–165	368	4.8
Stockholm, other	35	503	10,664	21,205	987	1,963	94	917	–309	607	5.7
Uppsala and Mälardalen	3	89	2,722	30,700	236	2,660	99	230	–67	163	6.0
Sweden, other	3	82	1,611	19,622	136	1,657	95	135	–51	84	5.2
Total	53	869	22,607	26,015	1,927	2,217	96	1,815	–592	1,222	5.4
Project properties ³⁾	2	34	1,750	N/A ⁴⁾	75	2,182	85	25	–10	15	0.9
Land and development rights	2		219								
Total	57	903	24,576	N/A⁴⁾	2,002	2,216	95	1,839	–602	1,238	5.0

¹⁾ The above summary refers to the property portfolio as of 31 December 2012. Properties acquired are reported showing income and expenses as if they had been owned for the full year, which explains the difference between the operating surplus above and that shown in the Income Statement.

²⁾ Reported rental value is based on the immediately following quarter.

³⁾ 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.

⁴⁾ Letting area for new production is not reported until the project is completed and the figure consequently does not provide an accurate picture of the actual position.

The change in value is primarily due to a fall in yield requirements of 0.1 percentage points, higher rental levels, new lets and project development.

UNREALISED CHANGES IN VALUE

	SEK m
Change in yield requirements	120
Change in rental levels	110
New lets and changes in vacancies	80
Other changes	58
Total	368

Valuation method

Atrium Ljungberg classifies all of the properties in its portfolio as investment properties and reports all of them at fair value. The portfolio is valued every quarter. The property valuation is conducted by means of a combination of external and internal valuations based on a cash flow calculation with individually estimated yield requirements for each property. The yield requirement is determined in accordance with the location price method whereby information is gathered from equivalent transactions completed in the property market. Properties corresponding to 51 per cent of the value have been valued externally during the year. The valuations were conducted by Forum Fastighetsekonomi and Savills. Each property's earnings capacity is estimated individually in conjunction with the valuation, which is based on a cash flow calculation. The calculation period is normally between 5 and 10 years but may, in certain cases, be longer due to the contractual situation.

When estimating the fair value of the properties, assumptions are made and analyses are conducted with regard to the underlying factors that influence the value. These include:

- an assessment of the technical and commercial conditions of the operations
- an analysis of existing rental levels and market rents for the respective properties and an analysis of the long-term nature of existing tenants
- an estimation of future vacancies
- an analysis of operating and maintenance costs in the short and long term, based on the company's actual costs
- an analysis of reconstructions, extensions and new build and other investment requirements

Project properties are valued on the basis of completed projects, less remaining investments. A risk surcharge is added to the yield requirement on the basis of the current phase of the project.

Development rights have been valued on the basis of an estimated market value per m² gross floor area and only includes approved development rights.

The market value is described above on the basis of the normalised operating net, adjusted for, *inter alia*, initial effects, remaining investments and development rights.

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
Total	4.0–8.5	5.7

YIELD REQUIREMENT PER SEGMENT, %

Segment	Interval	Average
Stockholm city centre	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	5.6–7.0	6.0
Project properties	5.8–7.3	6.2
Total	4.0–8.5	5.7

VALUE BASED ON NORMALISED OPERATING NET

SEK m	Segment	Project	Total
Rental value	1,929	261	2,189
Long-term vacancy (–3.5 %)	–64	–11	–75
Rental income	1,865	249	2,114
Property costs	–571	–63	–635
Normalised operating net	1,293	186	1,480
Yield requirement	5.7 %	6.2 %	5.7 %
Yield value before adjustments	22,693	3,003	25,695

Adjustments

Remaining investments	–240	–1,372	–1,611
Current value effect of remaining investments	24	131	154
Initial vacancies	–10	–70	–80
Other adjustments	250	72	322
Land and development rights	0	219	219
Certificate of title cost	–110	–14	–124
Fair value	22,607	1,969	24,576

RENTAL INCOME

The rental income breaks down into 52 per cent derived from retail, 35 per cent from offices, 3 per cent from residential, and 9 per cent from other types of property, such as educational, culture, service and parking facilities. The contracted annual rent and the rental value at the year-end totalled SEK 1,904 million (SEK 1,768 m) and SEK 2,002 million (SEK 1,871 m), respectively. The economic letting rate was 95 per cent (94%) including project properties and 96 per cent (95%) excluding project properties. 97,000 m², or 11 per cent, of the properties' total letting area of 903,000 m² was vacant at the year-end.

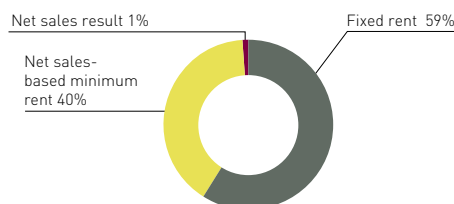
Atrium Ljungberg has a well-diversified rental contract portfolio comprising 2,423 commercial lease contracts where the average contracted area is 470 m². The average remaining term of the commercial lease contracts at the year-end was 3.6 years (3.9 yrs.). 15 per cent of the lease contracts will be subject to renegotiation in 2013. 95 per cent of the commercial lease contracts have index clauses linked to inflation. 41 per cent of the lease contracts have a net sales-based rent and the rent is consequently based on the tenant's net sales. Minimum rental provisions ensure, however, that rental levels are maintained and 1 per cent of the total current rental income consequently comprises the results of net sales surcharges on the minimum rent.

Details of the largest tenants are shown in the Business Area Retail and Business Area Offices sections on pages 50 to 75 and in the section entitled Opportunities and Risks on pages 84 to 87.

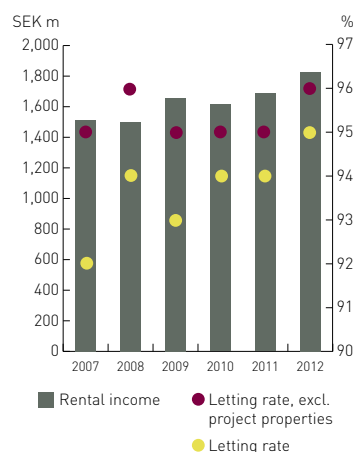
PROPERTY COSTS

Property costs in 2012 totalled SEK 601 million (SEK 591 m). Adjusted for acquisitions and new builds, which have been adjusted to full-year value, and for properties sold that have been eliminated, property costs totalled SEK 677/m², corresponding to a year-on-year reduction in costs of 3 per cent. The reduction is primarily due to lower electricity costs in that the price of electricity fell by 13 per cent. The cost of operating retail properties in general and retail centres in particular is generally higher than for other types of property, and this is reflected in the company's cost level. These costs are, to some extent, covered by passing them on to the tenants in the form of rental surcharges.

BREAKDOWN OF RENTAL INCOME



RENTAL INCOME AND LETTING RATE



RENTAL INCOME TREND

SEK m	2012 result	2013 Q1 ¹⁾	2013 Q2 ¹⁾	2013 Q3 ¹⁾	2013 Q4 ¹⁾
Stockholm city centre	512	556	555	554	553
Stockholm, other	917	922	920	920	921
Uppsala and Mälardalen	230	233	231	231	232
Sweden, other	135	129	129	129	131
Project properties	25	64	64	64	118
Properties sold	7	-	-	-	-
Total	1,825	1,904	1,899	1,898	1,955

¹⁾ Contracted rental income for the year including known contract changes.

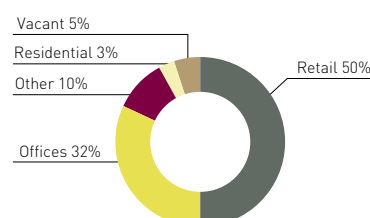
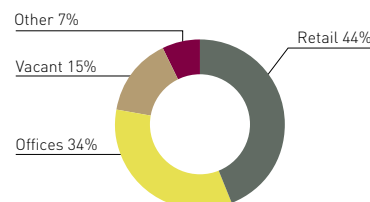
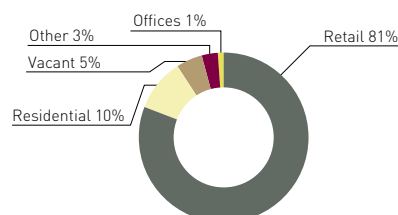
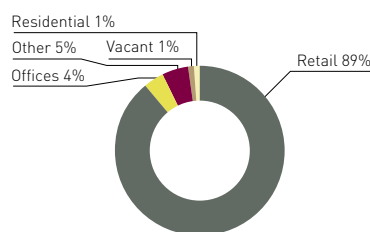
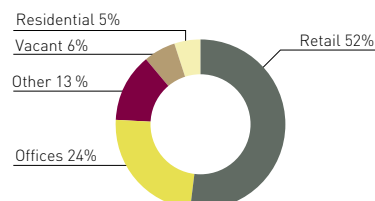
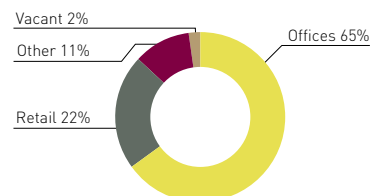
PROPERTY COSTS ¹⁾

SEK/m ²	2012	2011
Service charge-related costs	-188	-213
Other operating costs	-152	-143
Management costs	-144	-138
Repairs	-47	-45
Property tax	-109	-118
Ground rent	-26	-30
Non-deductible VAT	-10	-10
Total	-677	-698

¹⁾ Adjusted by means of excluding properties sold and adjusting new acquisitions and new builds to their full-year values.

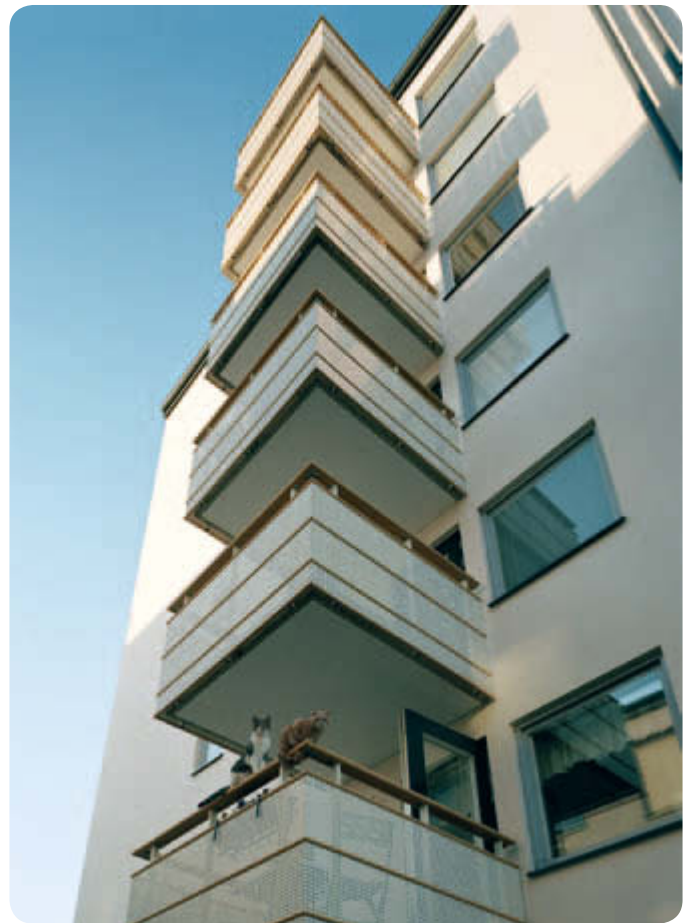
OUR PROPERTY PORTFOLIO

SEGMENT	KEY RATIOS	RENTAL VALUE PER PROPERTY TYPE
STOCKHOLM CITY CENTRE 28% of the total rental value on the Balance Sheet is located in the Stockholm city centre area	Rental value, SEK m	568
	Percentage of total rental value, %	28
	Contracted annual rent, SEK m	556
	Letting rate, %	98
	Market value per m ² , SEK k	39
	Percentage of total market value, %	31
	Yield requirement in valuation, %	5.3
STOCKHOLM OTHER 49% of the total rental value on the Balance Sheet is located in the Stockholm, other area	Rental value, SEK m	987
	Percentage of total rental value, %	49
	Contracted annual rent, SEK m	922
	Letting rate, %	94
	Market value per m ² , SEK k	21
	Percentage of total market value, %	43
	Yield requirement in valuation, %	5.9
UPPSALA AND MÄLARDALEN 12% of the total rental value on the Balance Sheet is located in the Uppsala and Mälardalen area	Rental value, SEK m	236
	Percentage of total rental value, %	12
	Contracted annual rent, SEK m	233
	Letting rate, %	99
	Market value per m ² , SEK k	31
	Percentage of total market value, %	11
	Yield requirement in valuation, %	6.0
SWEDEN, OTHER 7% of the total rental value on the Balance Sheet is located in the Sweden, other area	Rental value, SEK m	136
	Percentage of total rental value, %	7
	Contracted annual rent, SEK m	129
	Letting rate, %	95
	Market value per m ² , SEK k	20
	Percentage of total market value, %	7
	Yield requirement in valuation, %	6.0
PROJECT PROPERTIES 4% of the total rental value on the Balance Sheet lies in the project properties	Market value per m ² , SEK k	75
	Percentage of total market value, %	4
	Contracted annual rent, SEK m	64
	Letting rate, %	85
	Market value per m ² , SEK k	E/T ¹¹
	Percentage of total market value, %	8
	Yield requirement in valuation, %	6.2
TOTAL	Rental value, SEK m	2 002
	Contracted annual rent, SEK m	1 904
	Letting rate, %	95
	Market value per m ² , SEK k	27
	Yield requirement in valuation, %	5.7



Our property holding comprises modern and attractive properties in strong locations. Several older industrial properties have been preserved and developed.





PROPERTY LIST

						Letting area, m²								
					Year built/ Recon- structured			Residen- tial	Garage	Other	Total	Rateable value, SEK m	Rental value, SEK m	Economic letting rate
No.	Property name	Municipality	Address/description	Lease- hold		Retail	Offices							
STOCKHOLM CITY CENTRE														
1	Adam & Eva 17	Stockholm	Drottninggatan 68		1929/2006	3,667	4,179			285	8,131	326	43	100
2	Blåstern 6	Stockholm	Norra Stationsgatan 75 – 81		1939/1995	1,784	21,503		6,468	1,243	30,998	422	60	91
3	Blåstern 11	Stockholm	Hälsingegatan 43–51		1930/2001	2,554	38,850		9,632	3,133	54,169	872	132	99
4	Fasta Paviljongen 1 ¹⁾	Stockholm	Långholmens folkhögskola	T	1915/2008					1,116	1,116		3	100
5	Fatburen 1	Stockholm	Söderhallarna		1991	2,240	9,090		3,773	3,360	18,463	324	46	99
6	Fatbursbrunnen 17	Stockholm	Högbergsgatan 62		1929/2002		630			2,213	2,843		6	100
7	Fatbursjön 8	Stockholm	Magnus Ladulåsg 63		1930/2006		6,680			1,113	7,793	190	23	100
8	Härden 14	Härden 14	S:t Eriksgatan 113		1932/1957	807	6,237		1,242	614	8,900	129	21	81
9	Roddaren 7	Stockholm	S:t Eriksgatan 46		1900/1995	818	7,028		780	101	8,727	156	24	100
10	Skotten 6	Stockholm	Glashuset Drottninggatan		1959/2008	6,295	3,516			1,610	11,421	445	56	98
11	Torgvågen 7	Stockholm	PUB		1929/2009	8,295	7			8,306	16,608	625	70	98
12	Tranbodarne 12	Stockholm	Katarinavägen 15	T	1974/2006	92	23,200		2,886	12	26,190	757	85	100
Total						26,553	120,920		24,781	23,106	195,359	4,246	568	98
STOCKHOLM, OTHER														
13	Arbetsstolen 3	Stockholm	Västbergavägen 4–12		1955/2008	15 236	660			1,533	17,429	49	29	97
14	Kolding 1	Stockholm	Ärvinge, Kista	T	1993		128	15,800	3,087		19,015	136	21	100
15	Kolding 2	Stockholm	Ärvinge, Kista	T	1992	566	348	20,802	1,750	70	23,536	176	27	98
16	Kolding 3	Stockholm	Ärvinge, Kista	T	1993	954	16,118	1,256	6,848	800	25,976	131	43	72
17	Kolding 4	Stockholm	Ärvinge, Kista	T	1993/2001	251	23,998		8,067	1,110	33,426	468	57	81
18	Borgarnäs 1 ²⁾	Stockholm	Kista Gårdsväg 2	T										
19	Proppen 6	Stockholm	Textilgatan 31, Hammarby Sjöstad		1937/2008	974	10,342			1,259	12,575	188	29	96
20	Storö 2	Stockholm	Farsta Centrum	T	1961/2006	5,535	4,081			2,123	11,739	132	25	95
21	Storö 15	Stockholm	Farsta Centrum	T	1961/1998	217				1,315	1,532		3	100
22	Storö 21	Stockholm	Farsta Centrum	T	1961/2010	42,824	22,753		13,692	10,478	89,747	1,241	217	97
23	Storö 23	Stockholm	Farsta Centrum	T	1961/1998	1 654	2,114		1,470	3,135	8,373		16	99
24	Storö 24	Stockholm	Farsta Centrum		1961/2008							21		
25	Orminge 47:1	Nacka	Orminge Centrum		1967/1992	10,530	59			274	10,863	115	22	99
26	Sicklaön 83:22 ²⁾	Nacka	Sickla Köp- och Affärs- kvarter		1898/2012	71,504	56,426		47,470	30,089	205,489	2,042	432	94
27	Sicklaön 83:32 ²⁾	Nacka	Uddvägen 1		1877					305	305		1	100
28	Sicklaön 87:1	Nacka	Alphydevägen 4		1962	90				2,186	2,276		3	100
29	Sicklaön 115:1	Nacka	Planavägen 1		1929		370				370	1		25
30	Sicklaön 115:3	Nacka	Sjötörpsvägen 3		1909			198			198	3		
31	Sicklaön 115:4	Nacka	Sjötörpsvägen 5									2		
32	Sicklaön 117:1	Nacka	Planavägen 3		1967	2 592	330			435	3,357	11	4	52
33	Sicklaön 117:2	Nacka	Sjötörpsvägen 6		1909			176			176	4		
34	Sicklaön 117:5	Nacka	Sjötörpsvägen 12		1909			285			285	5		
35	Sicklaön 117:6	Nacka	Sjötörpsvägen 14					145			145	5		
36	Sicklaön 117:7	Nacka	Sjötörpsvägen 7		1914			154			154	4		
37	Sicklaön 117:8	Nacka	Sjötörpsvägen 9		1924			120			120	3		
38	Sicklaön 117:9	Nacka	Sjötörpsvägen 14											
39	Sicklaön 117:10	Nacka	Sjötörpsvägen 14											
40	Sicklaön 117:17	Nacka	Planavägen 5–7		1978					1,629	1,629		4	89
41	Sicklaön 346:1	Nacka	Uddvägen 7		1981	484	4,500				4,984	44	10	95
42	Söderby Huvudgård 2:43 ²⁾	Haninge	Port73		1974/2012	26,062				156	26,218	185	51	97
43	Västnora 4:26	Haninge	Västnora, Västerhaninge											
44	Ribban 16	Nynäshamn	Backluravägen											
45	Storbygården 1:15, 1:31	Nynäshamn	Torö, Ösmo											
46	Resan 1	Sollentuna	Konsumentvägen 2		1972					1,166	1,166	7	1	61
47	Rotundan 1	Sollentuna	Rotebro Handel		1965/2010	19,759				175	19,934	115	32	93
Total						199,231	142,227	38,936	82,384	58,237	521,015	5,088	1,027	99

¹⁾ 50% owned by Atrium Ljungberg. Values specified refer to Atrium Ljungberg's proprietary share.

²⁾ All or part of the property was classified as a project property as per 31 Dec. 2012.



PROPERTY LIST

						Letting area, m²					Rateable value, SEK m	Rental value, SEK m	Economic letting rate	
No.	Property name	Municipality	Address/description	Leasehold	Year built/ Recon- structed	Retail	Offices	Residen- tial	Garage	Other				Total
UPPSALA AND MÄLARDALEN														
48-49	Brillinge 8:1, 9:1 ²⁾	Uppsala	Gränby									40		
50	Dragarbrunn 19:1 ²⁾	Uppsala	Rådhuset		1645/2012	2,505				420	2,925	22	10	99
51	Dragarbrunn 27:2	Uppsala	Forumgallerian		1902/2005	9,968	5,016	1,140		385	16,508	362	50	97
52	Gränby 21:4	Uppsala	Gränby Centrum		1971/2011	41,111	491			1,881	43,483	502	141	99
53	Igor 8	Västerås	Kvarteret Igor		1970/2010	15,140	883		11,230	2,728	29,981	232	50	99
Total						68,724	6,390	1,140	11,230	5,413	92,897	1,158	251	99
SWEDEN, OTHER														
54	Bohus 7	Malmö	Mobilia		1966/2010	5,831	183	11,248	6,680	35	23,977	148	24	87
55	Bohus 8 ²⁾	Malmö	Mobilia		1968/2012	29,875	3,548		14,900	3,926	52,249	316	105	92
56	Månadsmötet 9	Östersund	Mittpunkten		1962/2009	11,594	29		6,129	95	17,847	100	27	98
Total						47,300	3,760	11,248	27,709	4,056	94,073	564	156	92
Total						341,808	273,297	51,323	146,104	90,812	903,344	11,056	2,002	95

¹⁾ 50% owned by Atrium Ljungberg. Values specified refer to Atrium Ljungberg's proprietary share.

²⁾ All or part of the property was classified as a project property as per 31 Dec. 2012.

CHANGES IN THE PROPERTY PORTFOLIO, 2012

PROPERTIES ACQUIRED, 2012

Property name	Municipality	Letting area, m ²	Period ¹⁾	Possession taken
Blästern 13 (50%)	Stockholm	20,182	Q1 2012	15-02-2012
Sicklaön 117:8	Nacka	120	Q4 2012	01-10-2012
Sicklaön 117:6	Nacka	145	Q4 2012	17-10-2012
Sicklaön 117:9	Nacka		Q4 2012	17-10-2012
Sicklaön 117:10	Nacka		Q4 2012	17-10-2012
Härden 14	Stockholm	8,900	Q4 2012	19-12-2012

¹⁾ Period for bookkeeping of acquisitions and reporting of fair value.

PROPERTIES SOLD, 2012

Property name	Municipality	Letting area, m ²	Period ¹⁾	Date vacated
Stormarknaden 1	Halmstad	10,810	Q3 2012	24-08-2012

¹⁾ Period for bookkeeping of sale.

UPPSALA



MALMÖ



INVESTMENTS AND PROJECTS



AkzoNobel's new operations centre in Sickla will be completed in early 2014.

INVESTMENTS IN OUR OWN PROPERTIES AND ACQUISITIONS

PROPERTY DEVELOPMENT IS critical to Atrium Ljungberg's value growth. Our existing project portfolio enables us to invest in the equivalent of approximately SEK 5 billion in the future. Our goal is to invest SEK 1 billion every year in in-house development projects that yield a return of 20 per cent for new builds and extensions. In 2012, we have invested a total of SEK 1,512 million in our in-house development projects and SEK 895 million in property acquisitions.

INVESTMENTS IN OUR OWN PROPERTIES

Atrium Ljungberg's goal is to invest SEK 1 billion every year in its own development projects. New build and extension projects shall yield a return of 20 per cent and thereby generate good value growth within the company and ensure a healthy growth in the company's cash flows. The projects make the biggest contribution to achieving the company's growth objective of a 10 per cent increase in the operating net per annum.

The rate at which projects can be completed depends on the market situation and the progress made in the detailed planning work. These issues are handled by our business development staff in close cooperation with both internal resources, such as project managers and managers, but principally with our customers and partners. A project is not usually started until a minimum return level has been secured in the form of confirmed lease contracts.

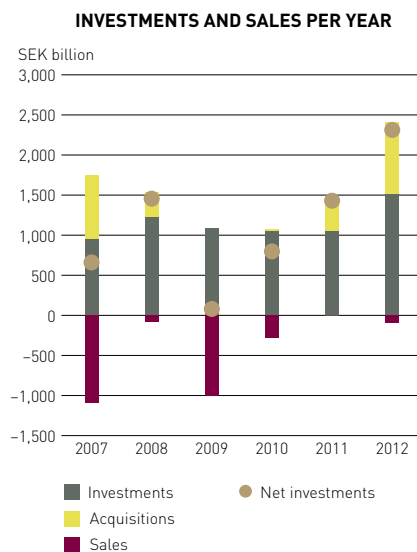
SEK 1,512 million was invested in our own properties in 2012 and 5 development projects were completed. These projects are described in greater detail on pages 35–38.

PROPERTY TRANSACTIONS

Properties are acquired primarily in order to acquire development rights and future development projects, or to obtain strategic benefits. All acquisitions are made with the intention of owning and developing the properties in the long term.

The remaining 50 per cent of the Blästern 13 office property in the Hagastaden district of Stockholm was acquired during the year and Atrium Ljungberg consequently now owns 100 per cent of the property. The Härden 14 office property in the same area has also been acquired, as have four small villa properties in Sickla in Nacka. A total of nine villa properties have now been acquired in the eastern part of Sickla Köp-kvarter known as Kyrkviken, generating the potential for the further development of the area.

Properties have been sold over the years as part of the efforts to streamline the property portfolio in accordance with our strategy of being a major player in our prioritised subsidiary markets. The retail property, Stormarknaden 1, in Halmstad was sold in 2012.



ACQUISITIONS, 2012

Property name	Municipality	Additional letting area, m ²	Possession taken
Blästern 13 (50%)	Stockholm	20,182	26 Jan. 2012
Sicklaön 117:8	Nacka	120	1 Oct. 2012
Sicklaön 117:6	Nacka	–	17 Oct. 2012
Sicklaön 117:9	Nacka	145	17 Oct. 2012
Sicklaön 117:10	Nacka	–	17 Oct. 2012
Härden 14	Stockholm	8,900	19 Dec. 2012

SALES, 2012

Property name	Municipality	Letting area lost, m ²	Date vacated
Stormarknaden 1	Halmstad	10 810	24 Aug. 2012



“Close cooperation with local authorities is important if we are to create sites that contribute to positive urban development.”

Carola Lavén, Business Development Director, Atrium Ljungberg



“It’s the way we run our projects that makes us so successful. We have a “big picture” approach that benefits all concerned.”

Magnus Alteskog, Project Development Director, Atrium Ljungberg



MORE INAUGURATIONS DURING THE YEAR

FIVE DEVELOPMENT PROJECTS were completed and inaugurated in collaboration with customers and partners during 2012. The Rådhuset (old City Hall building) in Uppsala opened its doors as a completely new fashion department store, while the retail hubs, Port73 in Haninge and Gränby Centrum in Uppsala, continued to grow. We also completed a new office block for Intrum Justitia in Sickla, which is also our first ever eco-certified building. The HK60 office block in Sickla was also completed after a project involving its total renovation and extension.

PROJECTS COMPLETED IN 2012

Project/Phase	Municipality	Letting area, Retail, m ²	Letting area, Offices, m ²	Action, new build/ reconstruction ¹⁾	Investment, SEK m	Completed	Rental value excl. surcharges, SEK m ²⁾	Letting rate, %	Eco- certification
Rådhuset	Uppsala	3,100		nb/reconst	150	Q2 2012	9	100	
Port73, phase 2	Haninge	3,500		new build	50	Q2 2012	4	100	
Gränby Centrum, phase 3	Uppsala	1,500		nb/reconst	50	Q3 2012	6	96	
HK Intrum Justitia, Sickla	Nacka		7,400	new build	200	Q4 2012	N/A ³⁾	100	BREEAM
HK60, Sickla	Nacka	1,300	4,700	nb/reconst	150	Q4 2012	13	69	
Total		9,400	12,100		600		N/A ³⁾		

¹⁾ New build and/or reconstruction.

²⁾ Excl. any net sales result.

³⁾ Rental value is not, with regard to individual business transactions, reported as a subsidiary amount for rental value excl. surcharges. Rental value excl. surcharges for both completed projects (see table above) and ongoing projects (see table on page 39) totals SEK 240 million.

RÅDHUSET – UPPSALA

After two years of comprehensive reconstruction and extension work, together with careful renovation, the new Rådhuset building in Uppsala opened its doors for business in March 2012. The Rådhuset building, which has a long history of serving as a municipal administration building, has been transformed into something completely different – a fashion department store that some regard as offering one of fashion-Sweden's most interesting department store concepts. Just over half of the floor space comprises a multi-brand concept with fifty or so strong fashion labels that come together, side by side, without delimiting gallery walkways. Rådhuset also houses stores with its own fashion and interior design labels, together with restaurants, bars and cafés. The refurbished Rådhusgården courtyard offers outdoor food and drink service during the summer.

With parts of the building dating back to 1645, Rådhuset has considerable value from a cultural history viewpoint. Atrium Ljungberg is only the building's third owner in 350 years and the opening of the department store in 2012 was the first time it had been accessible to the general public.

The new Rådhuset has been described as an important component in the development of Uppsala's city-based retail sector and has attracted widespread attention, both in Sweden and abroad, for its unique concept and its outstanding architecture.





PORT73 – HANINGE

We have been working since 2009 on bringing new content and a new identity to the retail hub in Haninge where Coop Forum was formerly the sole tenant. Port73 was inaugurated in the autumn of 2012 with just over 29 new stores, and in March 2012, only 15 months after the grand opening, we completed the second expansion phase that saw the Cervera, Blomsterlandet and Babyproffsen retail chains open new stores there. We have also created more efficient access routes for car-borne visitors and improved bus and taxi stopping areas during the autumn.

Development and demand in the region have proved to be so strong, that we have begun work on yet another expansion phase during the year. See “Ongoing projects” on page 39 for further details.



GRÄNBY CENTRUM – UPPSALA

Gränby Centrum in Uppsala continues to grow and in September 2012, we completed the third phase expansion in a short space of time. The Centre’s western entrance has been extended outwards and new retail and restaurant floor space has been created on two floors. Four new stores and Uppsala’s first food court also opened here, offering five different food concepts and a café. Gränby Centrum now comprises one hundred or so different stores, restaurants and service facilities.

INTRUM JUSTITIA HEAD OFFICE – SICKLA

Atrium Ljungberg has built a new head office in Sickla in the municipality of Nacka for the credit management company, Intrum Justitia, who moved in with just over 300 employees in November 2012. The new office block is located alongside the on-ramp into the Sickla area and is an important component of Sickla Affärskvarter – a dynamic location with modern office settings in the heart of Sickla.

The Intrum Justitia building will be the first of our new builds to be eco-certified in accordance with the international BREEAM standard. The eco-certification work has, amongst other things, helped ensure that the building is equipped with more energy measurement facilities than are normally build in, enabling both the customer and Atrium Ljungberg to monitor energy consumption for ventilation, lifts and heating.

NEW RESTAURANT CONCEPT

Urban Deli, famed for its innovative restaurant concept at Nytorget in the Södermalm district of Stockholm, will open a new outlet on the ground floor of the building in the spring of 2013. The Sickla outlet will be Urban Deli's second and will, in addition to being a combination restaurant-deli-store concept, also include a food laboratory.





HK60 OFFICE BLOCK – SICKLA

The HK60 office block is located directly opposite Intrum Justitia's new head office in Sickla. The property, which was built in the early 1960s, has undergone a total renovation and extension during the year and four new fully glazed floors and exterior glass lifts now offer a unique view out over Nacka.

HK60 now comprises modern and characterful offices of a high standard. The property has been structured with extensive consideration for the industrial history of the building and the area and, at the same time, a focus on the future when it comes to layout, technology and design.

Companies that moved into HK60 in the autumn of 2012 included Ballingslöv, Ateljé Lyktan, Rådrum, Zandvoort, Schuco, Secmaker, and Geomind, and occupation by additional tenants will continue successively throughout the spring of 2013.

HESSELMANS TORG

Atrium Ljungberg has created Hesselmans torg – a central meeting place with outdoor catering facilities and close to studio outlets, the Sickla galleria mall and office workplaces – adjacent to HK60. The Hesselmans torg square, with its staircase artwork, Sickla vatten – a sound and light installation by artist, Maria Ångquist Klyvare – was inaugurated in November 2012.

PROJECT ACTIVITY LEVELS CONTINUE HIGH

OUR DEVELOPMENT RATE continues to be high and by the end of 2012/beginning of 2013, our production volume for ongoing and approved projects totalled SEK 2.5 billion. The development projects comprise new office blocks and operations centres in Sickla and Kista, the ongoing development of the Port73 retail hub in Haninge, the new build of ICA Kvantum's new store in Farsta Centrum, and a massive transformation of Mobilia in Malmö.

ONGOING PROJECTS, 2012

Project/Phase	Municipality	Letting area, Retail, m ²	Letting area, Offices, m ²	Letting area, Residential, m ²	Parking, GFA	Action – new build/reconstruction ¹⁾	Invest-ment, SEK m	Of which remaining, 31 Dec. 2012	Completed	Rental value excl. surcharge, SEK m ²⁾	Letting rate, %	Eco-certification
Port73, phase 3	Haninge	10,400				nb/rec	200	130	Q3 2013	17	39	
Mobilia, phase 3	Malmö	29,000			23,000	nb/rec	1,000	370	Q4 2013	75	75	BREEAM
HK AkzoNobel, Sickla	Nacka		10,800			nb	300	190	Q1 2014	25	72	BREEAM
Ica Kvantum, Farsta	Stockholm	3,300			5,000	nb	100	100	Q2 2014	E/T ³⁾	100	
Kvarteret Nod, Kista	Stockholm		27,000		6,000	nb	800	580	Q3 2014	62	41	BREEAM
Mobilia, rental apartments	Malmö			4,100		nb	100	60	Q1 2014	6	0	
Total		42,700	37,800	4,100	34,000		2,500	1,430		E/T³⁾		

¹⁾ New build and/or reconstruction.

²⁾ Excl. any net sales result.

³⁾ Rental value is not, with regard to individual business transactions, reported as a subsidiary amount for rental value excl. surcharges. Rental value excl. surcharges for both completed projects (see table on page 35) and ongoing projects (see table above) totals SEK 240 million.

PORT73 – HANINGE

In the spring of 2012, we began work on the third phase expansion of Port73 in Haninge. Phase 3 comprises 10,400 m² of new retail space over two floors where tenants will include Willys, who will be opening a grocery outlet there in the autumn of 2013. The lower floor will be home to restaurants and cafés.

Our ambition is to develop Port73 into our fifth regional retail hub – a retail destination with long-term strength that offers a comprehensive range of retail and service facilities. The potential for achieving this goal is good, thanks to a strategic location in a high-growth region.

Once the third phase is completed in the autumn of 2013, Port73 will comprise approximately forty stores and restaurants over a total floor area of ca. 37,000 m².



MOBILIA, PHASE 3, MALMÖ

LETTING AREA	29,000 M ²
INVESTMENT	SEK 1,000 M
RENTAL VALUE EXCL. SURCHARGE	SEK 75 M
LETTING RATE	75%
COMPLETED	Q4 2013
ECO-CERTIFICATION	BREEAM

MOBILIA, RENTAL APARTMENTS, MALMÖ

LETTING AREA	4,100 M ²
INVESTMENT	SEK 100 M
RENTAL VALUE EXCL. SURCHARGE	SEK 6 M
LETTING RATE	0%
COMPLETED	Q1 2014



MOBILIA – MALMÖ

Mobilia in Malmö is more than halfway along its journey from a traditional retail centre to becoming a city district – an inspirational meeting place and a natural part of Malmö's city centre. It is the site of our work on creating a sustainable and vibrant meeting place that offers not only a wide range of retail facilities, but service, health, culture and residential facilities.

September 2012 saw the partial opening of a new building comprising 10,000 m² retail space housing seven stores, a gym, service facilities and a restaurant. When the new Mobilia opens in full in September 2013, the area will have doubled in size to approximately 60,000 m² letting space and its content will have increased substantially.

The entire transformation project comprises the new build of a total of 29,000 m² of letting space, a garage with ca. 650 new parking spaces, and seventy or so new rental apartments.

PRESERVING A HISTORIC HERITAGE

Mobilia is located, in part, in a classic industrial building which, over 100 years ago, housed a textile factory that was one of Malmö's biggest workplaces. This historic heritage has been preserved during the transformation, lifted

into the future, and highlighted. The result is a mixture of old and new. The former textile factory's old machine room, which has stood unused and empty for many years, will now be at the heart of the restaurant sector. Tall buildings intermingle with lower ones, comfortable indoor environments are complemented with a verdant outdoor square with walkways and cycle paths that help create a vibrant urban setting.

All of the major new builds will be eco-certified in accordance with BREEAM. One of the many effects of the eco-certification will be a more intelligent approach to surface water management in which rainwater is collected locally, led down into the ground and re-used by the newly planted trees, thereby reducing the burden on Malmö's city surface water network.

HOMES COMPLEMENT THE CITY DISTRICT

We are building two residential buildings with seventy or so rental apartments directly adjacent to the Mobilia City District. The apartments will be ready for occupation from the end of 2013, increasing the number of apartments owned and managed by Atrium Ljungberg in Mobilia from 190 to 260.

AKZONOBEL OPERATIONS CENTRE – SICKLA

In January 2012, ground was broken for the construction of AkzoNobel's new operations centre in Sickla to which their Swedish head office and laboratory operations will relocate in January 2014. The property is strategically located between Sickla and Hammarby Sjöstad with a view out over Hammarbybacken. Communications in the immediate area are good with a cross-town light rail link station just a stone's throw away from the building and a number of bus routes operating in the area.

AkzoNobel is leasing 7,800 m² of the building's total letting area of 10,800 m². Additional office premises and service facilities are planned for the remaining letting area.

AkzoNobel's operations centre will be a functional meeting place that supports the company's core business and enhances the interaction between the company's various business units. The new building will be BREEAM certified. The eco-certification work has, amongst many other things, resulted in the choice of a PVC-free roof, in the carcass and cement manufacturing suppliers being ISO certified, and in the façade being built from brick – a long-term sustainable materials choice.

The fact that AkzoNobel has continued its development in Sickla is of value to Atrium Ljungberg in terms of our efforts to position the area as an attractive place for office real estate.

The lease contract with AkzoNobel has a fifteen-year term.

FARSTA CENTRUM – STOCKHOLM

In Farsta Centrum, we have an agreement with ICA Sverige AB for the construction of a 3,300 m² new build for a new ICA Kvantum store. The store will be built on Karländaplan, a part of Farsta Centrum currently used for outdoor parking. The new building will be linked to the existing stores in the retail centre and the project entails the construction not only of the retail area but of a garage with approximately 160 parking spaces underneath ICA Kvantum.

The amendment to the detailed development plan gained legal force in January 2013. Construction will start in the first quarter of 2013 and the ICA Kvantum store is scheduled to open in the summer of 2014.

The new ICA Kvantum store will strengthen Farsta Centrum's overall offering and meet the need for an efficient and rational high quality food store with generous opening hours and a wide product range.

AKZONOBEL OPERATIONS CENTRE, SICKLA

LETTING AREA	10,800 M ²
INVESTMENT	SEK 300 M
RENTAL VALUE EXCL. SURCHARGE	SEK 25 M
LETTING RATE	72%
COMPLETED	Q1 2014
ECO-CERTIFICATION	BREEAM



FARSTA CENTRUM, ICA KVANTUM, STOCKHOLM

LETTING AREA	3,300 M ²
INVESTMENT	SEK 100 M
LETTING RATE	100%
COMPLETED	Q2 2014



**KVARTERET NOD, KISTA**

LETTING AREA	27,000 M ²
INVESTMENT	SEK 800 M
RENTAL VALUE EXCL. SURCHARGE	SEK 62 M
LETTING RATE	41%
COMPLETED	Q3 2014
ECO-CERTIFICATION	BREEAM

KVARTERET NOD – KISTA

Atrium Ljungberg's construction of Kvarteret NOD in Kista, just to the north of Stockholm, continues. NOD specialises in information and communications technology (ICT) and will be a completely new meeting place for trade and industry, students, researchers, entrepreneurs and creative industries, where the focus is on cutting edge digital technology. The various disciplines will come together here and create an open, creative and dynamic arena with optimum preconditions for promoting ideas and innovation. The aim of NOD is to act as a bridge and catalyst between those who live, visit and work in Kista and to bring new businesses into Kista Science City with the capability of developing into tomorrow's world-leading companies.

NOD is strategically located at Kista Gård – between the older areas and the newly emergent Kista of tomorrow.

We have chosen to work with companies, organisations and operations that will help us realise this vision in a variety of different ways and we believe that this detailed methodology generates the preconditions necessary for high-level innovation and talent pool supply. By eco-certifying the building in accordance with

BREEAM, we have ensured that we take sustainable decisions at every stage in the process, from planning to the use our customers make of the building.

THE UNIVERSITY OF STOCKHOLM – A KEY TENANT

The decision to implement the project in a non-phased way was taken during the year and the project consequently comprises a total of 27,000 m² of letting area of which the University of Stockholm has signed up for 8,700 m² over a 10-year period. This is where one of the University's biggest departments, the Department of Computer and Systems Sciences (DSV), will conduct its educational and research activities.

NOD will also, in addition to the educational and research activities, include office environments for small and medium-sized companies in the ICT sector, along with public spaces with digital centres, cafés and restaurants. Contracts have also been signed during the year with the newly launched upper secondary school, SSIS (Stockholm Science & Innovation School), and Eatry, a new restaurant and café concept. The tenants will begin moving in in the summer of 2014.

A PROJECT PORTFOLIO FULL OF OPPORTUNITIES

ATRIUM LJUNGBERG'S PROJECT portfolio comprises ca. 250,000 m² of project area and approximately SEK 5 billion in investments. The presence of these potential development projects within our existing portfolio offers excellent potential for a continued high rate of production. Detailed development plans are already in place for some of the project areas, while changes to detailed development plans are required for other areas before construction can begin.

POTENTIAL DEVELOPMENT PROJECTS

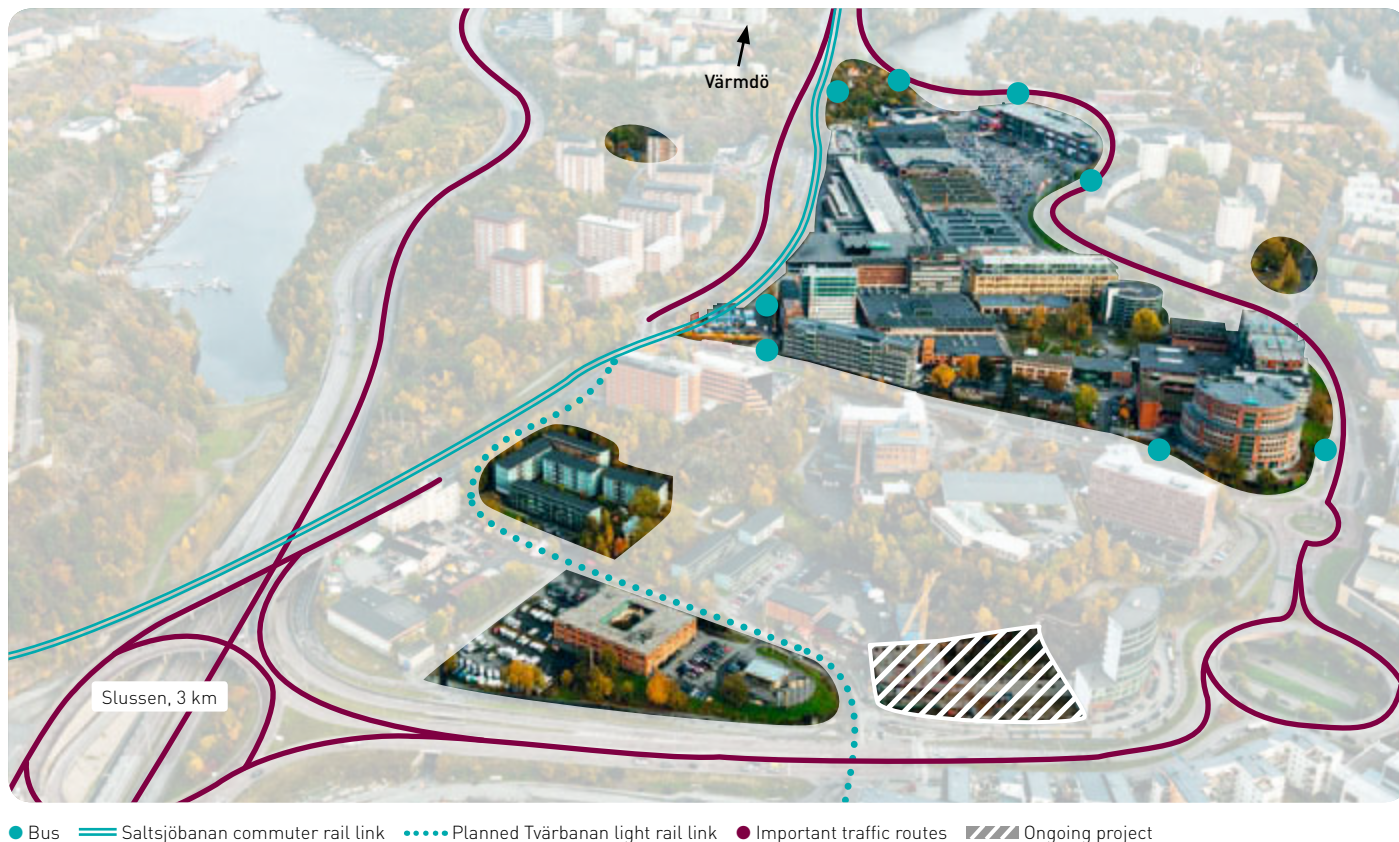
	Municipality	Premises type ¹⁾	Project area, m ² , GFA		Investment, SEK m
			Detailed development plan exists	Change to detailed development plan required	
Sickla	Nacka	Retail	10,000	5,000	
Sickla	Nacka	Offices	15,000	15,000	
Sickla	Nacka	Residential		57,000	
Gränby Köpstad (Brillinge)	Uppsala	Retail	50,000		
Gränby Centrum	Uppsala	Retail		25,000	
Mobilia	Malmö	Retail	15,000		
Port73	Haninge	Retail	8,000		
Hagastaden ²⁾	Stockholm	Offices	36,000		
Farsta Centrum	Stockholm	Retail	5,000		
Rotebro Handel	Sollentuna	Retail		10,000	
Total			139,000	112,000	5,000

¹⁾ Anticipated premises use may change and may include other elements.

²⁾ Refers to an early land reservation conditional on agreement being reached on the purchase price for the land and on the premises being filled in accordance with the vision of Hagastaden as a life science cluster. Valid for two years from the decision date. The investment includes the land acquisition.

“Our existing portfolio now includes potential development projects worth SEK 5 billion.”

Ingalill Berglund, Managing Director, Atrium Ljungberg.



EXTRA HOUSING AND WORKPLACES CREATE A DYNAMIC IN SICKLA

Over the past fifteen years, Sickla has gradually developed from a closed industrial area into an established and attractive city district. One of the goals of the Nacka local authority's overview plan is to create a dense and mixed urban area in the western Sicklaön area. The area shall be a natural part of Stockholm and shall offer a mixture of housing, workplaces, service facilities and attractive meeting places. Nacka's vigorous population growth, coupled with the investments planned in the vicinity of Sickla, generate considerable potential for us to continue with our successful development of the area.

DEVELOPMENT IN PARTNERSHIP WITH THE MUNICIPALITY

We are also able, over and above the construction projects currently in progress, to expand and develop Sickla by a further ca. 100,000 m². The next phase involves the plan to continue adding office workplaces to Sickla Affärskvarter, where the foundations have already been laid, and the development of communications in and around the area.

We have begun working in tandem with Nacka municipality on drawing up a development plan for the construction of housing in the eastern part of Sickla Köpkvarter. The ambition is to create 400-500 attractive apartments in the area, in waterside locations, and with good communications and proximity to a wide range of retail and service facilities. The area may subsequently be complemented with retail and service facilities in order to create an attractive urban environment.

Geographic location

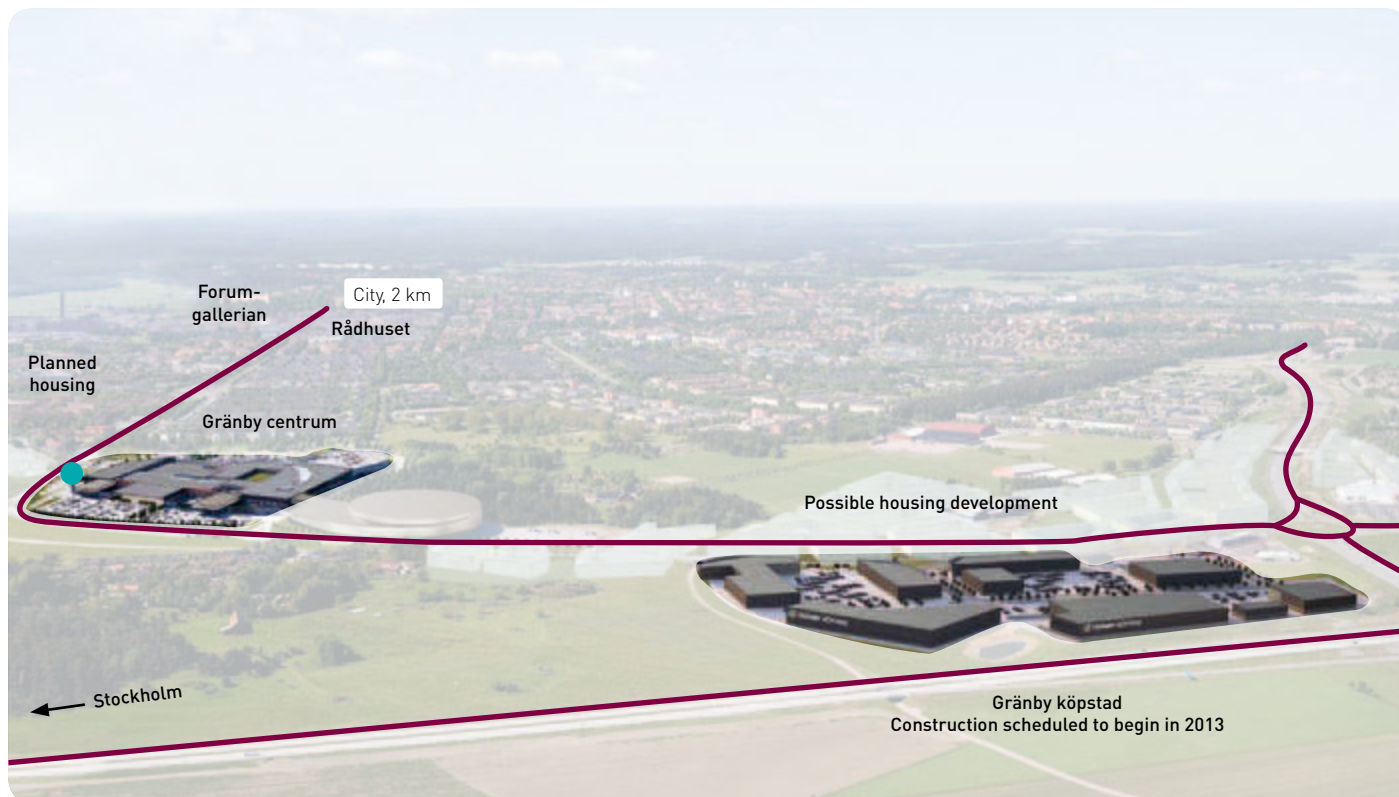
Sickla is located in south eastern Stockholm on the boundary between Stockholm and Nacka. Sickla is located close to Hammarby Sjöstad and the Södermalm district of Stockholm and is directly connected to the Värmdöleden highway, which is the cross-town route to Nacka and Värmdö, and to the Södra länken highway. Slussen is seven minutes away by public transport.

Population: Nacka municipality

Population of Nacka municipality: 93,000
The population is expected to grow by 23,000 by 2021, at which point it will total 116,000.

102,000

M² POTENTIAL PROJECT AREA IN SICKLA



● Bus ● Important traffic routes

GRÄNBY KÖPSTAD – UPPSALA’S NEW RETAIL HUB

Uppsala is, in terms of population, Sweden’s fourth biggest municipality and one of the fastest growing ones in Sweden. Uppsala is now counted – together with Stockholm, Gothenburg and Malmö – as one of Sweden’s major conurbations.

The Gränby city district, where Atrium Ljungberg owns Gränby Centrum and a large parcel of land, is currently undergoing substantial changes. Several housing projects building a total of ca. 7,000 new homes are either in progress or planned in the vicinity of Gränby Centrum and the parcel of land we own to the north of the centre. The municipality is also planning to establish a number of sports facilities in the area and it is likely that the Gränby city district will, in future, become fully integrated with the Uppsala city centre area.

GRÄNBY’S DEVELOPMENT POTENTIAL

Gränby Centrum is already a major retail hub, but it still has the scope for further development. We have the potential to expand Gränby Centrum by a further 25,000 m² and our long-term ambition is to introduce more retail and service facilities and new content in the form of entertainment and culture facilities.

We are also planning a new retail park, Gränby Köpstad, to be sited on our parcel of land to the north of Gränby Centrum, alongside the northern off-ramp from the E4 motorway. We have the potential to build a further 50,000 m² of rational bulk retail space in Gränby Köpstad and construction of the first phase, comprising ca. 15,000 m² is scheduled to begin in 2013 and be completed by the autumn of 2014.

With a single, long-term and big picture owner, and with a uniform design for the site, Gränby Köpstad will stand out from other external retail hubs in Uppsala.

Geographic location

Gränby Centrum and Gränby Köpstad are located in the Gränby city district of eastern Uppsala, close to the on-ramp to the new E4 motorway. The distance from Gränby Centrum to Uppsala city centre is 2 km.

Population: Uppsala municipality

Population of Uppsala municipality: 203,000

The population is expected to grow by 21,000 by 2020, at which point it will total 224,000.

50,000

M² POTENTIAL PROJECT AREA IN GRÄNBY KÖPSTAD

25,000

M² POTENTIAL PROJECT AREA IN GRÄNBY CENTRUM



● Bus ● Important traffic routes ▨ Ongoing project

EVERY POSSIBILITY OF DEVELOPING MOBILIA

The entire Öresund region, of which Malmö is an important part, is a strong growth region with a population of ca. 3.6 million. Vigorous population growth over the past decade has resulted in a positive purchasing power trend in the region and we see Malmö as an important market in which there is every possibility of continued development for Mobilia.

MOBILIA MERGING WITH THE CITY

Our transformation of Mobilia is coinciding with an increase in the density of the area around Mobilia as a result of the activities of other parties in the form, for example, of new residential areas and the development of the medical research park, Medeon, and the university hospital, UMAS. Mobilia is gradually becoming a more natural component of Malmö's city centre district.

We have approximately 15,000 m² in additional project possibilities in the area, over and above our ongoing projects in Mobilia which will be completed in 2013 and 2014. Our ambition is to continue the development of Mobilia into a complete city district and we are planning to create both retail and service facilities in the potential project area.

Our plans for Mobilia are closely integrated with the City of Malmö's plans for developing the area, increasing its density, and improving the infrastructure for pedestrians, cyclists and public transport users.

Geographic location

Mobilia is located in Malmö's southern city centre district, only 4km from the city of Malmö itself. Mobilia is surrounded by Malmö's most important cross-town routes: Trelleborgsvägen, Ystadsvägen and Stadiongatan.

Population: Malmö municipality

Population of Malmö municipality: 307,000
The population is expected to grow by 36,000 by 2020, at which point it will total 343,000.

15,000

M² POTENTIAL PROJECT AREA IN MOBILIA



EXTENSIVE INVOLVEMENT IN THE CITY'S VISION FOR FARSTA

Farsta Centrum has historically always been – and still is – a strong retail hub and an important meeting place for residents and workers alike. It has a well-developed infrastructure, with underground and commuter train stations, bus traffic and links to the Nynäsvägen cross-town route. The regional catchment area extends across five different municipalities and also covers a large part of southern Greater Stockholm.

The City of Stockholm's overview plan highlights Farsta as one of the city's focal points and most important meeting places. Our ambition, when it comes to Farsta Centrum, is very much in line with the overall vision and development work for Farsta, where we also have a high level of involvement and work in close cooperation with the City of Stockholm and other stakeholders.

FARSTA CENTRUM'S OFFERING EXPANDS

We completed a substantial reconstruction and extension of Farsta Centrum in 2009 and 2010. In 2013, we will be continuing this development work by building a new ICA Kvantum store and a new garage adjacent to the new store. Find out more on page 41.

We have an additional 5,000 m² project area available for development and our ambition is to continue to expand Farsta Centrum's offering of attractive retail and office milieus and to complement them with service and culture facilities.

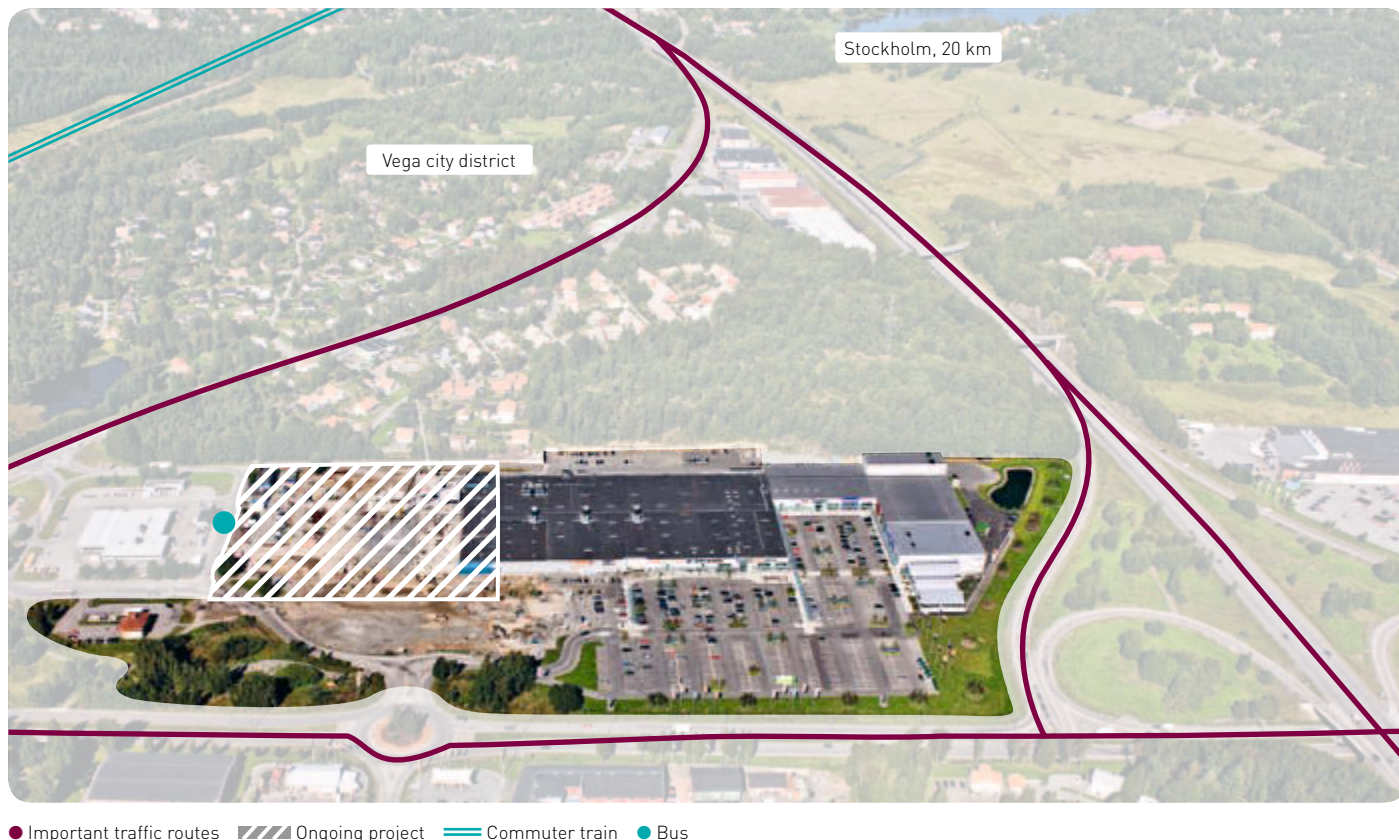
Geographic location

Farsta Centrum, in the city district of Farsta, is an important hub at the heart of the southern suburbs of Stockholm. It has a well-developed infrastructure, with underground and commuter train stations, bus traffic and links to the Nynäsvägen cross-town route.

Farsta is surrounded by Tyresö to the east, Haninge to the south, and Huddinge to the west. Stockholm's city centre area is 20 minutes away by public transport.

5,000

M² POTENTIAL PROJECT AREA IN FARSTA CENTRUM



STRATEGIC LOCATION IN GROWING HANINGE

Haninge, in southern Greater Stockholm, is a growth municipality where substantial investments in infrastructure are both ongoing and planned. Haninge has been highlighted as a regional core in the Greater Stockholm region's development plan (RUFs).

The location of Port73 is an important hub in southern Greater Stockholm. The extension of the motorway out to Nynäshamn has cut the distance to Stockholm considerably and the planned new commuter train station in the Vega city district will make the area even more accessible. The massive urban development project for the Vega city district, which will create ca. 10,000 new homes there, has now begun and is scheduled for completion within a ten-year period. These investments, coupled with the proximity to the Stockholm archipelago, forests and countryside, bode well for a substantial population growth in the region over the next few years and a consequent increase in demand for retail and service facilities.

PORT73 – OUR FIFTH REGIONAL RETAIL HUB

We are planning to continue our investment in Port73 once the ongoing expansion project is completed. A detailed development plan exists for a further 8,000 m² of retail space and our ambition is to quickly develop Port73 into our fifth regional retail hub.

Geographic location

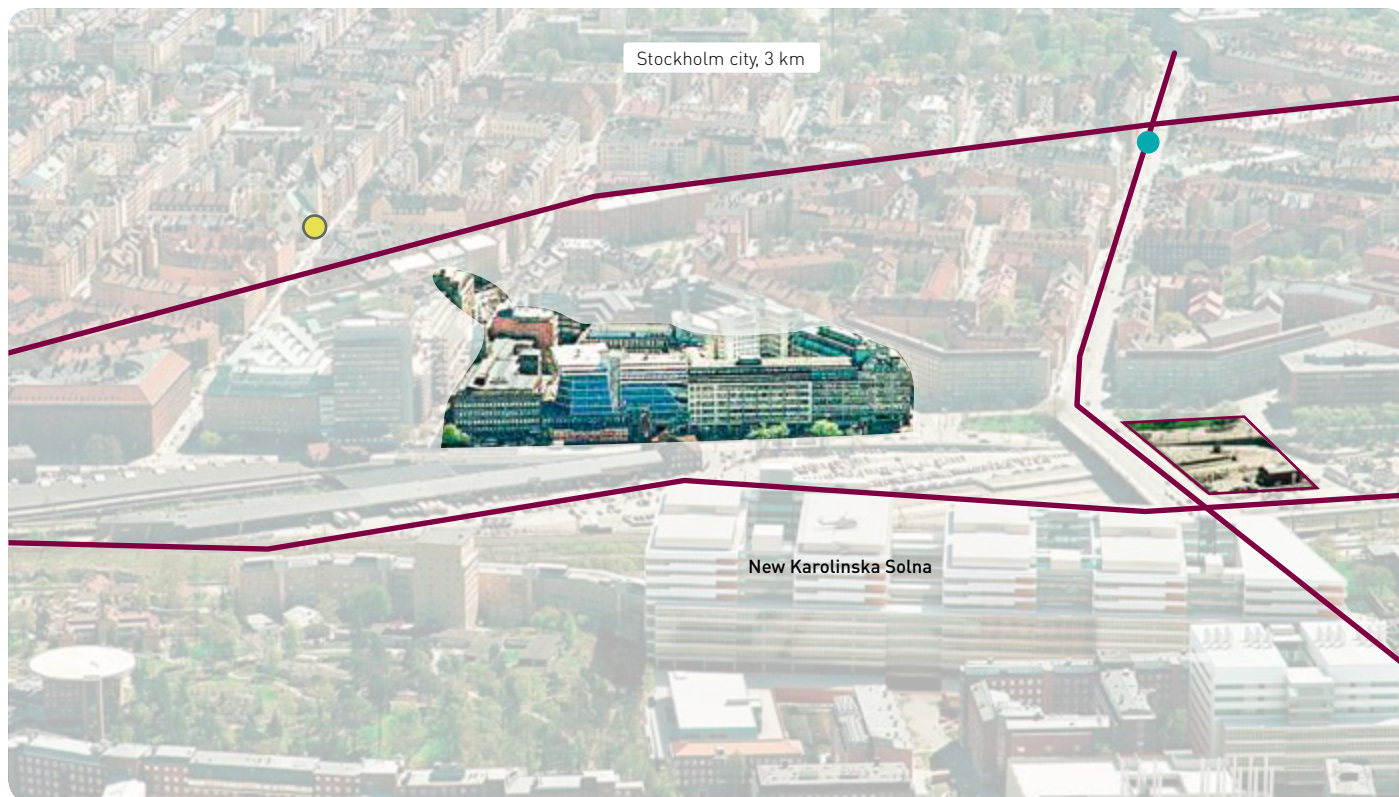
Port73 in Haninge is located at the intersection between route 73 (Nynäsvägen) and the Gudöbroleden cross-town link between Haninge, Tyresö and Nacka.

Population: Haninge municipality

Population of Haninge municipality: 79,500
The population is expected to grow by 8,500 by 2021, at which point it will total 88,000.

8,000

M² POTENTIAL PROJECT AREA IN PORT73



● Underground ● Planned commuter train station ● Important traffic routes ○ Early land reservation

A LEADING PLAYER IN HAGASTADEN – STOCKHOLM'S HOTTEST AREA

One of Stockholm's biggest urban development projects ever is taking place in the Hagastaden area of northern Stockholm, which was formerly known as Norra station. The new city district is being transformed into a modern science city and a world-leading arena for life sciences.

The aim of the new city district is to create synergy effects between the hospital, the research facilities, and trade and industry. Space will be made here for 50,000 workplaces, 5,000 homes, service and cultural facilities, and restaurants and parks in an investment totalling approximately SEK 60 billion. There is considerable interest in Hagastaden, not only in the corporate sector, but in the media and amongst the public.

BIGGER OFFICE

Atrium Ljungberg has owned and managed a large property portfolio in Hagastaden for some years now and the past year saw us further extend this portfolio through the acquisition of two properties. Hagastaden is one of our most prioritised office markets and we are keen to continue our development of office properties in the area.

In May 2012, we obtained an early land reservation for 36,000 m² GFA alongside Solnavägen. The land reservation decision is conditional upon an agreement being reached on the purchase price and on the premises being filled in accordance with the vision of Hagastaden as a life science cluster, and is valid for a period of two years from the decision date.

Geographic location

Hagastaden is located between the Vasastaden district and the Karolinska Hospital in northern Stockholm. The city district will link Stockholm with Solna through the new regional hospital, New Karolinska Solna (NKS).

36,000

M² GFA POTENTIAL PROJECT AREA
IN HAGASTADEN

RETAIL



FOOD AND SPORTS A PRIORITY IN A WEAK ECONOMIC CLIMATE

HAVING OPENED STRONGLY, the 2012 retail year as a whole was weak, growing by 2 per cent. Household consumption was restrained by the uncertain economic climate.

GROCERY RETAIL A WINNER

Low interest rates and inflation levels have boosted Swedish households' purchasing power, but the economic climate in the outside world has resulted in a simultaneous mood of restraint. The Swedish retail sector grew by 2 per cent in 2012, despite the Christmas trade having fallen, year-on-year, for the first time since 1995.

The grocery retail and restaurant sectors did, however, perform well during the year and restaurants and cafés have become an increasingly important fixture in Swedish retail centre environments. The footwear retail sector also performed well, and a clear health trend has seen sports retail in Sweden grow for a number of years in succession. Net sales fell in the electronics, furniture and DIY sectors during the year and in September, the home electronics chain, Expert, declared bankruptcy. Overall, the number of bankruptcies in the retail sector rose by 9 per cent in 2012.

CLEAR GEOGRAPHICAL PATTERNS

While different sectors enjoy different degrees of success across a business cycle, the regional and demographic patterns of the retail sector's performance are more predictable. Retail sector growth is driven, to a large extent, by population growth. Sweden's population growth is primarily occurring in Stockholm, Malmö och Uppsala.

Malmö has enjoyed substantially stronger growth in the retail sector than in the country as a whole since the new millennium began, and demand for retail space continues to be high. The new Emporia retail centre opened in the autumn and a number of other retail centres are

undergoing reconstruction and expansion. The market in Stockholm is more mature, but continued population growth is expected here too. The competition in the northern suburbs is stiff, but a number of new retail hubs are being planned there too. Population growth in Uppsala in recent years has gone hand in hand with a modernisation of existing retail hubs and the establishment of new ones.

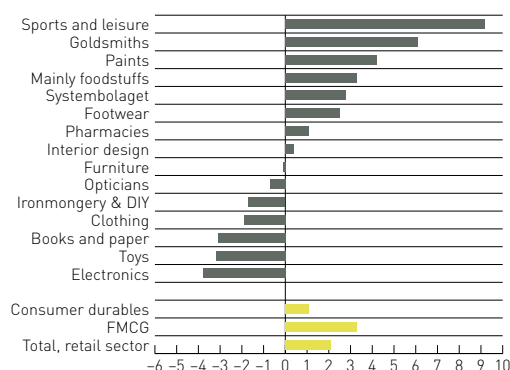
ONLINE RETAIL

Online retail has gone from strength to strength in recent years and now accounts for almost 6 per cent of all retail sales in Sweden. Online sales grew by 13 per cent in 2012 and now total approximately SEK 30 billion. This growth is expected to continue and online retail is becoming an increasingly important complement to in-store shopping. Managing the integration between these two formats is regarded as vital for success in the retail sector in future and a number of major retail chains have increased their investments in the online side of their operations during the year.

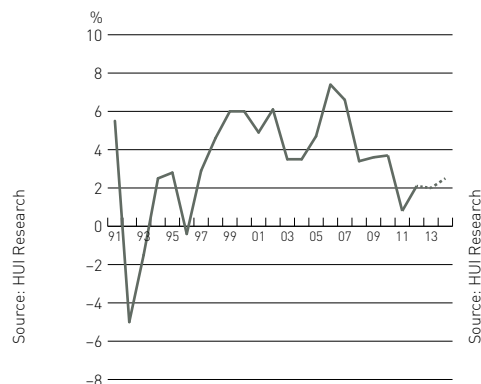
THE FUTURE

With signs of the increasing impact of problems in the euro zone on the Swedish market, the outlook for the retail sector in 2013 is weak. The economic turnaround is not likely to occur until the latter part of the year, and will consequently have a reduced impact on retail sector growth as a whole. HUI Research anticipates that the retail sector will grow by ca. 2 per cent in 2013.

THE RETAIL SECTOR'S PERFORMANCE IN 2012
IN COMPARISON WITH 2011 (CURRENT PRICES)



THE RETAIL SECTOR'S PERFORMANCE AND
FORECAST, 1991-2014 (CURRENT PRICES)





“By working with our tenants, we are continuing to make our retail hubs a little bit better every day.”

Mattias Celinder, Business Area Director Retail, Atrium Ljungberg

A LEADING RETAIL CENTRE OPERATOR IN THE SWEDISH MARKET

ATRIUM LJUNGBERG OWNS and operates successful retail hubs in strong locations in Stockholm, Uppsala and Malmö. By having our own personnel on site, we ensure day-to-day interaction with our tenants and that we can work together to continuously improve our facilities and areas.

Atrium Ljungberg is one of the leading retail centre sector operators in the Swedish market with in-depth expertise, extensive experience and a long tradition of owning and operating successful retail hubs. Our four regional retail hubs, Farsta Centrum, Sickla Köpkvarter, Gränby Centrum and Mobilia, are amongst the 15 biggest retail centres in Sweden, based on the stores' total net sales. When the third phase of Port73 is inaugurated in the autumn 2013, it will have grown to comprise forty or so stores and service operations and become our fifth major retail hub.

We also, in addition to our large retail centres, own and operate the PUB and Rådhuset department stores in Stockholm and Uppsala, respectively, and city shopping centres in Stockholm, Uppsala, Västerås and Östersund. We also own and operate the city district shopping centre, Orminge Centrum, in Nacka and two out-of-town retail hubs strategically located alongside major traffic routes in the Stockholm area, namely Västberga Handel and Rotebro Handel.

Wherever possible, we complement our retail hubs with other operations that help generate synergies between the retail, service, work, culture, housing and educational sectors.

With over 65 million visitors to our retail hubs every year, we have a substantial influence on both

individual people and society at large, at the same time as we and our operations are, to a very considerable extent, influenced by the same. We accept our social responsibility in dialogues with those affected by our operations, such as customers, visitors, local residents and local authorities, and we develop our areas from a long-term and sustainable perspective. Find out more about our corporate social responsibility work on pages 14–16.

Our retail hubs are constantly changing and developing in line with our customers' and the market's requirements. We implemented a number of major changes in 2012, such as the opening of the Rådhuset fashion department store in Uppsala and the inauguration of the second phase expansion of Port73 in Haninge. Uppsala acquired its first food court in the autumn with the completion of the third phase of work on Gränby Centrum. This coincided with the completion of work aimed at readying some parts of Mobilia for additional visitors.

It is thanks to our efforts of our employees who interact with our customers in the retail hubs on a daily basis that, in the autumn of 2012, Atrium Ljungberg was the proud recipient of the "Best Landlord 2012" prize as part of the NCSC (Nordic Council of Shopping Centers) Awards.

342,000

M² – RETAIL AREA

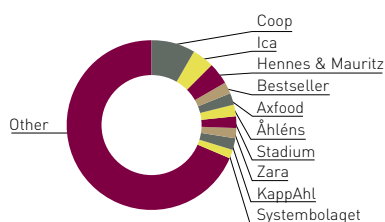
1,041

SEK M – RENTAL VALUE

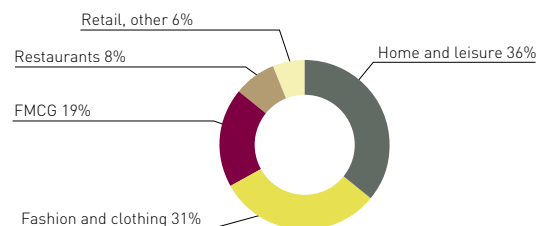
97





% – LETTING RATE

THE LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT



SECTOR BREAKDOWN, CONTRACTED ANNUAL RENT



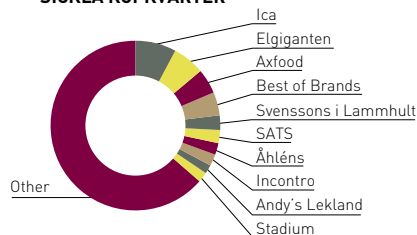
		KEY RATIOS	
	"On our block" Sickla Köp kvarter is an established meeting place with a strong urban soul and a busy street life. The offering and environment here are both characterised by diversity, variety and contrast, creating one of our most complete full-service environments with retail, cultural, service, workplace and educational facilities. www.sickla.se	Type of retail hub	Regional shopping centre
		Location	Nacka
		Retail letting area	76,700 m ²
		Stores and services	150
		Stores' net sales	SEK 2,800 million
		Visitors	14 million
		Parking spaces	2,600
		Rental value	SEK 231 million
	"A bit more personal" Farsta Centrum is a modern 50-year old with a unique 1960s style. With its extensive range of shops, workplaces, cultural centres, educational facilities, services and fitness and health care facilities, Farsta Centrum functions not only as one of Stockholm's biggest retail hubs, but as a major city district centre. www.farstacentrum.se	Type of retail hub	Regional shopping centre
		Location	Stockholm
		Retail letting area	54,600 m ²
		Stores and services	160
		Stores' net sales	SEK 2,200 million
		Visitors	14.4 million
		Parking spaces	1,700
		Rental value	SEK 188 million
	"More space for shopping" Gränby Centrum is Uppsala's only shopping centre with everything under one roof. The combination of accessibility, efficiency and the region's best opening hours make Gränby Centrum the county's leading regional retail hub. www.granbycentrum.se	Type of retail hub	Regional shopping centre
		Location	Uppsala
		Retail letting area	41,100 m ²
		Stores and services	97
		Stores' net sales	SEK 1,900 million
		Visitors	6.8 million
		Parking spaces	1,800
		Rental value	SEK 137 million
	"At the heart of Malmö and its residents" Mobilia has long been Malmö's most content-rich retail centre. A popular, authentic and convivial retail hub with a strong Malmö tradition has been developing here since the late 1960s. www.mobilia.se	Type of retail hub	Regional shopping centre
		Location	Malmö
		Retail letting area	37,900 m ²
		Stores and services	78
		Stores' net sales	SEK 1,400 million
		Visitors	7.9 million
		Parking spaces	1,200
		Rental value	SEK 108 million



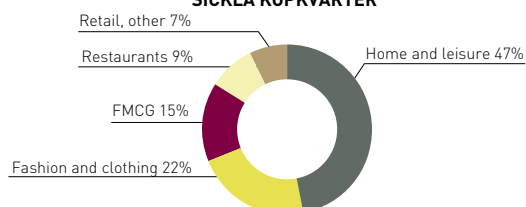
THE LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT

SECTOR BREAKDOWN, CONTRACTED ANNUAL RENT

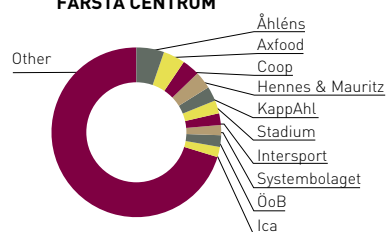
SICKLA KÖPKVARTER



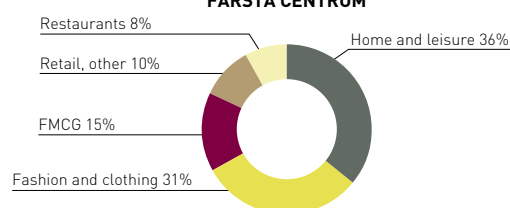
SICKLA KÖPKVARTER



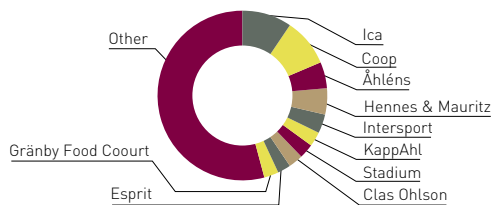
FARSTA CENTRUM



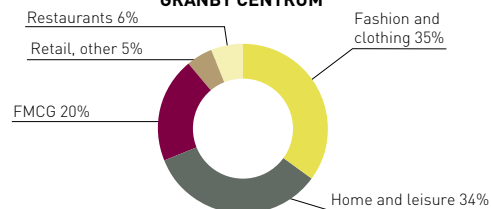
FARSTA CENTRUM



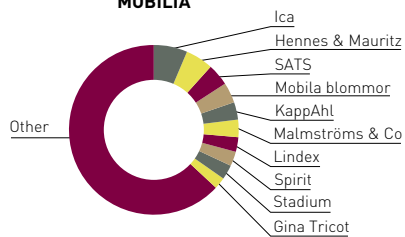
GRÄNBY CENTRUM



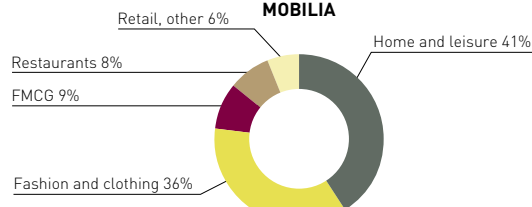
GRÄNBY CENTRUM




MOBILIA



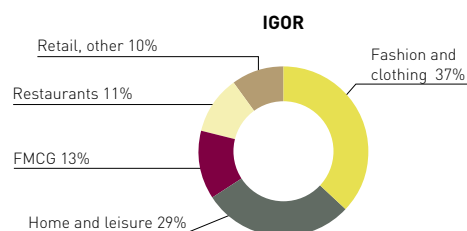
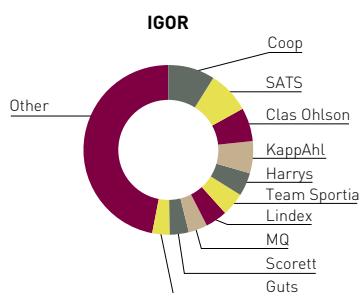
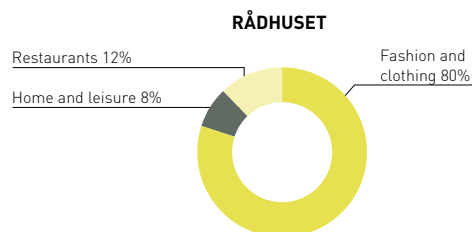
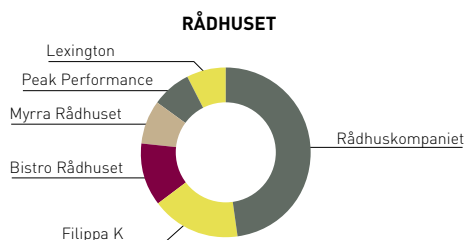
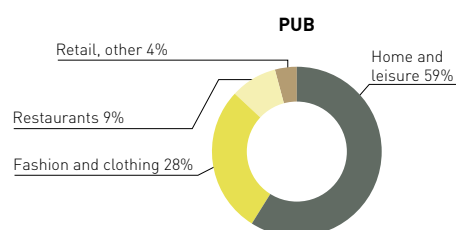
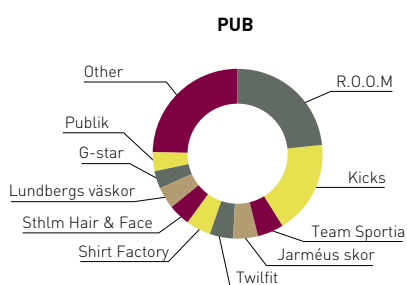
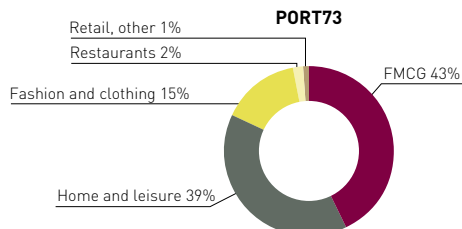
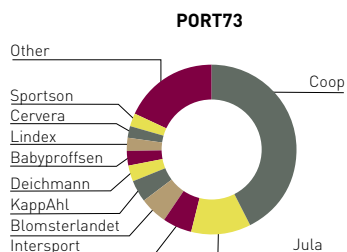
MOBILIA



		KEY RATIOS	
PORT 73 ■	<i>"Part of your day"</i> In Haninge, we have laid the foundations for our fifth regional retail hub in a classic retail area in the heart of the Södertörn district, combining rational bulk retail with the diversity and retail experience of a shopping centre. www.port73.se	Type of retail hub	Out-of-town
		Location	Haninge
		Retail letting area	26,100 m ²
		Stores and services	30
		Stores' net sales	SEK 700 million
		Visitors	2.6 million
		Parking spaces	1,000
		Rental value	SEK 50 million
PUB	<i>"Stockholm's oldest department store"</i> PUB was founded way back in 1882, making this the oldest department store in Sweden and an institution in Stockholm's city centre. PUB has undergone a major transformation in recent years, changing from a traditional retail hub to a department store with a heavy focus on selected fashion, décor and design. www.pub.se	Type of retail hub	Department store
		Location	Stockholm
		Retail letting area	8,300 m ²
		Stores and services	24
		Stores' net sales	SEK 300 million
		Visitors	2.9 million
		Rental value	SEK 42 million
 RÅDHUSET <small>STORA TORGET UPPSALA</small>	<i>"Where Uppsala meets"</i> Rådhuset (the old City Hall building) in Uppsala, which dates back to the 17th century, has been transformed into a fashion department store and has been fully open for business since March 2012, offering strong brand names in a unique environment. www.radhusetuppsala.se	Type of retail hub	Department store
		Location	Uppsala
		Retail letting area	2,500 m ²
		Stores and services	6
		Stores' net sales	SEK 60 million
		Visitors	370,000
		Rental value	SEK 9 million
 KVARTERET IGOR	<i>"A local big city"</i> Kvarteret Igor in Västerås is a shopping centre that has been completely renovated since 2010 and not only links the different parts of the town together, but also helps boost city-based retail in Västerås. Igor is now an inspirational destination with a strong focus on fashion. www.kvarteretigor.se	Type of retail hub	City shopping centre
		Location	Västerås
		Retail letting area	17,200 m ²
		Stores and services	43
		Stores' net sales	SEK 500 million
		Visitors	3.5 million
		Parking spaces	300
		Rental value	SEK 44 million

THE LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT



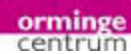
SECTOR BREAKDOWN, CONTRACTED ANNUAL RENT

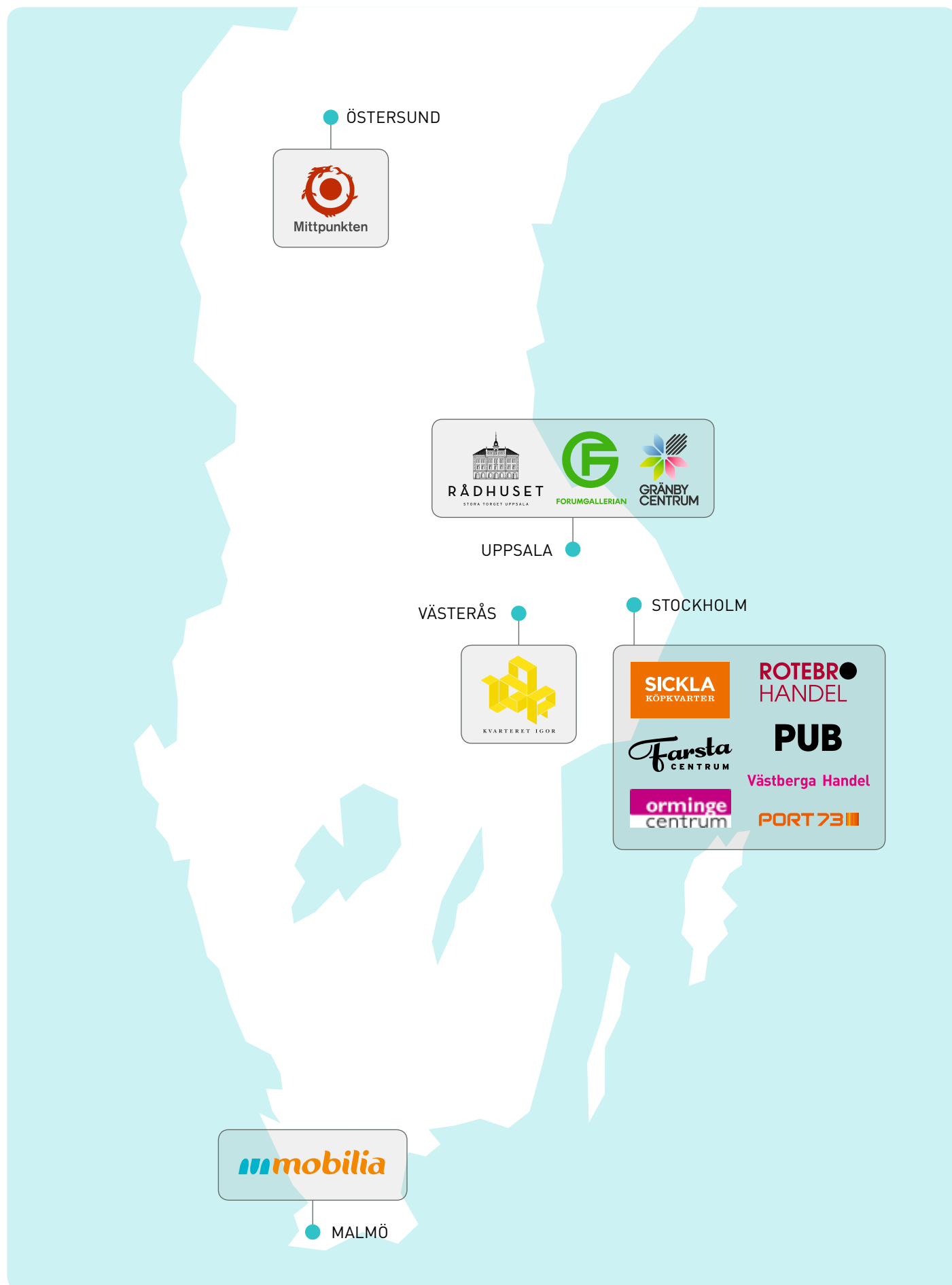




Atrium Ljungberg is one of Sweden's leading shopping centre operators with a long tradition and extensive experience of operating successful retail hubs.



		KEY RATIOS	
 FORUMGALLERIAN	<p><i>"Your city, your forum"</i></p> <p>Forumgallerian in the heart of Uppsala is a fashion destination with a modern, colourful mixture of stores. The focus is on a young, fashion-conscious target group.</p> <p>www.forumgallerian.se</p>	Type of retail hub	City shopping centre
		Location	Uppsala
		Retail letting area	10,400 m ²
		Stores and services	40
		Stores' net sales	SEK 368 million
		Visitors	6 million
		Rental value	SEK 40 million
Glashuset Drottninggatan	<p>Glashuset on Drottninggatan in Stockholm is a modern five-storey department store. Several of the fashion market's strongest players are gathered here under one roof in one of Stockholm's best locations.</p>	Type of retail hub	City shopping centre
		Location	Stockholm
		Retail letting area	6,300 m ²
		Stores and services	11
		Stores' net sales	SEK 200 million
		Rental value	SEK 38 million
 Mittpunkten	<p><i>"Fantastic shopping, seven days a week"</i></p> <p>Mittpunkten, with its diverse fashion and services offering, enjoys a strong position in Östersund.</p> <p>www.mittpunkten.net</p>	Type of retail hub	City shopping centre
		Location	Östersund
		Retail letting area	11,600 m ²
		Stores and services	21
		Stores' net sales	SEK 415 million
		Visitors	3,5 million
		Parking spaces	200
		Rental value	SEK 24 million
 orminge centrum	<p><i>"Your centre, on hand when it matters"</i></p> <p>Orminge Centrum in Nacka is a classic city district shopping centre with all the elements one would expect, such as goods, consumer durables and commercial and public services.</p> <p>www.ormingecentrum.se</p>	Type of retail hub	City district retail centre
		Location	Nacka
		Retail letting area	10,500 m ²
		Stores and services	26
		Stores' net sales	SEK 450 million
		Visitors	2,2 million
		Parking spaces	260
		Rental value	SEK 22 million
ROTEBRO HANDEL	<p>Rotebro Handel is a strong destination for FMCG retail, based on Coop, Willys and Systembolaget.</p>	Type of retail hub	Out-of-town
		Location	Sollentuna
		Retail letting area	19,800 m ²
		Stores and services	11
		Stores' net sales	SEK 612 million
		Parking spaces	600
		Rental value	SEK 32 million
Västberga Handel	<p>Västberga Handel offers a combination of attractive FMCG, consumer durables and bulk retail.</p>	Type of retail hub	Out-of-town
		Location	Stockholm
		Retail letting area	15,200 m ²
		Stores and services	5
		Stores' net sales	SEK 501 million
		Parking spaces	530
		Rental value	SEK 28 million





It is thanks to our efforts of our employees who interact with our customers in the retail hubs on a daily basis that, in the autumn of 2012, Atrium Ljungberg was the proud recipient of the "Best Landlord 2012" prize.





Gränby Centrum was one of three finalists in the "Retail Centre of the Year" category at the 2012 NCSC Awards.



*The former city council chamber is now Denim Library.
From the left: Michael Petterson, Rådhuskompaniet, Evalena
Engström, Atrium Ljungberg, Roger Kylberg, Rådhuskompaniet.*

CLOSE COLLABORATION THE KEY TO RÅDHUSET'S SUCCESS

The desire to create a new retail hub for strong brands in Uppsala was what brought Atrium Ljungberg together with Uppsala locals, Roger Kylberg and Michael Pettersson, the owners of Rådhuskompaniet, which is now a major tenant of Rådhuset in Uppsala.

Rådhuset was inaugurated at the end of February 2012 and attracted widespread attention, right from day one. It is mentioned as northern Europe's best shopping destination in several of the world's leading lifestyle magazines and industry people make study trips to see the prestige brands housed in one Uppsala's oldest and best known buildings.

"It's the combination of Atrium Ljungberg, the other tenants and ourselves that makes Rådhuset what it is today. Other people build to sell: Atrium Ljungberg builds to own. Working with a property owner who wants to do something sustainable in collaboration with us enables us to make better long-term choices," says Michael Pettersson.

YOU NEED AN INNATE FEEL FOR THINGS

When Atrium Ljungberg bought the old Rådhuset building in Uppsala, they knew what they wanted to create. And that they needed to do it in collaboration with others. Evalena Engström, Establishment Manager at Atrium Ljungberg had overall responsibility for realising the idea and filling the building with the right content.

"We wanted to create a commercial meeting place in this fantastic environment, filled with strong brands and a really good food and drinks concept. There was nothing else like it in Uppsala, and we saw the chance to do something unique thanks to the building's outstanding architecture and central location."

Atrium Ljungberg needed an operating partner and it was during the discussions with Roger Kylberg and Michael Pettersson, that the new Rådhuset began to take shape.

"We started with a conceptual and financial discussion. If you're going to create a top-rated department store, you need an operator with an innate feel for things. Roger Kylberg has worked successfully with department store concepts in several major Nordic cities and Michael Pettersson is a major local property owner, here in Uppsala. The combination was unbeatable," says Evalena Engström.

The partnership deepened over several years as the concept development, renovation and brand-related work progressed. The building's design manual was often at the heart of the discussions.

"The interaction with Atrium Ljungberg has worked really well. They don't get fixated on their solutions and are sensitive to our needs and interested in our views and ideas, even when they're outside the framework of the manual," says Michael Pettersson.

"We wanted to build tall cabinets in Denim Library – the old city council chamber – for example, where we've replaced the books on the shelves with denim fashion from all corners of the globe. There was no way to do this in line with the design manual. But we showed how it could be done, and we got our way," says Roger Kylberg.

WE CAN ALWAYS BE STRAIGHT WITH ONE ANOTHER

But despite the success, no one is resting on their laurels.

"Rådhuset has become what we wanted it to be, thanks to Rådhuskompaniet's concept, other fashion and interior design stores, and a good restaurant. But a concept like this is never over; you're constantly fine-tuning it. Which is why it's so important to have operators who

"When I walk past it at night and see the building lit up, my heart beats a little bit faster. Rådhuset makes me proud to live in Uppsala."

Roger Kylberg, Rådhuskompaniet

are constantly looking to progress things. They never stand still. It's a never-ending process of new discussions about changes and new requirements," says Evalena Engström.

"Ha ha, that's true! Yes, we're demanding. But we can always be straight with one another," says Roger Kylberg.

Roger Kylberg had a key to the Rådhuset building at a very early stage, even before the agreements had been signed.

"It was empty, the first time I was there. It was like a ghost house, with dust everywhere. But I could see the potential and I spent an enormous amount of time there trying to understand how the customer flows and concepts should be structured. I virtually slept in the building. What we have created together here at Rådhuset is simply incredible. The entire process has been made easier by the fact that both parties let things develop, that they let things take their time. Because things have to be allowed to take their time when you want to create something really special like Rådhuset," says Roger Kylberg.

OFFICES



The newly renovated premises of the auditing and consultancy company, PwC, in Blåstern 6, Hagastaden.

DEMAND SHOWS SIGNS OF EXPANSION

DEMAND FOR OFFICE premises in the Stockholm area has been high for many years, but in 2012, the uncertainty in the economy at large has been reflected in the “wait and see” approach taken by companies to leasing larger premises. And with increased cost-awareness, has come an increase in demand for areas outside the city centre.

ATTRACTIVE CLUSTERS

One trend that we have watched develop for a number of years now is the way in which areas outside the CBD (Central Business District) have increased their attractiveness by focusing on a particular sector and forming a so-called cluster.

Kista has long been known as an IT and telecoms area, and the relatively high percentage of vacant office premises notwithstanding (11.5%), confidence in the area remains high. Given the wide variation in the quality of premises available, the demand is good for high quality premises. This wide range of quality in the holding is reflected in the equally wide rent spread, with office rents ranging from SEK 1,600 to 2,600/m².

In 2012, Atrium Ljungberg began construction of Kvarteret Nod, where 27,000 m² of office space will be completed in 2014. A ten-year lease contract has already been signed with the University of Stockholm. Klövern's new office building for Ericsson is another example of the investments being made in Kista.

The biggest new build project in the Stockholm area in 2012 was the Hagastaden urban development project. With a clear focus on life sciences, the new university hospital, New Karolinska Solna, will be integrated into the emerging city district. Hagastaden as a whole will be completed by 2025, by which time the area will include 5,000 homes and 36,000 workplaces.

Office rents in Hagastaden are currently between SEK 1,800-2,800/m², but with the widespread interest from both the media and prospective tenants, these levels are expected to rise rapidly and a pronounced fall in the number of vacancies was noted during the year.

Viewed over a fifteen-year period, the Södermalm district has made a remarkable journey from a commercial perspective. The standard of office properties has improved and many office buildings have undergone extensive renovation work. Rents currently start at SEK 2,200/m² and rise to a peak of around SEK 4,000/m², and demand levels continue to be high. The just over 700,000 m² of office space in the district currently has a vacancy level of just under 4 per cent.

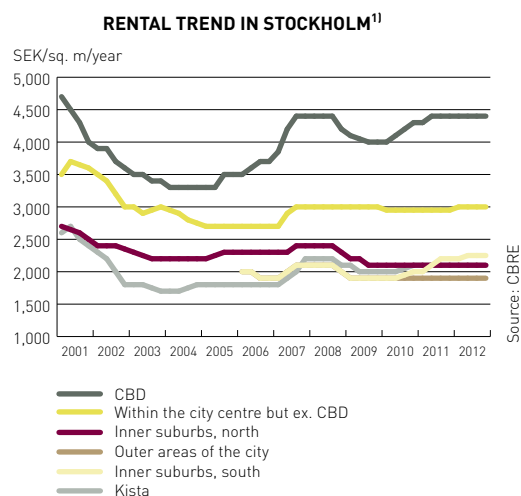
DEMAND CHARACTERISED BY INCREASED AWARENESS

The most important parameters for office tenants in Stockholm are that the premises are flexible and space-efficient, and that they have a good location. Great emphasis is placed on good communications, with priority given to proximity to underground stations. Eco-classification and high sustainability standards are becoming increasingly important, too.

Tenants' demands have acted as the driving force behind the upgrading of office spaces' technical standards in the Stockholm area in recent years. These demands have resulted in more efficient electricity and ventilation systems, fresher interiors – and in smarter layouts, in that 80 per cent of potential tenants nowadays want open-plan office landscapes.

THE FUTURE

Low vacancy levels for office space in the Stockholm area notwithstanding, the instability of the economic forecast for the outside world means that the next few years will be uncertain ones. Vacancy levels for office space are expected to remain at relatively stable levels in 2013, and to then start to rise in early 2014.



¹⁾ The average rent for very good premises in the best locations.



“Our tenants can feel secure with us.
We offer a content, a service.
Not just square metres of floor space.”

Micael Averborg, Business Area Director Offices, Atrium Ljungberg

OFFICES IN STRATEGIC LOCATIONS IN STOCKHOLM

ATRIUM LJUNGBERG'S OFFICE properties are located in Stockholm's growth and development areas. Concentrating our portfolio on selected subsidiary markets enables us to be a leading operator in the respective areas and to offer active and customer-orientated management services.

Our office property portfolio is located in Hagastaden, Södermalm, Sickla, Kista and Farsta – markets with long-term strength in the most expansive locations in Stockholm. The units are large and unified, giving us the ability to play an active role in influencing development both inside and outside our own portfolio holdings. Our office properties include several well-known profile properties, with Glashuset at Slussen the best known.

We have a local management office staffed by our own decision-making personnel in every subsidiary market, enabling us to engage in a close and regular dialogue with our customers. We endeavour to establish long-term relationships with our tenants, and to offer them the opportunity to grow or downsize within our properties in line with their changing requirements. It is this combination of proximity and long-term approach that is one of the most important keys to our success, enabling us to predict our customers' needs and to ensure that development work is carried out on a collaborative basis over an extended period of time, with short decision-making pathways and rapid implementation times.

Several existing contracts have been successfully renegotiated during the year and a number of new lets agreed. The letting rate at the end of 2012 was 93 per cent, and in the Stockholm city centre, Södermalm and Hagastaden areas, our properties are almost fully let.

We are continuing to grow our office holdings, both in existing properties and through acquisitions. In 2012, Intrum Justitia moved in to their new head offices in Sickla Affärskvarter. The building will be the first of Atrium Ljungberg's buildings to be eco-certified in accordance with BREEAM. A number of tenants have also moved into the HK60 office block in the same area.

In early 2012, we acquired the remaining 50 per cent of the Blästern 13 office property in Hagastaden and at the end of the year, we also acquired the Härden 14 office property in the same area. These two acquisitions afford us the opportunity to be an even stronger operator in what is one of Stockholm's most important growth markets. In Kista, work continues on the construction of Kvarteret NOD – a new meeting place for creativity, innovation and growth in the ICT sector. Find out more about Kvarteret NOD on page 42.

273,000

M² – OFFICE SPACE

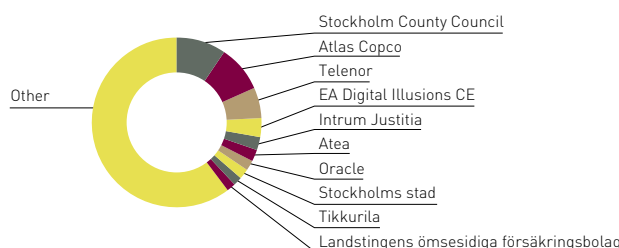
725

SEK M – RENTAL VALUE

93

% – LETTING RATE

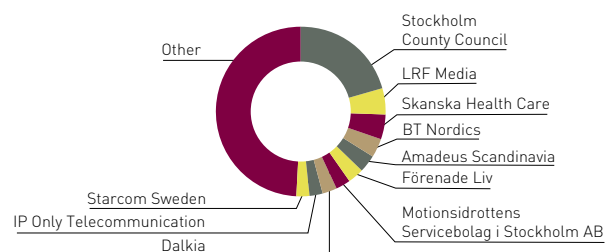
TEN LARGEST CUSTOMERS, OFFICES,
CONTRACTED ANNUAL RENT



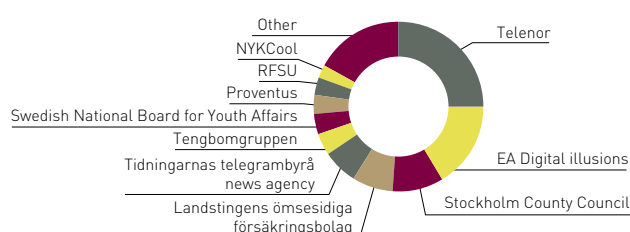
	DESCRIPTION	
HAGASTADEN	One of Stockholm's biggest ever development projects is currently taking place in Hagastaden, with an approved investment figure of ca. SEK 60 billion. Atrium Ljungberg has owned properties in the area since 1992 and has preserved and developed the beautiful industrial buildings dating back to the 1930s. The properties now comprise modern, functional office environments with high quality technical facilities. Tenants in this area include Danske Bank, PwC, Stockholm County Council's IT department, and one of Stockholm County Council's BUP clinics for paediatric and youth psychology. Several large new lets have been agreed during the year and our properties in Hagastaden are now almost fully let. New lets have been agreed with, amongst others, Friskis & Svettis Stockholm, who will be opening a large exercise facility and offices in the area in the early part of next year.	➤
SÖDERMALM	Södermalm continues to be a popular place for office establishment. We are well positioned here, with office properties in the best locations. One of Stockholm's best-known buildings, Glashuset, is located at Slussen and attracts many companies with strong brands. Our long-standing tenants in Glashuset include Tidningarnas Telegrambyrå, Tengbomgruppen and Telenor. Atrium Ljungberg also offers modern office premises in Söderhallarna at Medborgarplatsen, right at the heart of Södermalm's vibrant mix of people, retail outlets and restaurants, and adjacent to Medborgarplatsen, on Magnus Ladulåsgatan, we have light, functional office environments that offer proximity to good communications.	➤
SICKLA	Sickla Affärskvarter is the name given to the investment currently being made in creating more office workplaces in Sickla. Intrum Justitia has moved into its new head office during the year, and the reconstruction and extension of the HK60 office block was completed in late 2012/early 2013. Work on completing AkzoNobel's Swedish head office and a laboratory facility is in progress and the tenants are scheduled to move in in early 2014. Our goal, a few years down the line, is to have increased the number of workplaces in Sickla from ca. 4,500 to ca. 8,000.	➤
KISTA	Kista is a leading cluster for information and communication technology companies, researchers and educators – a vibrant science city with strong growth. Atrium Ljungberg's properties in the Ärvinge city district include both offices and housing and are home to international companies such as Oracle, Atea, Agilent Technologies, Ingram Micro and Huawei. Kvarteret NOD – a new, creative and dynamic meeting place for educational and research sector operators – is currently under construction at Kista Gård. Kvarteret NOD is scheduled to be ready for occupation in 2014. Find out more about NOD on page 40.	➤
FARSTA	Atrium Ljungberg owns office properties offering almost 29,000 m ² of space in Farsta, which has been described as one of Stockholm's most important meeting places in south eastern Stockholm. The City of Stockholm, the Swedish National Police Board, the Swedish Public Employment Service and SEB are just some of our tenants here. Farsta is also home to Hotspot Farsta, a flexible office and entrepreneurs' centre for new businesses. Our efforts to develop and create vibrant office environments in Farsta go hand in hand with the City of Stockholm's vision and development programme, "Focus Farsta", the aim of which is to make Farsta an exciting and competitive retail and meeting place.	➤

KEY RATIO

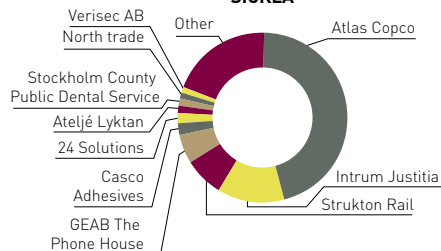
Office letting area	73,600 m ²
Rental value	SEK 205 M

LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT
HAGASTADEN


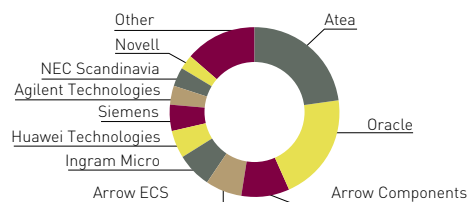
Office letting area	39,600 m ²
Rental value	SEK 136 M

SÖDERMALM


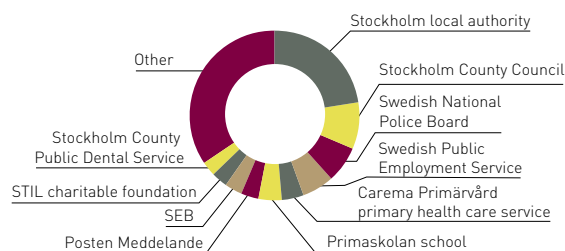
Office letting area	61,600 m ²
Rental value	SEK 144 M

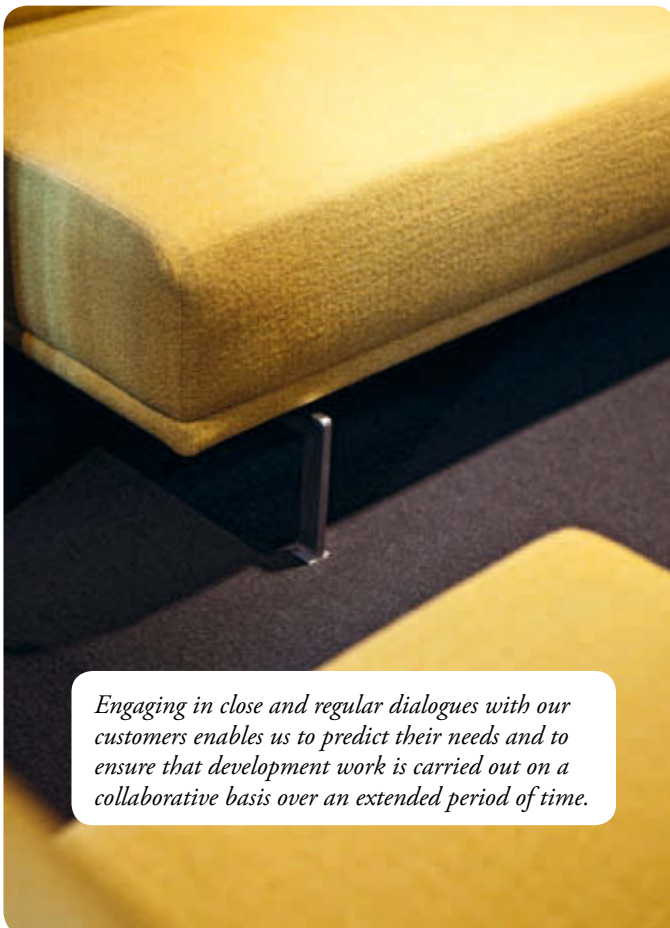
SICKLA


Office letting area	40,600 m ²
Rental value	SEK 84 M

KISTA


Office letting area	28,900 m ²
Rental value	SEK 52 M

FARSTA






ADDED COMMERCIAL VALUE THROUGH SHARED FUNCTIONS

Atrium Ljungberg's business development team and workspace specialists create totally new and substantially more efficient workplaces with both in-house and shared functions by working closely and in partnership with our customers.

It's in the coming together that ideas can grow into innovations. Which is why Atrium Ljungberg doesn't simply put up buildings. We build contexts and meeting places.

"Our entire concept is based on creating meeting places, so it's vital that we do our customer homework properly. We're currently, for example, in the process of building Kvarteret NOD in Kista – Sweden's number one meeting place for creativity, innovation and growth in the information and communication technology sector – so we need to bring all of the operators together in a single context and generate the conditions in which they can meet and get together," says Peter

"In practice, our Space Management model means making smarter use of your money."

Peter Johansson, business developer and workspace specialist at Atrium Ljungberg

Johansson, a business developer and workspace specialist at Atrium Ljungberg with extensive experience of change management processes at companies such as Ikea, Folksam, Scania, Atea and Atlas Copco.

It is by creating optimum conditions for customers to develop their businesses that Atrium Ljungberg simultaneously secures its own.

"Our customers trust us to take the journey alongside them and to adapt our solutions in line with their shifting operational requirements."

THE SPACE MANAGEMENT MODEL

The customer's own function and space – the core – are the foundation, but their operations will vary both over the course of the day and over an extended period of time.

"Which is why we work with something that we call Space Management, which is about having different reserves of shared functions".

The method is based on having different zones within and around the office: the personal zone, the working group's zone, the company's zone, and other companies' zones, all in the same context.

"Working with the Space Management model allows companies and organisations to use the premises as a tool for achieving their commercial goals in a completely new way," says Peter Johansson.

"In practice, it means less space for individual workplaces and less space for the shared tools, both within the company, in shared areas directly adjacent to and other neighbouring companies, and within those companies. Handling people's different requirements in different zones enables the company's own office space to be reduced while at the same time, increasing access to shared and partially shared functions."

SHARED FUNCTIONS IN ÄRVINGE 16.0

Atrium Ljungberg has used the Space Management model in the Ärvinge 16.0 premises in Kista, where a café, conference facility, partners' workplace hub, and the creative satellite office, HotSpot, welcome visitors to Atea, NEC, Novell och Middlepoint.

"Working with Space Management in this way, using own and shared spaces, offers a built-in flexibility that allows us to meet shifting requirements efficiently."

VIRTUAL TOOL FOR THE EXPERIENCE

Kvarteret NOD is currently a building site, but the building and the site can still be experienced as if work on them had been completed, thanks to Atrium Ljungberg's full-scale virtual visualisation tool.

"Breaking with tradition and taking a step forward into the workplaces of tomorrow is a big step. This is one of the tools we use to create an efficient change management process. It makes it easier for people to visualise what things will look like in practice and ensures that we are on the right track from day one," says Peter Johansson.

Our virtual visualisation tool enables us to develop and adapt premises and work environments at an early stage in the proceedings, working collaboratively with customers and partners.

From the left: Sofia Strandell, Atrium Ljungberg, Peter Johansson, Atrium Ljungberg, Robert Malmström, Univisual.





We have created a small-scale, low-rise garden city at Ärvinge in Kista.

ADDING HOMES MAKES AREAS VIBRANT

OUR TWO RESIDENTIAL areas are integral parts of the Ärvinge city district in Kista and of Mobilia in Malmö and we are keen to complement more of our areas with residential properties in the years ahead. We believe that it is this mix of operations and uses that creates vibrant meeting places.

Atrium Ljungberg's primary focus is on retail and office facilities, but our environments also include housing, cultural, service and educational facilities. We believe in combining operations that can benefit commercially from one another in order to create dynamic, full-service environments that are a vibrant place to be, whatever the time of day.

Housing is an increasingly important part of our strategy to create vibrant environments, in that it ensures that areas are populated, day and night, and thereby generate the preconditions to ensure that a location is precisely that – vibrant.

OUR RESIDENTIAL PROPERTIES IN KISTA AND MALMÖ

Our existing residential areas are located in Ärvinge, which comprises a discrete city district at the entrance to Kista, and in Malmö, adjacent to the Mobilia city district.

In Ärvinge, we have created a small-scale, low-rise garden city where the 435 tenant-occupier apartments are integrated with workplaces, restaurants and local service facilities.

In Mobilia, we have almost 200 rental apartments, forty or so of which have been built since 2009, and the remaining 160 or so which were renovated that year. We are also currently building a further two residential blocks in Mobilia that will house 70 or so rental apartments and which will be ready for occupation from late 2013.

NEW RESIDENTIAL AREAS IN FUTURE

Our property portfolio includes other parcels of land that would be suitable for residential development and we intend, in future, to build more housing in locations where it will provide a useful complement to our full-service environments.

630

APARTMENTS IN KISTA
AND MALMÖ

70

APARTMENTS UNDER
CONSTRUCTION IN MALMÖ

61

SEK M – RENTAL VALUE

TL Bygg has completed advanced extension work involving the merging of two existing buildings via a new entrance and stairwell at the Svenssons i Lammhults store in Sickla.



“We value long-term, close partnerships based on clarity and honesty.”

Johan Edlund, Managing Director, TL Bygg

TL BYGG BOOSTS OUR BUSINESS

A BIG PICTURE perspective and collaboration are fundamental components of Atrium Ljungberg's strategy. Atrium Ljungberg's wholly-owned subsidiary company, TL Bygg, increases our flexibility and the speed at which we can work and gives us greater control over construction projects. Working in partnership with the construction company enables us to expand our perspective to the benefit of customers and projects alike.

The roots of both TL Bygg, and some parts of Atrium Ljungberg's operations, lie in the construction and property company founded by Tage Ljungberg in 1946. The company's operations are based on a proud Master Builder tradition and on the professional expertise that Tage Ljungberg implemented within his company.

A FULL-SERVICE CONSTRUCTION COMPANY WITH EXTENSIVE EXPERTISE

TL Bygg primarily operates in the Greater Stockholm area and carries out all types of construction work. The operations are characterised by customised, customer-orientated solutions across the entire range from new builds, through reconstruction and building services, to "ROT" improvement work on residential properties. TL Bygg's main clients are state-owned companies, municipalities, county councils, insurance companies, property companies, and tenant-owner associations.

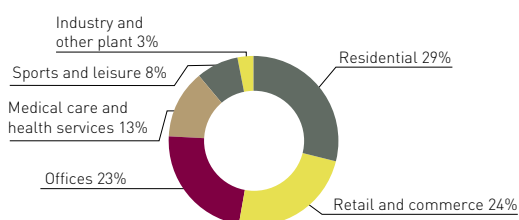
Approximately 40 per cent of TL Bygg's net sales in 2012 comprised work carried out on behalf of Atrium Ljungberg. The order book at the year-end totalled SEK 225 million.

TL Bygg's construction projects during the year have included a new preschool in Nacka, several pharmacies, office adaptation work on behalf of AMF and a civil defence shelter in Sickla. TL Bygg was also commissioned by Atrium Ljungberg to work on the extension of Rådhuset and Gränby Centrum in Uppsala. The company has also begun a new build project for a property at the Royal Institute of Technology (KTH) in Stockholm on behalf of Akademiska Hus and is also working on the Tele2 Arena for SGA Fastigheter, and has carried out a number of sliplining and plumbing replacement projects on behalf of Stockholmshem. Several of these projects will continue into 2013.

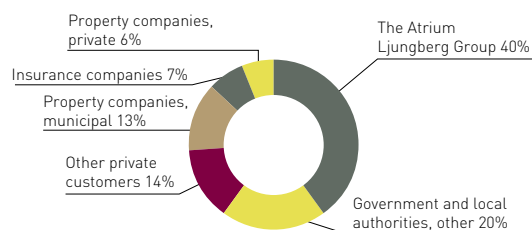
HEALTHY PROFITABILITY AND STRONG CORE VALUES

TL Bygg is a profitable company that continues to post healthy results across business cycles. The subsidiary's important and complementary expertise is of great value to Atrium Ljungberg, not least on complex projects where the partnership enables Atrium Ljungberg to react quickly and flexibly. Exercising control over and exerting influence throughout the building process

NET SALES PER TYPE OF CONTRACT



NET SALES PER CLIENT CATEGORY



enables Atrium Ljungberg, in partnership with TL Bygg, to generate added value for customers and principals alike.

For TL Bygg, the ownership structure ensures operational security and stability and offers the opportunity to focus on issues of long-term importance, such as HR and quality control issues. An ongoing dialogue between the companies encourages skill development and knowledge exchange.

TL Bygg values long-term, close partnerships based on loyalty, clarity and honesty. Repeat business is generally regarded as being more valuable than individual projects for new customers. The company's strong core values – a long-term approach, reliability, cooperation and commitment – permeate every aspect of the operations and are a contributory factor when it comes to establishing long-term customer and commercial relationships and ensuring repeat business.

IN-HOUSE PERSONNEL MEANS GREATER COMMITMENT AND HIGHER QUALITY

TL Bygg, like Atrium Ljungberg, endeavours to conduct its operations using its own personnel in order to ensure commitment, efficiency and quality. The company has in-house expertise in both construction and project management and in costing and purchasing and has invested, during the year, in providing additional training and skill development for both its administrative personnel and skilled craftsmen, several of whom have completed a comprehensive management and leadership programme.

TL Bygg is a member of the trade and employers' organisation, the Swedish Construction Federation, and supports its goals and visions for modern employee contracts, a sound construction industry, and safe workplaces.

Find out more at: www.tlbygg.se

IN BRIEF

BUILDING CONTRACTOR OPERATING PRIMARILY IN THE GREATER STOCKHOLM AREA

CERTIFIED IN ACCORDANCE WITH BFK9K – A PRODUCT CERTIFICATION SYSTEM FOR THE CONSTRUCTION INDUSTRY

NUMBER OF EMPLOYEES: 122 (32 ADMINISTRATIVE STAFF, 90 SKILLED CONSTRUCTION WORKERS)

NET SALES, 2012: SEK 378.5 MILLION

PROFIT AFTER NET FINANCIAL ITEMS, 2012: SEK 20.6 MILLION

ORDER BOOK AT 2012 YEAR-END: SEK 225 MILLION

MANAGING DIRECTOR: JOHAN EDLUND



SUMMARY OF INCOME STATEMENTS

SEK m	2012	2011	2010	2009	2008
Net sales, external clients	225.6	292.8	304.5	299.2	291.4
Net sales, Group companies	152.9	135.7	69.4	50.2	67.4
Net sales, total	378.5	428.5	373.9	349.4	358.8
Operating profit	19.5	32.3	30.9	33.5	31.4
Net financial items	1.1	0.8	0.9	0.0	1.1
Profit after net financial items	20.6	33.1	31.8	33.5	32.5
Number of employees	122	120	113	100	100



FINANCIAL REPORTS 2012

DIRECTORS' REPORT

THE BOARD OF Directors and the Managing Director of Atrium Ljungberg AB (publ.), company ID no. 556175-7047, hereby submit the annual accounts and the consolidated accounts for the 2012 financial year. The figures shown in parentheses refer to the preceding financial year. The Corporate Governance Statement is presented on pages 96–101.

OPERATIONS

Atrium Ljungberg is one of Sweden's largest listed property companies. We own, develop and manage properties, primarily for the retail and office sectors. The operations are conducted with a view to long-term ownership. We generate growth in value by developing and upgrading new and existing properties and development rights and by conducting active and customer-orientated property management. We manage and drive the entire commercial process in-house, which gives us an insight into and understanding of the big picture. Our development projects generate long-term returns.

FINANCIAL GOALS

Our objective is for the operating surplus to increase by 10 per cent per annum. A total of SEK 1 billion shall be invested in the Group's in-house development projects per annum and shall yield a return of 20 per cent for new builds and extensions. The operating surplus increased, year-on-year, by 11.8 per cent in 2012 and the company invested a total of SEK 1,512 million in its in-house development projects. Two new build and extension projects were completed during the year, comprising a total investment of SEK 255 million and generating a return of 17 per cent.

The financial goals for the Group also state that the equity/assets ratio shall be a minimum of 30 per cent and that the interest coverage ratio multiple shall be a minimum of 2.0. At the 2012 year-end, the equity/assets ratio was 40.3 per cent and the interest coverage ratio multiple was 2.6.

The dividend paid to shareholders shall comprise a minimum of 50 per cent of the profit before changes in value and after nominal tax. The proposed dividend for 2012 totals SEK 2.85 per share, corresponding to a dividend share of 68 per cent.

THE MARKET

The weak external economic performance had an increasingly substantial effect on the market as the year progressed. The Swedish economy grew by 1.2 per cent during the year and hence outperformed the other European economies.

Demand for office properties in the Stockholm area has remained high for some time

now and increased cost-consciousness resulted, during the year, in increased interest on the part of companies in areas outside the city centre.

Demand for office properties has remained good throughout 2012 in all of Atrium Ljungberg's office subsidiary markets. We have completed a number of new lets and successfully renegotiated existing lets in Hagastaden and Södermalm in Stockholm and in Sickla in Nacka, amongst other areas. Letting activities have been particularly successful in Hagastaden where our properties are now almost fully let. Rental levels within the office portfolio are stable and have even increased in some areas.

Low interest rates and inflation have boosted households' purchasing power, but they have also adopted a wait and see approach in response to the economic climate in the world at large. The retail sector reported a total growth rate of 2.0 per cent in Sweden in 2012 in spite of a year-on-year fall in sales during the Christmas period for the first time since 1995. The FMCG, sporting goods and footwear sectors have performed well during the year, as has the restaurant sector. Net sales in the electronics, furniture and DIY sectors, however, fell during the year.

Atrium Ljungberg's major retail hubs, namely Sickla Köp kvarter in Nacka and Farsta Centrum in Stockholm, Port73 in Haninge, Gränby Centrum in Uppsala and Mobilia in Malmö, have reported a combined year-on-year increase in net sales of 3.4 per cent. Net sales were affected by both ongoing and completed projects. Rental levels for Atrium Ljungberg's retail properties have remained stable during the year.

PROJECTS

Atrium Ljungberg's high rate of both development and investment has continued in 2012. The Group invested a total of SEK 1,512 million (SEK 1,050 m) in its in-house development projects during the year and acquired property for a total of SEK 895 million (SEK 379 m). Three major inaugurations took place in our retail areas during the year. The Rådhuset fashion department store in Uppsala opened at the end of February 2012. Rådhuset (the old City Hall

building), which is one of Uppsala's best-known and most prominent buildings, has undergone an extensive programme of reconstruction and extension over the past two years and the new Rådhuset now houses fifty or so high quality fashion labels, bars and cafés, and an interior design store.

The second phase expansion of Port73 in Haninge was completed at the end of March with the opening of three new stores. A further expansion comprising 10,400 m² of new retail space is currently in progress at Port73 and an FMCG chain will be amongst the new tenants opening a large new outlet here in the autumn of 2013.

A new 10,000 m² building was inaugurated at the end of September at Mobilia in Malmö, housing seven different types of business including stores, a gym, service facilities, and a restaurant. This inauguration means we are more than halfway to completing the huge transformation of Mobilia from a traditional retail centre to a city district. The grand opening will take place in September 2013 when forty or so businesses will open their doors for retail, service, health care and cultural activities. A new garage with approx 650 parking spaces will also be completed at this time. Two residential new builds are also currently under construction at Mobilia, housing 70 or so rental apartments that will be ready for occupation from the end of 2013.

Gränby Centrum in Uppsala continues to grow and September saw the completion of the third phase expansion in a very short space of time. One of the entrances has been relocated outwards and four new stores and a food court with five different food concepts and a café have opened for business. Gränby Centrum now comprises one hundred or so different stores, restaurants and service facilities.

On the office development project front, work on building AkzoNobel's new Swedish head office began in Sickla at the beginning of the year. AkzoNobel has contracted for 7,800 m² of the building's total letting area of 10,800 m² and the building is scheduled to be ready for occupation in early 2014.

In May, Atrium Ljungberg obtained an early land reservation for 36,000 m² GFA in the Hagastaden district of northern Stockholm. The de-

cision is conditional upon the purchase price of the land being agreed and on the premises being filled in accordance with the vision of Hagastaden as a life science cluster, and is valid for two years from the decision date.

Intrum Justitia's new head office in Sickla was completed in November and the company moved in to 6,000 m² of the building's total letting area of 7,400 m². A restaurant/deli/retail concept will open on the ground floor of the building in the spring of 2013.

The total renovation and extension of the HK60 office block in Sickla was completed. The property, which was built in the early 1960s, now comprises modern and distinguished, high quality offices. Four newly built, fully-glazed storeys and external fully-glazed lifts give HK60 a unique view out over Stockholm. Tenants began moving in towards the end of 2012 and occupation will successively continue throughout the spring of 2013. HK60 and Intrum Justitia's new head office, together with the newly inaugurated outdoor square, Hesselmans torg, are an important component of Sickla Affärskvarter.

Construction work continued in Kista on Kvarteret NOD, which will be a completely new meeting place for education, research, trade and industry, etc. The project comprises a total of 27,000 m² of letting area of which the University of Stockholm has contracted to let 8,700 m² for a ten-year period. Contracts have also been agreed with SSIS (the Stockholm Science & Innovation School) and with a restaurant and café operator. 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 achieve eco-certification for all of our major new builds, and we have opted to certify in accordance with the BREEAM environmental certification system. Eco-certification work is currently in progress for the four major new builds, namely the Intrum Justitia HQ, the AkzoNobel HQ, Mobilia phase 3, and Kvarteret Nod. The first certification process will be completed in the spring of 2013 and refers to Intrum Justitia's new head office in Sickla.

PROPERTY TRANSACTIONS

Atrium Ljungberg acquired the remaining 50 per cent of the Blåstern 13 property in the Hagastaden district of Stockholm in January for a purchase price of SEK 630 million. Atrium Ljungberg already owned 50 per cent of the property. The Härden 14 property, located directly adjacent to the company's existing portfolio in Hagastaden, was acquired in December. The purchase price was based on an underlying property value of SEK 227 million. These acquisitions mean that Atrium Ljungberg has now acquired a large parcel of land in the eastern part of Sickla, generating the potential for the further development of the area.

The Stormarknaden 1 property in Halmstad was sold during the year by means of the divestment of shares. The purchase price was based on a total property value of SEK 130 million and added SEK 48 million to the profit after tax.

PERSONNEL

Maintaining the talent pool is an important factor in the company's success, and the company consequently works in a structured manner with job descriptions, performance reviews, and following up of action plans, and with development programmes and leadership programmes with the aim of making the company a more attractive employer. The goal is to become one of Sweden's best workplaces in accordance with "Great Place to Work®".

In February 2012, Mattias Celinder took over as Director of Business Area Retail within Atrium Ljungberg and became a member of the company's management group. Mattias Celinder succeeded Kristina Johnson, who resigned her position in January.

EVENTS AFTER THE CLOSING DAY

Atrium Ljungberg has set up a programme to issue commercial papers with a framework amount of SEK 2 billion. The intention is to borrow SEK 1 billion under the terms of the programme during the first six months of 2013, half of which was issued in February. The company has also secured two lines of credit, totalling SEK 1 billion, and with terms of three and five years, respectively, as security for the programme.

An amendment to the detailed development plan for a new build on behalf of ICA Kvantum in Farsta Centrum gained legal force in January 2013. A garage with approximately 170 parking spaces is planned in addition to the retail floor space. Construction is scheduled to begin during the first quarter of 2013 and the ICA Kvantum outlet is scheduled to open in the spring of 2014.

Carola Lavén, Business Development Director and a member of the company's management group, announced at the end of February that she intends to resign her position with Atrium Ljungberg.

OUTLOOK FOR 2013

The growth in the Swedish economy slowed down at the end of 2012 and both layoffs and unemployment levels increased. The economic uncertainty in the outside world, particularly in the euro zone, continues. Swedish households and companies are both pessimistic about the future and both investment and consumption trends are expected to be weak in 2013. The Swedish National Institute of Economic Research anticipates a growth in GNP of 0.8 per cent in 2013 in comparison with the actual figure for the previous year of 1.2 per cent. HUI Research predicts that the combined growth in the retail sector in Sweden will total 2.0 per cent in 2013 – a figure that is on a par with that for 2012.

Atrium Ljungberg is well-positioned, however, as growth in the markets in which the company has a presence are stronger than the average for Sweden as a whole. We expect net sales in our retail hubs and rental levels for both retail and office premises to be stable in 2013.

The acquisitions made and properties completed during the year, together with the projects that will be completed in 2013, will generate increased rental income in the year ahead. The forecast profit before changes in value and tax in 2013 is SEK 790 million. The forecast net profit after tax is SEK 615 million, corresponding to SEK 4.73/share. Changes in value and any future property acquisitions and sales have not been taken into account in the forecast.

OPPORTUNITIES AND RISKS

ATRIUM LJUNGBERG'S PROPERTY portfolio is primarily focused on retail and office operations in the Swedish market, which means that we are exposed to the performance of the Swedish economy as a whole and, in particular, in the subsidiary markets in which we operate. The principal risk areas Atrium Ljungberg prioritises are the property valuation, project operations and financing, given the complexity of the calculations and the size of the amounts involved.

PROPERTY VALUES

Atrium Ljungberg reports property values at fair value in its accounts and a change in value consequently affects the company's profits. The cash flow is not, however, affected until the property is sold. The market value is calculated on the basis of the purchaser's yield requirement and the anticipated operating surplus of the individual properties. The yield requirement is determined by the risk-free interest rate and the unique risk inherent in each property. The anticipated operating surplus is the surplus that a potential purchaser is expected to be capable of achieving. The preconditions for a high operating surplus are, however, affected by the way in which Atrium Ljungberg manages to manage and develop its properties into attractive retail hubs and office environments that can be operated in a cost-effective way. The property management operations have an important part to play in this respect by developing long-term relationships with the tenants and ensuring that the properties maintain a high technical standard.

The yield requirement and operating net, and hence – indirectly – the market value, are also affected by external factors such as the economic climate and variations in the supply and demand balance in the local market. Atrium Ljungberg's strategy entails maintaining a presence in growth locations where the prerequisites exist for long-term growth. When analysing these subsidiary market, Atrium Ljungberg analyses the location, population growth, employment levels, general communications, and the competitive position. The markets in which we have a presence are, in our opinion, better equipped to cope with both economic upturns and downturns than the average market in Sweden. A change in the development of an area as a result of new detailed development plans is an additional factor and one that can have both a positive and a negative effect on market value as far as the company is concerned. The previously proposed and now abandoned detailed development plan for Slussen in

Stockholm, for example, was expected to have a significantly negative effect on market value and work is consequently now in progress with the aim of identifying solutions that will enable the transformation of Slussen and, at the same time, secure the value of the buildings there.

The property valuation work is carried out quarterly and we engage external valuation consultants in order to quality assure the valuation. A total of 51 per cent of the properties' values have been externally valued during 2012. The table below shows how the effects of different parameters impact the market value.

SENSITIVITY ANALYSIS, PROPERTY VALUATION

Value parameter	Assumption	Effect on value, SEK m
Rental level	+/- 10%	+/- 2,440
Operating cost	+/- SEK 50/m ²	-/+ 644
Yield requirement	+/- 0.25%	-1,020 /+1,120
Long-term vacancy rate	+/- 2%	-/+ 750

The changes in the value of properties also affects the company's key ratios and the following sensitivity analysis shows how Atrium Ljungberg's gearing ratio is affected by changes in value of +/- 10 %.

SENSITIVITY ANALYSIS, CHANGE IN VALUE

Properties	-10%	0	+10%
Change in value, SEK m	-2,458	0	2,458
Gearing ratio	53%	47%	43%

All of our properties are insured for their full value through Länsförsäkringar. Find out more about the property valuation on pages 23–24 and in Note 15.

INVESTMENTS AND PROJECTS

Property development through investments in in-house properties and development rights is very important in terms of Atrium Ljungberg's value growth. Our goal, in conjunction with new builds and extensions, is a return on the investment of 20 per cent. A potential risk exists, in conjunction with new builds, reconstructions

and extensions, that the customers' needs and expectations are not fulfilled or that the project will become more expensive, due to incorrect costing during the planning phase. The economic climate also affects the cost performance. There is also a risk of the construction process proving to be more complex than was originally anticipated or of the technical standard falling short of what is required.

In order to counter these risks, projects are conducted from the concept stage to completion using the company's in-house expertise, thereby ensuring that we have continuous direct contact with the customers, short decision-making pathways, a rapid and simple handover to the management team, and a big picture perspective that generates the potential for coming up with unique solutions. A steering group, comprising personnel from the business development, project management and management teams, is appointed for projects where the investment equals or exceeds SEK 20 million, and remains actively involved throughout the process. The steering group ensures that the project is conducted cost-effectively and that it meets customer demands. Investment follow-ups attended by the Chairman of the steering group, business developers, project managers, the CFO and project controllers, are held every quarter. Reports detailing the project's development and financial position are presented to the company management team and Board of Directors on a quarterly basis. The company applies its prudence concept to its investments and hence no investments are made without having secured a reasonable return by agreeing lease contracts or in combination with good conditions in the rental market.

All investment decisions where the sum to be invested exceeds SEK 20 million are taken by the Board of Directors. For sums of less than SEK 20 million, investment decisions are taken in accordance with the applicable approvals list within the company. Projects are insured during the construction period and with regard to guarantee undertakings after completion.

If long-term growth is to be maintained in the future, topping up the project portfolio as part of the ongoing search for new business opportunities is vital. SEK 1.4 billion currently remains to be invested in already approved projects and potential investments in the portfolio for which a detailed development plan already exists or must be changed total SEK 5 billion.

Properties are acquired primarily in order to acquire development rights and future development projects, or in order to gain strategic advantages. All acquisitions are made with a view

to long-term ownership and management of the properties.

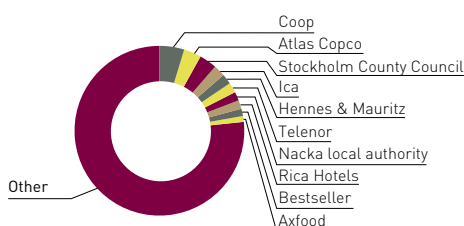
Access to financing is important in order to maintain the investment rate. See page 89 for descriptions of Atrium Ljungberg's financing and financial policy.

THE ENVIRONMENT

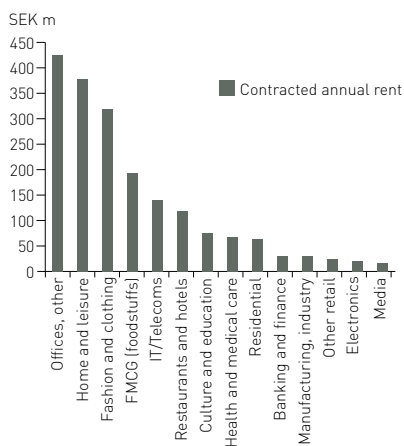
Under the provisions of the Swedish Environmental Code, the primary rule is that persons who pursue or have pursued an activity or taken a measure that is a contributory cause of the

pollution activity that has contributed to a contamination incident or to a serious case of environmental damage (the operator) shall be obliged to carry out investigations and to carry out or pay for after-treatment. The property owner can also, under certain circumstances, be secondarily liable. Atrium Ljungberg conducts surveys and screening work in conjunction with property acquisitions and ahead of new projects in order to identify any potential environmental risks. A plan is drawn up, where appropriate, detailing how these risks are to be

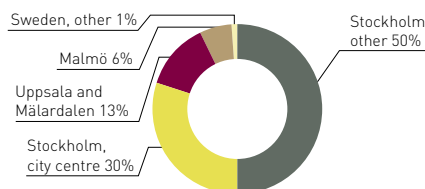
TEN LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT



CONTRACT BREAKDOWN BY SECTOR



CONTRACTED ANNUAL RENT BY REGION



LEASE CONTRACT TERMS, AS PER 31-12-2012

Matures (year)	Number of contracts	Contracted annual rent, SEK m	Contracted annual rent, %
2013	1,187	281	14.8
2014	395	287	15.1
2015	426	384	20.2
2016	172	231	12.1
2017	118	237	12.4
2018	39	144	7.6
2019 and later	86	280	14.7
Residential	645	61	3.2
Total	3,068	1,904	100.0

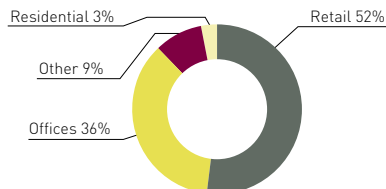
CONTRACTED RENTAL INCOME BY CONTRACT SIZE, AS PER 31-12-2012

SEK k	Number of contracts	Contracted rental income on a yearly basis, %
0-250	2,072	5.9
251-500	237	4.6
501-1,000	282	10.4
1,001-3,000	345	30.3
>3,001	132	48.8
Total	3,068	100.0

BAD DEBT LOSSES

SEK m	2012	2011	2010	2009	2008
	4.3	0.8	5.2	3.4	2.4

CONTRACTED ANNUAL RENT BY PREMISES TYPE



managed and the measures that can be taken to prevent or hinder any negative impact. This process also helps to identify opportunities and characteristics that may enhance the performance of the property.

RENTAL INCOME AND TENANT STRUCTURE

Atrium Ljungberg's rental income is affected by the economic performance in the subsidiary markets in which we operate and by how successfully we develop our retail hubs and office environments. Economic growth is assumed to result in increased demand for premises and to reductions in vacancies – a trend which, in turn, usually leads to higher market rents. A negative economic trend is assumed to result in the opposite effect.

Atrium Ljungberg had a total of 2,423 [2,269] commercial lease contracts at the year-end, with a large spread across terms and tenant composition in order to reduce the market risk. The annual rent for the biggest single contract accounts for less than 2 per cent of the company's rental income. The ten biggest customers account for 24 per cent of the rental income, spread over 80 separate establishments. The average remaining lease term in the contract portfolio was 3.6 years [3.9 yrs.] at the year-end, excluding residential.

Changes in market rents have a limited effect on rental income in the short term because the commercial lease contracts are usually signed for a term of 3 to 5 years. The contract terms differ between retail and office properties, in that contracts for retail properties are preferably signed for shorter periods of time – ca. 3 years – in order to generate a good variation in and adaptation of the offering in our retail hubs.

Notice of the termination of lease contracts can usually be given no later than nine months before the contract term expires, either for the renegotiation of contract terms or because the tenant wishes to vacate the premises. If no notice of termination is given, the contracts are generally extended by three years and on unchanged terms and conditions. A fixed rent with a net sales clause, whereby the tenant pays a surcharge on the rent, based on the tenant's net sales, is commonplace in lease contracts for retail space. In an economic upturn, this generates the potential for increased rental income while if the situation is reversed, the risk is limited by the fact that the tenant pays a fixed

minimum rent. The variable net sales surcharges in 2012 accounted for 0.9 per cent of the total rental income.

LETTING RATE

A change in the company's letting rate has a relatively rapid effect on income and the company's letting work is consequently conducted along strategic lines. The risk of high vacancy levels is reduced by maintaining a presence in strong subsidiary markets and by having close contact with the tenants and meeting their premises-related requirements in good time. The letting rate increased in 2012, primarily due to increased letting in Hagastaden and Farsta, and totalled 95 per cent [94%] at the year-end. A long-term vacancy level of between 2 and 3 per cent is deemed to be necessary in order to ensure our ability to meet customer requirements.

PROPERTY COSTS

Service charge-related costs, such as electricity, water, heating and operating costs in the form of cleaning, security, property tax and repairs, account for a large percentage of the property costs. These costs vary by season and are at their highest during Q1 and Q4 when heating costs and any snow clearance costs are at their highest. Some of the property costs are passed on to the tenant through regulation in the lease contracts and cost increases or savings consequently only have a limited impact on the company's results. Any vacancies that arise do, however, affect the result, not only in the form of lost rental income but in the form of costs that cannot be passed on to the tenant. We work purposefully, for the benefit of both our tenants and the company, to increase the efficiency of our consumption and procurement processes in order to limit both our costs increases and our environmental impact. Unforeseen damage and repairs can have a negative

effect on the company's results and are prevented by means of a long-term maintenance programme in order to maintain a good standard throughout the property portfolio.

Atrium Ljungberg has eleven leasehold properties. The leasehold agreements are usually renegotiated at 10 or 20 year intervals and the company's results may be affected in conjunction with the renegotiations. The total leasehold fee for 2012 was SEK 23.5 million. The maturity structure for current leasehold agreements is shown in Note 6.

CREDIT AND CURRENCY RISK

The term, credit risk, refers to the risk that our suppliers and customers will be unable to fulfil their delivery or payment obligations. Atrium Ljungberg's credit risks lie in the possibility that the tenants may be unable to fulfil their payment undertakings in accordance with applicable lease contracts. The tenant's economic situation and ability to pay the contracted rent is, therefore, evaluated by the respective market area, both when a new lease contract is signed and on a rolling basis throughout the rental term. The agreements are, where appropriate, complemented in conjunction with this evaluation with collateral pledged by the tenants in the form of deposits or bank guarantees corresponding to between 3 and 12 months' rent. The company held deposits and bank guarantees corresponding to SEK 21 million and SEK 30 million, respectively, at the year end.

Atrium Ljungberg has no income or financing in foreign currencies and only occasionally makes purchases in a foreign currency, and its currency risk exposure is consequently very small. Any currency effect from purchases is recognised in the Income Statement. A negative currency effect corresponding to SEK 0.2 million has arisen during the year in conjunction with a payment made in a foreign currency.

SENSITIVITY ANALYSIS, CASH FLOWS

	Change	Effect on profit, year 1, SEK m	Effect on profit, full year, SEK m
Rental income	+/- 5%	+/- 14	+/- 95
Property management costs	+/- 5%	-/+ 30	-/+ 30
Letting rate	+/- 1 percentage point	+/- 18	+/- 18
Atrium Ljungberg's average borrowing rate	+/- 1 percentage point	-/+ 20	-/+ 116

¹⁾ The effect on the profit in year 1 relates to the effect in the immediately subsequent year with reference to fixed terms in lease contracts and loan agreements.

FINANCING, INTEREST AND CASH FLOW

Access to financing for new build, reconstruction and extension projects and for the refinancing of existing loans on reasonable terms is an important and prioritised issue for Atrium Ljungberg. Atrium Ljungberg's low gearing ratio, strong key ratios, and good relationships with the banks all bode well for the company's potential access to new financing. This may, however, be affected by the performance of the capital markets in both Sweden and the outside world and the interest maturity structure has consequently been spread over different terms in order to limit the risk of severe fluctuations in interest expenses. Atrium Ljungberg's 2012 financial policy states that a maximum of 50 per cent of the financing requirement may be met by a single lender, in order to limit the financing risk. At the year-end, Atrium Ljungberg had credit agreements with 5 different lenders. See the Financing section on pages 88–90 for further information.

TAXES

Atrium Ljungberg may be affected by changes in tax legislation, such as the level of corporation tax, property tax or other amendments to tax legislation or the interpretation thereof, and the company's finance and accounts department consequently works continuously with the evaluation of changes to tax legislation and interpretations thereof.

In July 2010, the company received notice of an application to the Swedish Administrative Court for a review of whether the Swedish Tax Avoidance Act applies to a property transaction carried out in 2004. The Supreme Administrative Court pronounced judgement in the so-called "Cyprus" case during the year, ruling that the Swedish Tax Avoidance Act was applicable. The Cyprus case differs from the transaction carried out by Atrium Ljungberg, but provision has, nonetheless, been made for the entire tax demand of SEK 91.5 million and the estimated interest charges. The Administrative Court of Appeal may well rule on the case in the first half of 2013. Atrium Ljungberg has conducted an analysis of the Group's property transactions for the years from 2004 onwards during which no other similar transaction was identified.

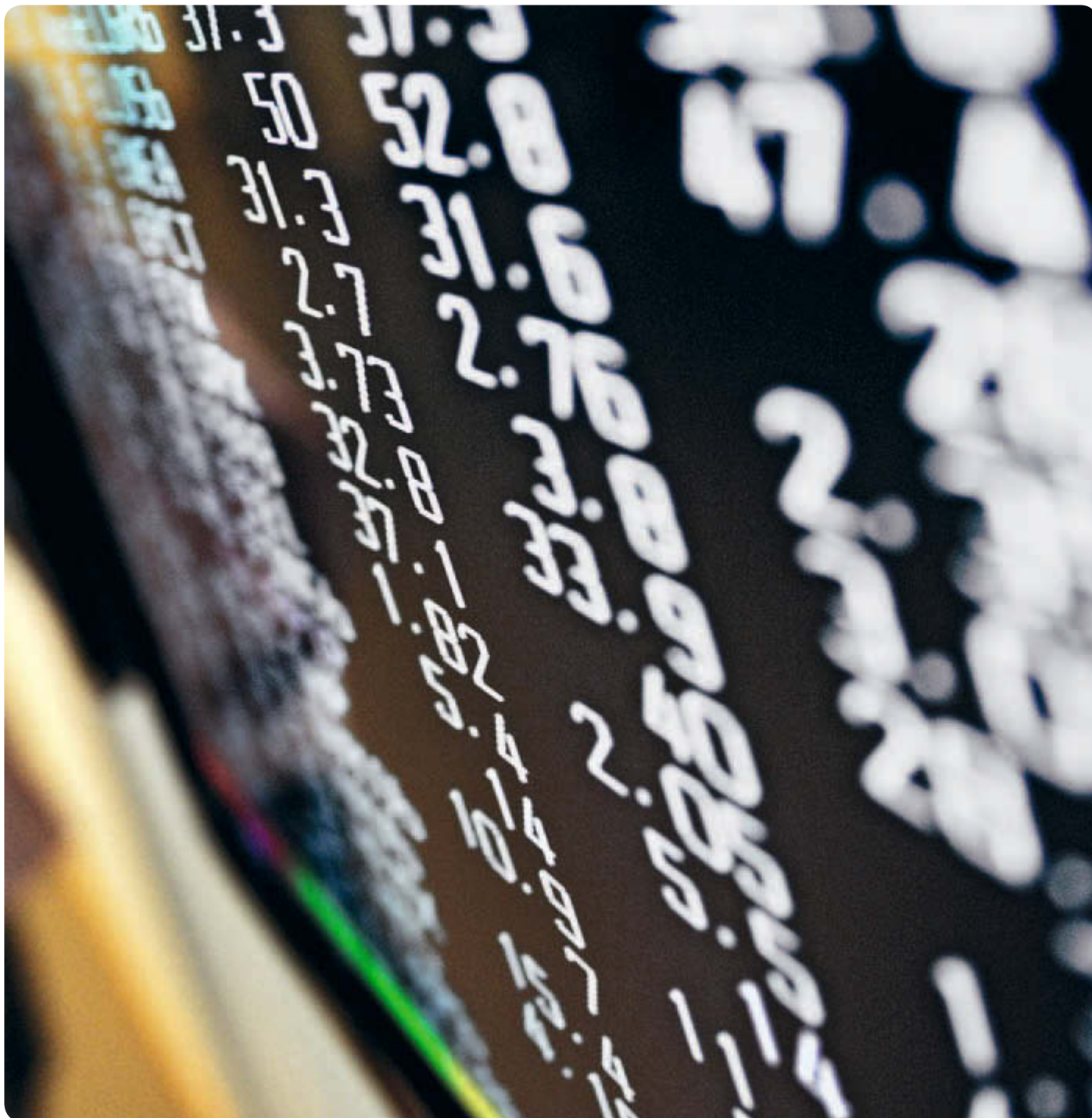
DEFERRED TAX

Current accounting regulations require deferred tax liabilities to be reported as if all property sales were taxed at 22 per cent. The current tax rate was adopted by Sweden's Parliament in December 2012 and came into force as of 1st January 2013. The effective tax burden is, however, lower as properties can be sold tax-free through the sale of shares in subsidiary companies. Assuming a deferred tax rate of 10 per cent for costing purposes, the deferred tax totals SEK 1,031 million, rather than the reported value of SEK 2,365 million, which would have a positive effect on shareholders' equity of SEK 1,334 million. See page 93 for additional calculations.

OTHER RISKS

The ability to retain skilled personnel and attract new skilled personnel as needed is an important prerequisite for Atrium Ljungberg's success and we consequently work in a structured way with values, building support for our objectives, monitoring performance, and development programmes for employees and managers. One of the company's stated goals is to become one of Sweden's best workplaces in accordance with "Great Place to Work®".

Risks that could result in the company incurring costs exist within the administrative sphere and may result from deficient routines and checking within processes and systems. We work continuously to evaluate and test our routines and work processes in order to limit these risks. The internal checks are complemented by external ones carried out by the company's chosen auditors and other experts. See pages 102–103 for further details of our internal checks.



“We are now listed on the Stockholm Stock Exchange’s Large Cap list, which is where you find all companies with a market capitalisation in excess of EUR 1 billion.”

Annica Ånäs, CFO, Atrium Ljungberg

GOOD ACCESS TO FINANCING

ATRIUM LJUNGBERG'S ASSETS are valued at SEK 25,467 million and are primarily financed by means of shareholders' equity and loan liabilities to banks. The operations are capital-intensive and access to capital and the choice of capital structure are, therefore, important in achieving the desired combination of financing cost relative to financial risk.

THE FINANCIAL MARKET IN 2012

The early part of 2012 was characterised by substantial uncertainty with regard both to the situation in the outside world and the performance by the Swedish economy, and the Riksbank consequently cut the repo rate by 0.25 percentage points to 1.5 per cent in February. The Swedish economy showed considerable resistance to the weak international trend during the first six months of the year and the banks' margins on loans remained stable throughout the first two quarters.

Growth levelled off during the summer and the outlook for the future seemed gloomy in the autumn, with rising numbers of layoffs and unemployment levels and the Riksbank cut the repo rate twice during the latter half of the year to a level of 1.0 per cent by the end of the year. The banks' credit margins declined slightly during the latter half of the year.

The 3-month STIBOR fell during the year beginning to fall in August from the level around 2.6 per cent noted at the beginning of 2012 to a level of around 1.3 during the final trading days of the year. Swap rates peaked in March when 10-year swaps were noted at around 2.7 per cent, but by the autumn, 10-year swaps had

reached historically low levels of just under 2 per cent.

THE FINANCIAL MARKET IN 2013

The majority of indicators suggest that Sweden is in the midst of a recession and most commentators expect a growth in GNP of around 1 per cent in 2013. The economy is suffering from weak foreign trade and low investments and household consumption is expected to be the primary motor for growth. The market expects even lower STIBOR rates in 2013, due to the weak state of the economy, and forward rates suggest levels around 1.5 per cent during the fourth quarter. Swap rates are expected to become slightly more expensive during the year but the high uncertainty levels mean that we are likely, as in 2012, to see substantial fluctuations.

FINANCING AND FINANCIAL POLICY

Property ownership is a capital-intensive sector, which often entails a range of financial risks. The primary risks are fluctuations in the profit and cash flow due to interest rate changes, along with refinancing risks and credit risks in association with contract renegotiations and investment vol-

umes, given the company's high investment rate of approximately SEK 1 billion per year. The financial operations are regulated by the company's financial policy, which is reviewed at least once a year and adopted by the Board of Directors.

CAPITAL STRUCTURE AND CAPITAL COMMITMENT

Atrium Ljungberg has shareholders' equity totalling SEK 10,225 million and liabilities totalling SEK 15,212 million, SEK 11,613 million of which refer to interest-bearing liabilities. The gearing ratio, i.e. the percentage of interest-bearing liabilities in relation to the value of the property holdings, is 47 per cent, which is a relatively low gearing ratio in comparison with those of other listed property companies (see diagram on page 90). Atrium Ljungberg's property ownership is a long-term commitment and long-term financing is hence required. Long-term capital commitment also reduces the refinancing risk. The remaining capital commitment period is 3.1 years in comparison with 2.5 years at the beginning of the year.

Atrium Ljungberg has an unutilised overdraft facility totalling SEK 300 million.

FINANCIAL POLICY, 2012

	Goal/Mandate	Result, 31-12-2012
Gearing ratio, individual properties	max 70%	70%
Gearing ratio, the Group	max 50%	47%
Percentage of interest falling due within 12 months	0-50%	28%
Percentage of loans falling due within 12 months	10-30%	19%
Currency risk, financing	Not permitted	None
Bank deposits	SEK 0-200 million	SEK 188 million
Unutilised overdraft facility	SEK 300-500 million	SEK 300 million
Number of financing providers	3-7	5
Loan volume with a single provider	max 50%	45%
Percentage of loan volume with the capital market	max 25%	0%

FINANCIAL GOALS

	Goal	Result, 31-12-2012
Equity/assets ratio	Min. 30%	40%
Interest coverage ratio	> Multiple of 2	Multiple of 2.6

CAPITAL STRUCTURE

SEK m	2012	2011
Shareholders' equity	10,255	9,541
Interest-bearing liabilities	11,613	9,721
Non-interest-bearing liabilities	1,234	1,301
Deferred tax liability	2,365	2,613
Total shareholders' equity and liabilities	25,467	23,176

CAPITAL COMMITMENT

Fixed term	Amount, SEK m	Percentage, %
2013	2,202	19
2014	1,954	17
2015	3,058	26
2016	2,635	23
2017	935	8
2018 and later	829	7
Total	11,613	100

FIXED INTEREST

Interest expenses are the biggest single cost item in the Income Statement. They are affected primarily by changes in market rates and the credit market preconditions that influence the margin required by lenders. Interest rates are fixed for a variety of terms in order to reduce the fluctuations in interest expenses. Atrium Ljungberg uses tools such as interest derivatives, which offer a flexible and cost-effective way of extending the interest term of the loans, in order to achieve the desired fixed interest periods. Low interest rates on long terms and fixed interest terms were exploited in 2012 and loans for a total of SEK 2.6 billion with terms of between 10 and 15 years were agreed. The average fixed interest term consequently increased from 3.1 years at the beginning of the year to 4.9 years at the year-end. Interest swaps have been entered into for a total value of SEK 7.7 billion with terms maturing between 2013

and 2027. The average credit margin for variable interest rates is spread over the period in time during which the derivative matures.

FINANCIAL INSTRUMENTS

Interest derivatives shall, in accordance with the accounting regulation, IAS 39, be valued at market rate, which means that an unrealised surplus or deficit value arises if the agreed interest rate deviates from the current market rate. Atrium Ljungberg ceased to apply hedge accounting, as of 1 January 2012, and unrealised surplus or deficit values are consequently recognised directly against the result. The unrealised change in value of financial instruments for the year totalled SEK -182.5 million (SEK 0.0 m) due to interest rates having fallen relative to swaps entered into. The book deficit value of the derivatives portfolio totalled SEK 363.7 million on 31 December. The hedging reserve that arose before hedge accounting

ceased to be applied is reversed linearly to Other comprehensive income in accordance with the terms of the respective derivatives.

COLLATERAL

Atrium Ljungberg's borrowing is only secured using mortgages on properties. The Parent Company also, as a complement thereto, sometimes issues a guarantee undertaking for the subsidiary companies' borrowing.

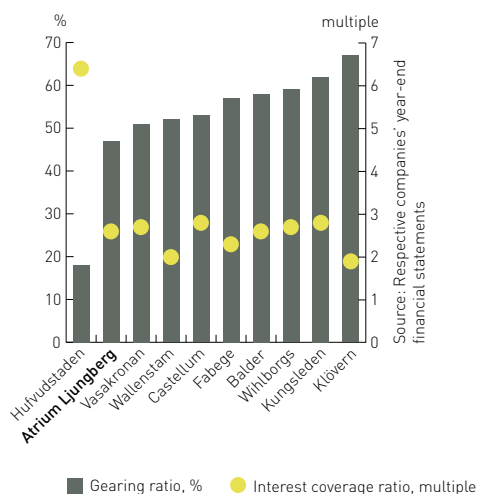
COVENANTS

The covenants, i.e. the terms imposed by the bank for granting credit, are similar in the various credit agreements. The agreements primarily prescribe a minimum interest coverage margin multiple of 1.30–1.75, a maximum gearing ratio of 65–75 per cent, and a minimum equity/assets ratio of 25–30 per cent. Parent Company guarantees are also used.

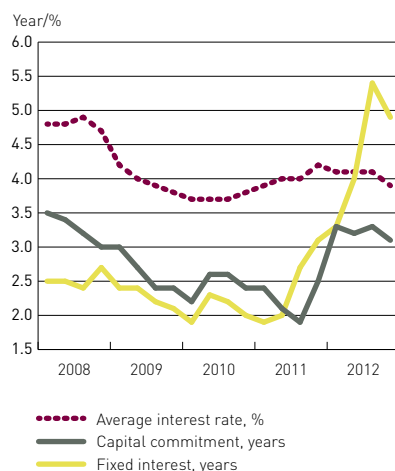
FIXED INTEREST

Fixed interest term	Amount, SEK m	Percentage, %	Average interest rate, %
Variable + 3-month STIBOR	1,067	9	2.8
2013	2,229	19	4.2
2014	640	6	4.5
2015	846	7	4.7
2016	1,185	10	3.7
2017	830	7	3.6
2018 and later	4,815	42	4.0
Total	11,613	100	3.9

GEARING RATIO AND INTEREST COVERAGE MARGIN



AVERAGE INTEREST RATES, CAPITAL COMMITMENT AND FIXED INTEREST TRENDS, 2007–2012



STABLE RETURNS AND GOOD VALUE GROWTH OVER TIME

AS A SHAREHOLDER in Atrium Ljungberg, you should receive a stable return at a low risk and, at the same time, enjoy the potential for a healthy total return on your investment in the light of the company's interesting project portfolio. The class B share (LJGRB) is listed on the NASDAQ OMX Stockholm AB's Large Cap index and the market capitalisation at the end of the year totalled SEK 11.6 billion.

THREE REASONS TO OWN SHARES IN ATRIUM LJUNGBERG

1

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.

2

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

3

Potential for good value growth

– With a planned investment rate of SEK 1 billion per year and a goal of 20 per cent returns on new build and extension projects, the company – and hence the share – has excellent potential for good value growth.

“Our long-term interest in Atrium Ljungberg is a logical consequence of our historic commitment to the development of retail hubs. The company is, furthermore, well run, with an interesting project portfolio and delivers good returns.”

Lars Ericson, CEO, the Stockholm Consumer Cooperative Society

“Our long-term ownership of Atrium Ljungberg represents over 60 years of running a family business. Over time, the company has always delivered a good return while at the same time, ensuring that the risks are – in my eyes – low and, above all, managed well by the company's management team.”

Johan Ljungberg, owner and Member of the Board

OWNERSHIP STRUCTURE

There were a total of 133,220,736 registered shares on 31 December 2012, of which 4,000,000 were class A shares and 129,220,736 were class B shares. Atrium Ljungberg's class B share is listed on the NASDAQ OMX Stockholm exchange. One class A share grants entitlement to ten votes and one class B share grants entitlement to one vote. The Articles of Association include a pre-emption clause with regard to class A shares whereby shareholders wishing to sell their shares must first offer them to other holders of class A shares. There is also

an agreement between the company's class A shareholders whereby if the pre-emption right is not exercised, the class A shares must be converted to class B shares before a transfer may occur. There were a total of 130,156,988 outstanding shares at the year-end, after the deduction made for 3,063,748 class B shares bought back by the Group. Bought-back shares do not grant entitlement to dividends or to exercise voting rights. The company had 1,664 shareholders at the year-end. 94 per cent of the ownership is based in Sweden, approximately 80 per cent of which is based in Stockholm County.

The ten biggest shareholders are shown in the table below.

MARKET CAPITALISATION AND LIQUIDITY

The share price at the year-end was SEK 87.00 (SEK 73.25), corresponding to a market capitalisation of SEK 11,590 million. Atrium Ljungberg is, therefore, the fourth largest listed property company. 7.9 million shares were traded during the year, corresponding on a yearly basis to a turnover rate of 6 per cent. Atrium Ljungberg has engaged Remium as a liquidity guarantor in order to improve the share's liquidity. Remium

MAJOR SHAREHOLDERS, 31-12-2012

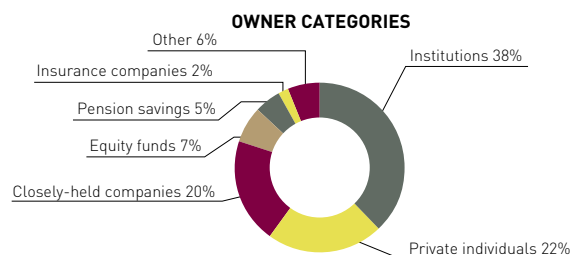
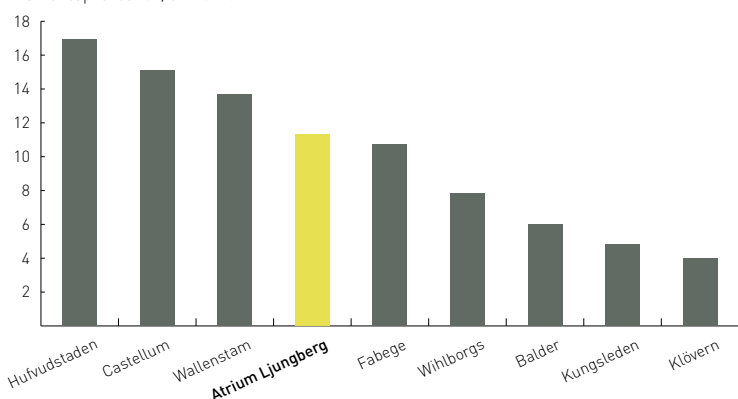
	Number ('000)		Percentage, %		
	Class A shares	Class B shares	Total	Votes	Capital
The Stockholm Consumer Cooperative society	–	50,766	50,766	30.6	38.1
Ljungberg family	1,810	28,984	30,794	28.3	23.1
Holmström family	1,810	15,033	16,843	19.9	12.6
Ulf Holmlund	380	462	842	2.6	0.6
The mutual occupational pension insurance company, Varma	–	3,863	3,863	2.3	2.9
Länsförsäkringar Fonder	–	3,784	3,784	2.3	2.8
Carnegie Fonder	–	2,487	2,487	1.5	1.9
AFA Försäkring	–	2,364	2,364	1.4	1.8
SHB Fonder	–	2,000	2,000	1.2	1.5
Margaretha af Ugglas	–	1,445	1,445	0.9	1.1
Other	–	14,959	14,959	9.0	11.2
Total outstanding shares	4,000	126,157	130,157	100.0	97.7
Shares bought back	–	3,064	3,064	–	2.3
Total number of shares issues	4,000	129,221	133,221	100.0	100.0

BREAKDOWN OF SHAREHOLDINGS

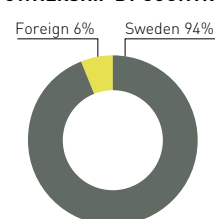
Shareholding, number of shares	Number of owners	Percentage, %	Number of shares	Percentage, %
1–1,000	1,182	71	309	0
1,001–10,000	329	20	1,135	1
10,001–50,000	78	5	1,824	2
50,001–100,000	23	1	1,569	1
100,001–500,000	27	2	7,210	5
500,001–1,000,000	8	0	5,467	4
1,000,001–	17	1	115,705	87
Total	1,664	100	133,221	100

LISTED PROPERTY COMPANIES, AS PER 31-12-2012

Market capitalisation, SEK billion



OWNERSHIP BY COUNTRY



has undertaken to set bid and ask prices on a daily basis for a volume of shares corresponding to SEK 30,000, with a maximum difference of 4 per cent, calculated on the basis of the ask price.

NET WORTH

Shareholders' equity totalled SEK 10,225 million. The company's properties are reported at fair value and deferred tax is reported at 22 per cent, and the net worth can consequently be calculated on the basis of the Balance Sheet equity. It should be borne in mind, however, that the effective tax

rate is lower than 22 per cent because properties can be sold through the tax-free sale of shares in subsidiary companies.

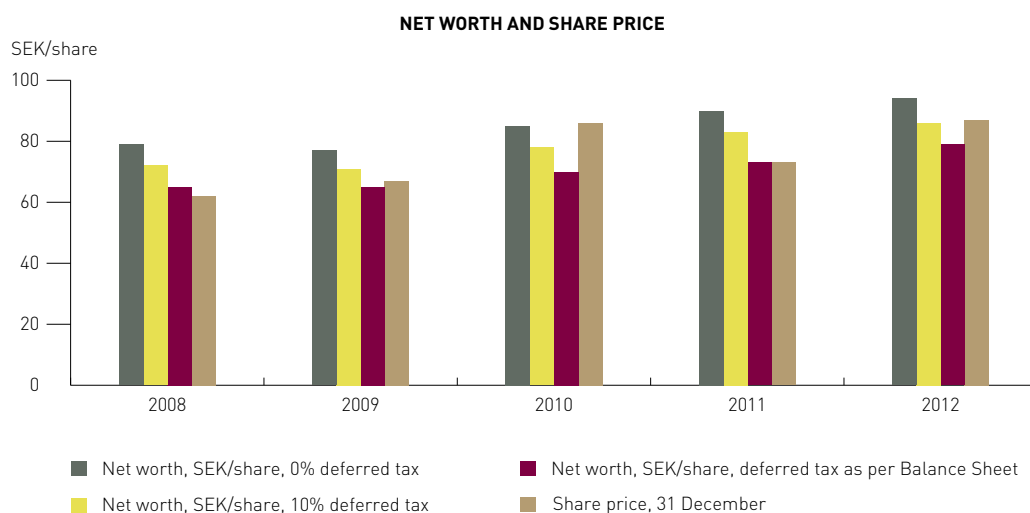
The scale of the effective deferred tax liability for the properties that can be sold through the sale of shares in subsidiary companies is largely dependent on the market's pricing of the reported tax liability in conjunction with a corporate transaction. Deferred tax liabilities are commonly valued in the interval between 0 and 10 per cent. Tax credits are also obtained, in addition to the above-mentioned fiscal effects, through fiscal depreciation and direct deductions for certain maintenance

costs. Equity per share at the year-end totalled SEK 79. The net worth, with a deferred rate of tax for calculation purposes of 10 per cent, corresponded on that date to SEK 87 per share.

Atrium Ljungberg has a substantial project portfolio and the development of its own development rights generates growth in value. The future value potential of the project portfolio has not been taken into account when reporting the company's net worth. See pages 39–49 for further information about the project portfolio.

NET WORTH

	2012	2011	2010	2009	2008
Shareholders' equity, as per Balance Sheet, SEK m	10,255	9,541	9,099	8,416	8,496
Reversal of goodwill, as per Balance Sheet, SEK m	-308	-390	-390	-407	-458
Reversal of deferred tax in respect of investment properties	2,445	2,671	2,325	2,072	2,226
Net worth at 0% deferred tax, SEK m	12,392	11,822	11,034	10,082	10,264
Deferred tax, 10%, SEK m	-1,111	-1,016	-884	-778	-844
Net worth at 10% deferred tax, SEK m	11,281	10,807	10,150	9,304	9,420
Net worth, SEK/share, 0% deferred tax	95	91	85	77	79
Net worth, SEK/share, 10% deferred tax	87	83	78	71	72
Net worth, SEK/share, deferred tax, as per Balance Sheet	79	73	70	65	65
Share price, 31 December	87	73	86	67	62



DIVIDEND

The dividend shall correspond to a minimum of 50 per cent of the profit before changes in value after nominal tax, unless investments or the company's financial position in general motivates a deviation from this norm. A dividend of SEK 2.85/share (SEK 2.60/share) is proposed for the 2012 financial year. The proposed dividend corresponds to a dividend yield of 3.3 per

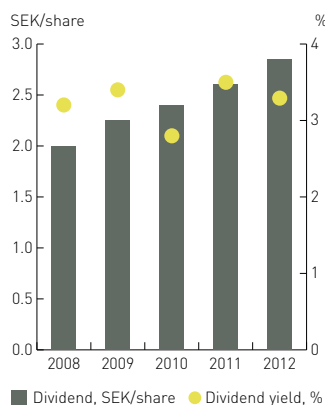
cent [3.5%], calculated on the basis of the share price at the year-end.

INFORMATION FOR SHAREHOLDERS

Atrium Ljungberg's primary information channel is the company's website, www.atriumljungberg.se, where all press releases and financial reports are published. The financial reports are available in both Swedish and English. Press

releases are available by email or text message in conjunction with publication. The website also contains an up-to-date description of the company's operations and ongoing projects. Regular meetings are organised for analysts, shareholders, potential investors and financiers, both in Sweden and abroad.

DIVIDEND AND DIVIDEND YIELD



THE ATRIUM LJUNGBERG SHARE



DATA PER SHARE

	2012	2011	2010	2009	2008
Share price, 31 December	87.00	73.25	86.50	67.00	62.50
Price trends, %	18.8	-15.3	29.1	7.2	-2.0
Shareholders' equity, SEK/share	78.79	73.30	69.91	64.66	65.27
Earnings per share, SEK	7.92	6.95	7.03	1.44	-3.09
Profit/loss before changes in value, less nominal tax, SEK/share	4.19	3.93	3.79	3.78	2.97
Dividend (2012 proposed), SEK/share	2.85	2.60	2.40	2.25	2.00
The share's dividend yield, %	3.3	3.5	2.8	3.4	3.2
The share's total yield, %	22.7	-12.3	32.7	10.8	1.2
Number of shares issued, '000	133,221	133,221	133,221	133,221	133,221
Number of outstanding shares, '000	130,157	130,157	130,157	130,157	130,157
Average number of outstanding shares after dilution, '000	130,157	130,157	130,157	130,157	130,157

MONITORING BY ANALYSTS

ABG Sundal Collier	Fredric Cyon
Carnegie Investment Bank	Tobias Kaj
Handelsbanken Capital Markets	Albin Sandberg
Pareto Öhman	Johan Edberg
Remium	Claes Vikbladh
SEB Enskilda	Bengt Claesson
Swedbank Markets	Andreas Daag

CALENDAR

2013 Annual General Meeting	10 Apr. 2013
Interim Report, January–March 2013	19 Apr. 2013
Interim Report, January–June 2013	9 Jul. 2013
Interim Report, January–September 2013	18 Oct. 2013
2013 Preliminary Financial Statements	Feb. 2014
2013 Annual Report	Mar. 2014

FOR FURTHER INFORMATION, PLEASE CONTACT



Annica Ånäs

CFO, Atrium Ljungberg AB
 Mobile: +46 (0)703 41 53 37
 Tel: +46 (0)8 615 89 00
annica.anas@atriumljungberg.se

THE CHAIRMAN'S STATEMENT

CORPORATE GOVERNANCE IS about setting clear strategies and goals, about securing a corporate culture that is characterised by sound values, and about maintaining good risk control. I am delighted to be able to state that Atrium Ljungberg continues to deliver strong results and a healthy return on investments.



FORWARD-LOOKING BOARD WORK

The work of the Board of Directors of Atrium Ljungberg has a permanent focus on the future. We work to map both short and slightly longer term business opportunities because if we are to maintain our ability to do what Atrium Ljungberg does best – managing projects as part of a project portfolio that generates a better return than the acquisition alternative – we need to secure a constant inflow of new property projects. This is an important key to the company's continued profitability.

The importance of acquisitions and structural transactions is becoming ever greater, given the uncertain state of the global economy. We, like all companies, rely on the performance of Swedish trade and industry, and a deterioration in Swedish competitiveness will, sooner or later, spill over into the property market. That having been said, we must realise that the potential for doing good business is always greater in times of uncertainty, and in 2012, we have not only made a number of strategic acquisitions, we have continued to nurture our banking connections. Our freedom to act is considerable, thanks to the unchanging strength of our financial position, and exceeds that of other, comparable companies.

FOCUSING ON THE CUSTOMER

Atrium Ljungberg's business concept is based on project development and long-term management, and focuses on the retail and office property sectors. This is a strong, value-steered company that focuses on the customer and the individual transaction, and this is reflected in the Board whose composition provides us with expertise in every aspect of the company's dealings.

The expertise that Atrium Ljungberg's Board of Directors possesses in the retail sector is a strength in the light of the new challenges that this sector is now facing. With Members who represent the FMCG, fashion, sports and technology retail sectors, and the industry organisation – the Swedish Trade Federation – we, together with the other Members of the Board, can bring a greater breadth and multisided approach to the business than can our competitors.

The Board discusses not only which tenants we could bring into a particular area, we also discuss what this will mean for tenants and

landlords alike – an approach that gives us long-term strength and durability.

A DISCIPLINED APPROACH HELPS FUTURE GROWTH

Companies' ethics and their broader responsibilities have attracted ever-increasing attention in social debates and the media in recent years. This is a good thing, because well-run companies are an important cornerstone of the welfare society.

Atrium Ljungberg receives widespread praise for its disciplined approach. Our corporate culture has its roots in the days of its founder, Tage Ljungberg, and is based on reliability. We, the Board, will continue our efforts in close cooperation with the management group to refine and develop both the way we do business and our commitment to and involvement in the local community.

We owe a great debt of gratitude to our major and long-term owners for the stability that has characterised Atrium Ljungberg over the years. We are continuing to grow and in early 2012, we were "promoted" to the Stock Exchange's Large Cap list. This change will see an increasingly bright spotlight directed on us and our operations by analysts and media alike, and we welcome this with open arms.

Ingalill Berglund has now been our Managing Director for almost two years and this short space of time has seen her become one of the people who set the tone for the Swedish property sector. I am looking forward to our continued partnership and collaboration. From a personal viewpoint, I am now in the midst of my third year as Chairman of the Board of Atrium Ljungberg and I can say without any hesitation that the job has been just as stimulating as I thought it would be. The Board is now looking ahead to 2013 with the same strategy as we have applied in previous years – an emphasis on the long-term approach, on our in-house project operations, in-house management work, and streamlining our holding within carefully selected markets.

Dag Klackenberg, Chairman of the Board

CORPORATE GOVERNANCE REPORT

Atrium Ljungberg is a public limited company that is listed on the NASDAQ OMX Stockholm exchange's Large Cap list. Our corporate governance comprises efficiently functioning principles that enable us to manage and lead our operations effectively and in a controlled manner. A clear division of responsibilities between owners, the Board, and the management generates the preconditions needed for the company to achieve its stated goals.

AGENCIES AND REGULATORY FRAMEWORKS

All companies listed on the NASDAQ OMX Stockholm exchange shall apply the Swedish Code of Corporate Governance, ("the Code"). The overriding purpose of the Code is to contribute to improved control of Swedish companies and it forms part of trade and industry's self-regulation. The code can be viewed at www.bolagsstyrning.se. It is based on the principle that deviations from the Code shall be justified and explained.

Atrium Ljungberg's class B share is listed on the NASDAQ OMX Stockholm exchange. The company has approximately 1,700 shareholders. Control and management of the company is divided between shareholders, the Board of Directors, the Managing Director and the company's senior executives. Control is primarily regulated by Swedish legislation, the Nordic Exchange rules for issuers, the Swedish Code of Corporate Governance, GRI (the Global Report-

ing Initiative), the company's Articles of Association, and internal guidelines and policies.

Atrium Ljungberg endeavours, through transparency, to provide a clear insight into decision-making pathways, responsibilities and authority, and a range of control systems. The company has no infringements of its listing agreement or infringements of good practice in the stock market to report for the year. The Articles of Association describe the company's operations as follows: the company shall conduct construction operations, to own and manage real property or leaseholds and securities, to conduct trade in properties, and to engage in any and all other activities compatible therewith.

GOVERNANCE STRUCTURE

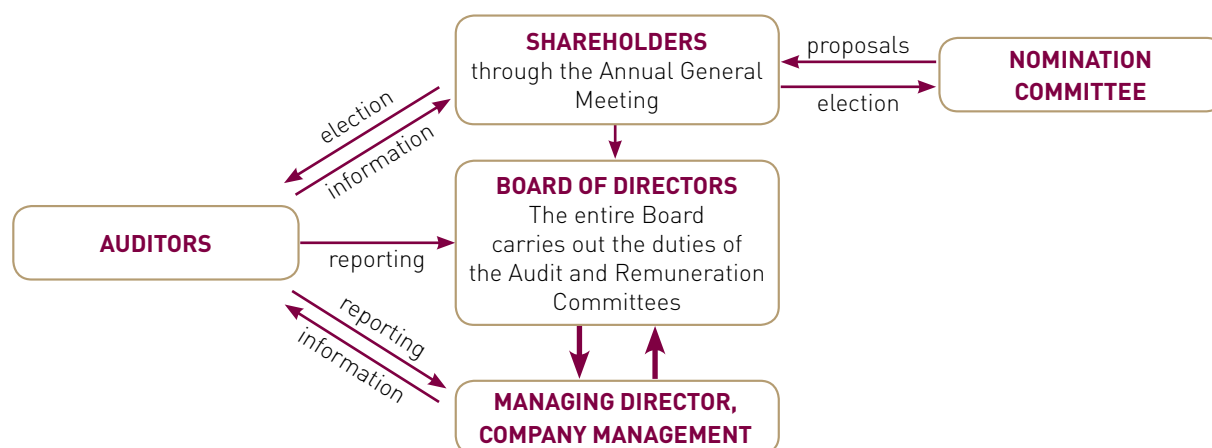
Corporate governance within Atrium Ljungberg can be described on the basis of the organisational structure below. A presentation of the respective control bodies follows thereafter.

2012 ANNUAL GENERAL MEETING

The shareholders' influence within the company is exercised through the General Meeting of the company's shareholders, which is the company's most senior decision-making body. The General Meeting appoints the Board of Directors and the company's auditors, and adopts principles governing remuneration to the Board of Directors, the auditors, and the company's senior executives. The General Meeting also takes decisions

with regard to the Articles of Association, dividends, and any changes to the share capital. The General Meeting shall also, at the Annual General Meeting which shall be held within six months of the end of the financial year, adopt Balance Sheets and Income Statements and decide on the discharge from liability for the Board of Directors and the Managing Director. The date of the Annual General Meeting is announced in conjunction with the Interim Report of 30th September. Notices convening the Annual General Meeting shall, in accordance with the Articles of Association, be issued 4-6 weeks before the meeting and shall be issued by means of press releases, announcements in the Swedish Official Gazette, and on the company's website, www.atriumljungberg.se. The notice is issued together with a detailed agenda. The issue of the convening notice shall be announced in the Dagens Nyheter newspaper. Shareholders are entitled to have an issue discussed at the meeting if the Board is provided with notice thereof no later than eight weeks before the date when the meeting is held. The 2012 Annual General Meeting was held on 29th March 2012. The Annual General Meeting was attended by 97 shareholders representing 86.9 per cent of the share capital and 89.7 per cent of the votes. The only restriction on voting rights applies to the company's holding of its own shares. Atrium Ljungberg's ownership structure is shown on page 92, where the number of votes etc., is also shown. The Annual General

MANAGEMENT STRUCTURE FOR ATRIUM LJUNGBERG



Internal steering instruments

Business concept, business plan, goals and strategies, the formal work plan of the Board of Directors, the Managing Director's instructions, policies, job descriptions, basic values, delegation instructions and authorisation instructions.

External steering instruments

The Nordic Exchange rules for issuers, the Swedish Code of Corporate Governance, the Swedish Companies Act, IFRS, the Swedish Annual Accounts Act, GRI and other relevant legislation.

Meeting took decisions on, amongst other things, the following issues:

- the adoption of Income Statements and Balance Sheets for the Parent Company and the Group;
- the granting of discharge from liability for the Board of Directors and the Managing Director;
- the determination of the appropriation of profits entailing a dividend of SEK 2.60 per share;
- the election of the Board of Directors, see table on page 98;
- the determination of Directors' fees totalling SEK 1,400,000, broken down as SEK 400,000 payable to the Chairman of the Board and SEK 200,000 payable to each of the Board Members;
- the determination of Auditors' fees in accordance with an approved presentation of invoice;
- the establishment of a Nomination Committee representing the five biggest shareholders by vote as of 31 August 2012;
- the adoption of guidelines for the remuneration of senior executives within the Group;
- the authorisation of the Board to transfer, on one or more occasions, the company's holdings of its own class B shares in a regulated market where the shares are listed or in conjunction with the acquisition of companies, operations or properties

Complete Minutes of the Annual General Meeting are available on the company's website.

THE BOARD OF DIRECTORS

Atrium Ljungberg's Board of Directors shall, in accordance with the company's Articles of Association for 2012, comprise a minimum of three and a maximum of seven Members without Deputy Members. The Board has comprised six Members during the year. The Board of Directors is presented on page 98. The Code states that a majority of the Board shall be independent in relation to the company and the senior executives. At least two of the independent Members must also be independent in relation to the company's major shareholders. The composition of the Board complies with the Code's independence requirements.

The Board is responsible for the organisation and management of the company and is tasked with managing the company's concerns in the interests of the company and all shareholders. The Board's duties are documented in writing in the form of a formal work plan for the Board, which is revised and adopted once a year. The formal work plan for the Board regulates the Board's work structure, requiring, for example, that the Chairman of the Board organises and leads the work of the Board, that he or she ensures that the Board has the expertise and know-how required to perform its duties, that the Board receives the information and decision data required for its work, that the Board's resolutions are implemented, and that the work of the Board is evaluated every year. The Chairman of the Board shall also maintain close and ongoing contact with the company's Managing Director.

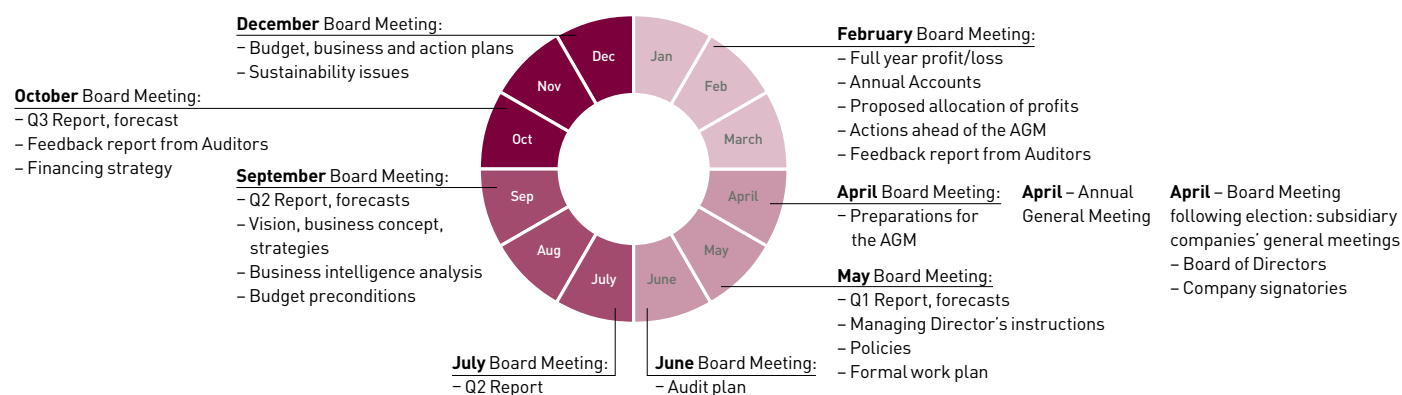
The formal work plan of the Board of Directors also specifies the duties of the Members of

the Board, e.g. setting operational goals and strategies, appointing and evaluating the Managing Director, ensuring that effective systems are put in place for monitoring and control and that there is compliance with legislative and other requirements, and deciding on investments of SEK 20 million or more. The formal work plan also states that the work of the Board and the Managing Director shall be evaluated annually and specifies the areas of responsibility of the Audit Committee and the Remuneration Committee.

The formal work plan of the Board of Directors states that the Board shall, over and above the Board Meeting following election, meet at least five times per year. The Board has held nine ordinary Board Meetings and one Board Meeting following election during the year.

In 2012, the Board laid down the overall goals for the company's operations and decided on the strategies needed to achieve these goals. Goals and goal fulfilment are described on pages 4–5 of the Annual report. The Board has decided on all investments in excess of SEK 20 million and on property acquisitions and sales carried out. The internal frameworks and policies that apply to the management of the company have also been established. These include the work plan for the Board of Directors, the Managing Director's instructions, delegation instructions, authorisation instructions, financial reporting instructions, business plans and budgets, the ethics and supplier policy, the equal opportunity and discrimination policy, the sustainability policy, the work environment policy, the communication policy, the financial policy and the IT policy.

THE BOARD OF DIRECTORS' ANNUAL PLANNING, OVER AND ABOVE STANDING ITEMS such as investment decisions, situation reports on ongoing projects, and management, liquidity and financing.



The work of the Board has also, to a large extent, focused on ongoing and future investment projects, discussions of property purchases and sales, and financial issues. Board meetings have been scheduled to enable study trips to be made in order to establish in-depth familiarity with ongoing projects and the property holding in general. Feedback reports from the Group management with regard to the company's economic and financial position, sustainability reporting, current market issues, and ongoing projects have been presented at the Board Meetings. Business plans and budgets for 2012 were presented in December 2011. Results in comparison with the budget have been reported quarterly during the year, together with revised forecasts for the 2012 financial year.

The Members of the Board possess a variety of areas of expertise. The entire Board has fulfilled the undertakings mandated in the Code's instructions with regard to the Audit and Remuneration Committees, in that the Board has deemed it expedient to address these issues within the context of the normal work of the Board. The company's auditors have reported on their work and observations to the Board on two occasions during the year, on one of these occasions without the presence of the company management. The Board has, in accordance with the Code, evaluated the work of the Managing Director and their own work in 2011. The evaluation was led by the Chairman of the Board and a feedback report was submitted to the Board. The most recent evaluation was on the agenda at the Board Meeting held in October 2012. The compa-

ny's Legal Counsel has acted as Secretary to the Board. The Chairman of the Board has also had ongoing contact with the company's Managing Director during the year. The Directors' fees payable to Members of the Board elected by the Annual General Meeting is approved by the Annual General Meeting in line with a proposal by the Nomination Committee.

THE MANAGING DIRECTOR AND SENIOR EXECUTIVES

The company management in 2012 comprised the Managing Director and the managers responsible for the property management, business development, project implementation, business support and HR functions. Property management is divided into two business areas, namely retail property and office property. The work of the Group management in 2012 has been characterised by measures in connection with, amongst other things, property transactions, finance issues, ongoing investment projects and business development. The management team members also deal with ongoing matters within their respective functions.

Ingalill Berglund (born 1964) took over as Managing Director of the company on 8 April 2011. She joined Atrium Ljungberg in 2001 as the company's CFO and has almost 20 years' experience in the property industry, gained at companies such as Stadshypotek Fastigheter and Skolfastigheter i Stockholm (Sisab). Ingalill Berglund has no other significant directorships. She holds 40,000 class B shares in Atrium Ljungberg and has no shareholdings in compa-

nies with which Atrium Ljungberg has significant commercial links.

The other members of the senior management are presented on page 101. The organisation structure is presented on page 8 of the Annual Report.

REMUNERATION FOR SENIOR EXECUTIVES

The Annual General Meeting approves the guidelines for remuneration for senior executives. Atrium Ljungberg's principles for remuneration for senior executives state that salaries and other terms of employment for the company management shall be market-based and competitive, but shall not be market leaders in terms of salary paid in relation to other comparable companies.

Resolutions regarding guidelines for remuneration for senior executives were adopted at the Annual General Meeting held in April 2012. The guidelines shall apply to the company management, which comprises the Managing Director and six business area managers. The Managing Director's remuneration is proposed by the Chairman of the Board and approved by the Board of Directors. Other remuneration payable to the company management is proposed by the Managing Director and approved by the Board of Directors. Remuneration payable to the company management, including the Managing Director, comprises a fixed basic salary. No variable salary payments or performance-related pay is payable. The Managing Director's retirement age is 62, while that of the other members of the company management is

THE BOARD OF DIRECTORS, 2012

		Elected	Remuneration, SEK	Independent*	Independent**	Note	Board Meetings
Dag Klackenberg	Chairman	2004	400,000	Yes	Yes	1)	9 of 9
Sune Dahlqvist	Member	2006	200,000	Yes	No	2)	9 of 9
Thomas Evers	Member	2011	200,000	Yes	No		8 of 9
Anna Hallberg	Member	2009	200,000	Yes	Yes		9 of 9
Johan Ljungberg	Member	2001	200,000	Yes	No	3), 4)	9 of 9
Anders Nylander	Member	2011	200,000	No	Yes		9 of 9
Ulf Holmlund	Member	1983	–	Yes	Yes	5)	2 of 9

* Independent in relation to the company and the company management

** Independent in relation to the company's major shareholders

¹⁾ Chairman of the Board as of the 2011 Annual General Meeting

²⁾ Chairman of the Stockholm Consumer Cooperative Society, which is one of the company's major shareholders. Deputy Member, 2006–2011

³⁾ Deputy Member of the Board, 2001–2009

⁴⁾ Directly and/or indirectly a major shareholder in the company

⁵⁾ Member of the Board up to the 2012 Annual General Meeting

65. The pension undertakings are made as part of a defined contribution plan which means that the company has no additional undertaking after payment of the annual premium contributions.

The notice period for the Managing Director if notice of termination is given by the company is 12 months. The notice period for other members of the company management is up to 6 months. The Managing Director shall, if notice is given by the company, be entitled to severance pay comprising six months' salary. No other severance pay is payable. The terms and conditions applied by the company for other Group employees, either in accordance with collective agreements or in accordance with unilateral undertakings by the company to the employees, shall otherwise apply, where applicable, to the company management. Deviation by the Board of Directors from the guidelines as specified above are permissible if so motivated by an individual case.

The proposal by the Board of Directors for submission to the 2013 Annual General Meeting is essentially the same as those previously submitted with the following alterations: the notice period for the Managing Director if notice is given by the Managing Director shall be six months. If notice is given by the company, the notice period shall be 12 months and the severance pay due shall correspond to 9 months' salary, this figure to be adjusted to 12 months' salary in severance pay, effective as of 1 January 2014.

AUDITING

The accounting firm of Ernst & Young AB was elected at the 2011 Annual General Meeting to act as auditors for Atrium Ljungberg for the period up to and including the end of the 2015 Annual General Meeting. Authorised Public Accountant, Jonas Svensson has been appointed as the auditor in charge who will sign the Audit Report together with Authorised Public Accountant, Ingemar Rindstig.

The auditing team has ongoing contact for information purposes with the company during the year, over and above the review activities conducted. The Board meets with the auditor at least twice a year, one of which meetings is held in the absence of the company management. The company's auditors audit the annual financial statements and also carry out a review of the interim accounts as per 30th September and review the company's internal controls.

NOMINATION COMMITTEE

The Nomination Committee is the General Meeting's organ for preparing the meeting's resolutions on appointment-related issues and is tasked with providing a proficient basis for decision-making on behalf of the Meeting's handling of these issues. The Nomination Committee is tasked with preparing and submitting proposals to the Annual General Meeting on the following issues:

- the election of the Chairman of the Meeting, the Chairman of the Board and other Members of the Board of Directors of the company;
- the determination of Directors' fees for the Chairman of the Board, other Board Members, and any remuneration for committee work and, where relevant, the election and remuneration of Auditors;
- decisions on principles relating to the structure of the Nomination Committee ahead of impending Annual General Meetings

At the Annual General Meeting held on 29 March 2012, it was decided that the Nomination Committee for the 2013 Annual General Meeting shall comprise representatives of the company's five biggest shareholders by votes, as of 31 August 2012. In the light of Ulf Holmlund's waiver of his representation and of the ownership changes that have occurred since that date, Lars Ericson representing the Stockholm Consumer Cooperative Society, Gunilla Fjelde (also Chairperson of the Nomination Committee) representing the Holmström family, Eva Gottfridsdotter-Nilsson representing Länsförsäkringar, Johan Ljungberg representing the Ljungberg family, and Pirta Wentzel representing the mutual occupational pension insurance company, Varma, were elected as members of the Nomination Committee.

REMUNERATION, 2012 (SEK K)

		Basic salary/fee	Other remuneration	Other benefits	Pension cost	Share-related remuneration	Total
Company management							
Ingalill Berglund	Managing Director	2,443	–	45	930	–	3,418
Other senior executives		8,049	325	296	1,785	–	10,455
Board of Directors							
Dag Klackenborg	Chairman	400	–	–	–	–	400
Anders Nylander	Member	200	–	–	–	–	200
Anna Hallberg	Member	200	–	–	–	–	200
Johan Ljungberg	Member	200	–	–	–	–	200
Sune Dahlqvist	Member	200	–	–	–	–	200
Thomas Evers	Member	200	–	–	–	–	200

THE BOARD OF DIRECTORS



From the left: Anna Hallberg, Thomas Evers, Sune Dahlqvist, Anders Nylander, Dag Klackenberg and Johan Ljungberg.

ANNA HALLBERG

Member of the Board. Born 1963. Economics & Law graduate of the Gothenburg School of Economics and Business Administration. Deputy Managing Director of Almi Företagspartner AB. Member of the Board since 2009.

Other significant directorships: Member of the Boards of Högskolan Väst and companies within the Almi Group.

Atrium Ljungberg shareholding: 2,000 class B shares.

DAG KLACKENBERG

Chairman of the Board. Born 1948. Graduate Business Administrator, LL.B. Managing Director of the Swedish Trade Federation. Member of the Board since 2004.

Other significant directorships: Chairman of the Boards of Ersta Sköndal högskola AB, Nyréns Arkitektkontor AB and AB Svensk Byggtjänst. Member of the Board of Scand-book AB.

Atrium Ljungberg shareholding: 4,000 class B shares

THOMAS EVERS

Member of the Board. Born 1957. LL.B. from University of Lund. Senior Counsel at the Stockholm Consumer Cooperative Society. Member of the Board since 2011.

No other significant directorships.
No shareholding in Atrium Ljungberg.

JOHAN LJUNGBERG

Member of the Board. Born 1972. Graduate Engineer. Managing Director of Tagehus AB. Member of the Board since 2009. Deputy Member of the Board between 2001 and 2009, and Member of the Board for part of 2006.

Other significant directorships: Member of the Boards of companies within the Tagehus Group. Chairman of the Board of Credentia AB.

Atrium Ljungberg shareholding: 1,206,400 class A shares and 4,247,600 class B shares.

SUNE DAHLQVIST

Member of the Board. Born 1948. Former Negotiations Manager for the Swedish Union of Tenants, Stockholm Region. Member of the Board since 2011. Deputy Member of the Board, 2006–2011.

Other significant directorships: Chairman of the Board of Stockholm Consumer Cooperative Society. Member of the Boards of the Swedish Cooperative Union (KF) and Folksam Liv. Member of KF's Audit Committee.

Atrium Ljungberg shareholding: 1,000 class B shares.

ANDERS NYLANDER

Member of the Board. Born 1952. Graduate Engineer. Managing Director of Atrium Ljungberg between 2003 and 2011. Member of the Board since 2011.

Other significant directorships: Chairman of the Board of Kista Science City AB. Member of the Boards of the Electrum Foundation, Kjell & Company, Usports, Nobelhuset AB, and seats on the Boards of companies within Investor AB's property company, the Vectura AB Group.

Atrium Ljungberg shareholding: 121,600 class B shares.

SENIOR MANAGEMENT



From the left: Magnus Alteskog, Annica Ånäs, Mattias Celinder, Ingall Berglund, Micael Averborg, Carola Lavén och Helena Martini.

MAGNUS ALTESKOG

Born 1965. Project Manager. Employed by the Atrium Ljungberg Group since 1999.
Atrium Ljungberg shareholding: 28,700 class B shares.

ANNICA ÅNÄS

Born 1971. CFO. Employed by the Atrium Ljungberg Group since 2011, also employed between 2008–2010.
Atrium Ljungberg shareholding: 2,500 class B shares.

MATTIAS CELINDER

Born 1972. Business Area Manager, Retail. Employed by the Atrium Ljungberg Group since 2006.
Atrium Ljungberg shareholding: 300 class B shares.

INGALL BERGLUND

Born 1964. MD. Employed by the Atrium Ljungberg Group since 2001. Managing Director of the company since 2011. Twenty years' experience of the property sector. No other significant directorships outside the company.
Atrium Ljungberg shareholding: 40,000 class B shares.

MICAEL AVERBORG

Born 1965. Business Area Manager, Offices. Employed by the Atrium Ljungberg Group since 2000.
Atrium Ljungberg shareholding: 1,500 class B shares.

CAROLA LAVÉN

Born 1972. Business Development Manager. Employed by the Atrium Ljungberg Group since 2003. No shareholding in Atrium Ljungberg.

HELENA MARTINI

Born 1965. HR Manager. Employed by the Atrium Ljungberg Group since 2010. No shareholding in Atrium Ljungberg.

INTERNAL CONTROL

THE BOARD OF Directors is, subject to the provisions of the Swedish Companies Act and the Swedish Code of Corporate Governance, responsible for the company's internal control. This report has been prepared in accordance with chapt. 6, §6 of the Swedish Annual Accounts Act and is consequently limited to internal control in respect of the financial reporting. The company has, in order to describe the internal control, followed the framework established by COSO (the Committee of Sponsoring Organisations), which comprises five components, namely control environment, risk management and assessment, control activities, information and communication, and follow-up work.

CONTROL ENVIRONMENT

The Board of Directors has overall responsibility for ensuring good internal control and effective risk management. The Board adopts a formal work plan every year, laying down the Board's responsibilities and regulating the Board's internal division of labour. The Board has decided that the entire Board shall comprise both the Audit Committee and the Remuneration Committee. The Board exercises its control primarily through the annual adoption of policy documents, Managing Director's instructions, delegation instructions, authorisation instructions, instructions for the financial reporting, operational goals and strategies, and business plans and budgets. The company's policies are:

- Ethics and suppliers policy
- Equal opportunity and discrimination policy
- Sustainability policy
- Work environment policy
- Communication policy
- Financial policy
- IT policy

The company management is responsible for structuring, documenting, maintaining and testing the systems and processes needed to minimise risks as part of the operating activities and financial reporting. There are, in addition to policy documents, delegation instructions, authorisation instructions, and job descriptions for the respective employees containing details of the employees' responsibilities and authorities, and standardised reporting routines.

The company also has very well-supported core values that permeate every aspect of our

operations, such as reliability, a long-term approach, and teamwork.

Atrium Ljungberg is also a member of the Global Compact and has consequently signed up to the ten principles in the fields of human rights, labour law, the environment and anti-corruption. The company has also, since 2008, reported in accordance with GRI (Global Reporting Initiative) and a GRI index is presented on pages 143–144 of the Annual Report. For a more detailed presentation, see the company's website at www.atriumljungberg.se.

RISK MANAGEMENT AND ASSESSMENT

Risk assessment means that Atrium Ljungberg has identified the work processes and Income Statement and Balance Sheet items where there is a risk that inaccuracy, incompleteness, or improprieties could arise if the requisite control activities are not built into the routines. Risk assessment accordingly analyses whether errors could occur and, if so, how and where they could occur in the process. The risk assessment work has identified the items where the risk of significant errors is greatest, namely items where the sums involved in the transactions are substantial or where the process is highly complex and requires strong internal control. The three most important risk areas are:

Project operations

The company invests SEK 1 billion in its in-house development projects every year. No investments are made until a reasonable return can be secured. Detailed costing calculations based on extensive expertise in the field are carried out in order to minimise the risks inherent in construction projects. Procurement is conducted cost-effectively using in-house pro-

ject managers by means of a so-called divided contract process whereby several operators are allowed to submit quotes for individual components of the construction project. Project reviews are conducted every quarter and attended by the Chairperson of the steering group, business developers, project managers, the CFO, and the project controller. Project reports are submitted on a rolling basis to the company management and the Board, noting any deviations from the plan.

Property valuation

Monitoring trends in the property market in order to ensure the ability to assess the properties' market values is one of the important components of the valuation process, and the company consequently conducts quarterly reconciliations with external valuation experts. The company conducts its own internal valuations but external valuations of 20–30 per cent of the property portfolio in conjunction with every full-year and half-year valuation process. External valuation experts also quality assure assumed rents, costs, vacancies and yield requirements in conjunction with the internal valuation processes.

Financing activities

Property ownership is a capital-intensive sector and this entails a variety of financial risks. The main risks involve fluctuations in profits and cash flow as a result of changes in interest rates, and refinancing risks. These risks are regulated in the company's financial policy and are monitored continuously by the company's management and Board of Directors. The Board also monitors compliance with mandates specified in the financial policy.

The following processes have also been analysed during the year in addition to the above-mentioned risk areas:

- The year-end accounts process
- Routines in conjunction with property transactions
- The payroll process
- The letting process
- Tax and VAT administration
- The purchasing process
- IT systems

See the section entitled "Opportunities and risks" on pages 84–87 with regard to other risks identified.

CONTROL ACTIVITIES

A number of control activities have been introduced in order to prevent inaccuracies occurring and with the aim of ensuring that the control goals are fulfilled. The work on risk assessment and structuring of control activities has been conducted by individuals involved in the respective processes on an ongoing basis, in cooperation with the company's controllers, Senior Controller, and CFO in order to ensure participation and an understanding of the risks and the importance of conducting internal controls. Internally, the company also works continuously to evaluate and enhance the efficiency of its control activities. The controls are carried out both at overall level, through analyses of results and key ratios, and at a detailed level by defining a number of control points in the ongoing processes and routine descriptions. The company's results are compared with budgets and forecasts every quarter and ongoing projects are monitored in relation to Board resolu-

tions. Detailed commentaries are submitted to the company management and Board of Directors in accordance with standardised reporting routines as part of the follow-up work.

INFORMATION AND COMMUNICATION

The Annual Accounts, Preliminary Financial Statement, Interim Reports and other ongoing information are prepared in accordance with Swedish legislative requirements and praxis. The information provision shall be characterised by transparency and shall be reliable. A communications policy regulating the way in which information is to be provided has been established in order to ensure that external communication with the stock market is correct. Our aim is to generate an understanding of and confidence in the operations on the part of owners, investors, analysts and other stakeholders.

The company management is responsible for informing relevant employees of their responsibilities with regard to the maintenance of good internal control. Employees are kept up to date with regulations and policies via the company's intranet and information meetings. The creation of job descriptions for every position within the company also ensures clarity with regard to division of responsibility.

FOLLOW-UP WORK

All process descriptions, policies and steering documents are updated as necessary, but at least once a year. An evaluation of the internal controls is also conducted every year. Both the senior management and the Board of Directors are notified of the results. Atrium Ljungberg has no internal audit department. The system for internal controls is followed up by the Group's CFO, the Senior Controller, Accounting

Managers, the company's Controllers (who have specialist competence), and through self-evaluation, and feedback is provided to the Board of Directors. These controls are deemed to be necessary and sufficient to generate appropriate knowledge, feedback of experience and high quality in the ongoing accountancy work, and hence in the financial reporting. The company's Auditors also conduct ongoing reviews of the company's internal controls and report their findings on the company's internal control to the company's senior management and Board. The Board believes that the establishment of a separate internal audit function is consequently not motivated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Note	2012	2011
Rental income	5	1,824.8	1,686.3
Project and construction work sales		252.9	331.8
Net sales	2	2,077.7	2,018.1
Property management costs			
Service charge-related costs		-167.1	-180.0
Other operating costs		-137.0	-122.0
Management costs		-124.9	-117.1
Repairs		-41.8	-38.2
Property tax		-97.8	-99.4
Leasehold fees		-23.5	-26.4
Non-deductible VAT		-8.7	-8.2
	6,7,8,9	-600.9	-591.3
Project and construction work costs		-242.0	-317.0
Gross profit		1,234.8	1,109.8
- of which gross profit property management (operating surplus)		1,224.0	1,095.0
- of which gross profit project and construction work	10	10.9	14.8
Central administration, property management		-41.7	-44.1
Central administration, project and construction work		-16.6	-12.2
	3,7,8,9	-58.2	-56.3
Financial income	12	13.9	10.6
Financial expenses	12	-451.3	-369.7
		-437.4	-359.1
Profit before changes in value		739.2	694.4
Changes in value			
Properties, unrealised	15	367.8	528.3
Properties, realised		32.7	2.0
Financial instruments, unrealised	29	-182.5	-
Write-downs, goodwill	13	-82.2	-
		135.8	530.3
Profit before tax		875.0	1,224.7
Current tax	14	-89.8	-1.5
Deferred tax	14	245.6	-318.7
		155.8	-320.2
Net profit for the year		1,030.8	904.5
Other comprehensive income			
Cash flow hedging	29	40.9	-204.6
Tax attributable to other reported income and expenses		-18.5	53.8
Total other comprehensive income		22.4	-150.8
Total comprehensive income for the year		1,053.2	753.7
Earnings per share, SEK		7.92	6.95

COMMENTS ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NET SALES

The Group's net sales totalled SEK 2,078 million (SEK 2,018 m). Rental income for 2012 totalled SEK 1,824.8 million (SEK 1,686.3 m), corresponding to a year-on-year increase of 8.2 per cent. The increase refers primarily to completed projects, new lets and acquisitions.

The letting rate increased to 95 per cent (94%), including project properties. Contracted annual rents at the year-end totalled SEK 1,904 million (SEK 1,768 m).

Net sales for project and construction work during the year totalled SEK 253 million (SEK 332 m). TL Bygg's net sales totalled SEK 379 million (SEK 429 m), of which SEK 153 million (SEK 136 m) comprised work on behalf of Group companies.

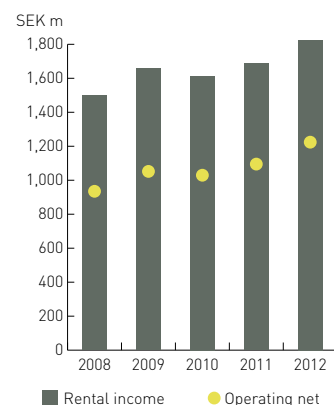
PROPERTY COSTS

Property costs totalled SEK -600.9 million (SEK -591.3 m), corresponding to an increase of 1.6 per cent. The marginal nature of the increase in costs is primarily due to lower electricity costs resulting from lower electricity prices.

GROSS PROFIT

The gross profit for the property management activities (the operating surplus) totalled SEK 1,224.0 million (SEK 1,095.0 m), corresponding to an increase of 11.8 per cent. The increase in operating surplus is due to additional operating nets for completed projects, new lets and properties acquired. The surplus ratio increased to 67 per cent (65%).

RENTAL INCOME AND OPERATING NET



The gross profit for project and construction work totalled SEK 10.9 million (SEK 14.8 m). Costs in connection with ongoing development projects that cannot be capitalised have been charged to the result.

CENTRAL ADMINISTRATION

Central administration comprises the costs in connection with the company management and central support functions, and the costs of stock market flotation, for example, and other costs not associated with property administration. Central administration for project and construction work includes costs in connection with the Managing Director and other administrative personnel and for IT, premises-related costs, etc. The cost for the year totalled SEK -58.2 million (SEK -56.3 m), corresponding to an increase of 3.3 per cent.

FINANCIAL INCOME AND EXPENSES

Financial expenses have increased to SEK -451.3 million (SEK -369.7 m). Net borrowing increased by SEK 1.9 billion in 2012 and is attributable to the company's property acquisitions and investments in in-house development projects. The year's expenses also include an estimated interest expense of SEK -14.4 million in respect of a tax dispute. See below for additional information.

The average interest rate on interest-bearing liabilities totalled 3.9 per cent (4.2%) at the year-end. The average fixed interest term was 4.9 years (3.1 yrs.). Financial income totalled SEK 13.9 million (SEK 10.6 m).

CHANGES IN VALUE

Unrealised changes in the value of properties totalled SEK 367.8 million (SEK 528.3 m) and are explained in the table below.

UNREALISED CHANGES IN VALUE

SEK m	
Changes in yield requirements	120
Changes in rental levels	110
Net lets and changes in vacancies	80
Other changes	58
Total	368

Realised changes in the value of properties totalled SEK 32.7 million (SEK 2.0 m) and are attributable to the sale of the Stormarknaden 1 property to the south of Halmstad.

Write-downs of goodwill totalled SEK -82.2 million (SEK 0.0) of which SEK -7.3 million (SEK

0.0) refers to the property sale. The consolidated goodwill arose in conjunction with an operational acquisition and is linked to the Group's deferred tax. Goodwill has also been affected by the lowering of the corporation tax rate on 1 January 2013 to 22 per cent and a further write-down of SEK -74.8 million has consequently been carried out.

The derivatives portfolio comprised SEK 7.7 billion in interest swaps at the year-end. These are valued at market rate and the change is reported, as of 1 January 2012, in the Income Statement. The unrealised change in the value of financial instruments for the year totalled SEK -182.5 million (SEK 0.0) as a result of interest rates having fallen in relation to the swap rates taken out.

TAX

Atrium Ljungberg has appealed a ruling by the Swedish Administrative Court with regard to a tax case. The case involves the taxation of a property transaction via a limited partnership in 2004. A provision has been made for the entire tax demand of SEK -91.5 million. The case may be resolved during the first six months of 2013. See Note 33 on page 135 for further details.

The current tax for the year totalled SEK -89.8 million (SEK -1.5 m) and has been affected by the provision of SEK -91.5 million made and by fiscally deductible investments and loss carry-forwards from previous year's tax assessments.

The change in deferred tax totals SEK 245.6 million (SEK -318.7 m), of which SEK 473.1 million is attributable to the change in the corporation tax rate. As of 1 January 2013, this rate is set at 22 per cent.

PROFIT/LOSS

The Group posted a profit before changes in value of SEK 739.2 million (SEK 694.4 m). The net profit/loss for the year totals SEK 1,030.8 million (SEK 904.5 m), corresponding to SEK 7.92/share (SEK 6.95/share).

OTHER COMPREHENSIVE INCOME

The Group ceased, as of 31 December 2011, to apply hedge accounting to derivatives (interest swaps). The hedging reserve arising in shareholders' equity is transferred to other comprehensive income over the terms of the respective derivatives.

CONSOLIDATED BALANCE SHEETS

Amounts in SEK m	Note	31-12-12	31-12-11
ASSETS			
Fixed assets			
Investment properties	15, 16	24,576.2	21,896.7
Tangible fixed assets	19	19.6	23.8
Goodwill	13	307.6	389.8
Participations in associated companies	20	0.1	0.1
Deferred tax receivable	27	3.6	26.4
Other long-term receivables	22	0.4	0.7
Total fixed assets		24,907.5	22,337.5
Current assets			
Accounts receivable	23	77.5	81.2
Tax receivables		126.5	176.4
Other receivables	24	78.3	209.4
Prepaid costs and accrued income	25	88.6	97.1
Liquid assets	28, 29	188.5	274.2
Total current assets		559.4	838.3
Total assets		25,466.9	23,175.8
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		333.0	333.0
Other capital contributed		3,959.8	3,959.8
Provisions		-141.3	-163.7
Profits brought forward including net profit/loss for the year		6,103.8	5,411.4
Total shareholders' equity attributable to the Parent Company's shareholders		10,255.3	9,540.5
Long-term liabilities			
Deferred tax liability	27	2,364.5	2,612.5
Liabilities to credit institutions	28, 29	8,810.9	7,839.6
Derivatives	29	361.8	221.2
Other long-term liabilities	30	22.7	22.7
Total long-term liabilities		11,559.9	10,696.0
Current liabilities			
Short-term provisions	33	105.9	-
Liabilities to credit institutions	28, 29	2,802.4	1,881.3
Derivatives	29	1.9	0.9
Accounts payable		177.9	149.5
Other liabilities	32	27.8	383.8
Accrued costs and prepaid income	31	535.8	523.8
Total current liabilities		3,651.7	2,939.3
Total shareholders' equity and liabilities		25,466.9	23,175.8
MEMORANDUM ITEMS			
Collateral pledged for liabilities to credit institutions			
Property mortgages		11,722.2	10,078.3
Other collateral pledged			
Floating charges		15.0	10.0
		11,737.2	10,088.3
Guarantee engagements			
Guarantee undertakings		0.1	0.1
Contingent liabilities			
Review of tax demand re. property transaction via limited partnership	33	-	91.5

COMMENTS ON THE CONSOLIDATED BALANCE SHEETS

FIXED ASSETS

The market value of the investment properties at the year-end totalled SEK 24,576 million (SEK 21,897 m). Development rights and land account for SEK 219 million (SEK 214 m) of this total. Investments in Atrium Ljungberg's own properties totalled SEK 1,512 million (SEK 1,049 m). Properties were acquired for a total of SEK 895 million (SEK 379 m) and comprised the remaining 50 per cent of the Blästern 13 office property and the Härden 14 property in the Hagastaden district of Stockholm. Four villa properties located adjacent to Sickla Köp kvarter in Nacka have also been acquired.

The Stormarknaden 1 retail property to the south of Halmstad was sold during the year. The purchase price was based on a property value of SEK 130 million. The year's unrealised changes in the value of the investment properties totalled SEK 368 million (SEK 528 m).

CHANGE IN THE VALUE OF THE PROPERTY PORTFOLIO

SEK m	2012	2011
Property portfolio in 1 January	21,897	19,940
Acquisitions	895	379
New builds, reconstruction and extension	1,512	1,050
Sale	-94	-
Unrealised changes in value	368	528
Property portfolio, 31 December	24,576	21,897

The consolidated goodwill arose in conjunction with an operational acquisition and is linked to

the Group's deferred tax. The reported goodwill has fallen by a total of SEK -82.2 million – a reduction attributable to the sale of the Stormarknaden 1 property and to the lowering of the corporation tax rate on 1 January 2013.

A deferred tax receivable for loss carry-forwards totalling SEK 26.4 million was reported at the beginning of the year. The deferred tax receivable calculated on the basis of the remaining fiscal deficit as of 31 December 2012 totals SEK 3.6 million.

CURRENT ASSETS

Liquid assets at the end of the financial year totalled SEK 188.5 million (SEK 274.2 m). Other current assets have fallen by SEK 193.2 million due, primarily, to a repayment of an interest-bearing receivable received during the third quarter of the year.

SHAREHOLDERS' EQUITY

Shareholder equity on the closing day totalled SEK 10,255.3 million (SEK 9,540.5 m), corresponding to SEK 78.79/share (SEK 73.30/share). The change in the shareholders' equity is attributable to the net profit for the year of SEK 1,030.8 million and the reduction in the hedging reserve of SEK 22.4 million. The change in the hedging reserve refers to the successive reversal of the opening hedging reserve due to the fact that the Group no longer applies hedge accounting to interest swaps.

The dividend paid, which was approved at the Annual General Meeting held on 29 March 2012, totalled SEK 338.4 million. The equity/assets ratio at the year-end was 40.3 per cent (41.2%). The net worth, calculated on the basis of 10 per cent deferred tax, totalled SEK 86.67/share (SEK 83.03/share).

DEFERRED TAX LIABILITY

Deferred tax liability comprises tax calculated on the basis of temporary differences between fiscal values and book values, primarily with regard to investment properties and financial instruments. The reported liability as of 31 December 2012 totalled SEK 2,364.5 million (SEK 2,612.5 m). The year-on-year change is due to unrealised changes in the value of properties and financial instruments, fiscal depreciation of buildings, and direct deductions for investments.

The decision by the Swedish Parliament to lower the rate of corporation tax to 22 per cent as of 1 January 2013 has resulted in a revaluation of the deferred tax liability, yielding a positive result of SEK 473.1 million.

INTEREST-BEARING LIABILITIES

Liabilities to credit institutions totalled SEK 11,613 million (SEK 9,721 m) at the year-end. Interest-bearing liabilities have increased by SEK 1,892 million and refer to the financing of investments in in-house development projects and property acquisitions during the year. The average capital commitment term was 3.1 years (2.5 yrs.). The gearing ratio was 47.3 per cent (44.4%).

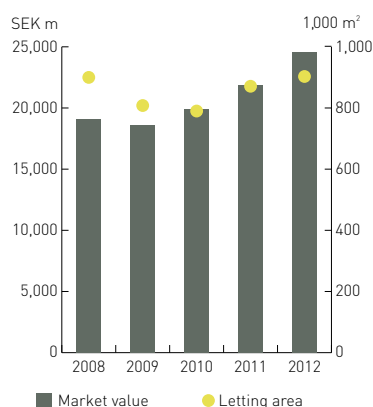
Atrium Ljungberg's financing is described in detail on pages 88–90.

OTHER LIABILITIES

The market valuation of derivatives at the year-end totalled SEK 363.7 million (SEK 222.1 m). Short-term provisions totalled SEK 105.9 million (SEK 0.0) at the year-end and comprised a provision made for a tax dispute, including estimated accrued interest charges. The case refers to a property transaction conducted via a limited partnership in 2004. The case may be resolved during the first half of 2013. See also Note 33 on page 135.

Other current liabilities total SEK 27.8 million (SEK 383.8 m). The reduction primarily comprises payment having been made for a property acquisition completed at the end of 2011.

THE PROPERTIES' MARKET VALUE AND LETTING AREA



CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

Amounts in SEK m	Attributable to the Parent Company shareholders				Total share- holders' equity
	Share capital	Other capital contributed	Hedging provisions	Profits brought forward	
Opening balance, as per 1 January 2011	333.0	3,959.8	-12.9	4,819.3	9,099.2
Change in shareholders' equity, 2011					
Total comprehensive income for the period, 1 January – 31 December			-150.8	904.5	753.7
Dividend, SEK 2.40/share				-312.4	-312.4
Closing balance as per 31 December 2011	333.0	3,959.8	-163.7	5,411.4	9,540.5
Change in shareholders' equity, 2012					
Total comprehensive income for the period, 1 January – 31 December			22.4	1,030.8	1,053.2
Dividend, SEK 2.60/share				-338.4	-338.4
Closing balance as per 31 December 2012	333.0	3,959.8	-141.3	6,103.8	10,255.3

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. The nominal value of the share is SEK 2.50.

CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in SEK m	Note	2012	2011
OPERATING ACTIVITIES			
Profit/loss before tax		875.0	1,224.7
Reversal of depreciation and write-downs	9	6.1	4.3
Realised changes in value, investment properties		-37.4	-2.0
Unrealised changes in value, investment properties	15	-367.8	-528.3
Unrealised changes in value, financial instruments		182.5	-
Other items not included in the cash flow		82.2	-
Tax paid		51.6	-86.0
Cash flow from operating activities before changes in working capital		792.2	612.7
Increase/decrease in current receivables		0.8	-46.9
Increase/decrease in current liabilities		38.9	73.9
Change in working capital		39.7	27.0
Cash flow from operating activities		831.9	639.7
INVESTMENT ACTIVITIES			
Change in other receivables		142.5	-
Purchases of machinery and equipment		-3.8	-17.8
Sale of machinery and equipment		7.9	-
Acquisition of properties	15	-1,236.4	-36.8
Reconstruction and new construction of properties	15	-1,511.8	-1,049.8
Sale of properties		130.0	-
Cash flow from investment activities		-2,471.6	-1,104.4
FINANCING ACTIVITIES			
Change in other long-term receivables		0.0	1.6
Loans raised	28	1,999.5	635.5
Amortisation of debts	28	-107.1	-25.1
Dividend paid		-338.4	-312.4
Cash flow from financing activities		1,554.0	299.6
Cash flow for the year		-85.7	-165.1
Cash and cash equivalents at the beginning of the year		274.2	439.3
Cash and cash equivalents at the end of the year		188.5	274.2
Information on interest paid			
Interest received totalled		9.1	10.7
Interest paid totalled		-429.0	-370.0
Information on liquid assets at the end of the year			
Bank deposits, ex. blocked funds		188.5	274.2

COMMENTS ON THE CONSOLIDATED STATEMENTS OF CASH FLOW

The cash flow from operating activities totalled SEK 831.9 million (SEK 639.7 m), corresponding to SEK 6.39/share (SEK 4.91/share). SEK -2,471.6 million (SEK -1,104.4 m) in investment activities has been charged to the cash flow and refers primarily to investments in Atrium Ljung-

berg's own properties. The sale of the Storkmarknaden 1 property has had a positive effect on the cash flow of SEK 130 million. The cash flow within the financing activities totals SEK 1,544.0 million (SEK 299.6 m). The increase is primarily due to an increase in the loans vol-

ume. The Group's liquidity, including unutilised overdraft facilities totalling SEK 300 million, totalled SEK 488.5 million (SEK 574.2 m) at the year-end.

INCOME STATEMENTS PARENT COMPANY

Amounts in SEK m	Note	2012	2011
Net sales		181.0	246.8
Management and production costs	7,8,9	-98.4	-122.3
Gross profit/loss	10	82.6	124.5
Profit/loss on property sales		-168.8	-
Central administration and marketing	3,7,8,9	-41.5	-43.7
Operating profit/loss	4,5,6	-127.7	80.8
Result of participations in Group companies	11	1,775.5	170.5
Interest income and similar profit/loss items	12	320.8	227.4
Interest expenses and similar profit/loss items	12	-413.8	-397.7
		1,682.5	0.2
Profit/loss after financial items		1,554.8	81.0
Appropriations	26	11.6	-2.3
Current tax	14	0.7	-
Deferred tax	14	50.1	-20.3
		50.8	-20.3
Net profit/loss for the year		1,617.2	58.4
Dividend per share, SEK (2012, proposed)		2.85	2.60

OTHER COMPREHENSIVE INCOME PARENT COMPANY

Amounts in SEK m	2012	2011
Net profit/loss for the year as per Income Statement	1,617.2	58.4
Other comprehensive income	-	-
Total comprehensive income for the year	1,617.2	58.4

COMMENTS ON THE PARENT COMPANY ACCOUNTS

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

Net sales totalled SEK 181.0 million (SEK 246.8 m). The reduction in net sales was due to the sale of properties by the company to other Group companies during the year. The operating

profit/loss totalled SEK -127.7 million (SEK 80.8 m), to which sum a capital loss on the sale of properties totalling SEK 168.8 million (SEK 0.0) has been charged. The profit/loss after financial items totals SEK 1,554.8 million (SEK 81.0 m) and was positively affected by dividends received from subsidiary companies totalling SEK 1,605 million (SEK 0.0). The Parent Company's asset primarily

comprise buildings and land, participations in Group companies, and receivables from Group companies. Borrowing from credit institutions totalled SEK 5,932 million (SEK 4,735 m). These funds finance the company's property portfolio and are lent on to other Group companies.

BALANCE SHEETS PARENT COMPANY

Amounts in SEK m	Note	12-12-31	11-12-31
ASSETS			
Fixed assets			
Tangible fixed assets			
Buildings, land and land improvements	16, 17	1,203.9	1,705.9
Ongoing new construction, extension and reconstruction work	18	110.2	85.7
Machinery and equipment	19	12.8	15.1
Total tangible fixed assets		1,326.9	1,806.7
Financial fixed assets			
Participations in Group companies	21	6,219.8	6,029.4
Total financial fixed assets		6,219.8	6,029.4
Total fixed assets		7,546.7	7,836.1
Current assets			
Accounts receivable	23	1.3	3.4
Receivables from Group companies	4, 29	6,963.8	3,595.3
Tax receivables		39.6	76.4
Other receivables	24	7.2	6.8
Prepaid costs and accrued income	25	23.1	14.3
Liquid assets	28, 29	137.1	202.5
Total current assets		7,172.1	3,898.7
Total assets		14,718.8	11,734.8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital (133,220,736 shares, nominal value: SEK 2.5)		333.0	333.0
Statutory reserve		265.4	265.4
		598.4	598.4
<i>Non-restricted shareholders' equity</i>			
Share premium reserve		3,948.4	3,948.4
Profit brought forward		869.6	1,149.6
Net profit/loss for the year		1,617.2	58.4
		6,435.2	5 156.4
Total shareholders' equity		7,033.6	5 754.8
Untaxed reserves	26	9.8	21.4
Provisions			
Deferred tax liability	27	209.2	259.3
Long-term liabilities			
Liabilities to credit institutions	28, 29	4,631.3	3 948.5
Other long-term liabilities	30	16.4	15.1
Total long-term liabilities		4,647.7	3 963.6
Current liabilities			
Liabilities to credit institutions	28, 29	1,300.4	786.4
Accounts payable		36.5	14.4
Liabilities to Group companies	4, 29	1,395.7	839.3
Other liabilities	32	5.6	9.1
Accrued costs and prepaid income	31	80.3	86.5
Total current liabilities		2,818.5	1 735.7
Total shareholders' equity and liabilities		14,718.8	11,734.8
MEMORANDUM ITEMS			
Collateral pledged for liabilities to credit institutions			
Property mortgages		1,262.7	1,431.8
Property mortgages made available by subsidiary companies		4,748.5	3,490.5
		6,011.2	4,922.3
Guarantee undertakings			
Guarantee undertakings for subsidiary companies		1,225.0	1,400.0
Liabilities as limited partner in limited partnerships		107.9	104.1
		1,332.9	1,504.1

CHANGES IN SHAREHOLDERS' EQUITY

PARENT COMPANY

Amounts in SEK m	Share capital	Statutory reserve	Fair value fund	Share premium reserve	Profits brought forward	Total shareholders' equity
Opening balance as per 1 January 2011	333.0	265.4	-12.9	3,948.4	1,462.0	5,995.9
Adjustment as a result of amended accounting principles			12.9			12.9
Change in shareholders' equity, 2011						
Total comprehensive income for the period, 1 January – 31 December					58.4	58.4
Dividend, SEK 2.40/share					-312.4	-312.4
Closing balance, as per 31 December 2011	333.0	265.4	-	3,948.4	1,208.0	5,754.8

Change in shareholders' equity, 2012

Total comprehensive income for the period, 1 January – 31 December					1,617.2	1,617.2
Dividend, SEK 2.60/share					-338.4	-338.4
Closing balance, as per 31 December 2012	333.0	265.4	-	3,948.4	2,486.8	7,033.6

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. The nominal value of the share is SEK 2.50.

STATEMENTS OF CASH FLOW

PARENT COMPANY

Amounts in SEK m	Note	2012	2011
OPERATING ACTIVITIES			
Profit/loss after financial items		1,554.8	81.0
Reversal of depreciation and write-downs	9	17.1	21.1
Reversal of the profit/loss on property sales		168.8	-
Other items not included in the cash flow		-1,474.7	-81.6
Tax paid		37.5	-28.3
Cash flow from operating activities before changes in working capital		303.5	-7.8
Increase/decrease in current receivables		-7.1	-7.7
Increase/decrease in current liabilities		12.5	0.4
Change in working capital		5.4	-7.3
Cash flow from operating activities		308.9	-15.1
INVESTMENT ACTIVITIES			
Participations in Group companies		-10.0	-
Purchase/sale of machinery and equipment		-1.3	-13.7
Reconstruction and new construction of properties		-99.7	-73.5
Sale of properties		395.0	-
Cash flow from investment activities		284.0	-87.2
FINANCING ACTIVITIES			
Change in other long-term liabilities		1.2	0.9
Change in receivables from Group companies		-2,048.5	72.7
Change in liabilities to Group companies		530.5	-0.4
Loans raised	28	1,419.5	185.7
Amortisation of debts	28	-222.6	-24.5
Dividend paid		-338.4	-312.4
Cash flow from financing activities		-658.3	-78.0
Cash flow for the year		-65.4	-180.3
Liquid assets at the beginning of the year	29	202.5	382.8
Liquid assets at the end of the year	29	137.1	202.5
Information on interest paid			
Interest received totalled		321.1	227.0
Interest paid totalled		-389.4	-308.9
Information on liquid assets at the end of the year			
Bank deposits		137.1	202.5

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SUPPLEMENTARY INFORMATION – NOTES TO THE ACCOUNTS

NOTE 1. ACCOUNTING PRINCIPLES

GENERAL INFORMATION

Atrium Ljungberg AB (publ.), company ID no.: 556175-7047, is a limited company registered in Sweden with registered offices in Nacka and a street address of Sickla Industriväg 19, SE-131 04 Nacka. Atrium Ljungberg's class B share has been listed on the NASDAQ OMX Stockholm Exchange since 1994. Atrium Ljungberg shall engage in the long-term ownership, development and management of retail properties, office properties and full-service environments in strong subsidiary markets, primarily in large urban regions, and shall engage in project and construction activities. The annual accounts and the consolidated accounts in respect of the 2012 financial year were approved for publication by the Board of Directors on 4 March 2013. It is proposed that the Income Statement and Balance Sheet contained in the Annual Accounts be adopted at the Annual General Meeting held on 10 April 2013.

CONSOLIDATED ACCOUNTING PRINCIPLES

The Consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as of 31st December 2012. The Consolidated accounts have also been prepared in accordance with Swedish law through the application of RFR 1, Complementary accounting regulations for corporate groups, issued by the Swedish Accounting Standards Board.

Assets and liabilities are reported at historic acquisition values, with the exception of investment properties and derivative instruments, which are valued and reported at fair value. The consolidated accounting principles described have been applied consistently to all periods presented in the Group's financial reports, unless otherwise indicated below. The functional currency of the Parent Company is the Swedish krona, which is also the reporting currency for the Parent Company and the Group. All amounts are shown in SEK million unless otherwise indicated.

The Parent Company applies the same accounting principles as the Group with the exceptions and additions indicated below in the section entitled "Parent Company accounting principles". The Parent Company complies with the provisions of the Swedish Annual Accounts Act and the RFR2 recommendation, Accounting for Legal Entities, issued by the Swedish Accounting Standards Board and hence the Parent Company shall, in its annual accounts for the legal entity, apply all of the IFRS standards and pronouncements approved by the EU wherever this is possible within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and with reference to the link between accounting and taxation.

sions of the Swedish Annual Accounts Act and the RFR2 recommendation, Accounting for Legal Entities, issued by the Swedish Accounting Standards Board and hence the Parent Company shall, in its annual accounts for the legal entity, apply all of the IFRS standards and pronouncements approved by the EU wherever this is possible within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and with reference to the link between accounting and taxation.

Significant assessments and assumptions in connection with the application of the Group's accounting principles

Preparing financial reports in accordance with IFRS requires the Board of Directors and the senior management to make assessments and estimates that affect the application of the accounting principles and the reported values of assets, liabilities, income and expenses. Assumptions and estimates are based on, amongst other things, historical experience and other factors deemed relevant under the circumstances currently obtaining. These assumptions and estimates are used to assess the reported values of assets, liabilities, income and expenses whose value is not otherwise clear from other sources. The actual result may deviate from these estimates and assessments.

Assumptions and estimates are analysed regularly by the Board of Directors and senior management. Changes are reflected in the accounts for the period when the change is made if the change only affects the current period. If the change affects the current period and subsequent periods, the accounts are affected in accordance therewith. The assumptions deemed most significant when preparing the financial reports are described below.

The investment properties are valued at fair value. The valuation includes assessments and assumptions that are regarded as critical to the values reported. Assumptions made, uncertainty factors and assessments are described in greater detail in Note 15.

An assessment is made, in conjunction with the acquisition of companies, of whether the acquisition shall be classified as an asset acquisition or an operational acquisition. An asset acquisition is deemed to exist if the acquisition refers to properties but does not include any organisation or management processes required to conduct the operations. Other acquisitions are classified as operational acquisitions.

An assessment is made, in conjunction with property transactions, of when the transfer of risks and benefits occurs. This assessment acts as a guide to when the transaction is recognised.

An assessment of the potential for offsetting the deficit against future profits is made when valuing loss carry-forwards.

Allocations to the guarantee reserve for construction work are made in the amount of 0.5 per cent of the contract sum during the guarantee period. The allocation is based on historical experience and an assessment of the risks inherent in ongoing projects. The allocations, as of 31 December 2012, exceed the costs expended for guarantee work during the year.

Consolidated accounts

The Consolidated accounts comprise the Parent Company, Atrium Ljungberg AB, and the companies over which the Parent Company has a controlling influence (subsidiary companies). The term, controlling influence, refers to the right to formulate strategies for an economic concern in order to achieve financial gain and is normally achieved when the Parent Company, either directly or indirectly, owns shares that represent more than 50 per cent of the votes. Controlling influence can also be exercised in ways other than through share ownership.

The results of subsidiary companies acquired or sold during the year are included in the Consolidated Statement of Comprehensive Income from and until (incl.) the date when the transaction occurred, i.e. when the controlling influence ceased to obtain.

If the accounting principles of the subsidiary companies deviate from those of the Group, the subsidiary companies accounting is adjusted to comply with the same principles as other Group companies.

Internal transactions between Group companies and intra-Group transactions are eliminated in conjunction with the preparation of the consolidated accounts.

Minority interests comprise that part of the result and the net assets of a jointly owned company that accrue to other owners. The minority interest's share of the result is included in the Consolidated Income Statement's profit/loss after tax. The percentage of the net assets is included in shareholders' equity in the Consolidated Balance Sheet but is reported separately from the shareholders' equity attributable to the Parent Company's shareholders. There

are currently no minority interests within Atrium Ljungberg.

Operational acquisitions

Acquisitions of subsidiary companies are reported using the acquisition accounting method. The acquisition value of an acquisition comprises the fair value on the transaction date of assets paid, of liabilities arising or assumed, and of the shareholders' equity instruments issued by the acquiring party in return for controlling influence over the acquired unit. Acquired and identifiable assets, liabilities and contingent liabilities are valued at fair value on the acquisition date.

If the acquisition value of the participations acquired exceeds the sum of the fair value of acquired and identifiable assets, liabilities and contingent liabilities, the difference is reported as goodwill. If the acquisition cost is lower than the fair value calculated in the manner described above, the difference is reported directly in the Income Statement.

Minority interests are reported showing the minority owners' proportional share of the reported fair value of assets, liabilities and contingent liabilities. Any difference between the acquisition value of the participations acquired and the fair value of acquired and identified assets and liabilities in conjunction with the acquisition of minority holdings is reported directly to shareholders' equity.

Asset acquisitions

When a group of assets or net assets that do not constitute a commercial operation are acquired, the acquisition value for the Group is spread over the individual identifiable assets and liabilities on the basis of their relative fair values on the acquisition date.

Goodwill

Goodwill arising in conjunction with the preparation of the Consolidated accounts comprises the difference between the acquisition value and the Group's share of the fair value of an acquired subsidiary company's or associated company's identifiable assets on the acquisition date. Goodwill reported within the Group is attributable to the difference between nominal tax and calculated tax applied in conjunction with operational acquisitions. The company's goodwill is, therefore, fully linked to the deferred tax. Goodwill is reported on the acquisition date at the acquisition value and is subsequently valued

at the acquisition value after any deductions for write-downs.

When conducting impairment testing, goodwill is allocated to the cash-generating units that are expected to benefit from the synergies arising in conjunction with the acquisition. Goodwill impairment testing shall be carried out annually, or more frequently if there is any indication that the reported value may not be recoverable. If the recovery value of a cash-generating unit is determined to be lower than the reported value, the write-down amount shall be allocated, starting with a reduction in the value of goodwill attributed to the cash-generating unit, followed by a reduction in the reported value of goodwill attributable to other assets within a unit. Any reported write-downs of goodwill may not be reversed in a subsequent period.

The remaining reported value of goodwill is taken into account when calculating the capital gain or loss in conjunction with the sale of a subsidiary company or associated company.

Associated companies

Shareholdings in associated companies in which the Group has a minimum and maximum holding of 20 per cent and 50 per cent, respectively, are reported using the equity method. Under the equity method, participations in associated companies are reported at the acquisition value on the acquisition date and subsequently adjusted by the Group's share of the change in the associated company's net assets. The Group's book value of the shares in the associated companies corresponds to the Group's share in the associated companies' shareholders' equity and any residual value of consolidated surplus and deficit values. Participations in associated companies are reported in Note 20.

Revenue recognition

Revenue comprises rents and remuneration for external project and construction activities. All lease contracts are classified as operational leasing agreements. Rental income is distributed linearly over the term of the contract other than when the terms of the lease contract are such that a different form of distribution would better reflect the way in which the economic benefits attributable to the letting of the investment property change over time. Rental payments in advance are reported as prepaid income. The gross rent includes items in respect

of costs passed on for property tax, electricity and heating. Substantial rent discounts have been distributed over the term of the contracts. Net sales-based rent has been estimated in the closing accounts on the basis of reported net sales data. Net sales-based rent is determined in subsequent years once tenants' auditors have determined the tenants' net sales. Any difference between the determined and estimated annual rent is reported as an amended determination in the period in which the annual rent is determined.

Project and construction revenue is reported as the project progresses, i.e. in accordance with so-called successive revenue recognition. The degree of recognition – the degree of completion – is primarily determined on the basis of project costs expended in relation to the estimated total engagement expenses in conjunction with completion. If the result of a project cannot be reliably calculated, a revenue is recognised that corresponds to expenses disbursed as of the closing day. Anticipated losses are reported immediately as a cost. The difference between recognised project revenue and as yet uninvoiced amounts is reported as an asset in accordance with the successive revenue recognition method. Equally, the difference between an invoiced amount and as yet unrecognised project revenue is reported as a liability.

Dividend income is reported when the shareholders' right to receive payment has been confirmed.

Interest income is reported over the interest term, applying the effective interest method. Effective interest is the interest that ensures that the current value of all future payments received and made during the fixed interest term is the same as the reported value of the receivable.

Leasing

A leasing agreement is an agreement whereby a lessor grants a lessee the right, on agreed terms and conditions for a contractually agreed period of time, to make use of an asset in return for payment. Leasing is classified as either financial or operational leasing in the Consolidated accounts. A financial leasing agreement exists when the economic risks and benefits associated with ownership are transferred, in every significant respect, to the lessee. If this is not the case, then the agreement is an operational leasing agreement.

Atrium Ljungberg is the lessor in conjunction with the granting of premises to tenants and lessees for vehicles and leasehold fees. Details of these agreements are shown in Notes 5 and 6. All leasing agreements are classified as operational leasing agreements in that a significant portion of the risks and benefits associated with ownership are retained by the lessor. Income and expenses in respect of leasing agreements are distributed linearly over the leasing period. Benefits received in conjunction with the signing of a leasing agreement are reported linearly in the Income Statement over the term of the leasing agreement. Increased leasing fees are distributed over the term of the leasing agreement.

Segment reporting

The Atrium Ljungberg Group's reportable segments comprise the Property management and Project and construction activities operating sectors. Property management is conducted within two separate business areas: one for retail and one for offices, and is divided up by geographical market, project properties and properties sold. The identification of reportable segments is based on the internal reporting to the most senior executive decision maker which, for Atrium Ljungberg, is deemed to be the Managing Director. The Group is managed and reported on the basis of the result measurement of gross profit divided by the identified and reportable operating segments. Three profit and loss items are not divided by segment, namely central administration costs, financial items, and taxes. Accounting principles applied in the segment reporting concur with the consolidated accounting principles and presentation formats for the Income Statement as described in Note 1.

Investment properties

Investment properties, i.e. properties held in order to generate rental income and/or increased value gains, are reported on an ongoing basis at fair value. The fair value is determined on the basis of estimated market values, which correspond to the value at which ownership of a property could be transferred between knowledgeable parties who are mutually independent and who have an interest in completing the transaction. Changes in fair value are reported in the Income Statement as unrealised changes in value. See Note 15 for details of property valuation.

The term, investment properties, includes buildings and land, land improvement, and buildings- and land-related equipment. Any properties that are being built or developed for future use as investment properties are also reported as investment properties.

Investments in investment properties are initially reported at acquisition value. The acquisition value includes expenses directly attributable to the acquisition, such as transaction costs, stamp duty and legal services. Expenses in connection with renovation work that has entailed an economic benefit for the Group, i.e. that has increased the value of the property, and which can be calculated reliably, are capitalised. Other expenses in connection with repairs and ongoing maintenance are reported as repair costs and are included in the operating surplus. Property sales are reported in conjunction with the transfer of the risks and benefits associate with title from the vendor to the purchaser, which normally coincides with the contract date unless this specific contractual terms and conditions mandate that this occurs on some other date.

Profits or losses arising in conjunction with the sale or disposal of investment properties comprise the difference between the sale price and the most recently conducted valuation (reported value is based on the most recently conducted valuation at fair value). Profits or losses from a sale of an investment property are reported as realised changes in value in the Income Statement.

If the company uses a property for its own internal purposes, e.g. for administrative purposes, the property only constitutes an investment property if a minority of the property is used for internal purposes.

Borrowing costs

Borrowing costs are capitalised in conjunction with major renovation or new construction projects to the extent that they have arisen during the construction period. Interest expenses are calculated using the effective interest method on the basis of the Group's average interest rate on all loans.

Tangible fixed assets

Tangible fixed assets are reported at the acquisition value less accumulated depreciation and write-downs. The acquisition value includes expenses directly attributable to the acquisition of the asset. Additional expenses are added to the asset's reported value or reported as a separate

asset only if it is likely that future economic benefits associated with the asset will be received by the Group and when the acquisition value of the asset can be reliably calculated.

The useful lives of computer equipment and of other machinery and equipment has been calculated at three years and five years, respectively. Depreciation is effected linearly over the useful life. The residual value of the assets and their useful life is reviewed on every closing day and adjusted when necessary.

Depreciation of tangible fixed assets

Depreciation is charged to the operating profit/loss according to plan in the Income Statement. Depreciation according to plan for computer equipment has been effected in the amount of 33 per cent of the acquisition value. Depreciation for other machinery and equipment has been effected in the amount of 20 per cent of the acquisition value.

Write-downs and reversals of write-downs

An impairment test of the Group's assets is conducted in conjunction with the preparation of every set of annual accounts. An asset's reported value is written down to its recoverable amount if its reported value exceeds the recoverable amount. The recoverable amount comprises whichever is the higher of the value in use and the fair value, minus selling expenses. When conducting an impairment test, assets are grouped together at the lowest levels at which there are separate, identifiable revenue streams (known as cash-generating units). If there are any indications that a previous write-down is no longer motivated, either wholly or in part, the asset's reported value shall be increased. Write-downs are reported as a cost in the Income Statement.

Financial assets and financial liabilities

A financial asset or financial liability is reported in the Balance Sheet when the company becomes party to the instrument's contractual terms and conditions. A financial asset is eliminated from the Balance Sheet when the rights contained in the agreement are realised, fall due, or when the company loses control over it. A financial liability is eliminated from the Balance Sheet when the undertaking in the agreement is fulfilled or otherwise ceases to obtain. Trading date accounting is applied for derivative instruments and settlement date accounting for on demand purchases or sales of financial assets.

The company conducts impairment testing on every closing day to determine whether there are objective indications that events indicate a requirement to write down a financial asset or group of financial assets. Financial instruments are reported at the accrued acquisition value or at fair value, depending on the initial categorisation in accordance with IAS 39.

Determining fair value for financial instruments

The fair value of interest swaps is determined by discounting estimated cash flows. The discounting is based on observable yield curves. Yield curves are based on current market interest rates on the closing day. The fair value is, therefore, determined in accordance with level 2 of IFRS 7, section 27 A. Atrium Ljungberg currently has no financial assets or liabilities where the valuation is based on levels 1 or 3 of IFRS 7, section 27 A.

The reported value for all financial assets and liabilities, unless otherwise stated in a Note to the Accounts, is deemed to constitute a good approximation of the fair value.

Offsetting financial liabilities and assets

Financial assets and liabilities are offset and reported in a net amount in the Balance Sheet when a legal right to offset exists and when an intention to regulate the items with a net amount or to simultaneously realise the asset and settle the debt exists.

Liquid assets/cash and bank balances

Liquid assets comprise investments with a term of three months or less that can easily and with an insignificant risk of changes in value be converted to cash. Atrium Ljungberg's financial policy states that investments are only permitted in cash, treasury bills or fixed income funds and must be convertible to liquid assets within 3 days.

Statements of cash flow

Statements of cash flow are prepared using the indirect method, in accordance with IAS 7, and the profit/loss is consequently adjusted for transactions that have not entailed payments received or made and for income and expenses that can be attributed to investment and/or financial activities.

Accounts receivable

Accounts receivable are categorised as "Loan receivables and accounts receivable" and are consequently valued at the accrued acquisition value. The anticipated term of accounts receivable is, however, short, and they are, therefore, reported in nominal amounts without discounting, less receivables deemed to be doubtful. Write-downs of accounts receivable are reported under operating expenses.

Long-term receivables and other receivables

Long-term receivables and other current receivables are categorised as "Loan receivables and accounts receivables". They are valued at the accrued acquisition value, which means that the reported value corresponds to the fair value as the receivable is discounted to the current value in accordance with market interest rates. Receivables whose anticipated term is short are reported in nominal amounts without discounting. Deductions are made for receivables deemed to be doubtful.

Derivative instruments

Atrium Ljungberg uses derivative instruments, or so-called interest swap agreements, to achieve the desired fixed interest term for its interest-bearing liabilities. The risk hedged is the risk of changes in future interest payments resulting from changes in market interest rates for a given portion of the company's liabilities to credit institutions. Derivative instruments are valued on an ongoing basis at their fair value in the Balance sheet and reported as an asset if the fair value is positive for Atrium Ljungberg and as a liability if the fair value is negative.

The company has ceased to apply hedge accounting to derivative instruments as of 1 January 2012 and unrealised changes in the value of derivatives are consequently reported directly to the profit. The hedging reserve in respect of derivatives to which hedge accounting was previously applied is reversed linearly to Other comprehensive income for the terms of the respective derivatives.

Accounts payable

Accounts payable are categorised as "Other financial liabilities" and are consequently valued at the accrued acquisition value. Accounts payables' anticipated terms are short and the liability is consequently reported as a nominal amount without discounting.

Other financial liabilities

Atrium Ljungberg's liabilities to credit institutions and the company's other liabilities are categorised as "Other financial liabilities" and are valued at the accrued acquisition value. Liabilities whose anticipated term is short are reported as nominal amounts without discounting. Long-term liabilities have an anticipated term in excess of one year while current liabilities have an anticipated term of less than one year.

Remuneration to employees

Remuneration to employees in the form of salaries, paid leave, paid absence due to sickness, etc., and pensions, are reported as they are earned. Pensions and other remuneration after employment ceases are classified as defined contribution or defined benefit pension plans.

Defined contribution pension plans

The company pays defined fees to a separate, independent legal entity for defined contribution pension plans and has no obligation to pay any additional fees. Costs are charged to the Group's profit/loss as the benefits are earned. The Group has only one defined benefit pension plan (the Alecta plan) for which information reliable enough to report it in accordance with the rules governing defined contribution pension plans is unavailable. See Note 8 for further details.

Taxes

Current tax

Current tax is calculated on the basis of the taxable profit/loss for the period. The taxable profit/loss differs from the reported profit/loss in the Income Statement in that it has been adjusted for non-taxable income and non-deductible expenses and for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated using the tax rates confirmed or announced as of the closing day.

Deferred tax

Deferred tax is reported on the difference between the reported value of assets and liabilities in the financial reports and the fiscal value used when calculating the taxable result. Deferred tax is reported using the so-called Balance Sheet method. Deferred tax liabilities are reported for, in principle, all taxable temporary differences, and deferred tax receivables are re-

ported for, in principle, all deductible temporary differences to the extent that it is likely that the amounts can be used to offset future taxable surpluses. Deferred tax liabilities and tax receivables are not reported if the temporary difference is attributable to goodwill or if they arise as a result of a transaction that constitutes the first reporting of an asset or liability (which is not a corporate acquisition) and which, at the time of the transaction, affects neither the reported nor the fiscal profit/loss.

The reported value of deferred tax receivables is reviewed in conjunction with the preparation of every set of financial statements and reduced to the extent that it is no longer likely that sufficient taxable surpluses will be available for offsetting, either wholly or in part, against the deferred tax receivable.

Deferred tax is calculated using the tax rates expected to apply for the period during which the asset is recovered or the debt settled, based on the tax rates (and tax legislation) confirmed or announced as of the closing day. Deferred tax receivables and tax liabilities are offset when they are attributable to income tax levied by the same authority and when the Group intends to settle the tax demand using a net amount.

Current and deferred tax for the period

Current and deferred tax is reported as a cost or income in the Income Statement, other than when the tax is attributable to transactions reported under Other comprehensive income, in which case the tax shall also be reported under Other comprehensive income. If the tax is attributable to a corporate acquisition or merger, the fiscal effect shall be taken into account when calculating goodwill or when determining the size of any surplus component arising if the fair value of the acquired participation in the acquired unit's identifiable assets, liabilities and contingent liabilities exceeds the acquisition value of the operational acquisition.

Property tax, advertising tax and payroll tax are reported as operating expenses.

Provisions

Provisions are reported in the Balance Sheet when an undertaking exists and it is likely that the undertaking must be fulfilled and that the amount can be reliably calculated but the date when the undertaking must be fulfilled is unknown or unclear. Provisions are reported in the Consolidated Balance Sheet as long-term or current liabilities.

Contingent liabilities

A contingent liability is reported when a possible undertaking exists as a result of a transpired event or any future uncertainty that is not reported as a liability or provision, in that an outflow of resources is unlikely.

PARENT COMPANY ACCOUNTING PRINCIPLES

The Parent Company applies the same accounting principles as the Group with the exceptions and additions regulated in the RFR 2, Reporting for legal entities recommendation issued by the Swedish Financial Reporting Board. The Parent Company Annual Accounts have been prepared in accordance with the provisions of the Swedish Annual Accounts Act (ÅRL), RFR 2, Reporting for legal entities, and UFR guideline statements issued by the Swedish Financial Reporting Board.

Amended accounting principles

The Parent Company has ceased to apply IAS 39 to the reporting of financial instruments, as of 1 January 2012. Financial instruments are now reported on the basis of their acquisition value in accordance with the Swedish Annual Accounts Act (ÅRL). The 2011 comparison period has been recalculated.

Buildings, land and land improvements

Properties are valued at the acquisition value less accumulated depreciation and write-downs and come under the heading of Buildings, land and land improvements in the Parent Company's Balance Sheet. Expenses for renovation work that has resulted in the standard and functionality being raised in comparison with the level obtaining when the property was originally acquired or was most recently the subject of measures that raised standards, are added to the acquisition value.

Depreciation of buildings, land and land improvements

Depreciation according to plan is charged to the operating profit/loss in the Parent Company's Income Statement. Booked depreciation according to plan is effected in the amount of 1 per cent of the acquisition value for buildings, land improvements and building equipment. The buildings are fiscally depreciated in the amount of between 2 and 4 per cent of the acquisition value, while land improvements are depreciated in the amount of 5 per cent. All building equipment is fiscally depreciated in the amount of 20–30 per cent of the ac-

quisition value. The difference between depreciation according to plan and fiscal depreciation is reported under appropriations. Deferred tax on the difference between booked and fiscal depreciation of buildings and land improvements is reported as deferred tax in the Income Statement and as a deferred tax liability in the Balance Sheet.

Depreciation of tangible fixed assets/ Machinery and equipment

Depreciation according to plan is charged to the operating profit/loss in the Income Statement. Depreciation according to plan for computer equipment is effected in the amount of 33 per cent of the acquisition value. Depreciation has been effected in the amount of 20 per cent of the acquisition value for other machinery and equipment.

Participations in subsidiary companies

Participations in subsidiary companies are reported using the acquisition value method. Acquisition-related costs for subsidiary companies, which are carried as expenses in the Consolidated accounts, are included in the acquisition value for participations in subsidiary companies. Impairment testing of the reported value of participations in subsidiary companies is carried out when there are indications that a write-down requirement exist.

Provisions and financial guarantee agreements

Provisions are reported under a separate heading in the Parent Company's Balance Sheet. The Parent Company applies the relaxation rule in RFR 2 with regard to the reporting of financial guarantee agreements to the benefit of subsidiary companies and associated companies, which means that IAS 39 is not applied to such guarantee agreements. Rather, the Parent Company reports a provision in respect of financial guarantee agreements when the company has an undertaking for which an outflow of resources will probably be required in order to settle the obligation.

Untaxed reserves

The amount allocated to untaxed reserves in the Parent Company comprises taxable temporary differences. The deferred tax liability attributable to the untaxed reserves in the Parent Company is not reported separately due to the link between accounting and taxation. Untaxed

reserves are, however, broken down within the Group, with 78 per cent reported as shareholders' equity and 22 per cent as deferred tax liabilities.

Reporting of Group contributions

Group contributions received are reported as financial income, while Group contributions made are reported as a financial expense.

NEW ACCOUNTING PRINCIPLES

New and amended standards and interpretations that come into force on 1 January 2012 have had no material effect on Atrium Ljungberg's financial reporting.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET COME INTO FORCE

The International Accounting Standards Board (IASB) has issued the following new and amended standards that have not yet come into force.

Standards that Atrium Ljungberg will apply as of 1 January 2013

- IFRS 13 Fair Value Measurement. The standard contains uniform regulations governing the calculation of and disclosures of fair values. The new standard is not expected to affect the valuation of Balance Sheet items but will require additional disclosures.
- Amendment to IAS 1 Presentation of Financial Statements. Requirement for breakdown of items under Other comprehensive income.
- Amendment to IAS 19 Employee benefits. Amendments primarily in respect of reporting and disclosure of defined benefit pension

plans. Atrium Ljungberg currently has no pension plans that are reported as defined benefit plans and the effects of the amendment on the financial reporting will be limited.

Standards that Atrium Ljungberg will apply as of 1 January 2014 or thereafter

- IFRS 10 Consolidated Financial Statements. The standard contains uniform regulations governing which units shall be consolidated, and will replace IAS 27 Consolidated and Separate Financial Statements, and SIC 12, which addresses so-called Special Purpose Entities. The standard is not expected to have any material effect on the financial reports.
- IFRS 11 Joint Arrangements. The standard addresses the reporting of so-called joint arrangements and will replace IAS 31 Interests in joint ventures. Atrium Ljungberg currently has no units to which the new standard will apply.
- IFRS 12 Disclosure of Interests in Other Entities. Augmented disclosure requirements for subsidiary companies, joint arrangements and associated companies have been grouped together within a single standard and are expected to result in a limited increase in disclosures.
- IFRS 9 Financial instruments. The standard is being published in stages and will replace IAS 39 Financial Instruments: Recognition and Measurement. It has not, as yet, been possible to evaluate the effects of the new IFRS 9 standard, which will not come into force before 2015 at the earliest.

NOTE 2. SEGMENT REPORTING

The Atrium Ljungberg Group's reportable segments comprise the property management and project and construction activities business segments. Property management is divided up by geographical market, properties

sold and project properties. See Note 1 Accounting principles for a more detailed description of the principles behind segment reporting.

2012	Stockholm, city centre	Stockholm, other	Uppsala and Mälardalen	Sweden, other	Project properties	Properties sold	Property management, total	Project and construction activities	Nonallocated items	The Group
Amounts in SEK m										
Rental income	512.3	916.5	229.6	135.0	24.7	6.7	1,824.8			1,824.8
Net sales, project and construction work								252.9		252.9
Net sales	512.3	916.5	229.6	135.0	24.7	6.7	1,824.8	252.9		2,077.7
Property management costs	-160.7	-309.3	-66.8	-51.0	-9.6	-3.3	-600.9			-600.9
Production costs								-242.0		-242.0
Gross profit/loss	351.6	607.2	162.8	84.0	15.0	3.4	1,224.0	10.9		1,234.8
– of which gross profit/loss from property management	351.6	607.2	162.8	84.0	15.0	3.4	1,224.0			1,224.0
– of which gross profit/loss from project and construction work								10.9		10.9
Central administration, property management							-41.7			-41.7
Central administration, project and construction work								-16.6		-16.6
Financial income									13.9	13.9
Financial expenses									-451.3	-451.3
									-437.4	-437.4
Profit/loss before changes in value	351.6	607.2	162.8	84.0	15.0	3.4	1,182.4	-5.7	-437.4	739.2
Unrealised changes in value, properties	192.1	176.9	23.8	-59.3	34.2		367.8			367.8
Realised changes in value, properties						32.7	32.7			32.7
Unrealised changes in value, financial instruments									-182.5	-182.5
Goodwill write-downs						-7.3	-7.3		-74.9	-82.2
	192.1	176.9	23.8	-59.3	34.2	25.4	393.2		-257.4	135.8
Current tax									-89.8	-89.8
Deferred tax									245.6	245.6
Net profit/loss for the year	543.7	784.2	186.6	24.8	49.2	28.8	1,575.5	-5.7	-539.0	1,030.8
Investments, acquisitions, disposals per business segment										
Investments, investment properties	80.1	132.2	50.2	25.6	1,223.7		1,511.8			1,511.8
Investments, project and construction work								1.7		1.7
Acquisitions, investment properties	858.0	37.0					895.0			895.0
	938.1	169.2	50.2	25.6	1,223.7		2,406.8	1.7		2,408.5
Assets per business segment, period end										
Investment properties	7,610.6	10,663.8	2,722.0	1,611.0	1,968.8		24,576.2			24,576.2
Project and construction work								97.3		97.3
Nonallocated assets in common									793.4	793.4
Total assets	7,610.6	10,663.8	2,722.0	1,611.0	1,968.8		24,576.2	97.3	793.4	25,466.9

100 per cent of the income was generated in Sweden, i.e. in the country in which Atrium Ljungberg has its registered office. The intra-group sales in respect of project and construction activities within the Group totalled SEK 152.8 million (SEK 135.7 m) and have been eliminated in the Group's net sales.

Engagement expenses in respect of ongoing engagements in accordance with construction agreements totalled SEK 213.9 million (SEK 207.5 m) and

the reported profit totalled SEK 18.5 million (SEK 8.9 m). Sums received from the client for ongoing engagements total SEK 0.9 million (SEK 2.1 m). The allocation of assets per segment is made for investment properties on the basis of geographic affiliation and project properties. Project and construction work assets comprise fixed assets and current assets, excluding liquid assets. No one customer accounts for more than 10 per cent of the company's total revenue.

2011	Stockholm, city centre	Stockholm, other	Uppsala and Mälardalen	Sweden, other	Project properties	Properties sold	Property management, total	Project and construction activities	Nonallocated items	The Group
Amounts in SEK m										
Rental income	431.9	865.4	202.2	52.2	120.8	13.8	1,686.3			1,686.3
Net sales, project and construction work								331.8		331.8
Net sales	431.9	865.4	202.2	52.2	120.8	13.8	1,686.3	331.8		2,018.1
Property management costs	-142.6	-314.8	-64.8	-22.3	-43.2	-3.6	-591.3			-591.3
Production costs								-317.0		-317.0
Gross profit/loss	289.3	550.5	137.5	29.9	77.6	10.2	1,095.0	14.8		1,109.8
– of which gross profit/loss from property management	289.3	550.5	137.5	29.9	77.6	10.2	1,095.0			1,095.0
– of which gross profit/loss from project and construction work								14.8		14.8
Central administration, property management							-44.1			-44.1
Central administration, project and construction work								-12.2		-12.2
Financial income									10.6	10.6
Financial expenses									-369.7	-369.7
Profit/loss before changes in value	289.3	550.5	137.5	29.9	77.6	10.2	1,050.9	2.6	-359.1	694.4
Unrealised changes in value, properties	246.7	308.2	31.8	-15.5	-42.9		528.3			528.3
Realised changes in value, properties						2.0	2.0			2.0
Unrealised changes in value, financial instruments										
Goodwill write-downs	246.7	308.2	31.8	-15.5	-42.9	2.0	530.3			530.3
Current tax									-1.5	-1.5
Deferred tax									-318.7	-318.7
Net profit/loss for the year	536.0	858.7	169.3	14.4	34.7	12.2	1,581.2	2.6	-679.3	904.5
Investments, acquisitions, disposals per business segment										
Investments, investment properties	44.8	175.9	57.3	12.5	759.3		1,049.8			1,049.8
Investments, project and construction work								2.2		2.2
Acquisitions, investment properties	342.0	37.0					379.0			379.0
	386.8	212.9	57.3	12.5	759.3		1,428.8	2.2		1,431.0
Assets per business segment, period end										
Investment properties	6,481.1	9,833.6	2,312.0	667.0	2,603.0		21,896.7			21,896.7
Project and construction work								106.8		106.8
Nonallocated assets in common									1,172.3	1,172.3
Total assets	6,481.1	9,833.6	2,312.0	667.0	2,603.0		21,896.7	106.8	1,172.3	23,175.8

Segment reporting for the period from 1 January – 31 December 2011 has been adjusted for the property sold in 2012.

NOTES TO THE ACCOUNTS

NOTE 3. CENTRAL ADMINISTRATION

Central administration comprises the costs in connection with the Board of Directors, the Managing Director, and other senior executives, and of audit and corporate costs in respect of, inter alia, the provision of information for shareholders, the costs of maintaining the stock market listing, and the production of the annual accounts, together with depreciation of machinery and equipment associated with the administration (see Note 9).

Fees and expenses paid to auditors	The Group		Parent Company	
	2012	2011	2012	2011
Audit engagement:				
Ernst & Young AB	1.4	1.7	1.4	1.7
Accounting engagements over and above audit engagements:				
Ernst & Young AB	0.2	0.2	0.2	0.2
Tax consultancy:				
Ernst & Young AB	0.1	0.2	0.1	0.2
Deloitte AB	–	0.6	–	0.6
Total	1.7	2.7	1.7	2.7

NOTE 4. DISCLOSURE OF RELATED PARTIES

SEK 152.8 million (SEK 135.7 m) of the TL Bygg AB subsidiary company's net sales comprised work carried out on behalf of the Group companies, corresponding to 40 per cent (32%) of the net sales for TL Bygg AB. SEK 0.8 million (SEK 1.3 m) of the Parent Company's net sales comprised sales to subsidiary companies, corresponding to 0.5 per cent (0.5%) of the Parent Company's net sales. Intra-Group transactions are effected at cost price with no profit surcharge. The Parent Company has a related party relationship with its subsidiary companies. See Note 21.

	Parent Company	
	2012	2011
Receivables from related parties (Group companies)	6,963.8	3,595.3
Liabilities to related parties (Group companies)	1,395.7	839.3

Other transactions with related parties occur on a minor scale and are conducted on market terms. Remuneration to the Managing Director and senior executives in respect of work carried out is shown in Note 8.

NOTE 5. LEASE CONTRACTS

The reported annual rent for agreed lease contracts totalled SEK 1,904 million (SEK 1,768 m) in the first quarter of 2013 within the Group, SEK 193 million (SEK 186 m) of which was within the Parent Company.

Premises, contract maturity structure	The Group		Parent Company	
	Rent, SEK m	Percentage, %	Rent, SEK m	Percentage, %
2013	281	15	20	11
2014	287	15	31	16
2015	384	20	41	21
2016	231	12	20	10
2017	237	12	16	8
2018	144	8	0	0
2019 and thereafter	280	15	18	10
Residential	61	3	46	24
Total	1,904	100	193	100

Letting rate, Q1 2013 ¹⁾	Rental value, SEK m	Lease contract, SEK m	Letting rate, %
Stockholm, city centre	568	556	98
Stockholm, other	987	922	94
Uppsala and Mälardalen	236	233	99
Sweden, other	136	129	95
	1,927	1,840	96
Project properties ²⁾	75	64	85
Total	2,002	1,904	95

Rental income trend, 2013	2012 Result	2013 Q1 ³⁾	2013 Q2 ³⁾	2013 Q3 ³⁾	2013 Q4 ³⁾
Stockholm, city centre	512	556	555	554	553
Stockholm, other	917	922	920	920	921
Uppsala and Mälardalen	230	233	231	231	232
Sweden, other	135	129	129	129	131
Project properties ²⁾	25	64	64	64	118
Properties sold	7				
Total	1,825	1,904	1,899	1,898	1,955

¹⁾ The reported letting rate is based on the immediately subsequent quarter.

²⁾ 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 up-grading 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 on 1st January of the year after completion.

³⁾ Contracted annual rent including known contract changes.

Lease contracts for retail space contain contractual terms that mandate a minimum rent and a net sales clause. The variable net sales surcharge totalled approximately 0.9 per cent of the total rental income in 2012.

NOTE 6. LEASEHOLD AGREEMENTS AND OTHER LEASING AGREEMENTS

The year's leasehold fees totalled SEK 23.5 million (SEK 26.4 m), SEK 4.8 million (SEK 7.8 m) of which refers to the Parent Company.

Leasehold agreements maturity structure	The Group		Parent Company	
	Fee, SEK m	Percentage, %	Fee, SEK m	Percentage, %
2013	17,8	61	–	–
2014	–	–	–	–
2015	–	–	–	–
2016	–	–	–	–
2017 and thereafter	11,6	39	6,8	100
Total	29,4	100	6,8	100

2013 refers to agreements that have matured in previous years but for which negotiations were not completed at the end of 2012.

Leasing agreements

Agreed leasing agreements refer primarily to vehicles and copying machines and have a maturity date of less than 3 years. The year's leasing costs in this category totalled SEK 3.2 million (SEK 2.9 m), while remaining costs totalled SEK 5.8 million (SEK 5.2 m).

NOTE 7. PERSONNEL

Average number of employees	The Group		Parent Company	
	2012	2011	2012	2011
Men	206	204	88	89
Women	59	56	55	51
	265	260	143	140

Gender breakdown – Board of Directors and management

Men, Board	5	6	–	–
Women, Board	1	1	–	–
Men, company management	3	2	–	–
Women, company management	4	5	–	–

NOTE 8. SALARIES, OTHER REMUNERATION AND PAYROLL OVERHEADS

SEK k	The Group		Parent Company	
	2012	2011	2012	2011
Board of Directors and senior executives				
Salaries	12,217	12,070	12,217	12,070
Payroll overheads	4,478	4,479	4,478	4,479
Pension costs	2,714	2,896	2,714	2,896
Other				
Salaries	115,817	110,943	65,891	64,552
Payroll overheads	37,480	37,203	21,851	22,286
Pension costs	12,123	10,961	8,399	8,261
Total	184,829	178,552	115,550	114,544

Senior executives' terms and remuneration

Atrium Ljungberg's principles governing the remuneration payable to senior executives states that salaries and other terms and conditions of employment for the company's senior management team shall be market-adapted and be competitive, but not market-leading in relation to other comparable companies. The guidelines shall apply for the senior management team which consists of the Managing Director and six Business Area Managers. The Managing Director's remuneration shall be proposed by the Chairman and determined by the Board of Directors. Remuneration payable to other members of the senior management team shall be proposed by the Managing Director and approved by the Board. Remuneration payable to the senior company management team, including the Managing Director, comprises a fixed salary. No variable salary or performance-related remuneration shall be payable. The Managing Director's retirement age is 62, while the retirement age for other members of the senior management team is 65. Pension plans are defined contribution plans, and the company hence has no additional obligations after payment of the annual premiums.

In the event of the termination of his/her position of employment by the company, the Managing Director shall be entitled to a 12-month notice period. Other members of the senior management have notice periods of up to 6 months. The Managing Directors shall, if notice of termination is given by the company, be entitled to severance pay corresponding to 6 months' salary. No other severance pay is payable. The terms and conditions that the company applies to other employees in the group, either in accordance with collective agreements or in accordance with unilateral commitments by the company to the employees, otherwise apply for the senior management team. Departure from the above-mentioned guidelines by the Board of Directors is permitted if there are specific grounds for so doing in a particular instance.

The proposal by the Board of Directors ahead of the 2013 Annual General Meeting is essentially the same as in previous years with the following amendments: in the event of notice being given by the Managing Director, a 6-month notice period shall apply. A 12-month notice period shall apply in the event of notice of termination being given by the company, together with 9 months' severance pay adjusted to 12 months' severance pay as of 1 January 2014.

The 2012 company management team is presented on page 101.

2012 SEK k	Basic salary/ Directors' fees	Other remuneration	Other benefits	Pension costs	Share-related remuneration	Total
Chairman of the Board						
Dag Klackenborg	400	–	–	–	–	400
Other Members of the Board						
Anna Hallberg	200	–	–	–	–	200
Thomas Evers	200	–	–	–	–	200
Anders Nylander	200	–	–	–	–	200
Sune Dahlqvist	200	–	–	–	–	200
Johan Ljungberg	200	–	–	–	–	200
	1,400	–	–	–	–	1,400
MD, Ingall Berglund	2,443	–	45	930	–	3,418
Other senior executives	8,049	325	296	1,785	–	10,455
	10,492	325	341	2,714	–	13,872
Total	11,892	325	341	2,714	–	15,272

2011 SEK k	Basic salary/ Directors' fees	Other remuneration	Other benefits	Pension costs	Share-related remuneration	Total
Chairman of the Board						
Dag Klackenborg	400	–	–	–	–	400
Other Members of the Board						
Anna Hallberg	200	–	–	–	–	200
Ulf Holmlund	200	–	–	–	–	200
Thomas Evers	200	–	–	–	–	200
Anders Nylander	200	–	–	–	–	200
Sune Dahlqvist	200	–	–	–	–	200
Johan Ljungberg	200	–	–	–	–	200
	1,600	–	–	–	–	1,600
MD, Anders Nylander	1,636	–	10	391	–	2,037
MD, Ingall Berglund	1,783	–	40	999	–	2,822
Other senior executives	7,001	50	252	1,506	–	8,809
	10,420	50	302	2,896	–	13,668
Total	12,020	50	302	2,896	–	15,268

NOTES TO THE ACCOUNTS

Pensions

Undertakings for old age pensions and family pensions for salaried workers in Sweden are secured through an insurance policy with Alecta. According to a statement issued by the Swedish Financial Reporting Board, UFR 3, this is a defined benefit plan that comprises several employers. A pension plan in accordance with ITP (supplementary pensions for salaried employees) that is secured through an insurance policy with Alecta shall, for those financial years for which the company has not had access to information that enables this plan to be reported as a defined benefit plan, be reported as a defined contribution plan. The year's pension insurance fees in accordance with ITP for the policy with Alecta total SEK 5.9 million (SEK 5.8 m). Alecta's surplus may be allocated to the policyholders and/or those insured. At the end of 2012, Alecta's surplus in the form of the collective consolidation level totalled 129 per cent (113%).

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance undertakings calculated in accordance with Alecta's actuarial calculation assumptions, which do not correspond to IAS 19.

The Managing Director of the Parent Company may retire from the age of 62. The premium is a defined contribution one, and the company consequently has no additional undertaking once the annual premium has been paid. The pensionable age for senior executives other than the Managing Director of the Parent Company is 65. All pensions are, with the exception of the defined benefit ITP plan in accordance with collective agreements, defined benefit pension plans.

NOTE 9. DEPRECIATION

	The Group		Parent Company	
	2012	2011	2012	2011
Management and production costs				
Buildings	–	–	13.0	18.3
Building fixtures & fittings	–	–	0.1	0.2
Land improvements	–	–	0.4	0.4
Machinery and equipment	2.7	2.0	0.2	0.0
	2.7	2.0	13.7	18.9
Central administration				
Machinery and equipment	3.4	2.3	3.4	2.3
Total	6.1	4.3	17.1	21.2

NOTE 10. GROSS PROFIT/LOSS, PROJECT AND CONSTRUCTION WORK

	The Group		Parent Company	
	2012	2011	2012	2011
Gross profit/loss, TL Bygg AB	36.1	44.5	–	–
Development project costs that cannot be capitalised	–25.2	–29.7	–17.0	–18.8
Total	10.9	14.8	–17.0	–18.8

NOTE 11. RESULT OF PARTICIPATIONS IN GROUP COMPANIES

	Parent Company	
	2012	2011
Dividends from subsidiaries	1,605.0	–
Result of participations in Sickla Industri-fastigheter KB, 916616-1720	170.5	170.5
Total	1,775.5	170.5

NOTE 12. FINANCIAL INCOME AND EXPENSES

	The Group		Parent Company	
	2012	2011	2012	2011
Financial income				
Interest income, bank	6.9	4.2	2.0	3.7
Other interest income	0.4	6.1	0.1	–
Interest income, tax-free	0.5	0.2	0.3	0.1
Other financial income	6.1	0.1	0.0	–
Group interest income	–	–	318.4	223.6
Total	13.9	10.6	320.8	227.4

Financial expenses

Interest expenses, bank	–435.1	–369.0	–246.8	–190.7
Other interest expenses	–0.6	–	–0.1	–
Non-deductible interest expenses	–14.6	–0.2	–0.1	–
Other financial expenses	–1.0	–0.5	–0.7	–0.2
Group interest expenses	–	–	–150.1	–117.9
Group contributions made	–	–	–16.0	–88.9
Total	–451.3	–369.7	–413.8	–397.7

Of which interest income and expenses from financial assets/liabilities not valued at fair value via the Income Statement:

Interest income	7.8	10.5	320.8	227.4
Interest expenses	–450.3	–369.2	–397.1	–308.6

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Capitalised interest expenses from investment properties				
Opening capitalised interest expenses	165.8	165.6	52.0	61.3
Year's capitalised interest expenses	26.4	10.2	–	0.7
Reclassification	–	–10.0	–	–10.0
Closing capitalised interest expenses	192.2	165.8	52.0	52.0
Average interest rate used when calculating the year's capitalised interest	4.1 %	3.9 %	–	3.9 %

NOTE 13. GOODWILL

On 17 October 2006, LjungbergGruppen AB acquired all of the shares in Atrium Fastigheter AB through payment in the form of newly issued shares. The closing rate on 16th October 2006 has been used to calculate the acquisition value and shareholders' equity. Goodwill arose in conjunction with the acquisition that was attributable to the difference between nominal tax and the estimated tax for costing purposes applied in conjunction with the acquisition. Goodwill is consequently entirely connected with deferred tax.

	The Group	
	2012	2011
Opening acquisition value	411.4	411.4
Sale of properties	–7.7	–
Closing accumulated acquisition value	403.7	411.4
Opening write-downs	–21.6	–21.6
Sale of property	0.3	–
Write-down as a result of change to rate of taxation	–74.8	–
Closing accumulated write-downs	–96.1	–21.6
Closing balance	307.6	389.8

NOTE 14. TAX

Tax calculation	Current tax		Deferred tax	
	2012	2011	2012	2011
The Group				
Reported profit/loss before tax	875.0	1,224.7	–	–
Fiscally deductible				
depreciation	–375.0	–335.9	375.0	335.9
investments	–115.3	–168.6	115.3	168.6
Non-taxable/non-deductible				
changes in the value of properties, unrealised	–367.8	–528.3	367.8	528.3
changes in the value of properties, realised	–32.7	–2.0	–65.1	–
changes in the value of financial instruments, unrealised	182.5	–	–182.5	–
consolidated capitalisation of interest on ongoing projects	–26.4	–10.2	26.4	10.2
goodwill write-downs	82.2	–	–	–
tax-related interest	14.0	0.0	–	–
Other fiscal adjustments	1.6	3.5	–21.1	–5.4
Fiscal profit/loss before loss carry-forwards	238.2	183.2	615.8	1,037.6
Loss carry-forwards from previous tax assessments	–100.8	–	100.8	–
Fiscally deductible investments, adjustment from previous years	–70.7	–282.4	70.7	282.4
Disposal adjustments, adjustment from previous years	–81.2	–	81.2	–
Other adjustments of loss carry-forwards from previous tax assessments	–1.8	–1.6	–	–
Loss carry-forwards, closing balance	16.3	100.8	–16.3	–100.8
Taxable profit/loss	0.0	0.0	852.2	1,219.1
Of which 26.3% current/deferred tax	–	–	–224.1	–320.6
Adjustment of tax in relation to previous years				
fiscally deductible investments/disposal, buildings	1.5	–1.5	–1.5	1.5
provision for tax demand in respect of previous tax assessment	–91.5	–	–	–
other adjustments	0.2	–	–1.9	0.4
Recalculation of deferred tax to 22% rate of taxation	–	–	473.1	–
Reported tax expense	–89.8	–1.5	245.6	–318.7
Tax calculation	Current tax		Deferred tax	
Parent Company	2012	2011	2012	2011
Reported profit/loss before tax	1,566.4	78.7	–	–
Change in difference between book and fiscal values of properties	–124.4	–78.7	124.4	78.7
Dividend from trade-related participations	–1,605.0	–	–	–
Disposal of properties	164.1	–	–163.3	–
Other fiscal adjustments	–1.1	0.0	1.2	–
Taxable profit/loss	0.0	0.0	–37.7	78.7
Of which 26.3% current/deferred tax	–	–	9.9	–20.7
Adjustment of tax in relation to previous years	0.7	–	–0.7	0.4
Recalculation of deferred tax to 22% rate of taxation	–	–	40.9	–
Reported tax expense	0.7	–	50.1	–20.3
Reconciliation of tax expenses	The Group		Parent Company	
	2012	2011	2012	2011
Profit/loss before tax	875.0	1,224.7	1,566.4	78.7
Nominal tax rate, 26.3%	–230.1	–322.1	–412.0	–20.7
Fiscal effect of				
changes in value of properties, realised	25.7	0.5	–0.2	–
goodwill write-downs	–21.6	–	–	–
other non-deductible expenses/non-taxable income	–4.0	–0.4	422.1	0.0
provision for tax demand in respect of previous tax assessment	–91.5	–	–	–
recalculation of deferred tax to 22% rate of taxation	473.1	–	40.9	–
other fiscal adjustments	4.2	1.8	0.0	0.4
Reported tax expense	155.8	–320.2	50.8	–20.3
of which current tax	–89.8	–1.5	0.7	–
of which deferred tax	245.6	–318.7	50.1	–20.3

NOTE 15. INVESTMENT PROPERTIES**Definition and classification**

Investment properties are properties held by the owner with the aim of generating rental income, or an increase in value, or a combination of the same. Atrium Ljungberg had, at the year-end, classified all of its properties as investment properties and they shall consequently be valued at fair value. The fair value of the investment properties is the price at which the property could be transferred between knowledgeable parties who are mutually independent and who have an interest in completing the transaction. The fair value of the investment property shall reflect the market conditions on the closing day. The properties in which Atrium Ljungberg also has offices in which to conduct its own administration and management have been classified as investment properties in that the percentage of the building used by the company for its own purposes is marginal.

Valuation method

The property valuation is primarily conducted via an internal valuation that is based on an estimated yield requirement for each property. The yield requirement is determined using the location price method, which means that information is gathered from equivalent value transactions completed in equivalent value markets. The yield requirement is used to determine the value through a current value calculation during the so-called calculation period and through a current value calculation of the residual value at the end of the calculation period. The calculation period normally comprises 5–10 years but may be longer in certain cases, depending on the contract situation. The valuation system used has been purchased from Forum Fastighetsekonomi, who are responsible for ensuring that the model is continuously updated in order to ensure a correct current value calculation. The earning capacity of each property is assessed individually during the valuation. Income during the calculation period comprises agreed rental levels until such time as these lease contracts come to an end or are due for renegotiation. Rental income for the subsequent period is calculated at the market rent currently applicable. Operating and maintenance costs have been assessed on the basis of the company's actual costs and are adjusted in line with the property's age and condition.

Development rights and land have been valued on the basis of an estimated market value per metre square and only include development rights established in accordance with an approved detailed development plan. Project properties are valued on the basis of the finished project less remaining investments. A risk surcharge is added to the yield requirement, based on the then current project phase.

Independent valuation experts have conducted an external valuation of a normalised portfolio corresponding to 51 per cent of the total value, 33 per cent of which was valued at the end of 2012, as part of Atrium Ljungberg's efforts to ensure that the valuation is accurate. The valuations have been conducted by Forum Fastighetsekonomi and Savills. The assumptions regarding rental levels and yield requirements used in the internal valuation have, furthermore, been quality assured by Forum Fastighetsekonomi. The following table contains a summary of the parameters used during the valuation.

The average yield requirement in the valuation totalled 5.7 per cent (5.8%). The reported value of the property portfolio as of 31st December 2012 totalled SEK 24,576 million (SEK 21,897 m). Development rights and land account for SEK 219 million (SEK 214 m) of this total. Investments in properties during the year totalled SEK 1,512 million (SEK 1,050 m). Properties were acquired for a total of SEK 895 million (SEK 379 m). The unrealised change in the value of the properties totalled SEK 368 million (SEK 528 m), corresponding to an increase in value of 1.6 per cent. The increase in value was primarily due to a reduction of 0.1 percentage points in the yield requirement, increased rental levels and new lets.

Unrealised changes in value, SEK m

Change in yield requirements	120
Change in rental levels	110
New lets and vacancy changes	80
Other changes	58
Total	368

Yield requirement per premises type, %

Premises type	Interval	Average
Offices	4.8 – 8.5	5.9
Stores	4.8 – 8.5	5.8
Housing	4.0 – 4.8	4.3
Other	4.8 – 8.5	6.1
Total	4.0 – 8.5	5.7

Yield requirement per segment, %

Region	Interval	Average
Stockholm, city centre	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 – 7.0	6.0
Project properties	5.8 – 7.3	6.2
Total	4.0 – 8.5	5.7

Sensitivity analysis, property valuation

Value parameter	Assumption	Impact on value, SEK m
Rental level	+/- 10%	+/- 2,440
Operating cost	+/- 50 kr/kvm	-/+ 644
Yield requirement	+/- 0.25%	-1,020 /+1,120
Long-term vacancy level	+/- 2%	-/+ 750

The market value is described below on the basis of normalised operating net, adjusted for, inter alia, initial effects, remaining investments and development rights.

Value based on normalised operating net

SEK m	Segment	Project	Total
Rental value	1,929	261	2,189
Long-term vacancy (-3.5%)	-64	-11	-75
Rental income	1,865	249	2,114
Property expenses	-571	-63	-635
Normalised operating net	1,293	186	1,480
Yield requirement	5.7%	6.2%	5.7%
Yield requirement before adjustments	22,693	3,003	25,695
Adjustments			
Remaining investments	-240	-1,372	-1,611
Current value effect of remaining investments	24	131	154
Initial vacancies	-10	-70	-80
Other adjustments	250	72	322
Land and development rights		219	219
Registration of title deeds costs	-110	-14	-124
Fair value	22,607	1,969	24,576

NOTE 15, cont.

Property portfolio, 31-12-2012								January–December 2012 ¹⁾			Yield ¹⁾
Property portfolio by segment	Number of properties	Letting area, '000 m ²	Fair value, SEK m	Fair value, SEK/m ²	Rental value, SEK m ²	Rental value, SEK/m ²	Economic letting rate, %	Rental income, SEK m	Property costs, SEK m	Operating surplus, SEK m	%
Stockholm, city centre	12	195	7,611	38,957	568	2,906	98	534	–165	368	4.8
Stockholm, other	35	503	10,664	21,205	987	1,963	94	917	–309	607	5.7
Uppsala and Mälardalen	3	89	2,722	30,700	236	2,660	99	230	–67	163	6.0
Sweden, other	3	82	1,611	19,622	136	1,657	95	135	–51	84	5.2
Total	53	869	22,607	26,015	1,927	2,217	96	1,815	–592	1,222	5.4
Project properties	2	34	1,750	N/A ³⁾	75	2,182	85	25	–10	15	0.9
Land and development rights	2	–	219	–	–	–	–	–	–	–	–
Total	57	903	24,576	N/A³⁾	2,002	2,216	95	1,839	–602	1,238	5.0

¹⁾ The above summary refers to the property portfolio as of 31st December 2012 where the properties acquired during the year are reported, as regards income and expenses, as if they had been owned for the entire year. This is the reason for the difference between the operating surplus shown above and that shown in the Income Statement.

²⁾ Reported rental value is based on the immediately subsequent quarter.

³⁾ Letting area for new production is not reported until the project is completed and the figures hence do not accurately represent the actual situation.

	Properties sold	Properties acquired	Properties owned throughout the year	Total
2012				
Developed properties, incl. ongoing reconstruction				
Opening market value	94.0	–	21,588.7	21,682.7
Investments	0.3	–	1,506.7	1,507.0
Acquisitions	–	894.5	–	894.5
Sales	–94.3	–	–	–94.3
Change in value, investment properties	–	–	367.8	367.8
Closing market value	–	894.5	23,463.2	24,357.7
Land and development rights				
Opening market value	–	–	214.0	214.0
Change in value, land and development rights	–	–	–	–
Investments	–	–	4.6	4.6
Closing market value	–	–	218.6	218.6

	Properties sold	Properties acquired	Properties owned throughout the year	Total
2011				
Developed properties, incl. ongoing reconstruction				
Opening market value	–	–	19,680.7	19,680.7
Reclassification from development rights and ongoing reconstruction	–	–	21.0	21.0
Investments	–	–	1,049.8	1,049.8
Acquisitions	–	379.0	–	379.0
Change in value, investment properties	–	–	552.3	552.3
Closing market value	–	379.0	21,303.8	21,682.7
Land and development rights				
Opening market value	–	–	259.0	259.0
Reclassification as developed properties	–	–	–21.0	–21.0
Change in value, land and development rights	–	–	–24.0	–24.0
Investments	–	–	–	–
Closing market value	–	–	214.0	214.0

NOTE 16. RATEABLE VALUES

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Buildings	7,803.6	7,372.4	902.9	1,294.9
Land	3,256.5	3,030.3	208.4	348.4
Total	11,060.1	10,402.7	1,111.4	1,643.3
Of which business premises in TL Bygg AB	2.0	2.0	–	–

NOTE 17. BUILDINGS, LAND AND LAND IMPROVEMENTS

	Parent Company	
	31-12-12	31-12-11
Buildings		
Opening acquisition values	1,826.7	1,825.5
Sales	-589.0	-
Reclassification from ongoing new builds, extension and reconstruction work	75.2	11.1
Reclassification	-	-9.9
Closing accumulated acquisition values	1,312.9	1,826.7
Opening depreciation	-258.6	-242.0
Sales	80.5	-
Reclassification	-	1.8
Depreciation for the year	-13.0	-18.3
Closing accumulated depreciation	-191.1	-258.6
Closing residual value according to plan	1,121.8	1,568.2
Fiscal value	807.6	1,165.1
Buildings, equipment		
Opening acquisition values	20.5	20.5
Sales	-13.2	-
Closing accumulated acquisition values	7.3	20.5
Opening depreciation	-2.1	-1.9
Sales	1.4	-
Depreciation for the year	-0.1	-0.2
Closing accumulated depreciation	-0.8	-2.1
Closing residual value according to plan	6.6	18.4
Fiscal value	-	0.0
Land improvements		
Opening acquisition values	43.3	43.3
Sales	0.0	-
Closing accumulated acquisition values	43.3	43.3
Opening depreciation	-7.1	-6.7
Sales	0.0	-
Depreciation for the year	-0.4	-0.4
Closing accumulated depreciation	-7.6	-7.1
Closing residual value according to plan	35.7	36.2
Fiscal value	5.8	7.7
Land		
Opening acquisition values	83.1	83.1
Sales	-43.3	-
Closing accumulated acquisition values	39.9	83.1
Fiscal value	39.9	83.1
Total closing residual value according to plan	1,203.9	1,705.9
Total fiscal value	853.2	1,255.9

NOTE 18. ONGOING NEW BUILDS, EXTENSION AND RECONSTRUCTION WORK

	Parent Company	
	31-12-12	31-12-11
Opening acquisition values	85.7	24.5
Investments	99.7	74.8
Ongoing work on a third party's behalf	-	-2.5
Reclassification as buildings, land and land improvements	-75.2	-11.1
Closing balance	110.2	85.7

NOTE 19. TANGIBLE FIXED ASSETS

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Opening acquisition values	54.8	39.7	37.5	24.3
Purchases	3.8	17.8	1.3	13.8
Sales/disposals	-2.6	-1.4	-0.3	-0.1
Closing accumulated acquisition values	56.0	56.1	38.5	38.0
Opening depreciation	-31.0	-29.3	-22.4	-20.7
Sales/disposals	0.7	1.3	0.3	0.0
Depreciation for the year	-6.1	-4.3	-3.6	-2.2
Closing accumulated acquisition values	-36.4	-32.3	-25.7	-22.9
Closing residual value according to plan	19.6	23.8	12.8	15.1

NOTE 20. PARTICIPATIONS IN ASSOCIATED COMPANIES

	Number	Share in equity	Book value, SEK k	
	31-12-12	31-12-12	31-12-12	31-12-11
AB FB-sjön, general partner, Corp. ID. no. 556605-5181				
Registered office in Stockholm	500	50 %	50	50
KB Fatburssjön 5 Corp. ID. no. 969670-3439				
Registered office in Stockholm	4,999	50 %	-	-
Gränby Miljö & Retur AB Corp. ID. no. 556222-2199				
Registered office in Uppsala	300	30 %	30	30
Closing balance			80	80

NOTE 21. PARTICIPATIONS IN GROUP COMPANIES

	Parent Company	
	31-12-12	31-12-11
Opening acquisition values	9,112.9	8,932.3
Acquisitions	-	0.1
Capital contribution	20.0	10.0
Change in share of equity	170.5	170.5
Closing accumulated acquisition values	9,303.4	9,112.9
Opening write-downs	-3,083.5	-3,083.5
Closing accumulated write-downs	-3,083.5	-3,083.5
Closing balance	6,219.8	6,029.4

NOTE 21, cont.

Directly owned subsidiary companies	Corporate ID no.	Registered office	Number of participations	Share in equity, %	Book value, SEK k	
			31-12-12	31-12-12	31-12-12	31-12-11
TL Bygg AB	556225-4440	Nacka	10,000	100	36.0	16.0
Impluvium Tio AB	556063-1128	Nacka	10,000	100	4.8	4.8
Fastighets AB Blåstern	556282-8052	Nacka	10,000	100	0.1	0.1
Årstalunden AB	556357-8094	Nacka	1,000	100	0.1	0.1
PUB AB	556720-3111	Nacka	100,000	100	0.1	0.1
Sickla Industrifastigheter KB ^{1) 2)}	916616-1720	Nacka	999	99.9	1,713.3	1,542.8
Suhob Fastighets AB	556739-7772	Nacka	1,000	100	0.3	0.3
LjungbergGruppen Holding AB	556669-3221	Nacka	1,000	100	189.9	189.9
Fastighets AB Celtica	556350-9727	Nacka	2,781,000	100	155.2	155.2
Atrium Fastigheter AB	556006-4239	Nacka	5,924,941	100	4,120.1	4,120.1
Closing balance					6,219.8	6,029.4

Indirectly owned subsidiary companies	Corporate ID no.	Registered office	Number of participations	Share in equity, %
			31-12-12	31-12-12
LjungbergGruppen Fastighets AB TX 31	556688-4283	Nacka	1,000	100
LjungbergGruppen Svindersvik AB	556674-6045	Nacka	1,000	100
Svenska Kvarter AB	556717-8305	Nacka	1,000	100
Gränby Nord AB	556731-8265	Nacka	1,000	100
LjungbergGruppen Aktiebolag	556731-7283	Nacka	1,000	100
Atrium Ljungberg Planivägen AB	556815-7852	Nacka	50,000	100
Mobilia Nord AB	556745-4888	Nacka	1,000	100
Atrium Ljungberg Hälsingegatan AB	556877-5687	Nacka	500	100
Atrium Ljungberg Gävlegatan 22 AB	556745-4870	Nacka	1,000	100
Atrium Ljungberg S:t Eriksgatan AB	556914-0782	Nacka	50,000	100
Atrium Ljungberg Kista NOD AB	556745-5182	Nacka	1,000	100
Impluvium Sex AB	556781-3059	Nacka	1,000	100
Impluvium Sju AB	556781-3067	Nacka	1,000	100
Impluvium Åtta AB	556781-3075	Nacka	1,000	100
Impluvium Nio AB	556040-4229	Nacka	2,000	100
Impluvium Elva AB	556781-3083	Nacka	1,000	100
Impluvium Tolv AB	556781-3091	Nacka	1,000	100
Impluvium Tretton AB	556781-3109	Nacka	1,000	100
Impluvium Fjorton AB	556781-3117	Nacka	1,000	100
Atrium Ljungberg Östersund AB	556791-8510	Nacka	1 000	100
Atrium Ljungberg Igor AB	556791-7140	Nacka	1 000	100
Walls Fastighets AB	556004-9909	Nacka	6,000	100
Fastighets AB Brogatan	556060-5536	Nacka	1,000	100
Fastighets AB Österbotten	556019-4408	Nacka	1,250	100
Paul U Bergströms AB	556021-7506	Nacka	1,500	100
Fatburstrappan Väst AB	556622-5966	Nacka	1,000	100
Jupiter Fastighets AB	556015-4030	Nacka	400	100
KB Arbetsstolen 3	969651-2350	Nacka	1,000	100
KB Wårbyriggen	969651-2251	Nacka	1,000	100
Atrium Ljungberg Rotundan AB	556791-7124	Nacka	1,000	100
Atrium i Uppsala AB	556691-3603	Nacka	100	100
Högbergsgatan 62 AB	556624-3225	Nacka	1,000	100
Fastighets AB Stadsgården	556029-0602	Nacka	31,993,074	100
Gränby Centrum AB	556409-6708	Nacka	100	100
Mobilia Shopping Centre AB	556412-5242	Nacka	100	100
KB T-bodarne	969646-1392	Nacka	1,000	100
AB Farsta Centrum	556065-3023	Nacka	1,000	100
Farsta Centrum HB	916404-1361	Nacka	1,000	100
Farsta Centrumledning AB	556321-0896	Nacka	1,000	100

¹⁾ The book value of participations in Sickla Industrifastigheter KB has increased by the year's profit of SEK 170.5 million (SEK 170.5 m).

²⁾ The remaining participations are owned by other Group companies.

NOTE 22. OTHER LONG-TERM RECEIVABLES

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Opening acquisition values	0.7	154.9	–	–
Instalments	–0.3	–0.3	–	–
Additional receivables	–	0.8	–	–
Reclassification as other receivables	–	–154.7	–	–
Closing balance	0.4	0.7	–	–

NOTE 23. ACCOUNTS RECEIVABLE

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Rental and accounts receivable	106.0	101.6	2.5	4.3
Doubtful rental and accounts receivable	–28.5	–20.4	–1.2	–0.9
Closing balance	77.5	81.2	1.3	3.4

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Doubtful receivables				
Opening doubtful receivables	–20.4	–15.0	–0.9	–0.0
The period's provisions for doubtful receivables	–14.2	–18.2	–0.6	–0.2
The period's reversed provisions	2.6	13.3	0.2	–0.7
The period's confirmed bad debt losses	3.5	–0.5	0.1	–
Closing doubtful receivables	–28,5	–20,4	–1,2	–0,9

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Age breakdown: accounts receivable due for which no provision has been made				
1–10 days	2.7	0.3	1.4	–
11–30 days	4.6	5.9	0.1	1.5
31–60 days	3.0	0.1	–	–
>60 days	11.9	0.0	0.7	–
Total	22.2	6.3	2.2	1.5

NOTE 24. OTHER RECEIVABLES

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Interest-bearing receivables	–	154.7	–	–
VAT receivable	43.0	25.9	2.0	–
Other receivables	35.3	28.8	5.2	6.8
Closing balance	78.3	209.4	7.2	6.8

NOTE 25. PREPAID COSTS AND ACCRUED INCOME

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Prepaid leasehold fees	3.8	1.6	1.7	1.6
Receivables from clients for ongoing engagements as per construction agreement	5.9	12.6	–	–
Other prepaid costs	28.7	15.2	13.0	4.9
Distributed rent discounts	35.8	35.3	6.1	5.4
Accrued rent	3.5	8.6	0.6	–
Other accrued income	10.9	23.8	1.7	2.4
Closing balance	88.6	97.1	23.1	14.3

NOTE 26. UNTAXED RESERVES

	Parent Company	
	31-12-12	31-12-11
Untaxed reserves		
Accumulated excess depreciation	9.8	21.4
Closing balance	9.8	21.4
Appropriations		
Excess depreciation, buildings	11.6	–2.3
Total	11.6	–2.3

NOTE 27. DEFERRED TAX RECEIVABLE/LIABILITY

	The Group	
	31-12-12	31-12-11
Deferred tax receivables, loss carry-forwards activated		
Opening balance	26.4	0.0
Additional loss carry-forwards	40.5	74.6
Loss carry-forwards utilised	-62.6	-48.2
Closing balance before change in rate of taxation	4.3	26.4
Change in rate of taxation	-0.7	-
Closing balance	3.6	26.4

The Group's accumulated fiscal deficit is estimated at SEK 16.3 million (SEK 100.8 m) as per 31 December 2012. The deferred tax receivable has been calculated on the basis of the entire deficit.

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Deferred tax liability				
Investment properties	2,394.1	2,613.8	209.2	259.3
Untaxed reserves	50.4	57.2	-	-
Interest derivatives	-80.0	-58.4	-	-
Closing balance	2,364.5	2,612.5	209.2	259.3

	The Group		Parent Company			
	Investment properties	Untaxed reserves	Interest derivatives	Interest depreciation	Total	Investment properties
Deferred tax liability						
Opening balance, as per 1 January 2011	2,266.3	56.1	-4.6	2.6	2,320.4	239.0
Change reported via the Income Statement	347.5	1.1	-	-	348.6	20.3
Change reported via Other comprehensive income	-	-	-53.8	-	-53.8	-
Reclassification in the Balance Sheet	-	-	-	-2.6	-2.6	-
Closing balance, as per 31 December 2011	2,613.8	57.2	-58.4	-	2,612.5	259.3
Opening balance, as per 1 January 2012	2,613.8	57.2	-58.4	-	2,612.5	259.3
Change reported via the Income Statement	251.3	3.1	-48.0	-	206.4	-9.2
Change reported via Other comprehensive income	-	-	10.8	-	10.8	-
Closing balance before change in rate of taxation	2,865.1	60.3	-95.6	-	2,829.8	250.1
Change in rate of taxation reported via the Income Statement	-471.0	-9.9	7.8	-	-473.1	-40.9
Change in rate of taxation reported via Other comprehensive income	-	-	7.8	-	7.8	-
Closing balance, as per 31 December 2012	2,394.1	50.4	-80.0	-	2,364.5	209.2

No deferred tax has been calculated on asset acquisitions in accordance with applicable accounting recommendations.

NOTE 28. ASSET MANAGEMENT

The Group endeavours to ensure a good profit performance, financial sustainability and a strong financial position. The economic and financial goals are set in order to provide a combination of a high return on shareholders' equity, high growth capacity, and financial stability.

The Group's economic and financial goals are as follows:

- The equity/assets shall be a minimum of 30 per cent.
- The interest coverage ratio shall be a minimum of 2.0.
- The dividend shall correspond to at least 50 per cent of the profit before changes in value after estimated tax unless investments or the company's financial position otherwise mandate a deviation from this norm.

The terms to which the Group is subject in relation to external lenders apply to the equity/assets ratio, the interest coverage ratio, and the gearing ratio. The terms are subordinate to the Group's financial goals. The Group's capital structure comprises interest-bearing net borrowing and shareholders' equity attributable to the Parent Company's shareholders. This comprises share capital, other capital contributed and profits brought forward, including the net profit/loss for the year. The financing operations are described in greater detail in Note 29, Financial instruments and risk management.

Atrium Ljungberg's borrowing is secured by means of mortgages on the Group's properties and, in some cases, guarantee undertakings issued by the Parent Company with regard to the subsidiaries' borrowing.

Note 28, cont.**Capital structure**

The Group	31-12-12		31-12-11	
	Reported value	Fair value	Reported value	Fair value
Long-term liabilities				
Liabilities to credit institutions	8,810.9	8,916.2	7,839.6	7,931.8
Derivatives	361.8	361.8	221.2	221.2
Current liabilities				
Liabilities to credit institutions	2,802.4	2,813.1	1,881.3	1,888.1
Derivatives	1.9	1.9	0.9	0.9
Total loans	11,977.0	12,093.0	9,943.0	10,042.0
Interest-bearing receivables	–		–154.7	
Liquid assets	–188.5		–274.2	
Net debt	11,788.5		9,514.1	
Shareholders' equity	10,255.3		9,540.5	
Total capital	22,043.8		19,054.6	

Parent Company	31-12-12		31-12-11	
	Reported value	Fair value	Reported value	Fair value
Long-term liabilities				
Liabilities to credit institutions	4,631.3	4,686.6	3,948.5	3,994.9
Current liabilities				
Liabilities to credit institutions	1,300.4	1,305.4	786.4	789.2
Liabilities to Group companies	1,395.7		839.3	
Total loans	7,327.4		5,574.2	

Interest-bearing liabilities are reported at the accrued acquisition value which is the reported value in the above table. The calculation of the fair value of liabilities to credit institutions is based on discounted estimated future cash flows. The discounting is effected on the basis of current market rates plus current borrowing margins. The valuation of derivatives is described in Note 29.

NOTE 29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**Principles governing financing and financial risk management**

Financing and financial risks are managed in accordance with guidelines laid down by Atrium Ljungberg's Board of Directors. The Group's treasury

function, which is responsible for financing, liquidity and financial risks, is concentrated within the Parent Company. The various categories of financial instrument held by the Group are shown in the table below.

The Group	Loan receivables and accounts receivable		Financial liabilities valued at fair value via the Income Statement		Other financial liabilities	
	31-12-12	31-12-11	31-12-12	31-12-11	31-12-12	31-12-11
Accounts receivable	77.5	81.2	–	–	–	–
Other long-term receivables	0.4	0.7	–	–	–	–
Other receivables	–	154.7	–	–	–	–
Liquid assets	188.5	274.2	–	–	–	–
Total	266.4	510.8	–	–	–	–
Liabilities to credit institutions	–	–	–	–	11,613.3	9,720.9
Derivatives	–	–	363.7	222.1	–	–
Other liabilities	–	–	–	–	9.2	364.4
Accounts payable	–	–	–	–	177.9	149.5
Total	–	–	363.7	222.1	11,800.4	10,234.8

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

included in level 1, and which are observable for the asset or the liability, either directly or indirectly. 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.

NOTE 29, cont.

Parent Company	Loan receivables and accounts receivable		Other financial liabilities	
	31-12-12	31-12-11	31-12-12	31-12-11
Accounts receivable	1.3	3.4	–	–
Receivables from Group companies	6,963.8	3,595.3	–	–
Liquid assets	137.1	202.5	–	–
Total	7,102.2	3,801.2	–	–
Liabilities to credit institutions	–	–	5,931.7	4,734.9
Liabilities to Group companies	–	–	1,395.7	839.3
Accounts payable	–	–	36.5	14.4
Total	–	–	7,363.9	5,588.6

Liquidity risk

The term, liquidity risk refers to the company's risk that there will be insufficient liquid assets of credit for the company to be able to fulfil its payment undertakings. In order to ensure that the liquidity risk can be managed, a maximum of 30 per cent of the loan portfolio may fall due within one year and a maximum of 50 per cent of the loan financing may be obtained from a single creditor. The liquidity shall, furthermore, at all times total a minimum of SEK 300 million and a maximum of SEK 700 million, including liquidity reserves totalling a maximum of SEK 500 million and which may comprise current account overdrafts or loan guarantees. The Group's liquidity as of 31 December 2012, including unutilised

current overdraft facilities totalling SEK 300 million, totalled SEK 489 million (SEK 574 m). Current surplus liquidity shall be invested in short-term government, local authority and bank securities, or the equivalent issued by companies with the highest possible rating. It must be possible to convert the investment into cash within three days. In late 2012, Atrium Ljungberg obtained two lines of credit totalling SEK 1 billion and with terms of three and five years, respectively. SEK 600 million of the lines of credit were unutilised at the year-end. The table below shows the capital commitment structure of the loan portfolio. The average loan maturity term, as of 31 December 2012, was 3.1 years (2.5 yrs.).

Capital commitment	The Group		Parent Company	
	Amount	Percentage, %	Amount	Percentage, %
2013	2,202	19	700	12
2014	1,954	17	1,254	21
2015	3,058	26	1,458	25
2016	2,635	23	755	13
2017	935	8	935	16
2018 and thereafter	829	7	829	14
Total	11,613	100	5,932	100

Market and interest risk

The term, market risk, refers to the risk of an impact on the profit/loss as a consequence of changes in the outside world. The market risk is primarily attributable to the trend in interest levels for short- and long-term borrowing and for market rent levels. The loan portfolio's renegotiation dates have, in order to limit the interest risk, been spread to mature at regular intervals with a maximum fixed interest term of 15 years. A maximum of 55 per cent of the loans may fall due for renegotiation of the terms within 1 year. The fixed interest term table below itemises the due dates for the Group's interest-bearing liabilities. The average fixed interest term as of 31 December 2012 was 4.9 years (3.1 yrs.). Atrium Ljungberg has extended the fixed interest term for a total of SEK 7,661 million (SEK 5,001 m) of the total loan portfolio of SEK 11,613 m (SEK 9,721 m) by means of so-called interest swap agreements. The interest swap agreements are primarily used as a means of changing the fixed interest structure without changing the capital commitment in the loan portfolio. The fair value of these interest swap agreements on the closing day totalled SEK –363.7 million (SEK –222.1 m). 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 and unrealised changes in the value of the derivatives are consequently reported directly to the profit/loss. 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 December 2012 totals SEK 141.3 million after adjustments for deferred tax calculated at a nominal rate of taxation of 22 per cent.

Interest on the loans falls due for payment quarterly up until 2027. These payments have an ongoing effect on the Income Statement during the terms of the loans in question in that accrued interest is reported. Atrium Ljungberg has also endeavoured to spread the renegotiation dates for existing lease contracts as part of its efforts to reduce the annual market risk. For details of the percentage of income renegotiated during the year ahead, see Note 5. The weighted average remaining term for the lease contracts is 3.6 years (3.9 yrs.).

Note 29, cont.**Fixed interest term ¹⁾**

Fixed interest term, up to and including	Loan amount	The Group	
		Percent- age, %	Average interest, %
Variable + 3-month STIBOR	1,067	9	2.8
2013	2,229	19	4.2
2014	640	6	4.5
2015	846	7	4.7
2016	1,185	10	3.7
2017	830	7	3.6
2018 and thereafter	4,815	42	4.0
Total	11,613	100	3.9

¹⁾ The average credit margin for variable interest rates is spread over the time segment during which the derivative falls due for payment.

Maturity structure, derivative instruments

Maturity year	Nominal amount, SEK m	Unrealised changes in value, SEK m	Average interest, %
2013	250	-2	4.0
2014	240	-7	3.2
2015	746	-39	3.5
2016	780	-21	2.1
2017	830	-29	2.3
2018 and thereafter	4,815	-266	2.6
Total	7,661	-364	2.7

Credit risk

The term, credit risk, refers to the risk of a counterparty being unable to fulfil delivery or payment undertakings. Atrium Ljungberg's credit risks lie in the possibility that the tenants may be unable to fulfil their payment undertakings in accordance with applicable lease contracts. This risk is assessed when contracts are signed and the agreements are completed, where appropriate, with collateral pledged by the tenants in the form of deposits or bank guarantees corresponding to between 3 and 12 months' rent. Deposits and bank guarantees received totalled SEK 20.8 million (SEK 20.6 m) and SEK 30.4 million (SEK 27.7 m), respectively, at the end of the year.

Currency risk

A currency risk arises when payment is made in a currency other than that in which the vendor's costs or the purchaser's income arises. Any such currency effect is reported in the Income Statement. Atrium Ljungberg only makes purchases in foreign currencies on an occasional basis and the currency risk is consequently small. A currency effect corresponding to SEK -0.2 million has arisen during the year in conjunction with a payment made in a foreign currency. Atrium Ljungberg has no income or external financial in foreign currencies.

Sensitivity analysis – profit/loss before changes in value and tax

	Change, %	Effect on profit, year 1, SEK m	Effect on profit, full year, SEK m
Rental income	+/- 5%	+/- 14	+/- 95
Property management costs	+/- 5%	-/+ 30	-/+ 30
Letting rate	+/- 1 percentage point	+/- 18	+/- 18
Atrium Ljungberg's average borrowing rate	+/- 1 percentage point	-/+ 20	-/+ 116

¹⁾ The effect on the profit in year 1 refers to the effect during the immediately subsequent year with reference to fixed terms in lease contracts and loan agreements.

Maturity structure for financial instruments

The table below shows future undiscounted cash flows for the payment undertakings associated with the company's financial receivables and liabilities.

The Group	31-12-12					31-12-11				
	2013	2014	2015	2016	2017 and thereafter	2012	2013	2014	2015	2016 and thereafter
Assets										
Rent receivables	1,904.0	1,563.0	1,276.0	892.0	661.0	1,768.0	1,510.0	1,201.0	924.0	643.0
Accounts receivable	77.5	-	-	-	-	81.2	-	-	-	-
Other receivables, incl. interest	-	-	-	-	-	154.7	-	-	-	-
Liquid assets	188.5	-	-	-	-	274.2	-	-	-	-
Total	2,170.0	1,563.0	1,276.0	892.0	661.0	2,278.1	1,510.0	1,201.0	924.0	643.0
Liabilities										
Bank loans, incl. interest	-2,500.6	-2,194.6	-3,232.0	-2,729.7	-2,230.6	-2,224.3	-2,282.5	-2,383.3	-1,832.8	-1,982.5
Derivatives	-93.0	-88.8	-77.5	-71.0	-61.7	-17.1	-13.6	-12.0	-7.0	-34.0
Other current liabilities	-9.2	-	-	-	-	-364.4	-	-	-	-
Accounts payable	-177.9	-	-	-	-	-149.5	-	-	-	-
Total	-2,780.7	-2,283.4	-3,309.5	-2,800.7	-2,292.3	-2,755.2	-2,296.1	-2,395.3	-1,839.9	-2,016.5

Note 29, cont.

Parent Company	31-12-12					31-12-11				
	2013	2014	2015	2016	2017 and thereafter	2012	2013	2014	2015	2016 and thereafter
Assets										
Rent receivables	192.0	126.0	95.0	54.0	34.0	186.0	121.0	89.0	61.0	30.0
Accounts receivable	1.3	–	–	–	–	3.4	–	–	–	–
Receivables from Group companies	6,963.8	–	–	–	–	3,595.3	–	–	–	–
Liquid assets	137.1	–	–	–	–	202.5	–	–	–	–
Total	7,294.2	126.0	95.0	54.0	34.0	3,987.2	121.0	89.0	61.0	30.0
Liabilities										
Bank loans incl. interest	–840.1	–1,369.9	–1,532.7	–809.4	–2,230.6	–2,224.3	–2,282.5	–2,383.3	–1,832.8	–1,982.5
Derivatives	–93.0	–88.8	–77.5	–71.0	–61.7	–17.1	–13.6	–12.0	–7.0	–34.0
Liabilities to Group companies	–1,395.7	–	–	–	–	–839.3	–	–	–	–
Accounts payable	–36.5	–	–	–	–	–14.4	–	–	–	–
Total	–2,365.3	–1,458.7	–1,610.2	–880.4	–2,292.3	–3,095.0	–2,296.1	–2,395.3	–1,839.9	–2,016.5

NOTE 30. OTHER LONG-TERM LIABILITIES

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Deposits received from tenants	20.8	20.6	16.4	15.1
Guarantee reserve	1.9	2.1	–	–
Closing balance	22.7	22.7	16.4	15.1

NOTE 31. ACCRUED COSTS AND PREPAID INCOME

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Holiday pay liability and payroll overheads	26.1	26.3	17.1	17.6
Liabilities to clients for ongoing engagements in accordance with construction agreements	9.6	17.3	–	–
Accrued interest expenses	26.9	34.2	16.0	8.2
Accrued property tax	103.3	106.0	14.0	13.9
Other accrued costs	65.6	50.9	17.0	15.6
Prepaid rent	293.2	278.1	16.2	31.1
Other prepaid income	11.1	11.0	–	0.1
Closing balance	535.8	523.8	80.3	86.5

NOTE 32. OTHER LIABILITIES

	The Group		Parent Company	
	31-12-12	31-12-11	31-12-12	31-12-11
Value Added Tax	–	–	–	3.6
Personnel-related liabilities	6.3	6.2	5.2	5.1
Liabilities in respect of property acquisitions	–	343.0	–	–
Other liabilities	21.5	34.6	0.4	0.4
Closing balance	27.8	383.8	5.6	9.1

NOTE 33. SHORT-TERM PROVISIONS

Atrium Ljungberg has previously announced that the company has appealed the tax case in which the Swedish Administrative Court essentially granted the Swedish Tax Agency's suit, under the provisions of the Swedish Tax Avoidance Act, to increase the tax assessment of a company within the Atrium Ljungberg Group for a property transaction carried out in 2004 via a limited partnership. The Administrative Court ruled that the company's tax assessment shall be increased by SEK 326.7 million, corresponding to a tax demand for SEK 91.5 million, excluding interest. No demand for the imposition of a tax surcharge has been made.

In 2012, the Supreme Administrative Court 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 provisions has, nonetheless, been made for the entire tax demand and estimated interest charges in a sum totalling SEK 105.9 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 may well rule on the case during the first half of 2013. Atrium Ljungberg has conducted an analysis of the Group's property transactions for the years from 2004 onwards. No other similar transactions have been identified. In the 2011 annual accounts, this tax demand was reported as a contingent liability.

NOTE 34. EVENTS AFTER THE CLOSING DAY

Atrium Ljungberg has set up a programme to issue commercial papers with a framework amount of SEK 2 billion. The intention is to borrow SEK 1 billion under the terms of the programme during the first six months of 2012, half of which was issued in February. The company has also secured two lines of credit totalling SEK 1 billion and with terms of three and five years, respectively, as security for the programme.

The amendment to the detailed development plan for a new build on behalf of ICA Kvantum in Farsta Centrum gained legal force in January 2013. Construction is scheduled to begin during the first quarter of 2013.

Carola Lavén, Business Development Manager and member of the company's management group, announced at the end of February 2013 that she will be resigning her position with Atrium Ljungberg.

PROPOSED TREATMENT OF UNAPPROPRIATED EARNINGS

The following sum in the Parent Company is available for disposal by the General Meeting:

Profit brought forward	SEK 4,817,963,616
Net profit for the year	SEK 1,617,188,295
Total	SEK 6,435,151,911

The Board of Directors proposes that the unappropriated earnings be allocated as follows:

That a dividend of SEK 2.85/share be paid to the shareholders	SEK 370,947,416
Carried forward	SEK 6,064,204,495
Total	SEK 6,435,151,911

BOARD STATEMENT CONCERNING THE PROPOSED DIVIDEND

The Board of Directors hereby issues the following statement in accordance with chapt. 18, §3 of the Swedish Companies Act (2005:551). The Board declares that the proposed dividend is compatible with the provisions of chapt. 17, § 3, sections 2 and 3 of the Swedish Companies Act and its motivation for this statement is as follows:

The nature and scope of the operations and the risks associated therewith

The nature and scope of the operations are specified in the Articles of Association and the published annual accounts. The operations conducted by the company do not entail risks over and above either those that arise or which may be expected to arise within the sector or those generally associated with commercial operations and the conduct thereof.

The financial position of the company and the Group

The financial position of the company and the Group on 31 December 2012 are shown in the 2012 annual accounts. The principles applied to the valuation of assets, provisions and liabilities are shown in Note 1 Accounting Principles, in the section of the Annual Report entitled Notes to the Accounts.

It is apparent from the treatment of unappropriated earnings proposal that the Board proposes payment of a dividend of SEK 2.85 per share, corresponding to a total sum of approximately SEK 371 million. The proposed dividend comprises 5.3 per cent of the Parent Company's shareholders' equity and 3.6 per cent of the Group's shareholders' equity. Funds availa-

ble for payment as dividends within the Parent Company at the end of the 2012 financial year totalled SEK 6,435.2 million. The record date for distribution of profits proposed by the Board of Directors is 15 April 2013.

It is apparent, inter alia, from the annual accounts that the Group's equity/assets ratio is 40.3 per cent. The proposed dividend does not jeopardise fulfilment of the investments deemed necessary. The company's financial position does not give occasion to assume anything other than that the company will be able to continue its operations and that the company can be expected to fulfil its undertakings in both the short and the long term.

The defensibility of the dividend proposal

The Board of Directors is of the opinion, with reference to the above and to other information obtained by the Board, that the financial position of the company and the Group are such that the dividend proposal is defensible with reference to chapt. 17, §3, sections 2 and 3 of the Swedish Companies Act, i.e. with reference to the requirements that the nature and scope of the operations and the risks it entails impose on the size of the company's and the Group's shareholders' equity and the consolidation requirements, liquidity and position in general of the company and the Group.

Nacka, 4 March 2013

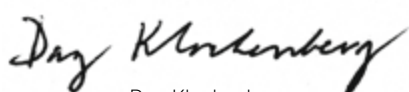
Atrium Ljungberg AB (publ)
The Board of Directors

ANNUAL ACCOUNTS SIGNATORIES

The Board of Directors and the Managing Director hereby attest that the Consolidated accounts and the annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and with generally accepted auditing principles, and that they provide a true and fair view of the Group's and the company's respective positions and results and that the Directors' Report for the

Group and the Directors' Report for the company are faithful representations of the development of the performance by the Group's and the company's operations, and of their respective positions and results, and that they describe significant risks and uncertainty factors faced by the companies that make up the Group.

Nacka, 4 March 2013



Dag Klackenborg
Chairman of the Board



Sune Dahlqvist
Member of the Board



Thomas Evers
Member of the Board



Anna Hallberg
Member of the Board



Johan Ljungberg
Member of the Board



Anders Nylander
Member of the Board



Ingalill Berglund
Managing Director

Our Audit Report was submitted on 4 March 2013.

Ernst & Young AB



Jonas Svensson
Authorised Public Accountant



Ingemar Rindstig
Authorised Public Accountant

AUDITORS' REPORT

To the annual meeting of the shareholders of Atrium Ljungberg AB (publ), corporate identity number 556175-7047

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Atrium Ljungberg AB (publ) for the year 2012, except for the corporate governance statement on pages 96–101. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 81–137.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 96–101. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Atrium Ljungberg AB (publ) for the year 2012. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. The Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have obtained a sufficient basis for our opinion. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence which we have obtained is sufficient and appropriate in order to provide a basis for our opinions.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have obtained a sufficient basis for our opinion. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and the consolidated accounts.

Stockholm March 4th 2013

Ernst & Young AB



Jonas Svensson
Authorized Public Accountant



Ingemar Rindstig
Authorized Public Accountant

FIVE-YEAR OVERVIEW

Amounts in SEK m	2012	2011	2010	2009	2008
INCOME STATEMENTS					
Rental income	1,824.8	1,686.3	1,613.5	1,655.7	1,499.6
Project and construction work sales	252.9	331.8	322.9	323.9	355.1
Net sales	2,077.7	2,018.1	1,936.4	1,979.6	1,854.7
Property management costs	-600.9	-591.3	-584.0	-603.7	-564.6
Project and construction work costs	-242.0	-317.0	-313.5	-316.5	-343.8
Gross profit/loss	1,234.8	1,109.8	1,038.9	1,059.4	946.3
– of which gross profit/loss from property management	1,224.0	1,095.0	1,029.5	1,052.0	934.9
– of which gross profit/loss from project and construction work	10.9	14.8	9.4	7.4	11.3
Central administration, property management	-41.7	-44.1	-45.4	-49.2	-47.7
Central administration, project and construction work	-16.6	-12.2	-11.9	-10.7	-14.2
	-58.2	-56.3	-57.3	-59.9	-61.9
Financial income	13.9	10.6	7.7	6.6	21.2
Financial expenses	-451.3	-369.7	-320.6	-338.7	-368.3
	-437.4	-359.1	-313.0	-332.1	-347.1
Profit/loss before changes in value	739.2	694.4	668.6	667.4	537.3
Unrealised changes in value, properties	367.8	528.3	525.1	-523.0	-1,202.1
Realised changes in value, properties	32.7	2.0	14.2	0.1	-21.6
Unrealised changes in value, financial instruments	-182.5	–	–	–	–
Goodwill write-downs	-82.2	–	-16.9	-51.7	-26.2
	135.8	530.3	522.4	-574.6	-1,249.9
Profit/loss before tax	875.0	1,224.7	1,191.0	92.8	-712.6
Current tax	-89.8	-1.5	-23.5	-77.4	-72.9
Deferred tax	245.6	-318.7	-252.1	171.5	383.2
Net profit/loss for the year	1,030.8	904.5	915.5	186.9	-402.3
BALANCE SHEETS					
Investment properties	24,576.2	21,896.7	19,939.7	18,616.6	19,058.7
Tangible fixed assets	19.6	23.8	10.3	9.1	13.9
Goodwill	307.6	389.8	389.8	406.7	458.3
Deferred tax receivable	3.6	26.4	–	–	–
Other fixed assets	0.5	0.8	155.0	143.2	0.9
Current assets	370.9	564.1	275.5	424.0	414.9
Liquid assets	188.5	274.2	439.3	232.6	178.4
Total assets	25,466.9	23,175.8	21,209.6	19,832.2	20,125.0
Shareholders' equity	10,255.3	9,540.5	9,099.2	8,415.6	8,495.8
Deferred tax	2,364.5	2,612.5	2,320.4	2,046.1	2,220.0
Long-term liabilities to credit institutions	8,810.9	7,839.6	7,373.6	6,444.1	6,676.5
Other long-term liabilities	384.5	243.9	49.8	99.3	10.4
Short-term provisions	105.9	–	–	–	–
Current liabilities to credit institutions	2,802.4	1,881.3	1,736.9	2,047.7	1,674.9
Other current liabilities	743.4	1,058.0	629.8	779.4	1,047.4
Total shareholders' equity and liabilities	25,466.9	23,175.8	21,209.6	19,832.2	20,125.0

Amounts in SEK m	2012	2011	2010	2009	2008
CASH FLOW STATEMENTS					
Cash flow from operating activities	831.9	639.7	671.1	607.6	592.5
Cash flow from investment activities	-2,471.6	-1,104.4	-794.2	-433.5	-1,091.5
Cash flow from financing activities	1,554.0	299.6	329.8	-119.9	584.8
Cash flow for the year	-85.7	-165.1	206.7	54.2	85.7
KEY RATIOS					
<i>Property-related key ratios</i>					
Letting rate, %	95	94	94	93	94
Operating surplus margin, %	67	65	64	64	62
Letting area, '000 m ²	903	871	790	808	900
Investments in properties, SEK m	1,512	1,050	1,047	1,087	1,220
Number of properties	57	54	49	47	55
<i>Financial key ratios</i>					
Equity/assets ratio, %	40.3	41.2	42.9	42.4	42.2
Debt/equity ratio, multiple	1.1	1.0	1.0	1.0	1.0
Gearing ratio, %	47.3	44.4	45.7	45.6	43.8
Interest coverage margin, multiple	2.6	2.9	3.1	3.0	2.5
Average rate of interest on interest-bearing liabilities (at period end), %	3.9	4.2	3.8	3.8	4.7
Return on shareholders' equity, %	10.4	9.7	10.5	2.2	-4.5
Return on shareholders' equity, excluding changes in value, %	5.6	5.6	5.6	5.7	4.3
Return on total assets, %	5.5	7.2	7.4	2.2	-1.7
Return on total assets excluding changes in value, %	4.9	4.8	4.8	5.0	4.4
<i>Data per share</i>					
Net profit/loss for the year, SEK	7.92	6.95	7.03	1.44	-3.09
Profit/loss before changes in value less applicable nominal tax, SEK	4.19	3.93	3.79	3.78	2.97
Dividend (2012 proposed), SEK	2.85	2.60	2.40	2.25	2.00
Dividend pay-out ratio, %	68.0	66.2	63.4	59.5	67.3
Share dividend yield, %	3.3	3.5	2.8	3.4	3.2
Cash flow, SEK	6.39	4.91	5.16	4.67	4.55
Shareholders' equity, SEK	78.79	73.30	69.91	64.66	65.27
Net worth, 10% deferred tax, SEK	86.67	83.03	77.98	71.48	72.37
Share price on 31 December	87.00	73.25	86.50	67.00	62.50
Average number of outstanding shares, '000	130,157	130,157	130,157	130,157	130,157
Average number of outstanding shares after dilution, '000	130,157	130,157	130,157	130,157	130,157
<i>Employees</i>					
Average number of employees	265	260	251	242	233

DEFINITIONS

FINANCIAL DEFINITIONS

Average number of outstanding shares

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

Average number of outstanding shares after dilution

Weighted average number of outstanding shares after dilution calculated in accordance with IAS 33. Dilution occurs in conjunction with stock option programmes when the exercise price is lower than the current share price.

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.

Dividend pay-out ratio, %

Dividend per share as a percentage of the profit/loss per share before changes in value, less applicable nominal tax.

Earnings per share, SEK

Net profit/loss for the year 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 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 the 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.

P/E ratio

Market price at the period end divided by the profit/loss after tax per share for the previous 12-month period.

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 year 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.

Share dividend yield, %

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

Share's total yield, %

The year's change in the share price plus the dividend as a percentage of the share price at the previous balance sheet date.

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, m²

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

Letting area, m²

Total area available for letting.

Letting rate, %

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

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.

GRI INDEX

Atrium Ljungberg's sustainability work has been reported for a number of years as a part of the Annual Report, and from 2008 in accordance with level C of the GRI (global reporting initiative) guidelines. The report has not been reviewed by external bodies but Atrium Ljungberg believes that the report fulfils the information requirement for level C reporting. The report comprises Atrium Ljungberg's Communication on Progress Report 2012 for the UN's Global Compact.

The work on defining and developing the content of the report is based on the issues determined internally and in dialogue with the company's stakeholders to be important and involve critical aspects during planning, construction and management of sustainable environments for customers and visitors, and the company's role as a responsible employer. Data and information in the report have been gathered during

the 2012 calendar year and cover all properties owned by Atrium Ljungberg, adjusted for sales and acquisitions during the year. Environmental data and employee information includes the wholly-owned subsidiary company, TL Bygg. Any exceptions or limitations in respect to the data are indicated. The table below shows the degree to which the reporting provides the information required. The table includes all core indicators and additional indicators and indicators from the sector supplement for the Construction and Real Estate Sector that Atrium Ljungberg has deemed to be relevant.

An augmented and comprehensive GRI table with complementary information on our sustainability work and comments explaining any deviations and the bases used for calculation are available on Atrium Ljungberg's website.

* = information/additional information is provided in the GRI complementary information at www.atriumljungberg.se

STANDARD INFORMATION/INDICATORS	CROSS-REFERENCE, 2012	REPORTING
1. STRATEGY AND ANALYSIS		
1.1 Managing Director's Statement	2-3	R
1.2 Description of key impacts, risks and opportunities	1, 3-6, 14-17, 83, 85	R
2. ORGANISATIONAL PROFILE		
2.1 Name of the organisation	82	R
2.2 Primary brands, products, and/or services	Inside cover, 6-8, 10-12, 22-31, 33	R
2.3 Operational structure of the organisation	Inside cover, 8, 80	R
2.4 Location of the organisation's headquarters	Back cover	R
2.5 Countries where the organisation operates	Inside cover, 22-23, 25	R
2.6 Nature of ownership and legal form	Inside cover, 92	R
2.7 Markets served	Inside cover, 10-12, 22-23, 25	R
2.8 Scale of the reporting organisation	Inside cover, 20-25, 28	R
2.9 Significant changes during the reporting period	82-83	R
2.10 Awards received during the reporting period	2, 62	R
3. REPORT PARAMETERS		
Reporting profile		
3.1 Reporting period	143	R
3.2 Date of most recent report	143	R*
3.3 Reporting cycle	143	
3.4 Contact points	94	R*
Scope and boundaries of the reporting		
3.5 Process for defining report content	143	R
3.6 Boundary of the report	143	R
3.7 Specific limitations on the scope or boundary of the report	143	R*
3.8 Basis for reporting that can significantly affect comparability	143	R*
3.9 Data measurement techniques and the bases of calculations	-	R*
3.10 Explanation of the effect of any re-statements of information provided in earlier reports	-	R*
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods	-	R*
Assurance		
3.12 GRI content index	143	R*
3.13 External assurance	143	R
4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT		
Governance		
4.1 Governance structure of the organisation	96	R

4.2 Indicate whether Chair of the highest governance body is also an executive officer	98, 100-101	R
4.3 Number of members of the highest governance body that are independent and/or non-executive members	98	R
4.4 Mechanisms for shareholders and employees to provide recommendations or directions to the highest governance body	19, 96-97	R
4.5 Linkage between compensation for members of the highest governance body, Senior managers, and executives and the organisation's performance	98-99, 123	R
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	97-98, 102-103	R*
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental and social topics	97-98	R*
4.8 Internally developed statements of mission or values, codes of conducts and principles	16, 102	R*
4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance	16, 102-103	R
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	102-103	R*
4.11 Explanation of whether and how the precautionary approach or principle is addressed	14-17	R*
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	3, 14, 16-17	R
4.13 Memberships in associations	16	R
Stakeholder engagement		
4.14 List of stakeholder groups engaged by the organisation	Inside cover, 1, 7, 14-17, 19	R*
4.15 Basis for identification and selection of stakeholders with whom to engage	Inside cover, 143	R*
4.16 Approaches to stakeholder engagement	14-15, 19	R*
4.17 Key topics and concerns that have been raised through stakeholder engagement	14-15, 19	R*
5. INDICATORS		
ECONOMIC PERFORMANCE INDICATORS		
EC1 Direct economic value	104-107	R
EC2 Financial implications and other risks and opportunities for the organisations activities due to climate change	15-16	PR*
EC3 Coverage of the organisations defined benefit plan obligations	123-124	R
EC4 Significant financial assistance received from government	-	R*
EC6 Policy, practices and proportion of spending on locally based suppliers	-	I*
EC7 Procedures for local hiring	-	I*
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit	14, 46	PR*

STANDARD INFORMATION/INDICATORS	CROSS-REFERENCE, 2012	REPORTING
ENVIRONMENTAL PERFORMANCE INDICATORS		
EN1 Materials used by weight or volume	–	NR*
EN2 Percentage of materials used that are recycled input materials	–	NR*
Energy		
EN3 Direct energy consumption by primary energy source	15	R*
EN4 Indirect energy consumption by primary source	15	R*
EN5 Energy saved due to conservation and efficiency improvements	14–16	R*
EN6 Initiatives to provide energy-efficient or renewable energy based products and services	5, 14–17	R*
EN7 Initiatives to reduce energy consumption and reductions achieved	5, 14–17	R*
EN8 Total water withdrawal by source	15	R
Biodiversity		
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value	–	PR*
EN12 Description of significant impacts of activities, products, and services on biodiversity	–	NR*
Emissions and waste		
EN16 Total direct and indirect greenhouse gas emissions by weight	15	R*
EN17 Other relevant indirect greenhouse gas emissions by weight	–	PR*
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	5, 14–17	R*
EN19 Emissions of ozone-depleting substances by weight	–	NR*
EN20 NO, SO and other significant air emissions by type and weight	–	NR*
EN21 Total water discharge by quality and destination	–	NR*
EN22 Total weight of waste by type and disposal method	–	NR*
EN23 Total number and volume of significant spills	–	NR*
Products and services		
EN26 Initiatives to mitigate environmental impacts of products and services	5, 14–17, 40–42, 46	R
EN27 Percentage of products sold and their packaging materials that are reclaimed by category	–	NR*
Other		
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	–	R*
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	–	NR*
SOCIAL PERFORMANCE INDICATORS		
Labour practices and working conditions		
LA1 Total workforce by employment type, employment contract, and region	Insida flik, 20, 123	R
LA2 Total number and rate of employee turnover by age group, gender and region	20	PR
Relationship between employees and management		
LA3 Benefits provided to full-time employees	117, 123–124	PR
LA4 Percentage of employees covered by collective bargaining agreements	15	R
LA5 Minimum notice period(s) regarding operational changes	–	R*
Health and safety		
LA7 Rates of injury, occupational diseases, lost days, and absenteeism	–	R*
LA8 Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	–	PR*

Training		
LA10 Average hours of training per year per employee by employee category	20	PR*
LA11 Programmes for skill management	20	PR*
LA12 Percentage of employees receiving regular performance and career development reviews	–	R*
Diversity and equal opportunities		
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	20, 100–101, 123	R*
LA14 Ratio of basic salary of men to women by employee category	–	NR*
Human rights		
HR1 Percentage and total number of significant investment agreements that include human rights clauses	16	PR*
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights	–	PR*
Non-discrimination		
HR4 Total number of incidents of discrimination and actions taken	–	R*
Freedom of association and collective agreement rights		
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	–	I*
HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	–	I*
HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	–	I*
Society		
S01 Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities	14–17	R*
S02 Percentage and total number of business units analysed for risks related to corruption	102–103	R
Corruption		
S03 Percentage of employees trained in organisation's anti-corruption policies and procedures	–	NR*
S04 Actions taken in response to incidents of corruption	–	R*
Politics		
S05 Public policy positions and participation in public policy development and lobbying	–	R*
Compliance		
S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	–	R*
Customer health and safety		
PR1 Lifecycle stages in which health and safety impacts of products and services are assessed for improvement	14–17	R*
Labelling of products and services		
PR3 Type of product and service information required by procedures	–	R*
Product development		
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	–	PR*
Market communication		
PR6 Programmes for adherence to laws, standards, and voluntary codes related to marketing communications	–	NR*
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	–	R*
Supplement from the Construction and Real Estate Sector (CRESS)		
CRE 8 Type and number of sustainability/environmental certifications, labelling or processes applied for implementation of projects or construction of properties/facilities.	4–5, 14	R

EXPLANATION OF ABBREVIATIONS – DEGREE OF GRI COMPLIANCE

[R] Reported
[PR] Partially reported
[NR] Not reported
[I] Irrelevant

ABBREVIATIONS - OTHER

[R*, PR*, NR*, I*] For complementary information, see the company's website under Sustainable Enterprise
[C] Indicates a core indicator
[A] Indicates an additional indicator

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.

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. 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-March 2013	19 April 2013
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

ANNUAL GENERAL MEETING


Shareholders are invited to attend the Annual General Meeting to be held on Wednesday, 10 April 2013 at 17.00 (CET) at Filmstaden, Marcusplatsen 19 in Sickla. Notices convening the meeting will be sent to shareholders by letters in the post and the Meeting will also be advertised in Post- och Inrikes Tidningar (the Official Swedish Gazette). A statement that a notice convening the Meeting has been issued will be published in Dagens Nyheter.



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
Registered office: Nacka. Corporate ID no.: 556175-7047

www.atriumljungberg.se

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