

# QL Q4

ATRIUM LJUNGBERG

2013 • PRELIMINARY FINANCIAL STATEMENT JANUARY – DECEMBER



## THIS IS ATRIUM LJUNGBERG

• NUMBER OF PROPERTIES	47
• PROPERTY VALUE	SEK 25 BILLION
• CONTRACTED ANNUAL RENT	SEK 1.9 BILLION
• TOTAL LETTING AREA	941,000 M <sup>2</sup>
• LETTING RATE	95 PER CENT
• NUMBER OF EMPLOYEES	285

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. Together with customers, suppliers, municipalities and other partners, we are building a sustainable future.

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

## OUR LOCATIONS

- We are primarily located in **Stockholm, Uppsala and Malmö**.
- Our **retail hubs** are located in all of these regions.
- **The office properties** are concentrated on strong growth areas in Stockholm.
- Our **residential properties** are an integral part of the city district of Ärvinge in Kista and the Mobilia area in Malmö.

## OUR BUSINESS CONCEPT

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 holistic perspective enables us to generate added value for our customers and partners and creates value growth within the company.

## OUR GOALS

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

- **Profitability and growth** – the operating net shall increase by 10% per annum, we shall invest SEK 1 billion each year in in-house projects, and the return on new build and extension projects shall be 20%. The dividend shall correspond to a minimum of 50% of the profit before changes in value, after nominal tax.
- **Long-term stability** – the minimum equity/assets ratio shall be 30% and the interest coverage ratio shall be a multiple of 2.0.
- **Corporate social responsibility** – all major new builds shall be environmentally certified and we shall be one of Sweden's best workplaces.

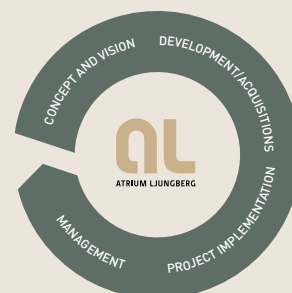
Find out more at: [www.atriumljungberg.se](http://www.atriumljungberg.se)

## OUR STRATEGIES & VALUE-ENHANCING FACTORS

- Atrium Ljungberg shall focus on developing environments for retail and office purposes and, where possible, supplement with residential premises, service, culture and education.  
*The combination creates synergies and offers a risk spread that makes us strong across business cycles.*
- We shall maintain a presence in strong subsidiary markets in Stockholm, Uppsala and Malmö where the potential exists for long-term population growth.  
*Long-term population growth creates the prerequisites for long-term profitability, both for ourselves and our customers.*
- We shall develop and improve properties and development rights.  
*Our project development creates value growth within the company and generates added value for our customers.*
- We shall be a significant player with large, unified units in each subsidiary market.  
*As a significant player, we can lead and influence development and create full-service environments with long-term durability.*
- Our focus, in everything we do, shall be on our customers. The cooperation with customers, suppliers, municipalities and other stakeholders should be close, long-term, stable and personal.  
*Through collaboration we find innovative solutions and together we create long-term sustainable and attractive environments.*
- We shall conduct and manage the entire business process in-house using our in-house expertise.  
*By managing the development and building process ourselves, we can satisfy our customers' requirements and generate good returns on our projects over time.*
- The sustainability work shall be integrated in the business strategy and an important component of our offering.  
*Building sustainably for the future enhances both the company's value and results and the outside world's confidence in us.*
- We shall have a committed workforce that is passionate about what we do. Our core values – a long-term approach, cooperation, reliability and innovative thinking – shall be firmly rooted in the workforce psyche.  
*In-depth commitment strengthens our brand and living up to our core values ensures our tenants want to be long-term customers.*

## OUR BUSINESS MODEL

Atrium Ljungberg's business model generates profitability and growth in value through continuous improvement and efficient, customer-orientated management of 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.



# PRELIMINARY FINANCIAL STATEMENT

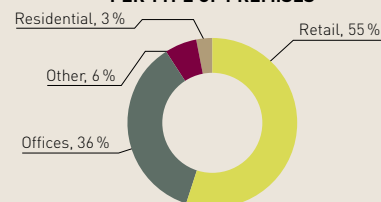
## 1 JANUARY–31 DECEMBER

- NET SALES increased to SEK 2,362 million (SEK 2,078 m), of which rental income increased to SEK 1,956 million (SEK 1,825 m).
- THE LETTING RATE amounted to 95 per cent (95%), including project properties.
- THE OPERATING SURPLUS from property management increased to SEK 1,297.3 million (SEK 1,224.0 m).
- THE PROFIT BEFORE CHANGES IN VALUE increased to SEK 829.0 million (SEK 739.2 m).
- UNREALISED CHANGES IN THE VALUE of properties amounted to SEK 142.5 million (SEK 367.8 m). Unrealised changes in the value of financial instruments amounted to SEK 342.6 million (SEK –182.5 m).
- THE NET PROFIT FOR THE YEAR increased to SEK 1,108.3 million (SEK 1,030.8 m), corresponding to SEK 8.52/share (SEK 7.92/share).
- INVESTMENTS in Atrium Ljungberg's own properties amounted to SEK 1,302 million (SEK 1,512 m).
- PROPERTIES WERE SOLD to a value of SEK 1,012 million (SEK 94 m).
- THE BOARD proposes a dividend of SEK 3.05/share (SEK 2.85/share).
- THE 2014 PROFIT FORECAST before changes in value and tax is SEK 800 million.

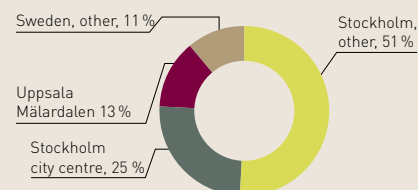
### KEY RATIOS

	2013 Jan – Dec	2012 Jan – Dec	2013 Oct – Dec	2012 Oct – Dec
Net sales, SEK	2,362	2,078	609	523
Profit/loss before changes in value, SEK m	829	739	213	173
Net profit/loss for the period, SEK m	1,108	1,031	253	576
Investments, SEK m	1,302	1,512	360	465
Cash flow from operating activities, SEK m	854	832	215	238
Letting rate, %	95	95	95	95
Equity/assets ratio, %	41.1	40.3	41.1	40.3
Gearing ratio, %	47.8	47.3	47.8	47.3
Average interest rate at period end, %	3.6	3.9	3.6	3.9
Interest coverage ratio, multiple	3.0	2.6	3.0	2.6
Earnings per share, SEK	8.52	7.92	1.94	4.43
Profit/loss before changes in value less nominal tax, SEK/share	4.97	4.19	1.28	0.98
Market value, SEK/share	88.00	87.00	88.00	87.00
Shareholders' equity, SEK/share	84.67	78.79	84.67	78.79
Net worth, SEK/share, 10% deferred tax	93.09	86.67	93.09	86.67

### CONTRACTED ANNUAL RENT PER TYPE OF PREMISES



### CONTRACTED ANNUAL RENT PER SEGMENT



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



# MANAGING DIRECTOR'S STATEMENT

*FOR ATRIUM LJUNGBERG an eventful 2013 has ended with a strong fourth quarter. The most recent phase expansions in Port 73, Haninge and Mobilia, Malmö have contributed to a continued good growth in profit and the operating surplus has increased by 16 per cent in the fourth quarter. For the full-year 2013 the operating surplus increased by 6 per cent and the profit before changes in value and tax increased by 12 per cent. For the future we have prepared new project opportunities for another SEK 2 billion.*



## **Weak economic growth**

2013 was an eventful year for Atrium Ljungberg as we have encountered both successes and setbacks. We have had low growth in the Swedish economy with a moderate 1 per cent growth in GDP. The economic conditions have been even tougher for many parts of Europe. Swedish households have had a cautious approach to consumption. The trend of the retail sector was positive during the year, but relative to the historic trend the growth of 1.9 per cent was weak. The interest rate level has continued to be favourable and the access to capital has increased. Consequently, the interest in properties in a broader perspective has also increased.

## **STRONG PROFIT IN 2013**

Having properties in attractive locations like ours is a strength, and we have also been highly successful with our property management. Sales for our retail hubs have a good rate of increase and several of our office subsidiary markets are practically fully let. The average letting rate in our portfolio is an impressive 95 per cent, and therefore our rental income is stable. With completed projects in Port 73 and in Mobilia, the rental income has increased by SEK 85 million

on a full-year basis. These projects have contributed to the strong profit trend in the fourth quarter as the operating surplus has increased by 16 per cent. For the full-year 2013, the operating surplus has increased by 6 per cent.

## **NEW PROJECT OPPORTUNITIES**

However, we have also seen that the weak growth within the retail sector has resulted in longer lead times for establishment decisions. For our project development, which has been weighted towards trade, this has among other things meant that the construction time for tenant-specific adaptations has been pressed with greater costs as a result. Despite this, we have succeeded well with the implementation and further strengthened the competitiveness of these retail hubs.

The fact that AkzoNobel has rescinded its lease contract and decided not to move into Sickla Front, the newly-built office on their behalf, is highly disappointing. Even though we believe that the rescission lacks justifiable grounds, and will be tried legally, the previously calculated rental income for 2014 will be excluded. The profit of 2013 has been encumbered by a write-down of SEK 100 million, attributable to both demolition and reconstruction costs as well as loss of rental income during the period the building is expected to be empty. However, with its strong location next to traffic routes, light rail link and buses, with flexible and light office spaces and with the entire service range of Sickla, the best workplaces of the market will be offered in Sickla Front.

In 2013 significant efforts have been made to identify and generate new project opportunities within the portfolio. For example, new land allocation has been received in Hagastaden and by Slussen. We have also started programmes and detailed development plan work in several locations including Sickla, Uppsala and Haninge. Consequently, at the turn of the year we have a project portfolio with potential, but not yet started projects of approximately SEK 7 billion. At the turn of the year, remaining investment volume for ongoing projects amounted to approximately SEK 600 million, which will be completed in 2014. At the start of 2014 we also acquired a property in Sickla, which further adds to future project opportunities.

## **PROPERTY MANAGEMENT IS OUR BASE**

Our property development is an important aspect of our business. This contributes to not only value growth, but it also creates the prerequisites for us to make our environments exactly as we want them – adding aspects which make people want to work, live and stay in our places. However, the base of our operations is a long-term perspective and our property management business. Taking care of our customers, our customers' customers and having competent and committed employees is essential. We have gained renewed confidence in both extended lease contracts and in new businesses and we have been successful with recruitment. In my view, this bears testament to our success in terms of our aims and that we are continuing to nurture our strong brand. Many thanks to all of you – customers, partners and colleagues – who have contributed to the good trend in 2013.

## **OUTLOOK FOR 2014**

The start of the year has been good and there is a lot to indicate that the economy will strengthen during the year, although at a cautious pace. The assessment is also that we will continue to have low interest rate levels. Our focus on being in strong subsidiary markets in the Greater Stockholm area, Uppsala and Malmö creates a sense of security in the business, and the pace of business has clearly increased over recent months. With diversified financing, a strong balance sheet and a business-oriented organisation, we are well-equipped for the future. I look forward to yet another exciting year.

*Ingall Berglund, Managing Director*

## THE MARKET AND MANAGEMENT

The Swedish economy was weak during 2013, primarily due to the export industry being impacted negatively as a result of lower demand by external players. The Swedish National Institute of Economic Research assesses that GDP increased by low 1 per cent. The consumption of households mainly contributed to the growth, which primarily depended on an increase in income of households, an unexpectedly strong increase in employment and continued low interest rates. Inflation amounted to -0.1 per cent for 2013. The total sales for retail trade increased by 1.9 per cent compared to 2012, measured in rolling prices.

In 2013, Atrium Ljungberg's major retail hubs, namely Sickla Köp kvarter, Farsta Centrum, Port 73, Gränby Centrum and Mobilia have reported a collective year-on-year increase in net sales of 4.7 per cent compared to the previous year, where Port 73 and Sickla Köp kvarter account for the largest increase. Net sales have been affected by both newly created areas as well as ongoing renovation work.

Cost-awareness continues to be high amongst retail sector companies and long decision-making processes are still evident when it comes to signing new lease contracts. Rental levels for Atrium Ljungberg's retail premises during the year have been stable at unchanged levels compared to the previous year.

The economic climate has resulted in a general levelling off in demand for office premises in Stockholm in 2013. Demand in Stockholm was, however, still higher than in the rest of Sweden and interest in premises outside Stockholm's city centre continues to be strong. Vacancy and rental levels have been unchanged.

The interest in premises outside Stockholm's city centre benefits Atrium Ljungberg which has large property portfolios in these

areas. Greater demand for office premises in our subsidiary markets was noticed during the second half of 2013 compared to the first half, with more newly agreed lease contracts as a result during the third and fourth quarter, primarily in Hagastaden, Sickla and Kista. Rental levels within Atrium Ljungberg's office portfolio have remained stable during the year.

Net letting during the fourth quarter of 2013, i.e. newly agreed contracted annual rents during the quarter, less annual rents terminated due to clients vacating the premises, amounted to SEK 18 million.

## PROJECTS

Investments in own development projects amounted to SEK 1,302 million during 2013. Two major projects were completed and inaugurated during the year; a third phase of Port 73 in Haninge and a major reconstruction and new construction of Mobilia in Malmö.

The remaining investment volume for ongoing projects amounted to approximately SEK 600 million at the turn of the year. During the year major work was conducted for preparing new detailed development plans for the company's future expansion projects, primarily for Gränby Centrum, Sickla and Port 73. The plans cover both retail and office premises as well as housing and premises for other service operations. The estimated project volume of potential but not yet determined projects amounted to approximately SEK 7 billion at the turn of the year, an increase of approximately SEK 2 billion compared to the previous year. Moreover, the acquisition of Nacka Sicklaön 83:33, situated on Nobelberget in Sickla, took place after the turn of the year, which entails further project opportunities.

More information on potential projects is contained in the table on page 6.

## PORT 73

In August 2013, the third phase expansion in Port 73 in Haninge was inaugurated which covers a new retail area of just over 10,000 m<sup>2</sup>. Ten or so grocery stores, restaurants and fashion stores were opened. Port 73 is practically fully let and now comprises forty or so stores, restaurants and service outlets with a total area of approximately 37,000 m<sup>2</sup>.

## MOBILIA

At the end of September 2013, the latest phase of the large transformation of Mobilia in Malmö was inaugurated, in which extensive work has been ongoing for a long period. We have created a city district of the traditional retail centre, in which retail outlets have been supplemented with restaurants, service facilities and housing, and a vibrant city square milieu with pavement cafés and restaurants, pedestrianized areas and cycle paths. Mobilia's historic surroundings have been retained, and the result is an intermingling of the old and the new. For example, the machine room in the previous textile factory now comprises a food court with several restaurant concepts. The inauguration saw the opening of forty or so stores, restaurants and service facilities, both large and well-known chains as well as small local players. Some of the newly added areas have been reserved to house cultural, health care and educational facilities.

The project has covered new construction of a total of 29,000 m<sup>2</sup>, a new garage with approximately 650 parking spaces, and two new residential blocks with 9 and 16 floors with 70 or so rental apartments. Occupancy of the apartments started in October 2013 and will continue up until May 2014.

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

Project/Property/Location	Reconstruction, letting area m <sup>2</sup>	New build, letting area m <sup>2</sup>	Premises type	Investment, SEK m	Of which remaining	Completed	Rental value <sup>3)</sup> excl. surcharge, SEK m	Letting rate, %
Port 73, Phase 3, Söderby Huvudgård 2:43, Haninge		10,500	Retail	250	10	Q3 2013	16	96
Mobilia, Phase 3, Bohus 8, Malmö <sup>2)</sup>		29,000	Retail/Parking	1,050	80	Q4 2013	71	82
Mobilia, Rental apartments, Bohus 8, Malmö		4,100	Residential	100	10	Q1 2014	7	95
Farsta Centrum, Ica Kvantum, Storö 24, Stockholm	400	3,500	Retail/Parking	150	40	Q2 2014	N/A <sup>4)</sup>	83
Kvarteret NOD, Kista Gård, Borgarnäs 1, Stockholm		27,000	Offices/Other	750	300	Q3 2014	67	49
Gränby Köpstad, part of Phase 1, Brillinge 9:1, Uppsala		1,300	Other	50	30	Q3 2014	5	100
Sickla Front, previously HK AkzoNobel, Sicklaön 83:32, Nacka <sup>5)</sup>		10,100	Offices	350	120	Q3 2015	23	-
<b>Total</b>	<b>400</b>	<b>85,500</b>		<b>2,700</b>	<b>590</b>			

<sup>1)</sup> The term, project properties, refers to an individual property or a clearly delimited part of a property that has been vacated in order to permit the renovation and upgrading of the property, irrespective of whether construction work has begun. The term, project property, also refers to buildings under construction and to undeveloped land and development rights. Reclassification from project property to completed property occurs on 1<sup>st</sup> January of the year after completion.

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

<sup>3)</sup> Excl. any net sales result.

<sup>4)</sup> Rental value is not, with regard to individual business transactions, reported as a subsidiary amount and the total amount hence cannot be reported.

<sup>5)</sup> AkzoNobel has rescinded its lease contract and the letting area, investment, completion date, rental value and letting rate have, therefore, been adjusted accordingly. See page 6 for further details.

## GRÄNBY

In September 2013 the first establishment opened, a new McDonald's restaurant, in Gränby Köpstad in eastern Uppsala. The development of Gränby Köpstad will continue next by a further building being constructed with three restaurant operators; Pizza Hut, Chop Chop and Subway.

## SICKLA

During 2013, work has been ongoing on completing the office block Sickla Front, previously referred to as HK AkzoNobel, on Uddvägen in Sickla. During the autumn AkzoNobel informed that they do not intend to fulfil the 15-year lease contract which was concluded in December 2010. Atrium Ljungberg firmly believes that there is no basis for rescission of the lease contract and as communicated earlier a claim for damages will be submitted against AkzoNobel. Sickla Front is now being completed without AkzoNobel's tenant-specific adaptations and work on identifying new tenants is ongoing.

## FARSTA CENTRUM

In January 2013 a project started for building a new Ica Kvantum of approximately 3,500 m<sup>2</sup> in Farsta Centrum, a project which has been ongoing throughout the year. Ica Kvantum is being built on Karlandaplan and the new building has been linked to the existing stores in the retail centre. In addition, a garage with approximately 160 parking spaces will be built. Opening will take place at the start of May 2014.

## KVARTERET NOD

The work on completing Kvarteret NOD in Kista north of Stockholm has been ongoing throughout the year. NOD will become a unique meeting place for innovation and creativ-

ity – an attractive place for trade and industry, students, researchers and contractors. The total letting area comprises 27,000 m<sup>2</sup> and will contain inspiring environments and efficient shared functions. The biggest tenant is the University of Stockholm and its Department of Computer and Systems Sciences (DSV). Other tenants are the Stockholm Science & Innovation School (SSIS), the education company Cornerstone, Eatry - a restaurant, café and seminar concept as well as Kista Science City. Occupancy will start during the turn of the half-year 2014 and inauguration is planned for the end of September.

## SLUSSEN

The detailed development plan for the new Slussen area was approved at the end of September by the Land and Environment Court. Earlier during the year Atrium Ljungberg concluded an agreement with the City of Stockholm regarding compensation for damage that will be incurred by the company as a result of the new detailed development plan. The agreement means that the leasehold fee of Glashuset is adjusted downwards by eight years and that Atrium Ljungberg will get a land allocation, i.e. get the opportunity to acquire land with development rights at market price, of 16,000–18,000 m<sup>2</sup> GFA at Stadsgårdsleden in front of Glashuset. If an agreement on acquisition and development is concluded, construction will begin during the latter phases of Slussen's transformation process, at the earliest in 2020.

## HAGASTADEN

In April 2013, the City of Stockholm Development Council granted Atrium Ljungberg a land allocation with the opportunity of acquiring land with a development right of 36,000 m<sup>2</sup> GFA in Hagastaden alongside Solnavägen

(part of the Vasastaden 1:45 property). The development should contribute to the vision of Hagastaden as a life science cluster. Construction is estimated to start in 2020.

## BREEAM CERTIFICATION OF NEW BUILDS

Atrium Ljungberg's goal, as part of its sustainability work, is to environmentally certify all of our major new builds. We have chosen to certify in accordance with the BREEAM environmental classification system. During the year two of our major new builds have become BREEAM certified. These are Intrum Justitia's head office in Sickla which was completed in the autumn of 2012 and phase 3 in Mobilia which was completed in September 2013. The final certification grades have not as yet been confirmed, but the minimum rating will be "very good". BREEAM certification work is also in progress for the Sickla Front project in Sickla and for Kvarteret NOD in Kista.

## PROPERTY PORTFOLIO AND TRANSACTIONS

The property market is currently strong. The access to shareholders' equity is good and there is a high willingness to invest. The financing possibilities have also improved since the spring of 2013, which has further benefited the situation in the market. The large interest in properties of a high quality in attractive locations has persisted, at the same time as interest in commercial properties in worse locations has increased.

According to Savills, the transaction volume in the Swedish property market in 2013 amounted to SEK 99 billion, which can be compared to SEK 108 billion for 2012. However, at the start of 2013 the ten quarter long negative trend of a declining transaction pace was reversed and the number of transactions has increased since then.

## POTENTIAL DEVELOPMENT PROJECTS

	Municipality	Premises type <sup>1)</sup>	Project area, m <sup>2</sup> , GFA		Investment, SEK m
			Detailed development plan exists	Change to detailed development plan required	
Sickla	Nacka	Retail	10,000	5,000	
Sickla	Nacka	Offices	14,000	40,000	
Sickla	Nacka	Residential		59,000	
Gränby Köpstad	Uppsala	Retail	48,000		
Gränby Centrum	Uppsala	Retail		28,000	
Gränby Centrum	Uppsala	Offices		7,000	
Gränby Centrum	Uppsala	Residential		37,000	
Mobilia	Malmö	Retail	15,000		
Port 73	Haninge	Retail	8,000		
Hagastaden <sup>2)</sup>	Stockholm	Offices	36,000		
Farsta Centrum	Stockholm	Retail	5,000		
Södermalm <sup>3)</sup>	Stockholm	Offices	16,000		
<b>Total</b>			<b>152,000</b>	<b>176,000</b>	<b>7,000</b>

<sup>1)</sup> Anticipated premises use may change and may include other elements.

<sup>2)</sup> Refers to a land allocation with the option of acquiring land with a development right of 36,000m<sup>2</sup>. GFA alongside Solnavägen (part of the Vasastaden 1:45 property)

<sup>3)</sup> Refers to a land allocation with the option of acquiring development rights of approximately 16,000 – 18,000 m<sup>2</sup> GFA on Stadsgårdsleden in front of Glashuset.

In July 2013 Atrium Ljungberg concluded an agreement to sell the Torgvågen 7 property on Hötorget in central Stockholm, better known as the PUB department store. The property covers 16,800 m<sup>2</sup> in total. The purchaser was AxFast AB. The sale took place through a divestment of shares. The purchase price was based on a property value of SEK 980 million before deductions for deferred tax. The date of possession was 31 January 2014. The Farsta Paviljongen 1 property on the island of Långholmen in Stockholm was sold in October. Atrium Ljungberg has owned 50 per cent of the property. The purchase price was based on a property value of SEK 67 million for the entire property. The date of vacation was 4 November 2013. Two small plots were also sold in Nynäshamn at the end of the year.

### OUR PROPERTY PORTFOLIO

Atrium Ljungberg's property portfolio comprises 47 properties located primarily in Stockholm, Uppsala and Malmö. Our property portfolio, which mainly consists of retail and office properties, is made up of modern and attractive properties with a total letting area of 941,000 m<sup>2</sup>.

### CHANGE IN THE VALUE OF THE PROPERTY PORTFOLIO

	SEK m	Number
Property portfolio, 1 Jan. 2013	24,576	57
Acquisitions	–	–
New builds, reconstruction and extension	1,302	–
Sale	-1,012	-4
Property settlements	–	-6
Unrealised changes in value	142	–
<b>Property portfolio, 31 Dec. 2013</b>	<b>25,008</b>	<b>47</b>

### PROPERTY VALUES

During the fourth quarter Atrium Ljungberg externally valued the properties corresponding to 25 per cent of the market value of the property portfolio, which provides an external valuation during the year of 45 per cent of the

market value. The valuation was carried out by Forum Fastighetsekonomi and Savills. The remainder of the portfolio was subject to an internal valuation with market rents, operating costs, vacancies and yield requirements quality assured by Forum Fastighetsekonomi. The market valuation is based on analyses of completed property transactions for properties of a similar standard and in a similar location, in order to assess the market's yield requirements. The valuation also entails cash flow calculations, with individual assessments of the earnings capacity of each individual property. Assumed rental levels in conjunction with contract expirations correspond to current market rent levels. Operating costs have been assessed on the basis of the company's actual costs. Development rights have been valued on the basis of an estimated market value per m<sup>2</sup> and include only those development rights that are confirmed in accordance with approved detailed development plans. Project properties are valued on the basis of completed projects, less remaining investments. A risk surcharge is added to the yield requirement on the basis of the current phase of the project.

The reported value of the property portfolio on 31 Dec 2013 totalled SEK 25,008 million (SEK 24,576). The average yield requirement in the valuation is 5.7 per cent (5.7%). Investments in Atrium Ljungberg's own properties during the period totalled SEK 1,302 million (SEK 1,512 m). The unrealised change in value totalled SEK 142 million (SEK 368 m). The change in value is explained by lowered yield requirements, primarily in Stockholm city centre, and in a few properties rental levels have increased. The valuation has also been affected by greater investment costs in the project portfolio, among other things due to AkzoNobel's rescission of the lease contract in Sickla Front. In addition to greater investment in Sickla Front, the property's value has also been affected by an adjustment of the rental level, reduced letting areas, and a postponement of the occupancy date.

### UNREALISED CHANGES IN VALUE

	SEK m
Change in yield requirements	245
Change in rental levels	96
Changed project investments	-199
<b>Total</b>	<b>142</b>

### YIELD REQUIREMENT PER PREMISES TYPE, %

Premises type	Interval	Average
Offices	4.7-8.0	5.8
Retail	4.7-8.0	5.8
Residential	4.0-4.8	4.2
Other	4.7-8.0	6.2
<b>Total</b>	<b>4.0-8.0</b>	<b>5.7</b>

### YIELD REQUIREMENT PER SEGMENT, %

Segment	Interval	Average
Stockholm city centre	4.7-5.8	5.2
Stockholm, other	4.0-8.0	5.9
Uppsala and Mälardalen	5.8-6.4	5.9
Sweden, other	5.5-7.3	5.9
Project properties	5.5-7.0	6.2
<b>Total</b>	<b>4.0-8.0</b>	<b>5.7</b>

### SALES AND NET PROFIT 1 JANUARY-31 DECEMBER

The Group's posted net sales for the year totalled SEK 2,362 million (SEK 2,078 m). Rental income amounted to SEK 1,956 million (SEK 1,825 m) and the increase mainly relates to completed projects and new lets, and the full-year effect of properties acquired at the end of 2012. Net sales for the project and construction activities totalled SEK 405 million (253) and the increase mainly relates to a sales increase for TL Bygg compared to the previous year.

The consolidated profit before changes in value totalled SEK 829.0 million (SEK 739.2 m). Unrealised changes in the value of properties totalled SEK 142.5 million (SEK 367.8 m). Unrealised changes in the value of financial instruments totalled SEK 342.6 million (SEK -182.5 m). The net profit for the year totalled SEK 1,108.3 million (SEK 1,030.8 m), corresponding to SEK 8.52/share (SEK 7.92/share).

### PROPERTY PORTFOLIO, 31 DECEMBER 2013

	Letting area, '000 m <sup>2</sup>	Fair value, SEK m	Fair value, SEK/m <sup>2</sup>	Rental value, SEK m <sup>2)</sup>	Rental value, SEK/m <sup>2</sup>	Economic letting rate, %	Rental income, SEK m	Property costs SEK m	Operating surplus, SEK m	Yield <sup>2)</sup> %
Property portfolio by segment										
Stockholm city centre	178	6,794	38,091	492	2,758	97	492	-134	358	5.3
Stockholm, other	521	11,298	21,688	1,028	1,973	94	973	-332	641	5.7
Uppsala and Mälardalen	93	3,034	32,768	253	2,728	96	249	-77	172	5.7
Sweden, other	82	1,614	19,625	142	1,722	93	139	-61	78	4.8
<b>Total</b>	<b>874</b>	<b>22,740</b>	<b>26,015</b>	<b>1,914</b>	<b>2,190</b>	<b>95</b>	<b>1,853</b>	<b>-604</b>	<b>1,249</b>	<b>5.5</b>
Project properties	67	1,979	N/A <sup>3)</sup>	94	1,396	90	34	-19	15	0.8
Land and development rights	–	290								
<b>Total</b>	<b>941</b>	<b>25,008</b>	<b>N/A<sup>3)</sup></b>	<b>2,008</b>	<b>2,133</b>	<b>95</b>	<b>1,887</b>	<b>-623</b>	<b>1,264</b>	<b>5.1</b>
Properties sold							70	-36	34	
<b>Total Group</b>							<b>1,956</b>	<b>-659</b>	<b>1,297</b>	

<sup>1)</sup> Refers to actual result during the year.

<sup>2)</sup> Reported rental value is based on the immediately subsequent quarter.

<sup>3)</sup> Letting area for new production is not reported until the project is completed and the figures hence do not accurately represent the actual situation.

The Parent Company's net sales totalled SEK 172 million (SEK 181 m). The net profit for the year totalled SEK 205.7 million (SEK 1,617.2 m). The profit of 2013 was affected by lower dividends from subsidiaries.

## SALES AND NET PROFIT, 1 OCTOBER–31 DECEMBER

The Group's posted net sales for the fourth quarter of the year totalled SEK 609 million (SEK 523 m), of which rental income comprised SEK 511 million (SEK 457 m). The increase in rental income is explained by income in completed phases in Mobilia in Malmö and Port 73 in Haninge and greater letting during the year. Greater sales within project and construction operations mainly relate to TL Bygg. The profit before changes in value totalled SEK 212.8 million (SEK 173.0 m). Unrealised changes in the value of properties totalled SEK 101.0 million (SEK 123.3 m). Unrealised changes in the value of financial instruments totalled SEK 1.4 million (SEK -55.9 m). Net profit for the period totalled SEK 252.6 million (SEK 576.3 m).

## PROJECT AND CONSTRUCTION ACTIVITIES

Net sales for project and construction activities for the year totalled SEK 405 million (SEK 253 m). TL Bygg's net sales during the period totalled SEK 492 million (SEK 379 m), SEK 114 million (SEK 153 m) of which comprised work on behalf of Group companies.

The gross profit for project and construction activities totalled SEK 11.0 million (SEK 10.9 m). Ongoing project development costs have been charged to the result.

## FINANCING

Atrium Ljungberg meets its financing requirements through five Nordic banks and the capital market. The banks are Atrium Ljungberg's biggest financiers, and bank loans accounted for 88 per cent of the total loan volume at the turn of the year. During the fourth quarter an MTN programme was established with a loan framework of SEK 3 billion and a first issue of SEK 500 million was conducted. The issue was a 4 year issue with floating interest rate, 3M + Stibor 1.50 per cent. Outstanding commercial papers totalled SEK 950 million on 31 December. The programme's framework amount totals SEK 2 billion. The company has secured lines of credit totalling SEK 1,750 million as security for the programme. Interest-bearing liabilities totalled SEK 12,427 million at the year-end, with an average interest rate at that time of 3.6 per cent (3.9%). The average fixed interest term was 4.4 years (4.9 yrs) and the capital commitment term was 3.0 years (3.1 yrs).

The derivatives portfolio comprised SEK 7,461 million in interest swaps at the year-end. These interest swaps are valued at market

rate in conjunction with every year-end closing and the change in value is reported via the Income Statement. The unrealised change in the value of financial instruments totalled SEK 342.6 million (SEK -182.5 m) as interest rates had risen on the terms of the derivatives taken out in relation to those during the year. The surplus book value of the derivatives portfolio totalled SEK 14.9 million (SEK -363.7 m) at the year-end.

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

Fixed interest term	Amount, SEK m	Per-cent, %	Average interest, %
Variable + 3 month Stibor	2,081	17	2.5
2014	1,979	16	2.8
2015	400	3	4.6
2016	1,085	9	4.0
2017	830	7	3.8
2018	849	7	3.8
2019 and thereafter	5,202	42	4.1
<b>Total</b>	<b>12,427</b>	<b>100</b>	<b>3.6</b>

<sup>1)</sup> The average credit margin for variable interest rates is spread over the time segment during which the derivative falls due for payment.

## CAPITAL COMMITMENT

Fixed interest term	Amount, SEK m	Percentage, %
2014	1,754	14
2015	3,054	25
2016	3,385	27
2017	1,923	15
2018	1,482	12
2019 and thereafter	829	7
<b>Total</b>	<b>12,427</b>	<b>100</b>

## TAX CALCULATION, 31 DECEMBER 2013

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	1,279.1	
Fiscally deductible depreciation	-613.3	613.3
investments	-128.8	128.8
Non-taxable/non-deductible changes in the value of properties, unrealised	-142.5	142.5
changes in the value of properties, realised	1.6	-526.4
changes in the value of financial instruments, unrealised	-342.6	342.6
goodwill write-downs	33.4	-
consolidated capitalisation of borrowing costs	-46.9	46.9
Other fiscal adjustments	4.1	-10.3
Fiscal profit/loss before loss carry-forwards	44.1	737.3
Loss carry-forwards, opening balance	-16.3	16.3
Fiscally deductible investments, adjustment from previous years	-48.9	48.9
Other adjustments of loss carry-forwards from previous tax assessments	-2.0	-
Loss carry-forwards, closing balance	23.1	-23.1
<b>Taxable profit/loss</b>	<b>-</b>	<b>779.6</b>
<b>Of which 22% current/deferred tax</b>	<b>-</b>	<b>-171.5</b>
Adjustment of tax in relation to previous year	6.1	-5.4
<b>Reported current /deferred tax</b>	<b>6.1</b>	<b>-176.9</b>

## FINANCIAL KEY RATIOS

	31 Dec. 2013	31 Dec. 2012
Interest-bearing liabilities, SEK m	12,427	11,613
Gearing ratio, %	47.8	47.3
Average fixed interest term, yrs.	4.4	4.9
Average capital commitment term, yrs.	3.0	3.1
Average interest rate for interest-bearing liabilities, %	3.6	3.9
Shareholders' equity, SEK m	11,021	10,255

## TAXES

The current tax for the period totalled SEK 6.1 million (SEK -89.8 m) and has been affected by, amongst other things, fiscally deductible depreciation and investments, and by loss carry-forwards from the previous year's tax assessment.

The period's deferred tax amounted to SEK -176.9 million (SEK 245.6 m) and was affected in the previous year positively by the changed corporation tax rate from 26.3 per cent to 22.0 per cent.

As previously communicated, Atrium Ljungberg has appealed a ruling by the Swedish Administrative Court on a tax case. The case concerns the taxation of a property transaction carried out in 2004 via a limited partnership. The ruling by the Swedish Administrative Court entails an increase in the tax assessment of SEK 326.7 million, which equates to a tax demand for SEK 91.5 million and SEK 15.4 million in estimated interest. Provision was made for the tax demand in the company's accounts in 2012. Atrium Ljungberg has conducted an analysis of the Group's property transactions for the years from 2004 onwards. No other similar transaction has been identified. At the end of the year the Administrative Court of Appeal dis-



missed the Company's appeal, and in January 2014 the entire tax demand, including interest charges, was paid to the Swedish Tax Agency.

Atrium Ljungberg has contested the ruling of the Administrative Court of Appeal and has applied for leave to appeal in the Supreme Administrative Court.

## MARKET DEVELOPMENT, RISKS AND UNCERTAINTY FACTORS

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

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

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

## EVENTS AFTER THE CLOSING DAY

On 2 February 2014, the property Nacka Sicklaön 83:33 was acquired, which is situated on Nobelberget in Sickla in Nacka, at a purchase price of SEK 355 million. The property has a total area of approximately 35,000 m<sup>2</sup> which currently includes several office buildings which are partially rented. A detailed development plan process is in progress to create both housing and more offices on the property.

Possession is expected to take place on 28 February 2014.

## RENTAL INCOME TREND, 2014

The Group's contracted annual rent (rent incl. rent surcharges of, for example, property tax and electricity), based on the first quarter of 2014, amounted to SEK 1,900 million (SEK 1,904 m), and was affected by completed projects such as the phase inauguration in Mobilia in Malmö as well as Port 73 in Haninge but was also affected by conducted property sales.

Based on the existing contract stock, taking into account known contract changes, the rental income for 2014 is expected to increase by approximately SEK 30 million. Changes in 2014 consist of contracted annual rent at the turn of the year for projects which were completed during the year, for example, ICA Kvantum in Farsta Centrum and Kvarteret NOD.

The amount of contracted annual rent does not include any letting assumptions for existing vacancies.

The rental value, i.e. contracted annual rent and estimated market rents for vacant space in existing condition, based on the first quarter of 2014, amounted to SEK 2,008 million (SEK 2,002 m).

## OUTLOOK FOR 2014

The economy is improving and indicators suggest that optimism has returned to Sweden. The confidence of companies and households has strengthened as unemployment is declining and employment continues to increase. Tax reductions, low inflation and low interest rates contribute to strengthening the purchasing power of households and consumption is thereby expected to develop positively in 2014. The Swedish National Institute of Economic

Research anticipates a growth in GDP of 2.4 per cent in 2014 in comparison with the estimated figure for the previous year of 1.0 per cent. HUI Research predicts that the combined growth in the retail sector in Sweden will total 3.0 per cent in 2014, in comparison to 2013 in which it amounted to 1.9 per cent.

Atrium Ljungberg is well-positioned, however, as growth in the markets in which the company has a presence is expected to be stronger than the average for Sweden as a whole. The profit will also be affected by conducted property sales as well as costs of a strengthened organisation with the aim of creating new business and project opportunities for the future. The forecast has also taken into account the acquisition of the property Nacka Sicklaön 83:33 which is expected to be taken into possession at the end of February 2014. The forecast profit before changes in value and tax for 2014 is SEK 800 million. The forecast net profit after tax is SEK 620 million, corresponding to SEK 4.76/share. Changes in value and any future property acquisitions and sales have not been taken into account in the forecast.

## DIVIDEND

Dividend payments shall correspond to at least 50 per cent of the profit before changes in value, after estimated tax, unless investments or the company's financial position otherwise justify a deviation from this policy. A dividend of SEK 3.05 per share (SEK 2.85/share) is proposed for the financial year, which corresponds to a dividend of SEK 61.4 per cent of the distributable profit (SEK 68.0%) and a yield of 3.5 per cent (3.3%).

## ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 7 April 2014 at 17.00 (CET) in the Filmstaden building, at Marcusplatsen 19 in Sickla. Notices convening the Meeting will be sent by letters in the post to shareholders and the Meeting will also be advertised in Post- och Inrikes Tidningar (the Official Swedish Gazette). A statement that the Meeting has been convened will be published in the Dagens Nyheter daily newspaper. The Annual Report will be available on Atrium Ljungberg's website no later than three weeks before the AGM and will also be distributed by post to shareholders who have requested a printed version. Please see the company's website ([www.atriumljungberg.se](http://www.atriumljungberg.se)) for full details of the Nomination Committee's proposals and of the items on the agenda for the AGM.

Nacka, 21 February 2014

The Board of Directors

## CONTRACTED ANNUAL RENT TREND, SEK M

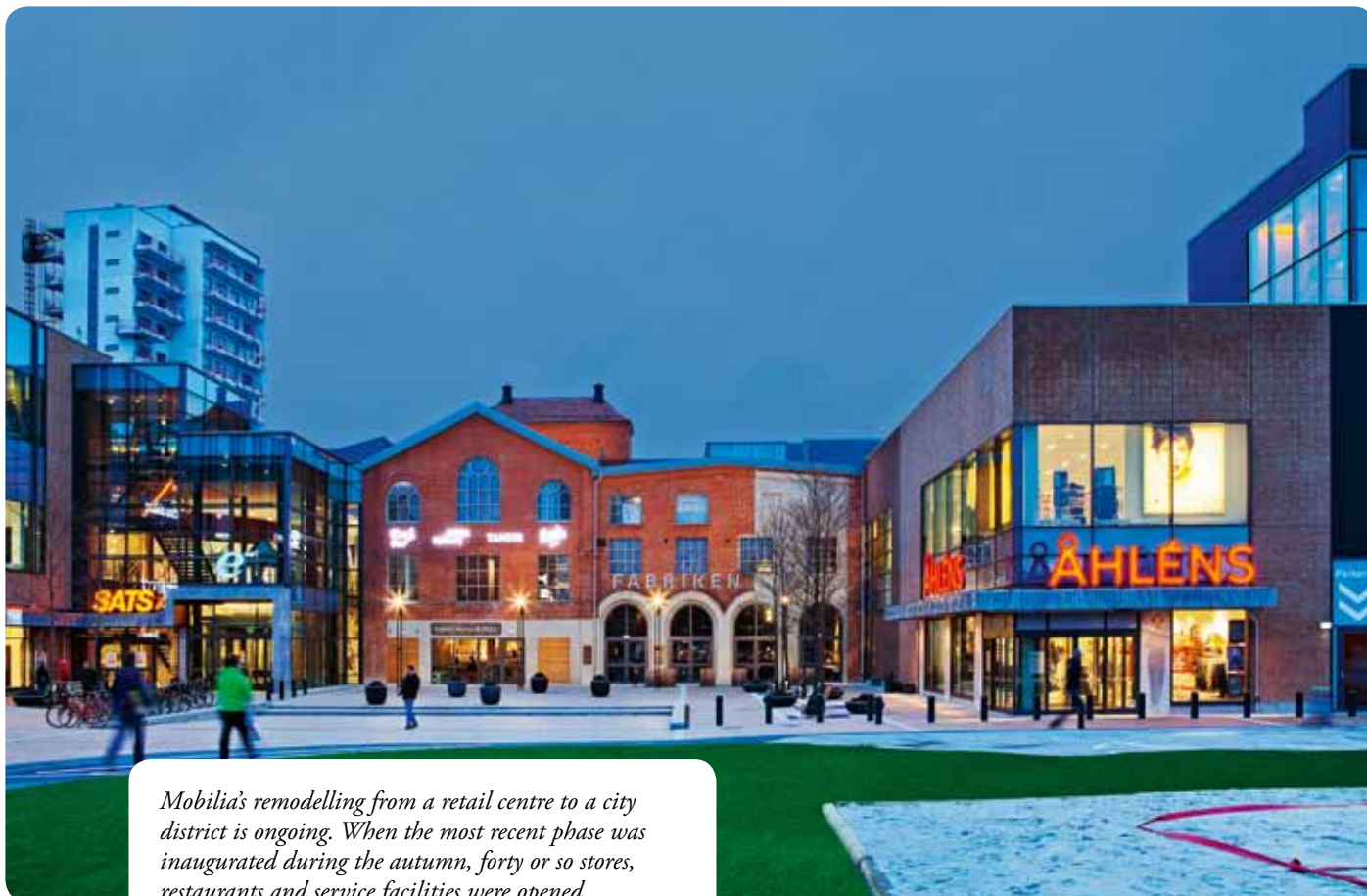
	2013 result	2014 Q1 <sup>1)</sup>	2014 Q2 <sup>1)</sup>	2014 Q3 <sup>1)</sup>	2014 Q4 <sup>1)</sup>
Stockholm city centre	492	475	472	465	468
Stockholm, other	973	965	961	959	959
Uppsala and Mälardalen	249	244	244	244	244
Sweden, other	139	132	127	130	130
Project properties	34	83	101	127	127
<b>Total</b>	<b>1,887</b>	<b>1,900</b>	<b>1,905</b>	<b>1,925</b>	<b>1,928</b>
Properties sold	70	–	–	–	–
<b>Total</b>	<b>1,956</b>	<b>1,900</b>	<b>1,905</b>	<b>1,925</b>	<b>1,928</b>

## LETTING RATE <sup>2)</sup>

	Rental value, SEK m	Contracted annual rent, SEK m	Letting rate, %
Stockholm city centre	492	475	97
Stockholm, other	1,028	965	94
Uppsala and Mälardalen	253	244	96
Sweden, other	142	132	93
<b>Total</b>	<b>1,914</b>	<b>1,816</b>	<b>95</b>
Project properties	94	83	90
<b>Total</b>	<b>2,008</b>	<b>1,900</b>	<b>95</b>

<sup>1)</sup> Contracted annual rent including known contract changes.

<sup>2)</sup> Reported letting rates are based on the immediately subsequent quarter. The table excludes the value of the properties sold.



*Mobilia's remodelling from a retail centre to a city district is ongoing. When the most recent phase was inaugurated during the autumn, forty or so stores, restaurants and service facilities were opened.*



*The third phase expansion of Port 73 in Haninge was inaugurated in September. There are currently forty or so stores on approximately 37,000 m<sup>2</sup>.*

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	2013 1/1-31/12	2012 1/1-31/12	2013 1/10-31/12	2012 1/10-31/12
Rental income	1,956.2	1,824.8	511.0	457.0
Net sales, project and construction work	405.3	252.9	98.3	66.0
<b>Net sales</b>	<b>2,361.5</b>	<b>2,077.7</b>	<b>609.3</b>	<b>523.0</b>
Property management costs				
Service charge-related costs	-178.9	-167.1	-47.3	-45.9
Other operating costs	-156.1	-137.0	-40.8	-44.8
Management costs	-128.9	-124.9	-36.0	-36.1
Repairs	-41.0	-41.8	-12.2	-13.3
Property tax	-119.5	-97.8	-29.7	-15.7
Leasehold fees	-24.7	-23.5	-4.4	-6.4
Non-deductible VAT	-9.8	-8.7	-2.7	-2.5
	-658.9	-600.9	-173.1	-164.8
Project and construction work costs	-394.3	-242.0	-95.0	-61.7
<b>Gross profit</b>	<b>1,308.3</b>	<b>1,234.8</b>	<b>341.2</b>	<b>296.5</b>
– of which gross profit property management (operating surplus)	1,297.3	1,224.0	337.9	292.3
– of which gross profit project and construction work	11.0	10.9	3.3	4.3
Central administration, property management	-47.1	-41.7	-16.2	-13.1
Central administration, project and construction work	-14.4	-16.6	-5.7	-4.5
	-61.5	-58.2	-21.9	-17.5
Financial income	2.8	13.9	1.2	2.5
Financial expenses <sup>1)</sup>	-420.6	-451.3	-107.7	-108.5
	-417.8	-437.4	-106.5	-106.0
<b>Profit before changes in value</b>	<b>829.0</b>	<b>739.2</b>	<b>212.8</b>	<b>173.0</b>
<b>Changes in value</b>				
Properties, unrealised	142.5	367.8	101.0	123.3
Properties, realised	-1.6	32.7	-1.6	-0.1
Financial instruments, unrealised <sup>2)</sup>	342.6	-182.5	1.4	-55.9
Write-downs, goodwill	-33.4	-82.2	-0.1	-74.9
	450.1	135.8	100.7	-7.6
<b>Profit before tax</b>	<b>1,279.1</b>	<b>875.0</b>	<b>313.5</b>	<b>165.4</b>
Current tax <sup>1)</sup>	6.1	-89.8	39.5	37.7
Deferred tax	-176.9	245.6	-100.4	373.2
	-170.8	155.8	-60.9	410.9
<b>Net profit for the period</b>	<b>1,108.3</b>	<b>1,030.8</b>	<b>252.6</b>	<b>576.3</b>
<b>Other comprehensive income</b>				
<i>Items that will be reclassified to net profit for the period</i>				
Cash flow hedging <sup>2)</sup>	35.9	40.9	8.6	10.0
Tax attributable to other reported income and expenses	-7.9	-18.5	-1.9	-10.4
<b>Total other comprehensive income</b>	<b>28.0</b>	<b>22.4</b>	<b>6.7</b>	<b>-0.4</b>
<b>Total comprehensive income for the period</b>	<b>1,136.3</b>	<b>1,053.2</b>	<b>259.3</b>	<b>575.9</b>
Earnings per share, SEK	8.52	7.92	1.94	4.43

For note references, see page 17.

# SEGMENT REPORTING 1/1–31/12 2013

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

Amounts in SEK m	Stockholm, city centre	Stockholm, other	Uppsala and Mälardalen	Sweden, other	Project properties	Properties sold	Property management, total	Project and construction activities	Unallocated joint assets	The Group
Rental income	491.6	973.2	248.5	138.8	34.1	69.9	1,956.2			1,956.2
Net sales, project and construction work								405.3		405.3
<b>Net sales</b>	<b>491.6</b>	<b>973.2</b>	<b>248.5</b>	<b>138.8</b>	<b>34.1</b>	<b>69.9</b>	<b>1,956.2</b>	<b>405.3</b>		<b>2,361.5</b>
Property management costs	-133.8	-331.9	-76.7	-61.2	-19.0	-36.2	-658.9			-658.9
Project and construction work costs								-394.3		-394.3
<b>Gross profit</b>	<b>357.8</b>	<b>641.3</b>	<b>171.8</b>	<b>77.6</b>	<b>15.1</b>	<b>33.7</b>	<b>1,297.3</b>	<b>11.0</b>		<b>1,308.3</b>
– of which gross profit/loss from property management	357.8	641.3	171.8	77.6	15.1	33.7	1,297.3			1,297.3
– of which gross profit/loss from project and construction work								11.0		11.0
Central administration, property management							-47.1			-47.1
Central administration, project and construction work								-14.4		-14.4
Financial income									2.8	2.8
Financial expenses									-420.6	-420.6
									-417.8	-417.8
<b>Profit/loss before changes in value</b>	<b>357.8</b>	<b>641.3</b>	<b>171.8</b>	<b>77.6</b>	<b>15.1</b>	<b>33.7</b>	<b>1,250.2</b>	<b>-3.4</b>	<b>-417.8</b>	<b>829.0</b>
Unrealised changes in value, properties	138.6	141.8	55.9	-24.1	-169.7		142.5			142.5
Realised changes in value, properties						-1.6	-1.6			-1.6
Unrealised changes in value, financial instruments									342.6	342.6
Write-downs, goodwill						-33.4	-33.4			-33.4
	138.6	141.8	55.9	-24.1	-169.7	-35.0	107.5		342.6	450.1
Current tax									6.1	6.1
Deferred tax									-176.9	-176.9
<b>Net profit/loss for the period</b>	<b>496.4</b>	<b>783.1</b>	<b>227.7</b>	<b>53.5</b>	<b>-154.6</b>	<b>-1.3</b>	<b>1,357.7</b>	<b>-3.4</b>	<b>-246.0</b>	<b>1,108.3</b>
<b>Investments, acquisitions, disposals per business segment</b>										
Investments, investment properties	56.8	115.4	9.1	27.1	1,093.4		1,301.8			1,301.8
Investments, project and construction work								1.0		1.0
Acquisitions, investment properties										
	<b>56.8</b>	<b>115.4</b>	<b>9.1</b>	<b>27.1</b>	<b>1,093.4</b>		<b>1,301.8</b>	<b>1.0</b>		<b>1,302.8</b>
<b>Assets per business segment, period end</b>										
Investment properties	6,794.0	11,298.0	3,034.0	1,614.0	2,268.5		25,008.5			25,008.5
Project and construction work								73.4		73.4
Unallocated joint assets									1,748.4	1,748.4
<b>Total assets</b>	<b>6,794.0</b>	<b>11,298.0</b>	<b>3,034.0</b>	<b>1,614.0</b>	<b>2,268.5</b>		<b>25,008.5</b>	<b>73.4</b>	<b>1,748.4</b>	<b>26,830.3</b>



# SEGMENT REPORTING 1/1–31/12 2012

Amounts in SEK m	Stockholm, city centre	Stockholm, other	Uppsala and Mälardalen	Sweden, other	Project properties	Properties sold	Property management, total	Project and construction activities	Unallocated joint assets	The Group
Rental income	442.9	916.5	229.6	135.0	24.7	76.1	1,824.8			1,824.8
Net sales, project and construction work								252.9		252.9
<b>Net sales</b>	<b>442.9</b>	<b>916.5</b>	<b>229.6</b>	<b>135.0</b>	<b>24.7</b>	<b>76.1</b>	<b>1,824.8</b>	<b>252.9</b>		<b>2,077.7</b>
Property management costs	-120.6	-309.3	-66.8	-51.0	-9.6	-43.4	-600.9			-600.9
Project and construction work costs								-242.0		-242.0
<b>Gross profit</b>	<b>322.3</b>	<b>607.2</b>	<b>162.8</b>	<b>84.0</b>	<b>15.0</b>	<b>32.7</b>	<b>1,224.0</b>	<b>10.9</b>		<b>1,234.8</b>
– of which gross profit/loss from property management	322.3	607.2	162.8	84.0	15.0	32.7	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
<b>Profit/loss before changes in value</b>	<b>322.3</b>	<b>607.2</b>	<b>162.8</b>	<b>84.0</b>	<b>15.0</b>	<b>32.7</b>	<b>1,182.4</b>	<b>-5.7</b>	<b>-437.4</b>	<b>739.2</b>
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
Write-downs, goodwill						-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
<b>Net profit/loss for the period</b>	<b>514.4</b>	<b>784.2</b>	<b>186.6</b>	<b>24.8</b>	<b>49.2</b>	<b>58.1</b>	<b>1,575.5</b>	<b>-5.7</b>	<b>-539.0</b>	<b>1,030.8</b>
<b>Investments, acquisitions, disposals per business segment</b>										
Investments, investment properties	74.4	132.2	50.2	25.6	1,223.7	5.7	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
	<b>932.4</b>	<b>169.2</b>	<b>50.2</b>	<b>25.6</b>	<b>1,223.7</b>	<b>5.7</b>	<b>2,406.8</b>	<b>1.7</b>		<b>2,408.5</b>
<b>Assets per business segment, period end</b>										
Investment properties	6,598.6	10,663.8	2,722.0	1,611.0	1,968.8	1,012.0	24,576.2			24,576.2
Project and construction work								97.3		97.3
Unallocated joint assets									793.4	793.4
<b>Total assets</b>	<b>6,598.6</b>	<b>10,663.8</b>	<b>2,722.0</b>	<b>1,611.0</b>	<b>1,968.8</b>	<b>1,012.0</b>	<b>24,576.2</b>	<b>97.3</b>	<b>793.4</b>	<b>25,466.9</b>

The segment reporting for the period from 1st Jan – 31st Dec 2012 has been adjusted for properties sold in 2013.

# CONSOLIDATED BALANCE SHEETS SUMMARY

Amounts in SEK m	31.12.2013	31.12.2012	30.9.2013	30.9.2012
<b>ASSETS</b>				
Investment properties	25,008.5	24,576.2	24,580.1	23,732.4
Goodwill	274.3	307.6	274.3	382.5
Derivatives	14.9	–	4.8	–
Other fixed assets	23.0	23.7	18.6	21.2
<b>Total fixed assets</b>	<b>25,320.7</b>	<b>24,907.5</b>	<b>24,877.8</b>	<b>24,136.1</b>
Current assets	1,323.0	370.9	1,308.3	279.7
Liquid assets	186.6	188.5	271.1	281.7
<b>Total current assets</b>	<b>1,509.6</b>	<b>559.4</b>	<b>1,579.4</b>	<b>561.4</b>
<b>Total assets</b>	<b>26,830.3</b>	<b>25,466.9</b>	<b>26,457.2</b>	<b>24,697.5</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity	11,020.7	10,255.3	10,761.4	9,679.4
Deferred tax liability	2,515.7	2,364.5	2,408.5	2,723.9
Long-term interest-bearing liabilities <sup>3)</sup>	10,660.2	8,810.9	10,324.7	8,211.8
Derivatives	–	361.8	–	314.5
Other long-term liabilities	25.1	22.7	23.0	21.8
<b>Total long-term liabilities</b>	<b>13,201.0</b>	<b>11,559.9</b>	<b>12,756.2</b>	<b>11,272.0</b>
Current provisions <sup>1)</sup>	–	105.9	106.9	105.3
Current interest-bearing liabilities <sup>3)</sup>	1,753.6	2,802.4	2,057.6	3,004.6
Derivatives	–	1.9	–	3.3
Other current liabilities	855.0	741.5	775.1	632.9
<b>Total current liabilities</b>	<b>2,608.6</b>	<b>3,651.7</b>	<b>2,939.6</b>	<b>3,746.1</b>
<b>Total shareholders' equity and liabilities</b>	<b>26,830.3</b>	<b>25,466.9</b>	<b>26,457.2</b>	<b>24,697.5</b>

# CONSOLIDATED CHANGES IN SHAREHOLDER'S EQUITY

Amounts in SEK m	Attributable to the Parent Company shareholders				Total shareholders' equity
	Share capital	Other capital contributed	Hedging provisions	Profits brought forward	
<b>Opening balance, as per 1 January 2012</b>	<b>333.0</b>	<b>3,959.8</b>	<b>–163.7</b>	<b>5,411.4</b>	<b>9,540.5</b>
<b>Change in shareholders' equity, 2012</b>					
Total comprehensive income for the period, 1 January – 31 December			22.4	1,030.8	1,053.2
Dividend, SEK 2.60/share				–338.4	–338.4
<b>Closing balance as per 31 December 2012</b>	<b>333.0</b>	<b>3,959.8</b>	<b>–141.3</b>	<b>6,103.8</b>	<b>10,255.3</b>
<b>Change in shareholders' equity, 2013</b>					
Total comprehensive income for the period, 1 January – 31 December			28.0	1,108.3	1,136.3
Dividend, SEK 2.85/share				–370.9	–370.9
<b>Closing balance as per 31 December 2013</b>	<b>333.0</b>	<b>3,959.8</b>	<b>–113.3</b>	<b>6,841.2</b>	<b>10,020.7</b>

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

# CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in SEK m	2013 1/1-31/12	2012 1/1-31/12	2013 1/10-31/12	2012 1/10-31/12
<b>OPERATING ACTIVITIES</b>				
Profit before tax	1,279.1	875.0	313.5	165.4
Reversal of depreciation and write-downs	6.1	6.1	1.5	1.5
Realised changes in value, investment properties	1.6	-37.4	1.6	-
Unrealised changes in value, investment properties	-142.5	-367.8	-101.0	-123.3
Unrealised changes in value, financial instruments	-342.6	182.5	-1.4	55.9
Other items not included in the cash flow	54.2	82.2	6.2	74.9
Tax paid	-86.5	51.6	-23.7	4.3
<b>Cash flow from operating activities before changes in working capital</b>	<b>769.4</b>	<b>792.2</b>	<b>196.7</b>	<b>178.7</b>
Net change in working capital	84.8	39.7	18.4	59.3
<b>Cash flow from operating activities</b>	<b>854.2</b>	<b>831.9</b>	<b>215.1</b>	<b>238.0</b>
<b>INVESTMENT ACTIVITIES</b>				
Change in other receivables	-	142.5	-	-
Acquisition of properties	-	-1,236.4	-	-263.8
Reconstruction and new construction of properties	-1,301.8	-1,511.8	-359.4	-464.8
Sale of properties	32.0	130.0	32.0	-
Purchase/sale of equipment	-3.3	4.1	-1.0	-0.4
<b>Cash flow from investment activities</b>	<b>-1,273.1</b>	<b>-2,471.6</b>	<b>-328.4</b>	<b>-729.0</b>
<b>FINANCING ACTIVITIES</b>				
Change in other long-term receivables	1.7	0.0	1.5	0.9
Loans raised	3,409.8	1,999.5	1,046.0	400.0
Amortisation of debts	-2,623.6	-107.1	-1,018.7	-3.1
Dividend paid	-370.9	-338.4	-	-
<b>Cash flow from financing activities</b>	<b>417.0</b>	<b>1,554.0</b>	<b>28.8</b>	<b>397.8</b>
<b>Cash flow for the period</b>	<b>-1.9</b>	<b>-85.7</b>	<b>-84.5</b>	<b>-93.2</b>
<b>Liquid assets at the beginning of the period</b>	<b>188.5</b>	<b>274.2</b>	<b>271.1</b>	<b>281.7</b>
<b>Liquid assets at the end of the period</b>	<b>186.6</b>	<b>188.5</b>	<b>186.6</b>	<b>188.5</b>

# INCOME STATEMENTS PARENT COMPANY

Amounts in SEK m	<b>2013</b> 1/1–30/12	2012 1/1–31/12
Net sales	171.6	181.0
Management and production costs	–177.8	–98.4
<b>Gross profit</b>	<b>–6.2</b>	<b>82.6</b>
Profit/loss on property sales	–15.2	–168.8
Central administration and marketing	–46.9	–41.5
<b>Operating profit/loss</b>	<b>–68.3</b>	<b>–127.7</b>
Result of participations in Group companies	281.6	1,775.5
Interest income and similar profit/loss items	396.7	320.8
Interest expenses and similar profit/loss items	–432.7	–397.8
	245.6	1,698.5
<b>Profit/loss after financial items</b>	<b>177.3</b>	<b>1,570.8</b>
Appropriations	28.2	–4.4
Current tax	3.9	0.7
Deferred tax	–3.7	50.1
	0.2	50.8
<b>Net profit/loss for the period</b>	<b>205.7</b>	<b>1,617.2</b>

# SUMMARY BALANCE SHEETS PARENT COMPANY

Amounts in SEK m	<b>31.12.2013</b>	31.12.2012
<b>ASSETS</b>		
Tangible fixed assets	1,318.5	1,326.9
Financial fixed assets	2,223.6	6,219.8
Current assets	13,695.0	7,172.1
<b>Total assets</b>	<b>17,237.1</b>	<b>14,718.8</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	6,868.4	7,033.6
Untaxed reserves	25.8	9.8
Provisions	212.8	209.2
Long-term liabilities	6,791.3	4,647.7
Current liabilities	3,338.8	2,818.5
<b>Total shareholders' equity and liabilities</b>	<b>17,237.1</b>	<b>14,718.8</b>



# CHANGES IN SHAREHOLDERS' EQUITY

## PARENT COMPANY

Amounts in SEK m	Attributable to the Parent Company shareholders				
	Share capital	Statutory reserve	Share premium reserve	Profits carried forward	Total shareholders' equity
<b>Opening balance as per 1 January 2012</b>	<b>333.0</b>	<b>265.4</b>	<b>3,948.4</b>	<b>1,208.0</b>	<b>5,754.8</b>
<b>Change in shareholders' equity, 2012</b>					
Net profit/loss for the period, 1 January – 31 December				1,617.2	1,617.2
Dividend, SEK 2.60/share				-338.4	-338.4
<b>Closing balance, as per 31 December 2012</b>	<b>333.0</b>	<b>265.4</b>	<b>3,948.4</b>	<b>2,486.8</b>	<b>7,033.6</b>
<b>Change in shareholders' equity, 2013</b>					
Net profit/loss for the period, 1 January – 31 December				205.7	205.7
Dividend, SEK 2.85/share				-370.9	-370.9
<b>Closing balance, as per 31 December 2013</b>	<b>333.0</b>	<b>265.4</b>	<b>3,948.4</b>	<b>2,321.6</b>	<b>6,868.4</b>

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

### ACCOUNTING PRINCIPLES

Atrium Ljungberg's Consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS). The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies Swedish Financial Reporting Board's recommendation, RFR2 Accounting for Legal Entities, and the Swedish Annual Accounts Act. The accounting principles applied correspond to those described in the 2012 Annual Report, with the addition of the supplementary disclosures regarding financial instruments required in accordance with IFRS 13 Fair Value Measurement.

#### Valuation method for investment properties

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

#### Valuation method for financial instruments

Derivatives (interest swap agreements) are valued at fair value in the Balance Sheet and the fair value of derivatives has, in accordance with the IFRS valuation hierarchy, been valued in accordance with level 2. This level means that the valuation is based on input data other than the listed prices used in level 1, and which are observable for the asset or the liability, either directly or indirectly. The derivative agreements (ISDA-agreements) include an option to net obligations in respect of the same counterparty. Other financial instruments are not affected by the fair value hierarchy in that they are reported at the accrued acquisition value in the Balance Sheet.

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

### NOTE REFERENCES FOR THE FINANCIAL REPORTS

1) A positive current tax of SEK 6.1 million is reported for 2013. The current tax was affected by fiscally deductible depreciation and investments, and loss carry-forwards from previous years. See page 8 for additional tax calculations. In 2012, the company made a provision for a tax dispute. This provision was charged to current tax in the sum of SEK 91.5 million, while the estimated interest of SEK 14.4 million was charged to financial expense.

2) Atrium Ljungberg has ceased, as of 1 January 2012, to apply hedge accounting to the interest swaps that hedge the interest flows on external loans. The hedging reserve, which totalled SEK -163.7 million on 31 December 2011, is being reversed linearly to Other comprehensive income over the terms of the respective derivatives. The remaining amount to be redeemed as of 31 December 2013 totals SEK -113.3 million.

3) The Group's reported interest-bearing liabilities total SEK 12,414 million (SEK 11,613 m as of 31st Dec. 2012) and their fair value totals SEK 12,511 million (SEK 11,729 m as of 31st Dec. 2012). The fair value calculation is based on discounted estimated future cash flows. The discounting is effected on the basis of current market rates plus the relevant borrowing margin. Atrium Ljungberg is of the opinion, with regard to other financial assets and liabilities reported at accrued acquisition value, that the differences between book values and fair values are insignificant.

# KEY RATIOS

	2013 1/1–31/12	2012 1/1–31/12	2013 1/10–31/12	2012 1/10–31/12
<b>PROPERTY-RELATED KEY RATIOS</b>				
Letting rate, %	95	95	95	95
Operating surplus margin, %	66	67	66	64
Letting area, '000 m <sup>2</sup>	941	903	941	903
Investments in properties, SEK m	1,302	1,512	360	465
Number of properties	47	57	47	57
<b>FINANCIAL KEY RATIOS</b>				
Equity/assets ratio, %	41.1	40.3	41.1	40.3
Debt/equity ratio, multiple	1.1	1.1	1.1	1.1
Gearing ratio, %	47.8	47.3	47.8	47.3
Interest coverage margin, multiple	3.0	2.6	3.0	2.6
Average rate of interest on interest-bearing liabilities (at period end), %	3.6	3.9	3.6	3.9
Return on shareholders' equity, %	10.4	10.4	9.3	23.1
Return on shareholders' equity, excluding changes in value, %	6.0	5.6	6.1	5.2
Return on total assets, %	6.5	5.5	6.3	4.4
Return on total assets excluding changes in value, %	4.7	4.9	4.8	4.5
<b>DATA PER SHARE</b>				
Earnings per share, SEK	8.52	7.92	1.94	4.43
Profit before changes in value less applicable nominal tax, SEK	4.97	4.19	1.28	0.98
Cash flow, SEK	6.56	6.39	1.65	1.83
Shareholders' equity, SEK	84.67	78.79	84.67	78.79
Net worth, 10% deferred tax, SEK	93.09	86.67	93.09	86.67
Share price, SEK	88.00	87.00	88.00	87.00
Average number of outstanding shares, '000 <sup>1)</sup>	130,157	130,157	130,157	130,157
Number of outstanding shares at end of period, '000 <sup>1)</sup>	130,157	130,157	130,157	130,157
<b>EMPLOYEES</b>				
Average number of employees	285	265	285	265

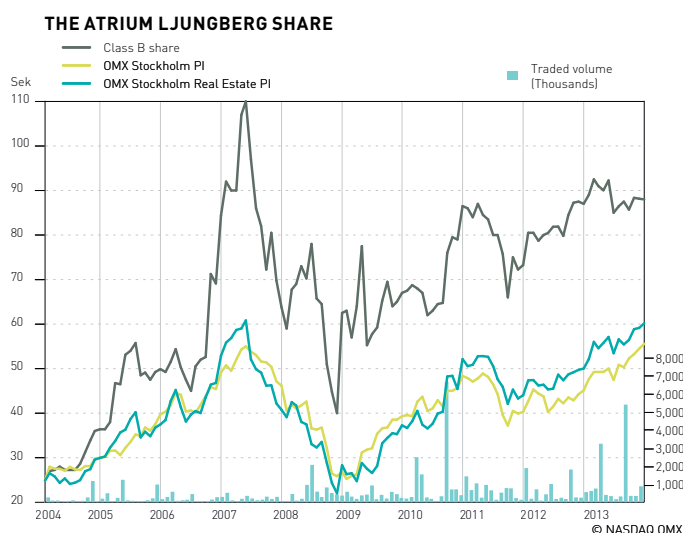
<sup>1)</sup> Registered number of shares less 3,063,748 class B shares bought back.

## THREE REASONS TO OWN SHARES IN ATRIUM LJUNGBERG

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

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

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



# QUARTERLY SUMMARY

## INCOME STATEMENTS

	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1
<b>Amounts in SEK m</b>								
Rental income	511.0	475.2	481.7	488.3	457.0	458.9	453.7	455.2
Net sales, project and construction work	98.3	104.7	112.1	90.2	66.0	65.7	58.3	62.9
<b>Net sales</b>	<b>609.3</b>	<b>579.9</b>	<b>593.8</b>	<b>578.5</b>	<b>523.0</b>	<b>524.6</b>	<b>512.0</b>	<b>518.1</b>
Property management costs	-173.1	-144.8	-158.0	-183.0	-164.8	-132.0	-140.3	-163.8
Project and construction work costs	-95.0	-100.9	-111.8	-86.6	-61.7	-63.2	-57.7	-59.4
<b>Gross profit</b>	<b>341.2</b>	<b>334.2</b>	<b>324.0</b>	<b>308.9</b>	<b>296.5</b>	<b>329.4</b>	<b>314.0</b>	<b>294.9</b>
– of which gross profit from property management	337.9	330.4	323.7	305.3	292.2	326.9	313.4	291.4
– of which gross profit from project and construction work	3.3	3.8	0.3	3.6	4.3	2.5	0.6	3.5
Central administration, property management	-16.2	-11.4	-11.1	-8.4	-13.1	-9.5	-9.4	-9.7
Central administration, project and construction work	-5.7	-3.1	-3.0	-2.6	-4.5	-4.9	-4.5	-2.7
	-21.9	-14.5	-14.1	-11.0	-17.5	-14.4	-13.9	-12.4
Financial income	1.2	0.8	0.6	0.2	2.5	1.1	2.4	7.9
Financial expenses	-107.7	-99.3	-104.2	-109.4	-108.5	-106.2	-124.3	-112.3
	-106.5	-98.5	-103.6	-109.2	-106.0	-105.1	-121.9	-104.4
<b>Profit before changes in value</b>	<b>212.8</b>	<b>221.2</b>	<b>206.3</b>	<b>188.7</b>	<b>173.0</b>	<b>209.9</b>	<b>178.2</b>	<b>178.1</b>
Unrealised changes in value, properties	101.0	-100.0	141.5	–	123.3	–	244.5	–
Realised changes in value, properties	-1.6	-2.0	2.0	–	-0.1	32.8	–	–
Unrealised changes in value, financial instruments	1.4	28.3	191.4	121.5	-55.9	-147.9	-85.3	106.6
Goodwill write-downs	-0.1	-33.3	–	–	-74.9	-7.3	–	–
	100.7	-107.0	334.9	121.5	-7.6	-122.4	159.2	106.6
<b>Profit before tax</b>	<b>313.5</b>	<b>114.2</b>	<b>541.2</b>	<b>310.2</b>	<b>165.4</b>	<b>87.5</b>	<b>337.4</b>	<b>284.7</b>
Tax	-60.9	76.8	-118.3	-68.4	410.9	1.2	-184.5	-71.8
<b>Net profit for the period</b>	<b>252.6</b>	<b>191.0</b>	<b>422.9</b>	<b>241.8</b>	<b>576.3</b>	<b>88.7</b>	<b>152.9</b>	<b>212.9</b>
<b>KEY RATIOS</b>								
<b>Property-related key ratios</b>	<b>2013 Q4</b>	<b>2013 Q3</b>	<b>2013 Q2</b>	<b>2013 Q1</b>	<b>2012 Q4</b>	<b>2012 Q3</b>	<b>2012 Q2</b>	<b>2012 Q1</b>
Letting rate, %	95	95	95	95	95	95	95	95
Operating surplus margin, %	66	70	67	63	64	71	69	64
Letting area, '000 m <sup>2</sup>	941	940	903	903	903	887	888	888
Investments in properties, SEK m	360	329	293	320	465	347	386	314
Number of properties	47	50	51	57	57	54	54	54
<b>Financial key ratios</b>								
Equity/assets ratio, %	41.1	40.7	40.2	40.7	40.3	39.2	39.1	40.2
Debt/equity ratio, multiple	1.1	1.2	1.2	1.1	1.1	1.2	1.2	1.1
Gearing ratio, %	47.8	48.4	48.7	47.4	47.3	47.3	48.0	48.9
Interest coverage margin, multiple	3.0	3.2	3.0	2.7	2.6	3.0	2.4	2.6
Average rate of interest on interest-bearing liabilities (at period end), %	3.6	3.6	3.6	3.7	3.9	4.1	4.1	4.1
Return on shareholders' equity, %	9.3	7.2	16.1	9.3	23.1	3.7	6.3	8.8
Return on shareholders' equity, excluding changes in value,	6.1	5.5	6.2	5.7	5.2	6.2	5.4	5.5
Return on total assets, %	6.3	3.2	9.9	6.5	4.4	3.1	7.6	6.7
Return on total assets excluding changes in value, %	4.8	4.4	4.8	4.7	4.5	5.0	5.0	4.9
<b>Data per share</b>								
Earnings per share, SEK	1.94	1.47	3.25	1.86	4.43	0.68	1.17	1.64
Profit before changes in value less applicable nominal tax, SEK	1.28	1.33	1.24	1.13	0.98	1.19	1.01	1.01
Cash flow, SEK	1.65	2.39	1.18	1.34	1.83	1.67	2.42	0.47
Shareholders' equity, SEK	84.67	82.68	81.16	80.71	78.79	74.37	73.63	75.00
Net worth, 10% deferred tax, SEK	93.09	90.66	89.45	88.73	86.67	84.80	83.94	84.84
Share price, SEK	88.00	85.70	85.00	91.00	87.00	84.50	81.85	78.70
Average number of outstanding shares, '000 <sup>1)</sup>	130,157	130,157	130,157	130,157	130,157	130,157	130,157	130,157
Number of outstanding shares at end of period, '000 <sup>1)</sup>	130,157	130,157	130,157	130,157	130,157	130,157	130,157	130,157

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

# DEFINITIONS

## FINANCIAL DEFINITIONS

### Average number of outstanding shares after dilution

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

### Cash flow per share, SEK

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

### Debt/equity ratio, multiple

Interest-bearing liabilities divided by reported shareholders' equity.

### 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.

### 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 sum of the properties' fair values at the end of the period, less properties acquired but not possessed and plus properties sold but not vacated.

### Interest coverage ratio, multiple

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

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

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

### Number of outstanding shares

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

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

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

### Return on total assets, %

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

### Return on shareholders' equity, %

Net profit/loss for the 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.

## PROPERTY-RELATED DEFINITIONS

### BREEAM

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

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

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

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

Total area available for letting.

### Letting rate, %

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

### Net letting

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

### Operating surplus

Rental income less property management costs.

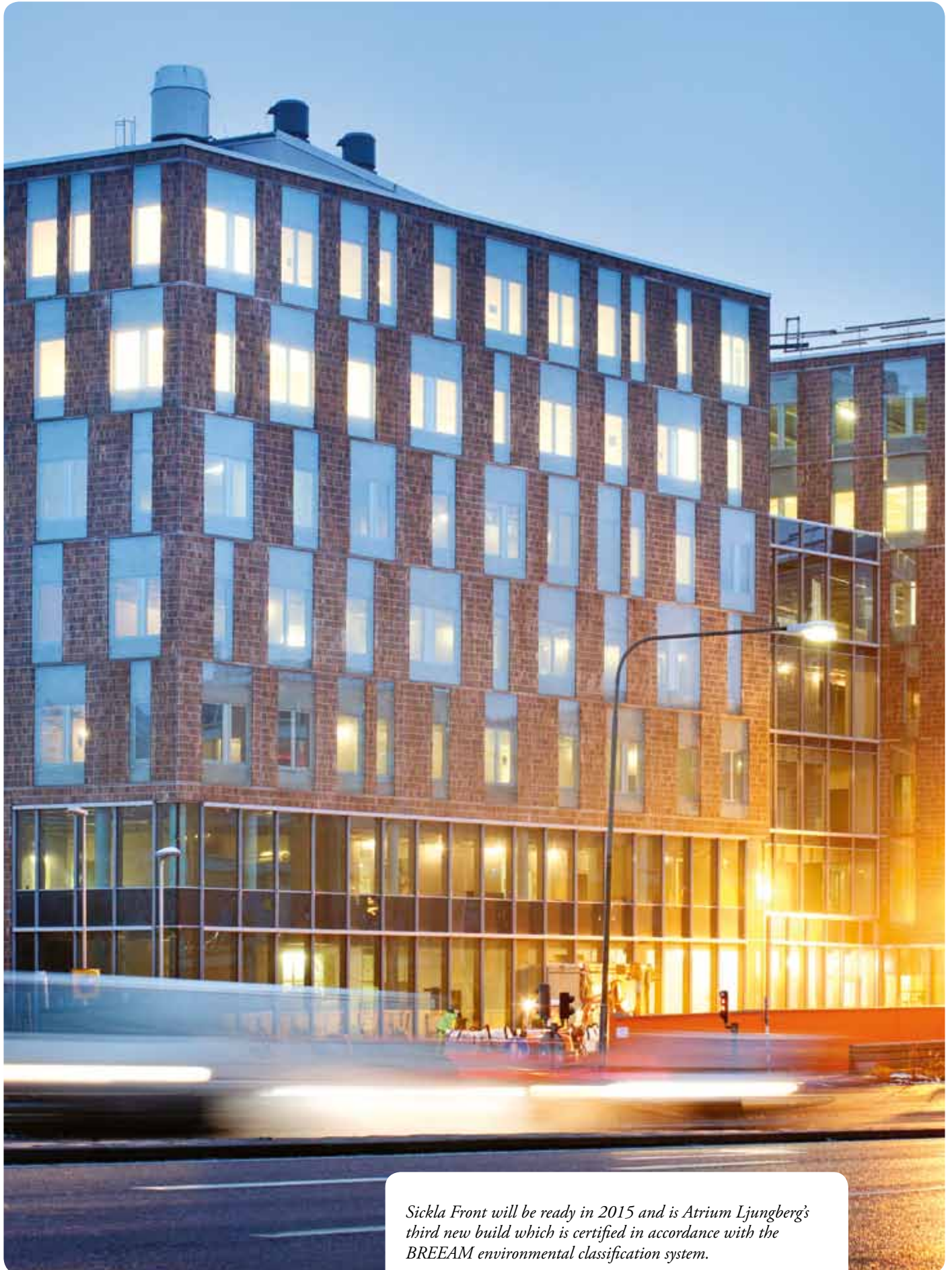
### Operating surplus margin, %

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

### Project property

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





*Sickla Front will be ready in 2015 and is Atrium Ljungberg's third new build which is certified in accordance with the BREEAM environmental classification system.*

# INFORMATION FROM ATRIUM LJUNGBERG

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

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

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

**OUR ANNUAL REPORT** and our Interim Reports are available on our website and are also distributed in printed format by post to shareholders who have actively requested them. Interim Reports and preliminary financial statements are translated into English and both language versions are made available simultaneously on the website. The Annual Report is translated into English shortly after the publication of the Swedish language version.

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

## PUBLICATION OF FINANCIAL INFORMATION

Annual Report 2013	week 11 2014
Annual General Meeting	2014-04-07
Interim Report Jan.–March 2014	2014-04-15
Interim Report Jan.–June 2014	2014-07-10
Interim Report Jan.–Sep. 2014	2014-10-22



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