



ATRIUM LJUNGBERG

**Q3 2014**

INTERIM REPORT  
JANUARY-SEPTEMBER



## THIS IS ATRIUM LJUNGBERG

• NUMBER OF PROPERTIES	48
• PROPERTY VALUE	SEK 26.5 BILLION
• CONTRACTED ANNUAL RENT	SEK 2.0 BILLION
• TOTAL LETTING AREA	1,012,000 M <sup>2</sup>
• LETTING RATE	93 PER CENT
• NUMBER OF EMPLOYEES	282

Atrium Ljungberg aims to create sustainable and attractive urban environments where people want to be – today and tomorrow. Our locations and environments are to contribute to society's development and provide the conditions needed 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 obtain places to develop and grow.

- 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 and areas – primarily for the retail and office sectors.
- In order to create **attractive locations** that are vibrant around the clock, we provide residential properties and cultural, service and educational facilities in our areas. The operations enrich one another and the combinations generate added value for our customers and society at large.

## OUR BUSINESS

- Atrium Ljungberg takes a **long-term approach to property ownership** – we develop and manage for the long-term.
- We **create value growth** by developing and improving new and existing properties and development rights, and by conducting active and customer-orientated property management.
- We **manage and run the whole business process** using our own personnel – from acquisition, the creative process and concept development, through planning, construction, leasing and management of the property. This gives insight into and understanding of the big picture and generates added value for the customer.

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

## OUR LOCATIONS

- We are primarily located in **Stockholm, Uppsala and Malmö**. We develop areas and city districts in these three regions with a mixture of businesses, several of which are based on strong retail hubs.
- Most of our **office portfolio** is found in the growth areas in Stockholm: Sickla, Farsta, Södermalm, Hagastaden and Kista.
- Our **residential properties** are an integral part of the city district of Ärvinge in Kista and the Mobilia area in Malmö. Our ambition is subsequently to add residential properties to our other areas where there are natural conditions in place to do so.

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

## OUR STRATEGIES & VALUEENHANCING FACTORS

### RETAIL – OFFICES – URBAN ENVIRONMENTS

Atrium Ljungberg shall focus on developing environments for retail and office purposes and, where possible, add housing, service, culture and education.

› *The blend increases the flow of people at the location and creates synergy effects for everyone involved, which subsequently provides greater opportunities to conduct successful business.*

### STRONG SUBSIDIARY MARKETS IN SWEDISH GROWTH TOWNS

We shall establish 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 conditions needed for long-term profitability, both for ourselves and our customers.*

### IMPROVEMENT AND DEVELOPMENT OF PROPERTIES AND DEVELOPMENT RIGHTS

We shall develop and improve properties and development rights.

› *We create value growth within the company through long-term earnings and high return in our project development.*

### SIGNIFICANT PLAYER

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 urban environments with longevity.*

### LONG-TERM PARTNERSHIPS THAT FOCUS ON THE CUSTOMER

Our focus, in everything we do, shall be on our customers. The collaboration 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.*

### IN-HOUSE EXPERTISE AND EXPERIENCE

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 create project benefits over time.*

### INTEGRAL SUSTAINABILITY

Sustainability work shall be integrated in the business strategy and comprise an important component of our offering.

› *Building sustainably for the future enhances both the company's value and profits, as well as our surrounding world's confidence in us.*

### 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 – shall be firmly rooted in the workforce psyche.

› *In-depth commitment strengthens our brand, and living up to our core values ensures our tenants will 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.



# THE RESULTS IN BRIEF

- NET SALES totalled SEK 1,714 million (SEK 1,752 m), of which rental income increased to SEK 1,481 million (SEK 1,445 m).
- THE LETTING RATE amounted to 93 per cent (95 % as of 31/12/2013), including project properties, where Sickla Front and NOD now is included.
- THE OPERATING SURPLUS from property management increased to SEK 1,019.5 million (SEK 959.4 m).
- THE PROFIT BEFORE CHANGES IN VALUE increased to SEK 652.4 million (SEK 616.2 m).
- UNREALISED CHANGES IN THE VALUE of properties amounted to SEK 426.1 million (SEK 41.5 m). Unrealised changes in the value of financial instruments amounted to SEK -622.8 million (SEK 341.2 m).
- NET PROFIT FOR THE PERIOD totalled SEK 370.3 million (SEK 855.7 m), corresponding to SEK 2.81/share (SEK 6.57/share).
- INVESTMENTS in Atrium Ljungberg's own properties amounted to SEK 508 million (SEK 942 m). Properties were acquired for a total of SEK 620 million (SEK 0 m).
- PROPERTY WAS SOLD for SEK 94 million (SEK 980 m).
- THE 2014 PROFIT FORECAST before changes in value and tax is unchanged at SEK 815 million.

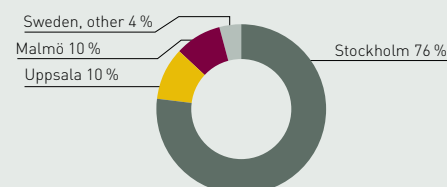
## SIGNIFICANT EVENTS DURING THE QUARTER

- The first phase of Kvarteret NOD in Kista was completed.
- Strategically important lettings were made in Hagastaden and agreements were concluded for approximately 7,000 square metre office space in the area.
- Atrium Ljungberg was awarded the City of Malmö Urban Planning Prize of the Year, Årets Stadsbyggnadspris, for the remodelling of Mobilia.
- Fatbursbrunnen 17 was sold and vacated.

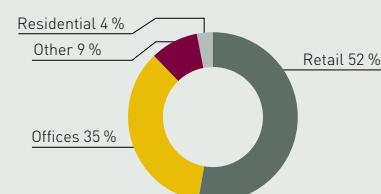
## KEY RATIOS

	2014 Jan - Sep	2013 Jan - Sep	2014 Jul - Sep	2013 Jul - Sep
Net sales, SEK m	1,714	1,752	583	580
Profit/loss before changes in value, SEK m	652	616	228	221
Net profit/loss for the period, SEK m	370	856	59	191
Investments, SEK m	508	942	163	329
Cash flow from operating activities, SEK m	546	639	188	311
Letting rate, %	93	95	93	95
Equity/assets ratio, %	41.3	40.7	41.3	40.7
Gearing ratio, %	45.6	48.4	45.6	48.4
Average interest rate at period end, %	3.5	3.6	3.5	3.6
Interest coverage ratio, multiple	3.0	3.0	3.0	3.2
Earnings per share, SEK	2.81	6.57	0.45	1.47
Profit/loss before changes in value less nominal tax, SEK/share	3.86	3.69	1.34	1.33
Market value, SEK/share	103.50	85.70	103.50	85.70
Shareholders' equity, SEK/share	84.89	82.68	84.89	82.68
Net worth, SEK/share, 10% deferred tax	93.91	90.66	93.91	90.66

## CONTRACTED ANNUAL RENT PER REGION



## CONTRACTED ANNUAL RENT PER PREMISES TYPE



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

# CEO'S STATEMENT

*WE HAVE A stable growth in profit during the period with an increase in both the operating surplus and profit before changes in value by 6 per cent. The business climate for the property sector in Sweden is favourable and the future prospects for Atrium Ljungberg are good.*



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“My expectation is that we will have a number of new project starts during the upcoming 12 month period”

## **GOOD STRATEGY IN A STRONG MARKET**

There is currently a favourable business climate for the property sector in Sweden. The historically low interest rate levels are expected to last for a long time, which is positive for the profit trend. In the short-term the interest rate impacts the valuation of the derivatives portfolio negatively, but without any cash flow effects. There is a lot of capital in the market which results in large demand for investment projects with greater competition as a result. As the interest in property investments in large urban regions is high, our strategy to develop the business in large cities such as Stockholm, Uppsala and Malmö is favourable. Trade and industry is also growing in these regions and the demand for office premises is also largest here. Furthermore, the urbanisation trend is clear and population growth is high in large cities, which drives the need of both new residential and more workplaces. The municipalities often have an ambition to develop city districts and build dense and mixed cities, which is well in line with our business concept and willingness to take up city transformation projects.

## **URBAN PLANNING PRIZE OF THE YEAR FOR MOBILIA**

In light of that we want to develop places, areas and cities, it is particularly gratifying that in August we were awarded the City of Malmö Urban Planning Prize of the Year, Årets Stadsbyggnadspris, for our work on transforming Mobilia from a traditional shopping centre to a thriving city district. The new Mobilia has been appreciated with greater customer flows and new tenants, while competition in the market in Malmö is tough. We are now continuing the work on establishing the conditions for the next phase in Mobilia, with additional residential, culture, social service as well as a greater retail range.

## **KVARTERET NOD GENERATES VALUE FOR US AND OUR COMMUNITY**

Another example of our strategy to drive urban development is Kista, where we some 25 years ago started to build innovative office solutions and residential. Through our most recent project in Kista, Kvarteret NOD, we have taken the next step in contributing to the science city. NOD is a meeting place for academia, research and business with Stockholm University as the largest tenant. A place where research and different businesses

within ICT can cross-fertilise and where new business concepts and companies can be established, develop and grow. NOD has already received a great deal of attention and has been described as an innovative and creative meeting place which comprises an important part for the continued growth of Kista.

The interest from companies which want to move into NOD has increased further as the building has been completed and work is now ongoing to fill the last phase, just over 10,000 m<sup>2</sup>, with tenants which strengthen the content and vision.

## **FUTURE PROSPECTS**

Over the last three years we have had a large ongoing project volume, development projects which are now starting to be completed. Going forward, there are extensive project opportunities and they are estimated at approximately SEK 9 billion. The objective of investing SEK 1 billion per year in own development projects remains and my expectation is that as detailed development plans and business discussions are completed, we will have a number of new project starts during the upcoming 12 month period. The investment volume for 2014 is expected to amount to approximately SEK 600 million. Sickla Front, which is now completed up until final tenant adaptation, has not contributed to the profit as expected. However, it is now clear that the court proceedings for the damage claim against Akzo Nobel will start in the beginning of 2015.

During the year we vacated properties corresponding to a value of approximately SEK 1 billion. At the same time we acquired properties corresponding to SEK 620 million, which predominantly refer to projects which give future cash flows.

Growth in profit during the first nine months was good, with an operating surplus and profit before changes in value which has increased by 6 per cent. The effect on profit of completed projects is levelling off during the fourth quarter while management costs are normally higher during this period.

The forecast profit before changes in value and taxes remains unchanged at SEK 815 million.

*Ingalill Berglund, CEO*

## MARKET

### THE SWEDISH ECONOMY

The Swedish economy has been dichotomized over recent years. While the domestic economy has developed strongly, exports have stagnated. On the whole the pattern is expected to persist in the future and only a moderate recovery of exports is expected. The Riksbank has a clear focus on the inflation target, which is why Swedish banks assess that the repo rate will remain at the historically low 0.25 per cent for the rest of the year and for most of 2015. Households continue to be the most important driving force of the Swedish economy. The forecast of the National Institute of Economic Research for GDP is that it will increase by 1.8 per cent in 2014 and 3.1 per cent in 2015.

### RETAIL MARKET

HUI Research predicts a positive trend for the Swedish retail sector by approximately three per cent for both 2014 and 2015, which historically can be seen as normal years. The Swedish retail sector grew by 3.1 per cent during the period January - August 2014, measured in rolling prices and in comparison with the corresponding period in 2013.

Atrium Ljungberg's major retail hubs – Sickla, Farsta Centrum, Port 73, Gränby Centrum and Mobilia – collectively reported a positive net sales trend during the period January – August, growing by 9.1 per cent in comparison with the corresponding period in 2013. Total net sales are primarily affected by newly opened stores in Port 73 and Mobilia.

### OFFICE RENTAL MARKET

There is generally a good climate for letting in the office rental market in Stockholm. The demand is increasing owing to an improved occupation rate and both trade and industry as well as the public sector are expanding both inside and outside the city centre. However, the conditions outside the city centre differ slightly from the city centre as the vacancy level is higher and there are more alternative offices for tenants to choose between. Properties with a modern standard have the most demanded premises and thereby the highest rents. With higher demand for offices in Stockholm the overall assessment on the market is that vacancies will decline and the average rental levels will increase.

We are noticing a continued high interest in our premises, especially in Hagastaden and on Södermalm. In Hagastaden it is mainly the new city district's opportunities and specialisation in life-science which are appealing.

### MANAGEMENT

In July Atrium Ljungberg concluded an agreement with the communication group Nordic Morning for 3,500 m<sup>2</sup> in Hagastaden. They are moving in with their holding company and four of their agencies on 1 January 2015. In August an agreement was concluded with the global health and medical care company MSD for 2,000 m<sup>2</sup>. Occupancy will take place on 1 March 2015. Through the move, MSD will be the first among the global pharmaceutical companies in terms of establishing its entire Swedish

operations in Hagastaden. Agreements have also been concluded with existing tenants for expanded office space and all in all Atrium Ljungberg has concluded agreements for approximately 7,000 m<sup>2</sup> in Hagastaden during the third quarter.

### NET LETTING

Net letting during the third quarter of 2014, i.e. newly agreed contracted annual rents less annual rents terminated due to clients vacating the premises, amounted to SEK 5 million.

The time lag between net letting and its effect on profit is assessed as 3-6 months.

### RENTAL INCOME AND LETTING RATE

The Group's contracted annual rent amounted to SEK 1,975 million on 1 October 2014. The rental value, i.e. contracted annual rent and estimated market rents for vacant space in existing condition, amounted to SEK 2,127 million (SEK 2,003 m) on 1 October 2014, which gives an economic letting rate of 95 per cent (95%) excluding project properties, and 93 per cent (95%) including project properties. The letting rate including project properties has been affected by that the total letting area of the properties NOD and Sickla Front, a total of 37,100 m<sup>2</sup>, now is being included.

### URBAN PLANNING PRIZE FOR MOBILIA

One of the overall operational goals of Atrium Ljungberg is corporate social responsibility, in which sustainable urban development is one of the three focus areas. Therefore it is extremely gratifying that at the end of August we won the City of Malmö Urban Planning Prize of the Year, Årets Stadsbyggnadspris, for the transformation of Mobilia. The Committee for the Urban Planning Prize highlighted the holistic view in the transformation and states that "special care has been taken to preserve and remind of the area's historic industrial significance, like building with new technology in an old environment with good results. The area has received new functions and new content without losing the historic industrial significance of the area."

Since 2011 all Atrium Ljungberg's major new buildings have been certified. During the third quarter an upgraded BREEAM certification for our first certification project, Intrum Justitia's head office in Sickla was received. The building was completed approximately two years ago and the preliminary certification grade was upgraded from Very Good to Excellent.

In order to develop the sustainability work further, in August we appointed a full-time sustainability manager who will have a key role for coordinating the sustainability work which is an important part of Atrium Ljungberg's business strategy.

#### CONTRACTED ANNUAL RENT TREND, SEK M

	2013 result <sup>1)</sup>	2014 Q1 <sup>2)</sup>	2014 Q2 <sup>2)</sup>	2014 Q3 <sup>2)</sup>	2014 Q4 <sup>3)</sup>
Business area Retail	1,026	1,097	1,091	1,091	1,092
Business area Offices	820	825	831	821	815
Project properties	34	9	25	66	69
<b>Total</b>	<b>1,881</b>	<b>1,931</b>	<b>1,948</b>	<b>1,978</b>	<b>1,975</b>
Properties sold	76	6	6	6	6
<b>Total</b>	<b>1,956</b>	<b>1,937</b>	<b>1,953</b>	<b>1,984</b>	<b>1,981</b>

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

	Rental value, SEK m	Contracted annual rent, SEK m	Letting rate, %
Business area Retail	1,140	1,092	96
Business area Offices	864	815	94
<b>Total</b>	<b>2,003</b>	<b>1,906</b>	<b>95</b>
Project properties	124	69	56
<b>Total</b>	<b>2,127</b>	<b>1,975</b>	<b>93</b>

<sup>1)</sup> The 2013 result has been recalculated in accordance with the classification of the property portfolio as of Q3 2014.

<sup>2)</sup> Q1–Q3 refers to results recalculated on a per annum basis.

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

<sup>4)</sup> Reported letting rates are based on the immediately subsequent quarter.

## PROJECT PROPERTIES

Atrium Ljungberg has invested a total of SEK 508 million in its own development projects during the first three quarters of 2014. These investments refer primarily to Kvarteret NOD in Kista, Gränby Köpstad in Uppsala and Ica Kvantum in Farsta. The remaining investment volume for ongoing projects amounted to approximately SEK 380 million on 30 September.

### KVARTERET NOD

The exterior of Kvarteret NOD in Kista is now complete and the first interior part of 14,000 m<sup>2</sup> of total 27,000 m<sup>2</sup> was inaugurated officially on 2 October. Operations in the building are in full swing and approximately 7,000 enrolled students have started their education at both upper secondary and university level. In addition, a number of exciting companies have established their businesses in NOD and Atrium Ljungberg has also opened an office hotel under its own management - the third office hotel with the same concept within the company. The vision of creating a place where research and academia can be promoted and cross - fertilised with other operations and where new business concepts can be established and grow has thereby been realised. NOD has received a great deal of attention and has been described as an innovative and creative meeting place which is at the forefront and comprises an important part for the continued growth of Kista.

The remaining interior parts of the building will be completed as letting takes place.

NOD has initially attained the BREEAM certification Very Good, with possibility of achieving Excellent.

### GRÄNBÝ

In the end of July the second restaurant building in Gränby Köpstad in north-eastern Uppsala was completed, where Pizza Hut, ChopChop and Subway opened. The construction of the building where Blomsterlandet will open in March 2015

has started. The construction of the area's biggest building has also started. Here Apoteket will open in September 2015 and City Gross in October 2015. Work is ongoing parallelly on filling the remaining part of the retail hub with more retail concepts.

The vision for Gränby Köpstad is to create an approximately 50,000 m<sup>2</sup> large retail hub with a city feel and a range focusing on the home where the entire family can run its errands in a rational and inspiring environment. The range should complement the retail range in the existing Gränby Centrum.

### SICKLA

The Sickla Front office building in Sickla is now ready for final tenant adaptation as letting takes place. During the third quarter an agreement was concluded with AJ Produkter for approximate 700 m<sup>2</sup>. AJ Produkter will move in during February 2015. Sickla Front offers rational and representative office environments that meet the environmental and sustainability requirements of the future and will be certified in accordance with BREEAM.

## PROPERTY PORTFOLIO AND TRANSACTIONS

The Swedish property market continues to be strong with increased transaction volume also during the third quarter. The access to capital is good through a large supply of both equity and debt through bank loans and the capital market. The interest rate is at historically low levels and the expansive monetary policy is expected to continue, which increases the attractiveness of properties as an investment. There is considerable interest in all types of properties, in particular office and residential properties, and several major portfolio sales were completed during the period.

According to Savills, the transaction volume on the Swedish property market during the first three quarters amounted to SEK 90 billion,

which is a rise of 32 per cent compared to the same period of 2013.

## OUR PROPERTY PORTFOLIO

Atrium Ljungberg's property portfolio comprises 48 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 1,012,000 m<sup>2</sup>.

## PROPERTY ACQUISITION AND SALES

In February the property Sicklaön 83:33, Nobelberget in Sickla, was acquired. The property has a total area of roughly 35,000 m<sup>2</sup>. A detailed development plan process is in progress to create both offices and residentials on the property. The purchase price amounted to SEK 355 million and the date of possession of the property was 28 February 2014.

The property Dimman 11 in Malmö was acquired in March. The property houses cultural, education and office operations. Extensive reconstruction and extension is currently in progress. Upon completion, which occurs at the end of the year, the property will have a total letting area of approximately 16,000 m<sup>2</sup>. The purchase price amounted to SEK 265 million and the date of possession of the property was 29 April 2014.

In July Fatbursbrunnen 17 on Södermalm in Stockholm was sold and vacated. The property, which now mainly houses school operations, has a letting area of approximately 2,800 m<sup>2</sup>. The purchase price was based on a property value amounting to SEK 94 million and has yielded a positive result after tax of approximately SEK 13 million.

Torgvägen 7, better known as the PUB department store, was sold in July 2013 and vacated in January 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, SEK m	Completion date	Rental value excl. surcharge, SEK m	Letting rate,%
Mobilia, Rental apartments, Bohus 8, Malmö		4,100	Residential	100	0	Q1 2014	7	100
Farsta Centrum, Ica Kvantum, Storö 24, Stockholm	400	3,500	Retail/Parking	150	0	Q2 2014	N/A <sup>2)</sup>	98
Kvarteret NOD, Kista Gård, Borgarnäs 1, Stockholm		27,000	Offices/Other	700	110	Q3 2014	68	57
Sickla Front, Sicklaön 83:32, Nacka		10,100	Offices	350	90	Q3 2014	22	N/A <sup>2)</sup>
Gränby Köpstad, part of Phase 1, Brillinge 8:1/9:1, Uppsala		15,500	Retail/Other	300	180	2014/2015 <sup>3)</sup>	26	63
<b>Total</b>	<b>400</b>	<b>60,200</b>		<b>1,600</b>	<b>380</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> Rental value/letting rate is not, with regard to individual business transactions, reported as a subsidiary amount.

<sup>3)</sup> The project is completed on an ongoing basis. Three restaurants were opened during July – August 2014. Blomsterlandet will open in March 2015, Apoteket in September 2015 and City Gross in October 2015.

## CHANGE IN THE VALUE OF THE PROPERTY PORTFOLIO

	SEK m	Number
Property portfolio, 31/12/2013	25,008	47
Acquisitions	620	2
Sale	-85	-1
New builds, reconstruction and extension	508	-
Unrealised changes in value	426	-
<b>Property portfolio, 30/09/2014</b>	<b>26,477</b>	<b>48</b>

## PROPERTY VALUES

Atrium Ljungberg has conducted an internal valuation of the property portfolio during the third quarter. The market valuation is based on analyses of completed property transactions for properties of a similar standard and in a similar location, in order to assess the market's yield requirements. The valuation also entails cash flow calculations, with individual assessments of the earning capacity of each individual property. Assumed rental levels in conjunction with contract expirations correspond to current market rent levels. Operating costs have been assessed on the basis of the company's actual costs. Development rights have been valued 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. Acquired land is valued at the acquisition value. 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.

Following analysis of completed transactions, the assessment is that the yield requirements are unchanged compared to the turn of the half-year. Other assumptions are adjudged to be on a par with previously applied valuation assumptions.

The reported value of the property portfolio totalled SEK 26,477 million (SEK 25,008 m as of 31/12/2013). The average yield requirement in the valuation is 5.7 per cent (5.7 % as of 31/12/2013). Investments in Atrium Ljungberg's own properties during the period totalled SEK 508 million (SEK 942 m). The unrealised change in value totalled SEK 426 million (SEK 42 m).

## UNREALISED CHANGES IN VALUE

	SEK m
Change in yield requirements	167
Change in operating nets	220
Change in project investments	39
<b>Total</b>	<b>426</b>

## YIELD REQUIREMENT PER PREMISES TYPE, %

Premises type	Interval	Average
Offices	4.6 – 8.0	5.8
Retail	4.6 – 8.0	5.8
Residential	3.9 – 4.8	4.2
Other	4.6 – 8.0	6.1
<b>Total</b>	<b>3.9 – 8.0</b>	<b>5.7</b>

## YIELD REQUIREMENT PER REGION, %

Region	Interval	Average
Stockholm	3.9 – 8.0	5.7
Uppsala	5.8 – 6.7	5.8
Malmö	5.5 – 6.4	5.8
Sweden, other	6.4 – 7.3	6.6
<b>Total</b>	<b>3.9 – 8.0</b>	<b>5.7</b>

## SALES AND NET PROFIT

### 1 JANUARY – 30 SEPTEMBER

The Group's posted net sales for the first three quarters totalled SEK 1,714 million (SEK 1,752 m), of which rental income comprised SEK 1,481 million (SEK 1,445 m). The decrease in net sales is primarily related to TL Bygg. The rental income has increased and is partially explained by additional rental income from the most recently completed phases of Mobilia, Port 73 and Farsta, as well as the acquired properties, but has also been impacted negatively by loss of rental income due to sold properties. The profit before changes in value totalled SEK 652.4 million (SEK 616.2 m). Unrealised changes in the value of properties totalled SEK 426.1 million (SEK 41.5), and is primarily attributable to higher operating nets and lowered yield requirement for certain properties, primarily offices in Stockholm inner city. Realised changes in the value of properties totalled SEK 8.3 million (SEK 0 m) attributable to the sale of Fatbursbrunnen 17. Unrealised changes in the value of financial instruments totalled SEK -622.8 million (SEK 341.2 m) due to lower long term

market interest rates. Net profit for the period totalled SEK 370.3 million (SEK 855.7 m), corresponding to SEK 2.81/share (SEK 6.57/share).

### 1 JULY – 30 SEPTEMBER

The Group's posted net sales for the third quarter totalled SEK 583 million (SEK 580 m), of which rental income comprised SEK 500 million (SEK 475 m). The profit before changes in value totalled SEK 228.2 million (SEK 221.2 m). Unrealised changes in the value of properties totalled SEK 0.0 million (SEK -100.0 m). Realised changes in the value of properties totalled SEK 7.0 million (SEK -2.0 m) attributable to the sale of Fatbursbrunnen 17. Unrealised changes in the value of financial instruments totalled SEK -168.3 million (SEK 28.3 m), due to lower long term market interest rates. Net profit for the period totalled SEK 59.3 million (SEK 191.0 m).

### SEASONAL EFFECTS

The operating surplus is impacted by seasonal variations in operating costs. Generally costs are higher during the first and last quarter of the year, primarily caused by higher costs of heating and property maintenance. The operating surplus of the year's first three quarters has been impacted positively compared to the same period last year as a result of the warm winter with little snow in the beginning of the year.

### PROJECT AND CONSTRUCTION ACTIVITIES

Net sales for the project and construction activities for the first three quarters of the year totalled SEK 232 million (SEK 307 m). TL Bygg's net sales totalled SEK 289 million (SEK 363 m), SEK 70 million (SEK 82 m) of which comprised work on behalf of Group companies. The gross profit for project and construction activities, which is encumbered with costs of ongoing development projects, amounted to SEK -6.4 million (7.7). TL Bygg's gross profit totalled SEK 22.6 million (SEK 35.0 m).

## PROPERTY PORTFOLIO, 30/09/2014

Property portfolio by segment	Letting area, 1,000 m <sup>2</sup>	Fair value, SEK m	Fair value, SEK/m <sup>2</sup>	Rental value, SEK m <sup>11</sup>	Rental value, SEK/m <sup>2</sup>	Economic letting rate, %
Business area Retail	524	13,794	26,338	1,140	2,176	96
Business area Offices	422	10,850	25,740	864	2,049	94
<b>Total</b>	<b>945</b>	<b>24,644</b>	<b>26,071</b>	<b>2,003</b>	<b>2,119</b>	<b>95</b>
Project properties	67	1,575	N/A <sup>21</sup>	124	1,851	56
Land and development rights	-	259				
<b>Total</b>	<b>1,012</b>	<b>26,477</b>		<b>2,127</b>	<b>2,102</b>	<b>93</b>

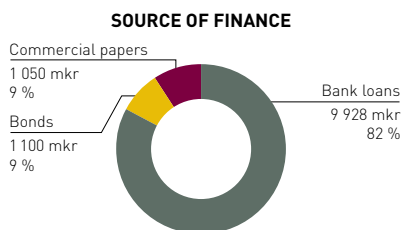
<sup>11</sup> Reported rental value is based on the immediately subsequent quarter.

<sup>21</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.

## FINANCING

Atrium Ljungberg meets its financing requirements through five Nordic banks and the capital market. Bank loans are the primary source of financing and accounted for 82 per cent of the total loan volume during the third quarter. Interest-bearing liabilities totalled SEK 12,078 million at the period end, with an average interest rate of 3.5 per cent. The average fixed interest term was 4.9 years and the capital commitment term was 2.9 years.

At the end of the period, the derivatives portfolio comprised of SEK 7,461 million in interest swaps, net including shortened swaps. In addition, there is SEK 500 million in forward-started swaps. These interest swaps are valued at market rate in conjunction with every year-end closing and the change in value is reported via the Profit and Loss Statement. The unrealised change in the value of financial instruments totalled SEK -622.8 million (SEK 341.2 m) as interest rates during the period have fallen on the terms covered by the derivatives. The deficit book value of the derivatives portfolio totalled SEK -583.1 million (31/12/2013, SEK 14.9 m) at the period end.



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

Fixed interest term	Amount, SEK m	Percentage, %	Average interest, %
Variable + 3M Stibor	2,169	18	2.1
2014	250	2	1.6
2015	1,392	12	2.9
2016	1,085	9	3.8
2017	630	5	3.7
2018	849	7	3.8
2019 and thereafter	5,702	47	4.1
<b>Total</b>	<b>12,078</b>	<b>100</b>	<b>3.5</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	-	-
2015	2,511	21
2016	3,685	31
2017	2,730	23
2018	1,482	12
2019 and thereafter	1,669	14
<b>Total</b>	<b>12,078</b>	<b>100</b>
Prepaid financing costs	-11	
<b>Interest-bearing liabilities in accordance with the Balance Sheet</b>	<b>12,067</b>	

## KEY RATIOS FINANCING

	30/09/2014	31/12/2013
Interest-bearing liabilities, SEK m	12,078	12,427
Gearing ratio, %	45.6	47.8
Average fixed interest term, years	4.9	4.4
Average capital commitment term, years	2.9	3.0
Average interest rate for interest-bearing liabilities, %	3.5	3.6
Shareholders' equity, SEK m	11,309	11,021

## TAXES

The current tax for the period totalled SEK -33.0 million (SEK -33.4 m) and has been affected by, among other things, fiscally deductible depreciation and investments, and by loss carry-forwards from the previous year's tax assessment.

In June 2014, the Swedish Committee on Corporate Taxation, which was appointed by the Government to review corporate taxation, submitted its final report. Atrium Ljungberg is primarily affected by the Committee's proposal to eliminate the right to make deductions for negative net financial items and instead introduce a flat deduction of 25 per cent on taxable profit. This would entail a higher tax expense for Atrium Ljungberg. For the years 2009-2013 Atrium Ljungberg reported on an average current tax of 3 per cent in relation to profit before changes in value. If the Swedish Committee on Corporate Taxation's proposal had been applied during these years, the corresponding current tax would have been 12 per cent. The Committee proposes that the provisions enter into force on 1 January 2016.

## 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 leasing, 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 2013 Annual Report and the section entitled "Opportunities and Risks" on pages 88-91.

## PROFIT FORECAST

The forecast profit before changes in value and tax for 2014 is unchanged at SEK 815 million. The forecast profit after tax is SEK 495 million, corresponding to SEK 3.75/share and is including changes in value as of 30/09/2014. Future changes in value and any future acquisitions and sales of properties have not been taken into account in the forecast.

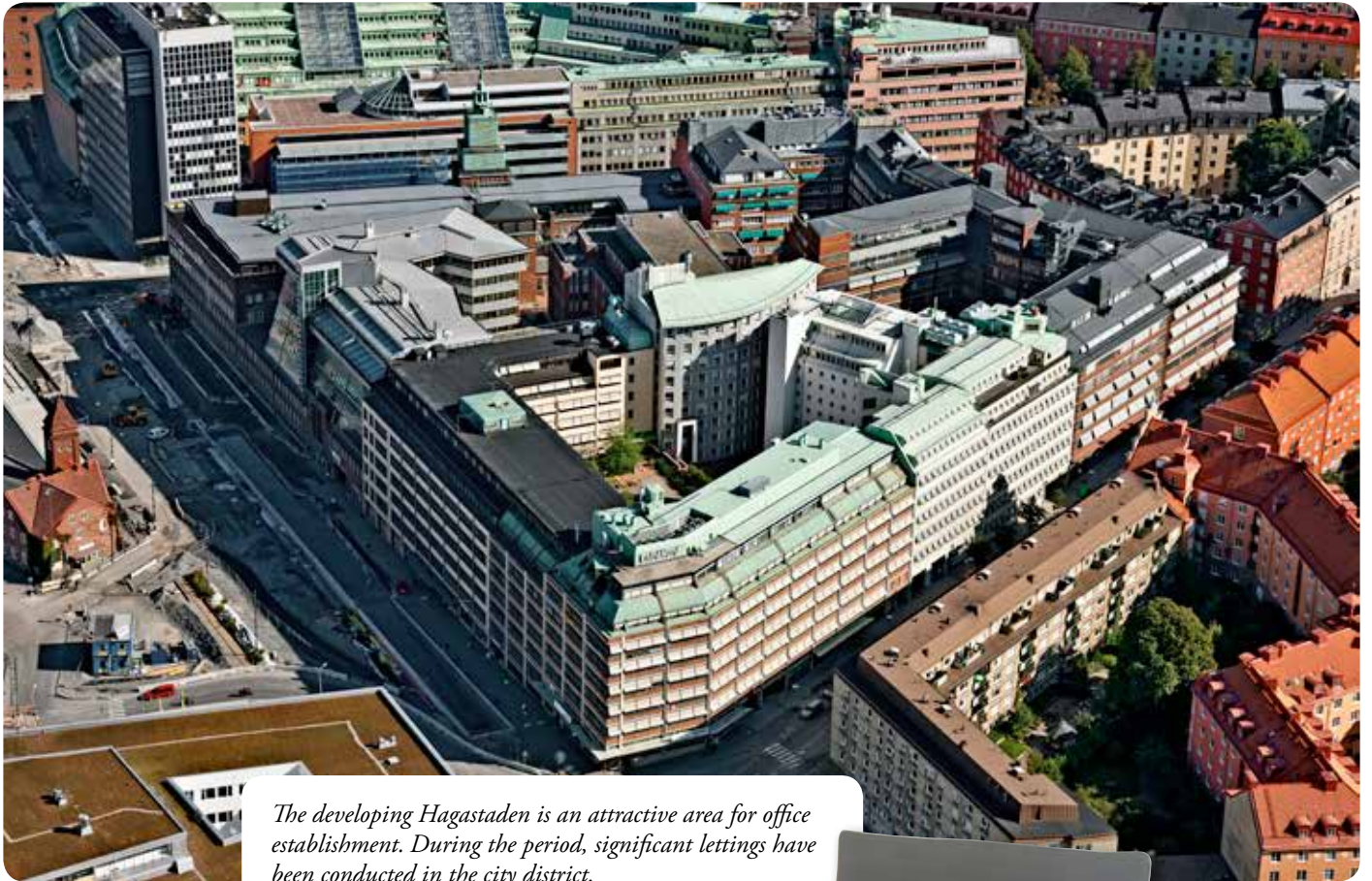
## TAX CALCULATION, 30/09/2014

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	464.0	
Fiscally deductible		
depreciation	-369.3	369.3
investments	-82.1	82.1
Non-taxable/non-deductible		
changes in the value of properties, unrealised	-426.1	426.1
changes in the value of properties, realised	-8.3	-27.2
changes in the value of financial instruments, unrealised	622.8	-622.8
consolidated capitalisation of borrowing costs	-14.0	14.0
Other fiscal adjustments	-2.1	0.7
Fiscal profit/loss before loss carry-forwards	184.9	242.2
Loss carry-forwards, opening balance	-23.1	23.1
Fiscally deductible investments, adjustment from previous years	-12.0	10.8
Other adjustments of loss carry-forwards	2.6	-
<b>Taxable profit/loss</b>	<b>152.4</b>	<b>276.1</b>
<b>Of which 22% current/deferred tax</b>	<b>-33.5</b>	<b>-60.7</b>
<b>Revaluation of previous tax assessments and other adjustments</b>	<b>0.6</b>	<b>-</b>
<b>Reported current/deferred tax</b>	<b>-33.0</b>	<b>-60.7</b>



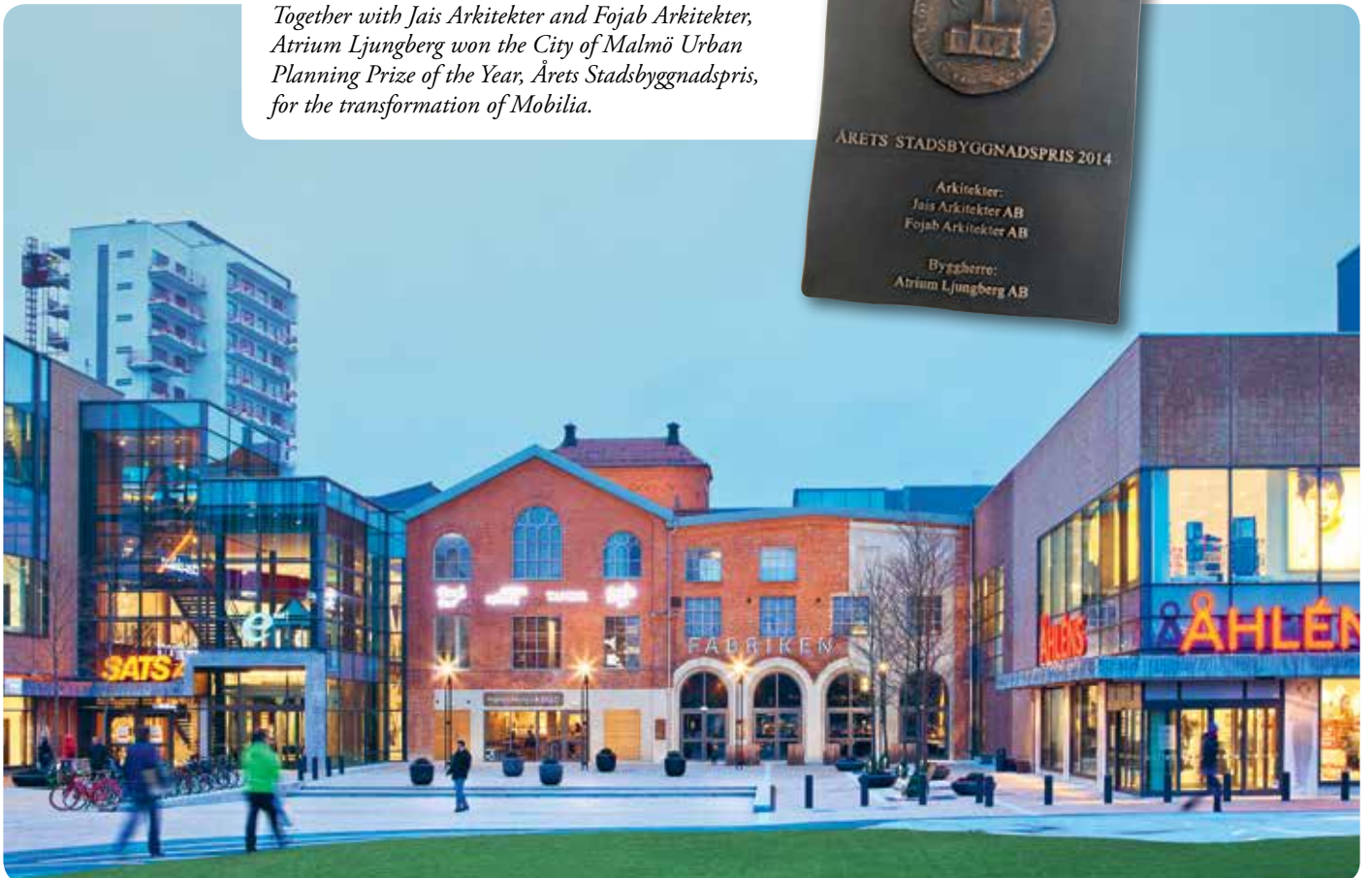


*NOD in Kista was inaugurated on 2 October. The vision of creating a place where research and academia are cross-fertilised with other operations has been realised.*



*The developing Hagastaden is an attractive area for office establishment. During the period, significant lettings have been conducted in the city district.*

*Together with Jais Arkitekter and Fojab Arkitekter, Atrium Ljungberg won the City of Malmö Urban Planning Prize of the Year, Årets Stadsbyggnadspris, for the transformation of Mobilia.*



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	<b>2014</b> 1/1–30/9	2013 1/1–30/9	2014 1/7–30/9	2013 1/7–30/9	2013 1/1–31/12	2013/2014 1/10–30/9
Rental income	1,481.4	1,445.2	500.2	475.2	1,956.2	1,992.4
Net sales, project and construction work	232.1	307.0	82.7	104.7	405.3	330.4
<b>Net sales</b>	<b>1,713.5</b>	<b>1,752.2</b>	<b>582.9</b>	<b>579.9</b>	<b>2,361.5</b>	<b>2,322.8</b>
Property management costs						
Service charge-related costs	-129.6	-131.6	-37.9	-39.7	-178.9	-176.9
Other operating costs	-105.8	-115.3	-30.8	-32.8	-156.1	-146.6
Management costs	-90.1	-92.9	-23.9	-27.7	-128.9	-126.1
Repairs	-28.5	-28.8	-10.3	-11.3	-41.0	-40.7
Property tax	-87.0	-89.8	-26.8	-24.7	-119.5	-116.7
Leasehold fees	-13.9	-20.3	-5.3	-7.0	-24.7	-18.3
Non-deductible VAT	-7.0	-7.1	-2.5	-1.6	-9.8	-9.7
	-461.9	-485.8	-137.5	-144.8	-658.9	-635.0
Project and construction work costs	-238.5	-299.3	-84.8	-100.9	-394.3	-333.5
<b>Gross profit</b>	<b>1,013.1</b>	<b>967.1</b>	<b>360.6</b>	<b>334.2</b>	<b>1,308.3</b>	<b>1,354.3</b>
– of which gross profit property management (operating surplus)	1,019.5	959.4	362.7	330.4	1,297.3	1,357.4
– of which gross profit project and construction work	-6.4	7.7	-2.1	3.8	11.0	-3.1
Central administration, property management	-32.7	-30.9	-13.6	-11.4	-47.1	-48.9
Central administration, project and construction work	-10.4	-8.7	-3.2	-3.1	-14.4	-16.1
	-43.1	-39.6	-16.8	-14.5	-61.5	-65.0
Financial income	1.0	1.6	0.2	0.8	2.8	2.2
Financial expenses	-318.6	-312.9	-115.8	-99.3	-420.6	-426.3
	-317.6	-311.3	-115.6	-98.5	-417.8	-424.1
<b>Profit before changes in value</b>	<b>652.4</b>	<b>616.2</b>	<b>228.2</b>	<b>221.2</b>	<b>829.0</b>	<b>865.2</b>
<b>Changes in value</b>						
Properties, unrealised	426.1	41.5	–	-100.0	142.5	527.1
Properties, realised	8.3	0.0	7.0	-2.0	-1.6	6.7
Financial instruments, unrealised <sup>1)</sup>	-622.8	341.2	-168.3	28.3	342.6	-621.4
Write-downs, goodwill	0.0	-33.3	0.0	-33.3	-33.4	-0.1
	-188.4	349.4	-161.3	-107.0	450.1	-87.7
<b>Profit before tax</b>	<b>464.0</b>	<b>965.6</b>	<b>66.9</b>	<b>114.2</b>	<b>1,279.1</b>	<b>777.5</b>
Current tax	-33.0	-33.4	-15.6	-16.6	6.1	6.5
Deferred tax	-60.7	-76.5	8.0	93.4	-176.9	-161.1
	-93.7	-109.9	-7.6	76.8	-170.8	-154.6
<b>Net profit for the period</b>	<b>370.3</b>	<b>855.7</b>	<b>59.3</b>	<b>191.0</b>	<b>1,108.3</b>	<b>622.9</b>
<b>Other comprehensive income</b>						
<i>Items that will be reclassified to net profit for the period</i>						
Cash flow hedging <sup>1)</sup>	25.0	27.3	7.8	8.6	35.9	33.6
Tax attributable to other reported income and expenses	-5.5	-6.0	-1.7	-1.9	-7.9	-7.4
<b>Total other comprehensive income</b>	<b>19.5</b>	<b>21.3</b>	<b>6.1</b>	<b>6.7</b>	<b>28.0</b>	<b>26.2</b>
<b>Total comprehensive income for the period</b>	<b>389.8</b>	<b>877.0</b>	<b>65.4</b>	<b>197.7</b>	<b>1,136.3</b>	<b>649.1</b>
Earnings per share, SEK	2.81	6.57	0.45	1.47	8.52	4.74

For note references, see page 19.

# SEGMENT REPORTING 1/1–30/9 2014

Atrium Ljungberg's segmentation is based on two lines of business: Property management and Project and construction activities. Property management is divided into Business area Retail, Business area Offices and Project properties. Project and construction activities are divided into Project development and TL Bygg.

Amounts in SEK m	Business area Retail	Business area Office	Project properties	Properties sold	Property management, total	Project development <sup>1)</sup>	TL Bygg	Project and construction activities, total	Non-allocated items and eliminations	The Group
Rental income	819.9	624.4	26.7	10.4	1,481.4					1,481.4
Net sales, project and construction work						12.8	288.8	301.6	-69.5	232.1
<b>Net sales</b>	<b>819.9</b>	<b>624.4</b>	<b>26.7</b>	<b>10.4</b>	<b>1,481.4</b>	<b>12.8</b>	<b>288.8</b>	<b>301.6</b>	<b>-69.5</b>	<b>1,713.5</b>
Property management costs	-276.7	-171.8	-9.3	-4.1	-461.9					-461.9
Project and construction work costs						-41.8	-266.2	-308.0	69.5	-238.5
<b>Gross profit</b>	<b>543.2</b>	<b>452.6</b>	<b>17.4</b>	<b>6.3</b>	<b>1,019.5</b>	<b>-29.0</b>	<b>22.6</b>	<b>-6.4</b>	<b>0.0</b>	<b>1,013.1</b>
<i>- of which gross profit/loss from property management</i>	543.2	452.6	17.4	6.3	1,019.5					1,019.5
<i>- of which gross profit/loss from project and construction work</i>						-29.0	22.6	-6.4		-6.4
Central administration, property management					-32.7					-32.7
Central administration, project and construction work							-10.4	-10.4		-10.4
Financial income									1.0	1.0
Financial expenses									-318.6	-318.6
<b>Profit/loss before changes in value</b>	<b>543.2</b>	<b>452.6</b>	<b>17.4</b>	<b>6.3</b>	<b>986.8</b>	<b>-29.0</b>	<b>12.2</b>	<b>-16.8</b>	<b>-317.6</b>	<b>652.4</b>
Unrealised changes in value, properties	200.3	196.8	29.0		426.1					426.1
Realised changes in value, properties				8.3	8.3					8.3
Unrealised changes in value, financial instruments									-622.8	-622.8
	200.3	196.8	29.0	8.3	434.4				-622.8	-188.4
Current tax									-33.0	-33.0
Deferred tax									-60.7	-60.7
<b>Net profit/loss for the period</b>	<b>743.5</b>	<b>649.4</b>	<b>46.4</b>	<b>14.6</b>	<b>1,421.2</b>	<b>-29.0</b>	<b>12.2</b>	<b>-16.8</b>	<b>-1,034.1</b>	<b>370.3</b>
<b>Investments and acquisitions per business segment</b>										
Investments, investment properties	120.7	65.3	321.8		507.8					507.8
Investments, project and construction work							2.1	2.1		2.1
Acquisitions, investment properties		265.0	355.0		620.0					620.0
	<b>120.7</b>	<b>330.3</b>	<b>676.8</b>		<b>1,127.8</b>		<b>2.1</b>	<b>2.1</b>		<b>1,129.9</b>
<b>Assets per business segment, period end</b>										
Investment properties	13,794.5	10,849.6	1,833.3		26,477.4					26,477.4
Project and construction work							151.1	151.1		151.1
Unallocated joint assets									765.4	765.4
<b>Total assets</b>	<b>13,794.5</b>	<b>10,849.6</b>	<b>1,833.3</b>		<b>26,477.4</b>		<b>151.1</b>	<b>151.1</b>	<b>765.4</b>	<b>27,393.9</b>

<sup>1)</sup> Profit/loss in Project Development refers primarily to costs from investigations in previous project phases and ongoing development projects.

# SEGMENT REPORTING 1/1–30/9 2013

Amounts in SEK m	Business area Retail	Business area Office	Project properties	Properties sold	Property management, total	Project development <sup>1)</sup>	TL Bygg	Project and construction activities, total	Non-allocated items and eliminations	The Group
Rental income	781.1	608.4	0.7	55.0	1,445.2					1,445.2
Net sales, project and construction work						25.7	363.4	389.1	-82.1	307.0
<b>Net sales</b>	<b>781.1</b>	<b>608.4</b>	<b>0.7</b>	<b>55.0</b>	<b>1,445.2</b>	<b>25.7</b>	<b>363.4</b>	<b>389.1</b>	<b>-82.1</b>	<b>1,752.2</b>
Property management costs	-270.6	-183.8	-0.6	-30.8	-485.8					-485.8
Project and construction work costs						-53.0	-328.4	-381.4	82.1	-299.3
<b>Gross profit</b>	<b>510.5</b>	<b>424.6</b>	<b>0.1</b>	<b>24.2</b>	<b>959.4</b>	<b>-27.3</b>	<b>35.0</b>	<b>7.7</b>	<b>0.0</b>	<b>967.1</b>
<i>- of which gross profit/loss from property management</i>	510.5	424.6	0.1	24.2	959.4					959.4
<i>- of which gross profit/loss from project and construction work</i>						-27.3	35.0	7.7		7.7
Central administration, property management					-30.9					-30.9
Central administration, project and construction work							-8.7	-8.7		-8.7
Financial income									1.6	1.6
Financial expenses									-312.9	-312.9
<b>Profit/loss before changes in value</b>	<b>510.5</b>	<b>424.6</b>	<b>0.1</b>	<b>24.2</b>	<b>928.5</b>	<b>-27.3</b>	<b>26.3</b>	<b>-1.0</b>	<b>-311.3</b>	<b>616.2</b>
Unrealised changes in value, properties	138.1	34.2	-128.3	-2.5	41.5					41.5
Realised changes in value, properties				0.0	0.0					0.0
Unrealised changes in value, financial instruments									341.2	341.2
Write-downs, goodwill				-33.3	-33.3					-33.3
	138.1	34.2	-128.3	-35.8	8.2				341.2	349.4
Current tax									-33.4	-33.4
Deferred tax									-76.5	-76.5
<b>Net profit/loss for the period</b>	<b>648.6</b>	<b>458.8</b>	<b>-128.2</b>	<b>-11.6</b>	<b>936.7</b>	<b>-27.3</b>	<b>26.3</b>	<b>-1.0</b>	<b>-80.0</b>	<b>855.7</b>
<b>Investments and acquisitions per business segment</b>										
Investments, investment properties	53.2	101.9	783.7	3.6	942.4					942.4
Investments, project and construction work							1.9	1.9		1.9
	<b>53.2</b>	<b>101.9</b>	<b>783.7</b>	<b>3.6</b>	<b>942.4</b>		<b>1.9</b>	<b>1.9</b>		<b>944.3</b>
<b>Assets per business segment, period end</b>										
Investment properties	12,590.0	9,957.0	2,000.1	33.0	24,580.1					24,580.1
Project and construction work							71.0	71.0		71.0
Unallocated joint assets									1,806.1	1,806.1
<b>Total assets</b>	<b>12,590.0</b>	<b>9,957.0</b>	<b>2,000.1</b>	<b>33.0</b>	<b>24,580.1</b>		<b>71.0</b>	<b>71.0</b>	<b>1,806.1</b>	<b>26,457.2</b>

<sup>1)</sup> Profit/loss in Project Development refers primarily to costs from investigations in previous project phases and ongoing development projects.

The comparative figures for 2013 have been recalculated in accordance with the new segment reporting.

# CONSOLIDATED BALANCE SHEETS SUMMARY

Amounts in SEK m	30.9.2014	30.9.2013	30.6.2014	30.6.2013	31.12.2013
<b>ASSETS</b>					
Investment properties	26,477.4	24,580.1	26,399.5	25,330.7	25,008.5
Goodwill	274.2	274.3	274.3	307.6	274.3
Derivatives	–	4.8	–	–	14.9
Other fixed assets	16.8	18.6	17.1	17.9	23.0
<b>Total fixed assets</b>	<b>26,768.4</b>	<b>24,877.8</b>	<b>26,690.9</b>	<b>25,656.2</b>	<b>25,320.7</b>
Current assets	447.2	1,308.3	430.9	349.5	1,323.0
Liquid assets	178.3	271.1	268.6	249.8	186.6
<b>Total current assets</b>	<b>625.5</b>	<b>1,579.4</b>	<b>699.5</b>	<b>599.3</b>	<b>1,509.6</b>
<b>Total assets</b>	<b>27,393.9</b>	<b>26,457.2</b>	<b>27,390.4</b>	<b>26,255.5</b>	<b>26,830.3</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
Shareholders' equity	11,308.7	10,761.4	11,243.3	10,563.7	11,020.7
Deferred tax liability	2,578.2	2,408.5	2,584.5	2,534.9	2,515.7
Long-term interest-bearing liabilities <sup>2)</sup>	10,596.5	10,324.7	11,490.1	10,711.5	10,660.2
Derivatives	576.6	–	414.6	32.0	–
Other long-term liabilities	26.1	23.0	27.6	23.5	25.1
<b>Total long-term liabilities</b>	<b>13,777.4</b>	<b>12,756.2</b>	<b>14,516.8</b>	<b>13,301.9</b>	<b>13,201.0</b>
Current provisions	–	106.9	–	106.5	–
Current interest-bearing liabilities <sup>2)</sup>	1,470.7	2,057.6	772.6	1,615.7	1,753.6
Derivatives	6.5	–	7.9	–	–
Other current liabilities	830.6	775.1	849.8	667.7	855.0
<b>Total current liabilities</b>	<b>2,307.8</b>	<b>2,939.6</b>	<b>1,630.3</b>	<b>2,389.9</b>	<b>2,608.6</b>
<b>Total shareholders' equity and liabilities</b>	<b>27,393.9</b>	<b>26,457.2</b>	<b>27,390.4</b>	<b>26,255.5</b>	<b>26,830.3</b>

# CONSOLIDATED CHANGES IN SHAREHOLDER'S EQUITY

Amounts in SEK m	Attributable to the Parent Company shareholders				
	Share capital	Other capital contributed	Hedging provisions	Profits brought forward	Total shareholders' equity
<b>Opening balance, as per 1 January 2013</b>	<b>333.0</b>	<b>3,959.8</b>	<b>–141.3</b>	<b>6,103.8</b>	<b>10,255.3</b>
Profit for the period				855.7	855.7
Other comprehensive income			21.3		21.3
Dividend, SEK 2.85/share				–370.9	–370.9
<b>Closing balance per 30 September 2013</b>	<b>333.0</b>	<b>3,959.8</b>	<b>–120.0</b>	<b>6,588.6</b>	<b>10,761.4</b>
Profit for the period				252.6	252.6
Other comprehensive income			6.7		6.7
<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>11,020.7</b>
Profit for the period				370.3	370.3
Other comprehensive income			19.5		19.5
Sale of repurchased shares				295.1	295.1
Dividend, SEK 3.05/shares				–397.0	–397.0
<b>Closing balance per 30 September 2014</b>	<b>333.0</b>	<b>3,959.8</b>	<b>–93.8</b>	<b>7,109.7</b>	<b>11,308.7</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 133,220,736 (130,156,988) outstanding shares. Average number of outstanding shares for the period 1/1/2014–30/9/2014 amount to 131,688,862 (130,156,988). At the end of the period the company does not hold any of its own shares (3,063,748 class B shares).

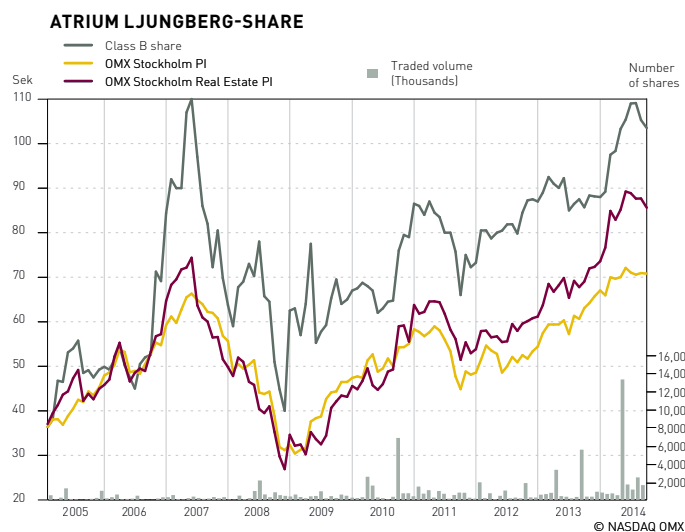
# CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in SEK m	2014 1/1-30/9	2013 1/1-30/9	2014 1/7-30/9	2013 1/7-30/9	2013 1/1-31/12	2013/2014 1/10-30/9
<b>OPERATING ACTIVITIES</b>						
Profit before tax	464.0	965.6	66.9	114.2	1,279.1	777.5
Reversal of depreciation and write-downs	4.7	4.6	1.7	1.6	6.1	6.2
Realised changes in value, investment properties	-8.3	0.0	-7.0	2.0	1.6	-6.7
Unrealised changes in value, investment properties	-426.1	-41.5	-	100.0	-142.5	-527.1
Unrealised changes in value, financial instruments	622.8	-341.2	168.3	-28.3	-342.6	621.4
Other items not included in the cash flow	9.4	48.0	1.0	40.2	54.2	15.6
Tax paid <sup>3)</sup>	-200.2	-62.8	-41.0	-33.6	-86.5	-223.9
<b>Cash flow from operating activities before changes in working capital</b>	<b>466.3</b>	<b>572.7</b>	<b>189.9</b>	<b>196.1</b>	<b>769.4</b>	<b>663.0</b>
Net change in working capital	79.4	66.4	-2.0	114.9	84.8	97.8
<b>Cash flow from operating activities</b>	<b>545.7</b>	<b>639.1</b>	<b>187.9</b>	<b>311.0</b>	<b>854.2</b>	<b>760.8</b>
<b>INVESTMENT ACTIVITIES</b>						
Acquisition of properties	-620.0	-	-20.0	-	-	-620.0
Reconstruction and new construction of properties	-507.8	-942.4	-162.9	-329.4	-1,301.8	-867.2
Sale of properties	1,031.9	0.0	93.5	0.0	32.0	1,063.9
Acquisition/sale of equipment	-4.6	-2.3	-1.4	-1.3	-3.3	-5.6
<b>Cash flow from investment activities</b>	<b>-100.5</b>	<b>-944.7</b>	<b>-90.8</b>	<b>-330.7</b>	<b>-1,273.1</b>	<b>-428.9</b>
<b>FINANCING ACTIVITIES</b>						
Change in other long-term receivables	1.1	0.2	-1.4	-0.6	1.7	2.6
Loans raised	1,346.6	2,363.8	211.5	442.5	3,409.8	2,392.6
Amortisation of debts	-1,699.3	-1,604.9	-397.5	-400.9	-2,623.6	-2,718.0
Sale of repurchased shares	295.1	-	-	-	-	295.1
Dividend paid	-397.0	-370.9	-	-	-370.9	-397.0
<b>Cash flow from financing activities</b>	<b>-453.5</b>	<b>388.2</b>	<b>-187.4</b>	<b>41.0</b>	<b>417.0</b>	<b>-424.7</b>
<b>Cash flow for the period</b>	<b>-8.3</b>	<b>82.6</b>	<b>-90.3</b>	<b>21.3</b>	<b>-1.9</b>	<b>-92.8</b>
<b>Liquid assets at the beginning of the period</b>	<b>186.6</b>	<b>188.5</b>	<b>268.6</b>	<b>249.8</b>	<b>188.5</b>	<b>271.1</b>
<b>Liquid assets at the end of the period</b>	<b>178.3</b>	<b>271.1</b>	<b>178.3</b>	<b>271.1</b>	<b>186.6</b>	<b>178.3</b>

# KEY RATIOS

	2014 1/1-30/9	2013 1/1-30/9	2014 1/7-30/9	2013 1/7-30/9	2013 1/1-31/12	2013/2014 1/10-30/9
<b>PROPERTY-RELATED KEY RATIOS</b>						
Letting rate, %	93	95	93	95	95	93
Operating surplus margin, %	69	66	73	70	66	68
Letting area, '000 m <sup>2</sup>	1,012	940	1,012	940	941	1,006
Investments in properties, SEK m	508	942	163	329	1,302	868
Number of properties	48	50	48	50	47	48
<b>FINANCIAL KEY RATIOS</b>						
Equity/assets ratio, %	41.3	40.7	41.3	40.7	41.1	41.3
Debt/equity ratio, multiple	1.1	1.2	1.1	1.2	1.1	1.1
Gearing ratio, %	45.6	48.4	45.6	48.4	47.8	45.6
Interest coverage margin, multiple	3.0	3.0	3.0	3.2	3.0	3.0
Average rate of interest on interest-bearing liabilities (at period end), %	3.5	3.6	3.5	3.6	3.6	3.5
Return on shareholders' equity, %	4.4	10.9	2.1	7.2	10.4	5.6
Return on shareholders' equity, excluding changes in value, %	6.0	5.9	6.3	5.5	6.0	6.1
Return on total assets, %	3.8	6.6	2.7	3.2	6.5	4.5
Return on total assets excluding changes in value, %	4.8	4.6	5.0	4.4	4.7	4.8
<b>DATA PER SHARE</b>						
Earnings per share, SEK	2.81	6.57	0.45	1.47	8.52	4.74
Profit before changes in value less applicable nominal tax, SEK	3.86	3.69	1.34	1.33	4.97	5.14
Cash flow, SEK	4.14	4.91	1.41	2.39	6.56	5.79
Shareholders' equity, SEK	84.89	82.68	84.89	82.68	84.67	84.89
Net worth, 10% deferred tax, SEK	93.91	90.66	93.91	90.66	93.09	93.91
Share price, SEK	103.50	85.70	103.50	85.70	88.00	103.50
Average number of outstanding shares, '000 <sup>1)</sup>	131,689	130,157	133,221	130,157	130,157	131,306
Number of outstanding shares at end of period, '000 <sup>1)</sup>	133,221	130,157	133,221	130,157	130,157	133,221
<b>EMPLOYEES</b>						
Average number of employees	282	285	282	285	285	282

<sup>1)</sup> Registered number of shares less previously repurchased class B shares. At 15/5/2014 the company sold its total holdings of repurchased shares (3,063,748).



## THREE REASONS TO OWN SHARES IN ATRIUM LJUNGBERG

**A stable dividend yield** – The dividend yield over the last five years was 3.3 per cent. The dividend paid by the company since its flotation in 1994 have never fallen 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 over time.



# QUARTERLY SUMMARY

## INCOME STATEMENTS

	<b>2014</b>	2014	2014	2013	2013	2013	2013	2012
<b>Amounts in SEK m</b>	<b>Q3</b>	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Rental income	500.2	486.1	495.1	511.0	475.2	481.7	488.3	457.0
Net sales, project and construction work	82.7	82.3	67.1	98.3	104.7	112.1	90.2	66.0
<b>Net sales</b>	<b>582.9</b>	<b>568.4</b>	<b>562.2</b>	<b>609.3</b>	<b>579.9</b>	<b>593.8</b>	<b>578.5</b>	<b>523.0</b>
Property management costs	-137.5	-157.9	-166.5	-173.1	-144.8	-158.0	-183.0	-164.8
Project and construction work costs	-84.8	-85.3	-68.4	-95.0	-100.9	-111.8	-86.6	-61.7
<b>Gross profit</b>	<b>360.6</b>	<b>325.2</b>	<b>327.3</b>	<b>341.2</b>	<b>334.2</b>	<b>324.0</b>	<b>308.9</b>	<b>296.5</b>
– of which gross profit from property management	362.7	328.2	328.6	337.9	330.4	323.7	305.3	292.2
– of which gross profit from project and construction work	-2.1	-3.0	-1.3	3.3	3.8	0.3	3.6	4.3
Central administration, property management	-13.6	-9.9	-9.2	-16.2	-11.4	-11.1	-8.4	-13.1
Central administration, project and construction work	-3.2	-4.1	-3.1	-5.7	-3.1	-3.0	-2.6	-4.5
	-16.8	-14.0	-12.3	-21.9	-14.5	-14.1	-11.0	-17.5
Financial income	0.2	0.1	0.7	1.2	0.8	0.6	0.2	2.5
Financial expenses	-115.8	-97.6	-105.2	-107.7	-99.3	-104.2	-109.4	-108.5
	-115.6	-97.5	-104.5	-106.5	-98.5	-103.6	-109.2	-106.0
<b>Profit before changes in value</b>	<b>228.2</b>	<b>213.7</b>	<b>210.5</b>	<b>212.8</b>	<b>221.2</b>	<b>206.3</b>	<b>188.7</b>	<b>173.0</b>
Unrealised changes in value, properties	–	426.1	–	101.0	-100.0	141.5	–	123.3
Realised changes in value, properties	7.0	0.4	0.9	-1.6	-2.0	2.0	–	-0.1
Unrealised changes in value, financial instruments	-168.3	-263.9	-190.6	1.4	28.3	191.4	121.5	-55.9
Goodwill write-downs	0.0	–	–	-0.1	-33.3	–	–	-74.9
	-161.3	162.6	-189.7	100.7	-107.0	334.9	121.5	-7.6
<b>Profit before tax</b>	<b>66.9</b>	<b>376.3</b>	<b>20.8</b>	<b>313.5</b>	<b>114.2</b>	<b>541.2</b>	<b>310.2</b>	<b>165.4</b>
Tax	-7.6	-82.2	-3.9	-60.9	76.8	-118.3	-68.4	410.9
<b>Net profit for the period</b>	<b>59.3</b>	<b>294.1</b>	<b>16.9</b>	<b>252.6</b>	<b>191.0</b>	<b>422.9</b>	<b>241.8</b>	<b>576.3</b>
<b>KEY RATIOS</b>								
	<b>2014</b>	2014	2014	2013	2013	2013	2013	2012
<b>Property-related key ratios</b>	<b>Q3</b>	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Letting rate, %	93	95	95	95	95	95	95	95
Operating surplus margin, %	73	68	66	66	70	67	63	64
Letting area, '000 m <sup>2</sup>	1,012	971	964	941	940	903	903	903
Investments in properties, SEK m	163	160	185	360	329	293	320	465
Number of properties	48	49	49	47	50	51	57	57
<b>Financial key ratios</b>								
Equity/assets ratio, %	41.3	41.0	41.3	41.1	40.7	40.2	40.7	40.3
Debt/equity ratio, multiple	1.1	1.1	1.1	1.1	1.2	1.2	1.1	1.1
Gearing ratio, %	45.6	46.5	46.8	47.8	48.4	48.7	47.4	47.3
Interest coverage margin, multiple	3.0	3.2	3.0	3.0	3.2	3.0	2.7	2.6
Average rate of interest on interest-bearing liabilities (at period end), %	3.5	3.6	3.6	3.6	3.6	3.6	3.7	3.9
Return on shareholders' equity, %	2.1	10.6	0.6	9.3	7.2	16.1	9.3	23.1
Return on shareholders' equity, excluding changes in value, %	6.3	6.0	5.9	6.1	5.5	6.2	5.7	5.2
Return on total assets, %	2.7	7.0	1.9	6.3	3.2	9.9	6.5	4.4
Return on total assets excluding changes in value, %	5.0	4.6	4.7	4.8	4.4	4.8	4.7	4.5
<b>Data per share</b>								
Earnings per share, SEK	0.45	2.23	0.13	1.94	1.47	3.25	1.86	4.43
Profit before changes in value less applicable nominal tax, SEK	1.34	1.27	1.26	1.28	1.33	1.24	1.13	0.98
Cash flow, SEK	1.41	1.83	0.90	1.65	2.39	1.18	1.34	1.83
Shareholders' equity, SEK	84.89	84.40	84.85	84.67	82.68	81.16	80.71	78.79
Net worth, 10% deferred tax, SEK	93.91	93.30	93.41	93.09	90.66	89.45	88.73	86.67
Share price, SEK	103.50	109.00	98.35	88.00	85.70	85.00	91.00	87.00
Average number of outstanding shares, '000 <sup>1)</sup>	133,221	131,689	130,157	130,157	130,157	130,157	130,157	130,157
Number of outstanding shares at end of period, '000 <sup>1)</sup>	133,221	133,221	130,157	130,157	130,157	130,157	130,157	130,157

<sup>1)</sup> Registered number of shares less previously repurchased class B shares. At 15/5/2014 the company sold its total holdings of repurchased shares (3,063,748).

# PARENT COMPANY

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

Net sales totalled SEK 122.5 million (SEK 128.8 m). The operating profit/loss totalled SEK 17.7 million (SEK 25.0 m). Profit/loss after financial items total-

led SEK 217.3 million (SEK 138.4 m) and has been impacted by higher interest income from lending to subsidiary.

Interest-bearing liabilities amount to SEK 7,851 million (SEK 7,822 m as of 31/12/2013). These funds finance the parent company's property portfolio and are lent to other Group companies.

## INCOME STATEMENTS PARENT COMPANY

Amounts in SEK m	2014	2013	
	1/1-30/9	1/1-30/9	1/1-31/12
Net sales	122.5	128.8	171.6
Management and production costs	-74.1	-72.9	-177.8
<b>Gross profit</b>	<b>48.4</b>	<b>55.9</b>	<b>-6.2</b>
Profit/loss on property sales	-	-	-15.2
Central administration and marketing	-30.7	-30.9	-46.9
<b>Operating profit/loss</b>	<b>17.7</b>	<b>25.0</b>	<b>-68.3</b>
Result of participations in Group companies	140.0	134.4	281.6
Interest income and similar profit/loss items	402.9	302.5	396.7
Interest expenses and similar profit/loss items	-343.3	-323.5	-432.7
	199.6	113.4	245.6
<b>Profit/loss after financial items</b>	<b>217.3</b>	<b>138.4</b>	<b>177.3</b>
Appropriations	-7.8	0.5	28.2
Current tax	-32.7	-17.5	3.9
Deferred tax	-14.5	-12.6	-3.7
	-47.2	-30.1	0.2
<b>Net profit/loss for the period</b>	<b>162.3</b>	<b>108.8</b>	<b>205.7</b>

## SUMMARY BALANCE SHEETS PARENT COMPANY

Amounts in SEK m	30.9.2014	30.9.2013	31.12.2013
	<b>ASSETS</b>		
Tangible fixed assets	1,366.2	1,420.9	1,318.5
Financial fixed assets	2,363.6	2,234.3	2,223.6
Current assets	13,356.2	12,700.3	13,695.0
<b>Total assets</b>	<b>17,086.0</b>	<b>16,355.5</b>	<b>17,237.1</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	6,928.8	6,771.5	6,868.4
Untaxed reserves	33.6	9.3	25.8
Provisions	227.4	221.8	212.8
Long-term liabilities	7,372.7	6,291.1	6,791.3
Current liabilities	2,523.5	3,061.8	3,338.8
<b>Total shareholders' equity and liabilities</b>	<b>17,086.0</b>	<b>16,355.5</b>	<b>17,237.1</b>

# ACCOUNTING PRINCIPLES AND NOTE REFERENCES

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 2013 Annual Report, except for IFRIC 21 Levies.

During the second quarter, the EU approved IFRIC 21 Levies. According to this principle, levies imposed by the government shall be recognised in their entirety when the obligating event occurs. For Atrium Ljungberg, this affects its property tax. The obligating event occurs annually on 1 January. As a result, Atrium Ljungberg has reported an outstanding liability for this year's property tax in its accounts as per 30 June 2014. At the same time a prepaid cost for the property tax is also reported. The amount is distributed linearly across the fiscal year. The change in this accounting principle has not had an impact on consolidated earnings.

Otherwise, new and revised standards from IFRS and interpretations from IFRIC to be applied by the Group as of 1 January 2014 have had no effect on the Group's results or financial position.

## Valuation method for investment properties

Investment properties are valued at fair value in the Balance Sheet. The valuation 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.

## NOTE REFERENCES FOR THE FINANCIAL REPORTS

1) 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 30 September 2014 totals SEK -93.8 million.

2) The Group's reported interest-bearing liabilities total SEK 12,067 million (SEK 12,414 m as of 31/12/2013) and their fair value totals SEK 12,179 million (SEK 12,511 m as of 31/12/2013). 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.

3) In January a tax demand, including interest, of approximately SEK 107 million was paid to the Swedish Tax Agency. The case concerned the taxation of a property transaction carried out in 2004 via a limited partnership. Leave to appeal was not granted by the Supreme Administrative Court.

Nacka, 22 October 2014

Ingalill Berglund, CEO

# AUDITOR'S REVIEW

Atrium Ljungberg AB corporate identity number 556175-7047

To the Board of Directors of Atrium Ljungberg AB

## Introduction

We have reviewed the condensed interim report for Atrium Ljungberg AB as at September 30, 2014 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

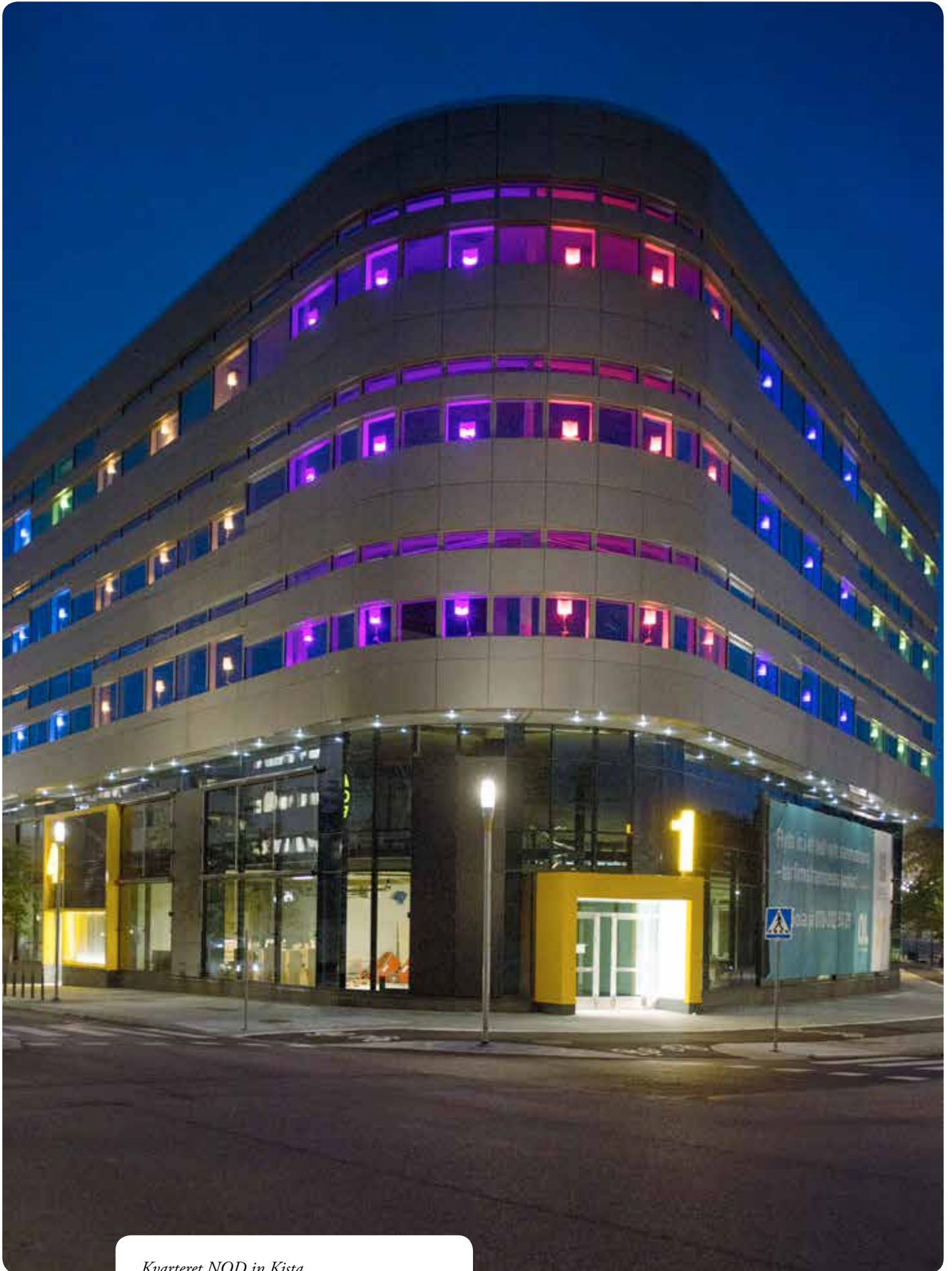
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 22 October 2014

Ernst & Young AB

Jonas Svensson  
Authorized Public Accountant

Ingemar Rindstig  
Authorized Public Accountant



*Kvarteret NOD in Kista*

# 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 average number of outstanding shares.

### 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.

### 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 average 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, 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.

### Rental value

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

# 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

Preliminary Financial Statement, 2014	20 February 2015
2014 Annual Report	Week 12 2015
Interim Report, Jan.–March 2015	21 April 2015
Annual General Meeting	21 April 2015
Interim Report, Jan.–June 2015	10 July 2015
Interim Report, Jan.–Sep. 2015	23 October 2015



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