



ATRIUM LJUNGBERG

Q4 2014

PRELIMINARY FINANCIAL
STATEMENT
JANUARY - DECEMBER



THIS IS ATRIUM LJUNGBERG

• NUMBER OF PROPERTIES	49
• PROPERTY VALUE	SEK 28.2 BILLION
• CONTRACTED ANNUAL RENT	SEK 2.1 BILLION
• TOTAL LETTING AREA	1,062,000 M ²
• LETTING RATE	93 PER CENT
• NUMBER OF EMPLOYEES	282

Atrium Ljungberg aims to create sustainable and attractive urban environments where people want to live, work and 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 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 in Mobilia 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

OUR STRATEGIES & VALUE-ENHANCING 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.



PRELIMINARY FINANCIAL STATEMENT

1 JANUARY – 31 DECEMBER

- NET SALES totalled SEK 2,311 million (SEK 2,362 m), of which rental income increased to SEK 1,981 million (SEK 1,956 m).
- THE LETTING RATE amounted to 93 per cent (95 %), including project properties where Sickla Front and NOD were added during the year.
- THE OPERATING SURPLUS from property management increased to SEK 1,344.6 million (SEK 1,297.3 m).
- THE PROFIT BEFORE CHANGES IN VALUE increased to SEK 843.5 million (SEK 829.0 m).
- UNREALISED CHANGES IN THE VALUE of properties amounted to SEK 860.6 million (SEK 142.5 m). Unrealised changes in the value of financial instruments amounted to SEK -894.0 million (SEK 342.6 m).
- THE NET PROFIT FOR THE YEAR totalled SEK 645.2 million (SEK 1,108.3 m), corresponding to SEK 4.89/share (SEK 8.52/share). The decrease is entirely explained by an increased deficit in the derivatives portfolio.
- INVESTMENTS in Atrium Ljungberg's own properties amounted to SEK 707 million (SEK 1,302 m). Properties were acquired for a total of SEK 1,673 million (SEK 0 m).
- SALE of properties amounted to SEK 94 million (SEK 1,012 m).
- THE BOARD proposes a dividend of SEK 3.30/share (SEK 3.05/share).
- THE 2015 PROFIT FORECAST before changes in value and tax is SEK 920 million.

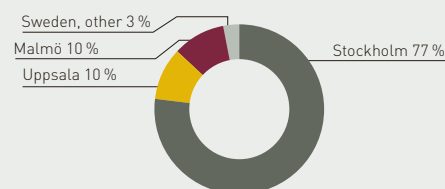
SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- Acquisition of the property Stora Katrineberg 16, Point Liljeholmen, an office building of approximately 40,000 m² in Liljeholmen in Stockholm.
- Several lettings were conducted in NOD and agreements were concluded for approximately 5,500 m².
- Kvarteret NOD in Kista was officially inaugurated.

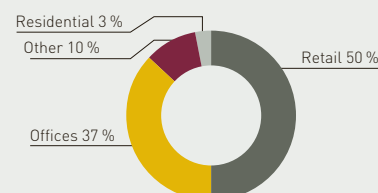
KEY RATIOS

	2014 Jan–Dec	2013 Jan–Dec	2014 Oct–Dec	2013 Oct–Dec
Net sales, SEK	2,311	2,362	598	609
Profit/loss before changes in value, SEK m	844	829	191	213
Net profit/loss for the period, SEK m	645	1,108	275	253
Investments, SEK m	707	1,302	199	360
Cash flow from operating activities, SEK m	734	854	189	215
Letting rate, %	93	95	93	95
Equity/assets ratio, %	39.6	41.1	39.6	41.1
Gearing ratio, %	45.5	47.8	45.5	47.8
Average interest rate at period end, %	3.2	3.6	3.2	3.6
Interest coverage ratio, multiple	3.0	3.0	2.8	3.0
Earnings per share, SEK	4.89	8.52	2.06	1.94
Profit/loss before changes in value less nominal tax, SEK/share	4.98	4.97	1.12	1.28
Market value, SEK/share	114.70	88.00	114.70	88.00
Shareholders' equity, SEK/share	87.00	84.67	87.00	84.67
Net worth, SEK/share, 10% deferred tax	96.66	93.09	96.66	93.09

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

THE RESULT FOR 2014 exceeded the forecast and with the acquisition worth a billion in Liljeholmen and a new large land allocation in Barkarby, we are establishing ourselves in new subsidiary markets. Together with new project opportunities in our existing locations, this creates conditions for continued good growth during coming years.



RESULTS 2014

It has been an eventful year for Atrium Ljungberg with many positive aspects, among other things, three new acquisitions with significant future potential, project opportunities in new subsidiary markets and continued stable profit growth. We have surpassed our forecast with a profit before changes in value which amounted to SEK 844 million against the forecast SEK 815 million. The operating surplus for 2014 increased by 3.6 per cent and deducting effects of conducted sales, the increase amounted to approximately six per cent. Market interest rates have fallen significantly during the year and our average interest rate has been reduced by 0.4 percentage points to a low 3.2 per cent at the end of the year. However, the net interest expense was encumbered with the capital cost of our project acquisitions and by Sickla Front. Currently they result in negative cash flows but at the same time comprise a future potential. The strong property market has resulted in increased property prices with a value increase in our existing property portfolio of SEK 861 million. However, lower market interest rates also create temporary deficits in the derivatives portfolio which encumber the profit in terms of accounting, however without any cash flow effects. We have invested approximately SEK 700 million in own properties during the year and at the same time have net acquired properties for SEK 1.6 billion.

LARGE INTEREST IN PROPERTIES

The property market is hot and the transaction volume for 2014 is again close to record levels. There is a lot of capital in circulation and in the hunt for return, the interest in properties has increased with tough competition, rising prices and strained yield requirements as a result. The demand has been strongest in attractive locations in large cities. The good rental market for office properties in large cities also contributes to rising rental levels and thereby higher values. Once again this proves that our strategy has been completely right; focusing our business on these areas, ride on the urbanisation wave and find properties and locations where conditions for urban development and a favourable rental trend exist.

For Atrium Ljungberg the situation in the property market has had a positive effect on the valuation of the property portfolio which, at the end of 2014, is valued at an average dividend yield of 5.6 per cent compared to 5.7 per cent at the start of 2014. The increase in value amounts to SEK 861 million, in addition to investments and acquisitions made during the year.

“Going forward I envisage continued good demand for our markets and strongly believe in the attraction of our offering and in the opportunity our project portfolio provides.”

With the increased interest in properties, Atrium Ljungberg's share price has developed positively during the year with an increase of 30 per cent. Trading in shares has also increased, probably partially as a result of the sale of shares which was conducted together with the primary owners during the spring. A comparison of equity trading 200 days before and after the sale reveals that turnover has increased by 24 per cent. The share price has continued to develop strongly during the start of 2015.

CONTINUED FOCUS ON GROWTH IN STRONG MARKETS

Our property and project portfolio continues to grow. Through the acquisition of the office property Point Liljeholmen we are entering a new subsidiary market, which we assess will have a continued strong and positive development pace for both commercial businesses and for residential environments. Stockholm is growing and the decided infrastructure investments

with an extended underground railway and light rail line are not just in demand, they also create conditions for new interesting locations. It is not a coincidence that Atrium Ljungberg is along all these new line routes, with both existing properties and development rights for future projects. Our properties in Hagastaden can be reached with a new underground railway already in 2020 and the underground railway in Sickla is expected to be extended around 2025. Soon we will also be along the third planned underground railway line after we very gratifyingly won the land allocation competition for a new urban district of 50,000 m² in the fast developing Barkarbystaden in Järfälla. There we will initially together with the municipality of Järfälla further develop the concept Barkarby College to a regional meeting place for learning, culture, trade and industry as well as higher education. In our future urban development, residential will also comprise a slightly larger feature than at present, and currently detailed development plan processes are ongoing for 2,000 new apartments to be added to the 700 we already have.

OUTLOOK 2015

We are entering 2015 with a strong property and rental market and a historically low interest rate and the retail sector is expected to attain stable growth. Going forward I envisage continued good demand in our subsidiary markets. I also strongly believe in the attraction of our offering and have great expectations for the opportunities our large project portfolio provides. With the work which was conducted during 2014, we have created the conditions for good resource growth during 2015 as well. The profit before changes in value and tax is estimated to amount to SEK 920 million in comparison to SEK 844 million for 2014.

Atrium Ljungberg will continue on the featured path; to contribute to urban development in the Stockholm region, Malmö and Uppsala. Our vision – a city where everyone wants to live – is an expression for what we want to achieve, exciting urban environments where everything you desire is close by and where people want to work, live and be – today and tomorrow. With all parts of our offering, the collected expertise of our employees, customers and partners and in good collaboration, we have opportunities to attain the vision.

Many thanks to all those who in various ways have contributed to the good development over the past year!

Ingalill Berglund, CEO

MARKET

THE SWEDISH ECONOMY

The Swedish economy has had a weak positive trend during the autumn. Growth has been driven by domestic demand while export has been weak, primarily due to the financial challenges of the euro zone. GDP increased during 2014 by 1.7 per cent.

Households continue to be the most important driving force in the Swedish economy, while purchasing power may be dampened by tax increases and amortisation demands. It is assessed that Swedish companies will increase their investment rate and exports are predicted to increase as growth in the surrounding environment gradually increases.

The forecast of the National Institute of Economic Research for GDP is that it will increase by 2.3 per cent in 2015 and 3.1 per cent in 2016.

RETAIL MARKET

The retail market in Sweden developed positively during the autumn of 2014 and Christmas trade achieved a new record. December sales increased by 5.0 per cent in comparison to the previous year. The Swedish retail sector grew by 3.4 per cent during the period January – December 2014, measured in rolling prices and in comparison with the corresponding period in 2013.

HUI Research predicts positive growth of 3.0 per cent in the Swedish retail sector in 2015 and 3.5 per cent in 2016.

In 2014, Atrium Ljungberg's major retail hubs, namely Sickla, Farsta Centrum, Port 73, Gränby Centrum and Mobilia have reported a collective positive year-on-year increase in net sales of 6.3 per cent compared to the previous year, where Mobilia and Port 73 account for the largest increases, primarily as a result of

expansion of the retail hubs. Retail in Malmö continues to be challenging, but Mobilia has a strong position and good conditions to continue being one of Malmö's leading retail hubs.

Rental levels for Atrium Ljungberg's retail properties have remained the same during 2014.

OFFICE RENTAL MARKET

The office rental market in Stockholm has had stronger growth during 2014 compared to the previous year. Through continued strong population expansion and increase in employment, we assess that the office rental market in Stockholm will continue to develop favourably over coming years. Low vacancies and limited construction of new office premises in Stockholm city centre has increased interest in the premises outside the city centre. The interest in establishing in Hagastaden continues to be large and we can primarily see that the area's Life Science specialism is attracting companies within the health care sector. The demand for office premises is also large on Södermalm and the vacancy level is low. In Ärvinge in Kista the trend has been weaker.

MANAGEMENT NET LETTING

Net letting during the fourth quarter of 2014, i.e. newly agreed contracted annual rents less annual rents terminated due to clients vacating the premises, amounted to SEK –8 million, and was primarily impacted by that Oracle is leaving approximately 6,000 m² in Ärvinge in Kista at the end of 2015. Net letting was impacted positively by, among other things, that Fujitsu has signed a lease contract of 4,000 m² in NOD in Kista.

The time lag between net letting and its effect on profit is assessed as 6–12 months.

RENTAL INCOME AND LETTING RATE

The Group's contracted annual rent amounted to SEK 2,090 million on 01/01/2015 (SEK 1,900 m). The rental value, i.e. contracted annual rent and estimated market rents for vacant space in existing condition, amounted to SEK 2,246 million (SEK 2,008 m) on 01/01/2015. The economic letting rate thereby amounted to 95 per cent (95) excluding project properties, and 93 per cent (95) including project properties. The contract and rental value have been impacted by the year's three acquired properties and that the project properties Kvarteret NOD and Sickla Front since the third quarter have been included.

LETTING RATE ¹⁾

	Rental value, SEK m	Contracted annual rent, SEK m	Letting rate, %
Business area Retail	1,149	1,100	96
Business area Offices	975	916	94
Total	2,124	2,016	95
Project properties	122	73	60
Total	2,246	2,090	93

¹⁾ Reported letting rates are based on the immediately subsequent quarter after the balance sheet date.

PROJECT PROPERTIES

During 2014 investments in own properties amounted to SEK 707 million, of which SEK 437 million in project properties. Four large projects were completed during the year; two residential buildings in Mobilia in Malmö, a new building for Ica Kvantum in Farsta Centrum, Kvarteret NOD in Kista and the office building Sickla Front in Sickla. The remaining investment volume for project properties amounted to approximately SEK 260 million at the turn of the year.

PROJECT PROPERTIES ¹⁾

Project/Property/Location	Reconstruction, letting area m ²	New build, letting area m ²	Premises type	Investment, SEK m	Of which remaining, SEK m	Completed	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 ²⁾	98
Kvarteret NOD, Kista Gärd, Borgarnäs 1, Stockholm		27,000	Offices/Other	700	70 ³⁾	Q3 2014	68	76
Sickla Front, Sicklaön 83:32, Nacka		10,500	Offices	350	80 ³⁾	Q3 2014	24	N/A ²⁾
Gränby Köpstad, Brillinge 8:1/9:1, Uppsala		15,500	Retail/Other	300	110	2014/2015 ⁴⁾	26	65
Total	400	60,600		1,600	260			

¹⁾ 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 1st January of the year after completion.

²⁾ Rental value/letting rate is not, with reference to individual business transactions, reported as a subtotal.

³⁾ Refers to remaining tenant-specific adaptations.

⁴⁾ Covers approximately 50,000 m² GFA in total. Investment decisions and completion take place in stages, among other things, connected to letting.

RENTAL APARTMENTS MOBILIA – MALMÖ

Two residential buildings with seventy rental apartments in the city district Mobilia were completed at the start of the year. The last occupancies took place during May. The residential properties with businesses on the bottom floors have been a major contributor to creating a living environment in and around Mobilia.

ICA KVANTUM – FARSTA CENTRUM

At the beginning of May, a 3,900 m² reconstruction and extension in Farsta Centrum for Ica Kvantum and an additional three new stores were inaugurated. The new building also has a two-story garage with more than 140 parking spaces. The new establishments complement Farsta Centrum's total offering and are a step towards strengthening the centre's grocery and food offerings.

KVARTERET NOD – KISTA

During the autumn of 2014 we completed Kvarteret NOD in Kista on the exterior and at the start of October the first interior part of approximately half of total 27,000 m² was completed. The remaining interior parts of the building will be completed as letting takes place.

After establishing operations within academia, research and culture as a foundation in NOD, during the last quarter of 2014 we concluded agreements with several strong and innovative companies within the IT sector, of

which Fujitsu Sverige is one. Fujitsu will move into NOD during the autumn of 2015. Other contracted companies have moved in.

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 area for the continued growth of Kista. The building initially attained the BREEAM certification Very Good, with the possibility of achieving Excellent.

SICKLA FRONT – SICKLA

The office building Sickla Front in Sickla was completed during the autumn of 2014.

Tenant-specific adaptations are ongoing in line with letting and at the start of March 2015 the first tenant will move into its premises. Sickla Front will be certified in accordance with the BREEAM environmental certification system.

During the second quarter of 2014, Atrium Ljungberg submitted an application for summons directed against AkzoNobel, which in 2013 rescinded the lease contract it signed for Sickla Front in 2010. The main proceedings in the District Court are planned for December 2015.

GRÄNBÝ KÖPSTAD – UPPSALA

A gradual development of the new big box hub in north-east Uppsala has continued during the year. At the end of July 2014 the area's other restaurant building was completed where three restaurant concepts opened.

Construction of two additional buildings started during the year. In one building Blomsterlandet will open during March 2015 and in the second building Apoteket and City Gross will open during September and October 2015 respectively.

The aim is to create a retail hub of approximately 50,000 m² 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 supplement the retail range in the existing Gränby Centrum.

POTENTIAL DEVELOPMENT PROJECTS

During the year significant work was conducted to develop new detailed development plans for our future development projects. After the turn of the year a collaboration and land allocation agreement was concluded with the municipality of Järfälla about a development right of approximately 50,000 m² GFA in Barkarbystaden in north-western Stockholm. The estimated project volume of potential but not yet determined projects thereby amounts to approximately SEK 10 billion, an increase of approximately SEK 3 billion compared to the previous year. The plans cover equally large areas of residential, retail and offices. Approximately two thirds of the project portfolio is in Sickla and Uppsala.

POTENTIAL DEVELOPMENT PROJECTS

	Municipality	Premises type ¹⁾	Project area, m ² GFA		
			Detailed development plan exists	Change to detailed development plan required	Inv., SEK m ²⁾
Sickla	Nacka	Retail	14,000	2,000	
Sickla	Nacka	Offices	12,000	63,000	
Sickla	Nacka	Residential		101,000	
Sickla	Nacka	Education		18,000	
Gränby Köpstad	Uppsala	Retail	29,000		
Gränby Centrum	Uppsala	Retail		48,000	
Gränby Centrum	Uppsala	Residential		36,000	
Mobilia	Malmö	Retail	14,000		
Port 73	Haninge	Retail	8,000		
Hagastaden ³⁾	Stockholm	Offices	36,000		
Hagastaden ⁴⁾	Stockholm	Retail	1,000		
Farsta Centrum	Stockholm	Retail	5,000		
Södermalm ⁵⁾	Stockholm	Offices	16,000		
Barkarby ⁶⁾	Järfälla	Retail		3,000	
Barkarby ⁶⁾	Järfälla	Offices		10,000	
Barkarby ⁶⁾	Järfälla	Residential		12,000	
Barkarby ⁶⁾	Järfälla	Education		25,000	
Total			135,000	318,000	10,000

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

²⁾ The investment volume includes possible land acquisition.

³⁾ Refers to a land allocation with the option of acquiring land with a development right of approximately 36,000 m² GFA alongside Solnavägen (part of the Vasastaden 1:45 property).

⁴⁾ Refers to a land allocation with the option of transferring land with leasehold for a development right of approximately 1,000 GFA by Norra Stationsgatan.

⁵⁾ Refers to a land allocation with the option of acquiring land with development rights of approximately 16,000–18,000 m² GFA on Stadsgrändsleden in front of Glashuset.

⁶⁾ Refers to a land allocation with the option of acquiring land with a development right of approximately 50,000 m² GFA, which was received during February 2015.

PROPERTY PORTFOLIO AND TRANSACTIONS

The Swedish property market is strong and the interest in property investments continues to increase. Domestic institutions and insurance capital is utilised for property investments as the return of other assets is very low. The access to debt through bank loans and the capital market is also good. Combined with the historically low interest rate, the interest has resulted in record volumes on the transaction market. According to Savills, the transaction volume in the Swedish property market during 2014 amounted to SEK 160 billion, the second highest quotation to date. The fourth quarter was extremely strong as an impressive SEK 69 billion was traded, an increase of 114 per cent compared to the same period in 2013. The competition situation has also resulted in declining yield requirements, primarily for the best office properties in the large cities.

OUR PROPERTY PORTFOLIO

Atrium Ljungberg's property portfolio comprises 49 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 1,062,000 m².

PROPERTY ACQUISITION AND SALES

In February 2014, the property Sicklaön 83:33, Nobelberget in Sickla in Nacka was acquired. The property has a total area of roughly 35,000 m². 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 new builds and extensions have been completed

during the year and the property's total letting area is now approximately 16,000 m². The purchase price amounted to SEK 265 million and the date of possession of the property was 29 April 2014.

In December the property Stora Katrineberg 16, Point Liljeholmen, an office building of approximately 40,000 m² was acquired. The acquisition took place through a company transaction with an underlying property value of SEK 1.1 billion. The date of possession was 2 February 2015.

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 m². The purchase price was based on a property value amounting to SEK 94 million and the sale yielded a positive result after tax of approximately SEK 13 million.

Torgvågen 7, known more as the PUB department store, was sold in July 2013 and vacated in January 2014.

CHANGE IN THE VALUE OF THE PROPERTY PORTFOLIO

	SEK m	Number
Property portfolio, 31/12/2013	25,008	47
Acquisitions	1,673	3
Sale	-85	-1
Investments in our own properties	707	-
Unrealised changes in value	861	-
Property portfolio, 31/12/2014	28,163	49

PROPERTY VALUES

During the fourth quarter Atrium Ljungberg externally valued the properties corresponding to 35 per cent of the market value of the property portfolio, which provides an external valuation during the year of 54 per cent of the market value. The valuation was carried out by Forum Fastighetsekonomi and Savills. The remaining properties were 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 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 m² GFA 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.

The reported value of the property portfolio totalled SEK 28,163 million (SEK 25,008 m). The average yield requirement in the valuation is 5.6 per cent (5.7%). Investments in Atrium Ljungberg's own properties during the period totalled SEK 707 million (SEK 1,302 m). The unrealised change in value totalled SEK 861 million (SEK 142 m), and is primarily explained by lower yield requirements for certain properties, primarily for offices in Stockholm city centre and some large retail properties.

UNREALISED CHANGES IN VALUE

	SEK m
Change in yield requirements	705
Change in operating nets	84
Change in investments	72
Total	861

PROPERTY PORTFOLIO, 31/12/2014

Property portfolio by segment	Letting area, 1,000 m ²	Fair value, SEK m	Fair value, SEK/m ²	Rental value, SEK m ²¹	Rental value, SEK/m ²	Economic letting rate, %	January – December 2014 ¹¹			Return ¹¹
							Rental income, SEK m	Property expenses, SEK m	Operating surplus, SEK m	%
Business area Retail	523	13,925	25,928	1,149	2,194	96	1,098	-387	711	5.3
Business area Offices	472	12,237	26,603	975	2,066	94	828	-228	600	5.4
Total	995	26,161	26,283	2,124	2,134	95	1,926	-615	1,311	5.4
Project properties, including land and development rights	67	2,002	N/A ³¹	122	1,827	60	45	-17	28	1.3
Total	1,062	28,163		2,246	2,144	93	1,970	-632	1,338	5.0
Properties sold							10	-4	6	
Total Group							1,981	-636	1,345	

¹¹ Refers to reported result during the year.

²¹ Reported rental value is based on the immediately subsequent quarter.

³¹ Letting area for new production is not reported until the project is completed and the figures hence do not accurately represent the actual situation.

YIELD REQUIREMENT PER PREMISES TYPE, %

Premises type	Interval	Average
Offices	4.5 – 8.0	5.6
Retail	4.5 – 7.5	5.6
Residentials	3.8 – 4.8	3.9
Other	4.5 – 8.0	6.1
Total	3.8 – 8.0	5.6

YIELD REQUIREMENT PER REGION, %

Region	Interval	Average
Stockholm	3.8 – 8.0	5.5
Uppsala	4.8 – 6.0	5.6
Malmö	4.3 – 7.0	5.8
Sweden, other	6.3 – 7.0	6.6
Total	3.8 – 8.0	5.6

SALES AND NET PROFIT

1 JANUARY – 31 DECEMBER

The Group's posted net sales for the year totalled SEK 2,311 million (SEK 2,362 m), of which rental income comprised SEK 1,981 million (SEK 1,956 m). The decrease in net sales is primarily attributable to lower sales in the subsidiary TL Bygg. Rental income has increased, which is primarily explained by additional rental income from the most recently completed phases of Mobilia, Port 73 and Farsta, as well as acquisitions and new letting. During the year non-recurring remuneration for premature vacating the properties was received by SEK 12.8 million (SEK 6.5 m). At the same time, rental income has been impacted negatively by loss of rental income for sold properties. Rental income from sold properties amounted to SEK 10.4 million (SEK 75.7 m).

The operating surplus increased to SEK 1,344.6 million (1,297.3 m), corresponding to 3.6 percent. In addition to the change in rental income in accordance with the above, property expenses have declined by SEK 23 million. The decrease primarily relates to lower costs of leasehold fees, certain service charge-related costs and operating costs such as heating and snow clearance.

The profit before changes in value totalled SEK 843.5 million (SEK 829.0 m). Unrealised changes in the value of properties totalled SEK 860.6 million (SEK 142.5 m), and are primarily explained by lower yield requirements for certain properties, primarily for offices in Stockholm city centre and for some large retail properties. Realised changes in the value of properties totalled SEK 8.3 million (SEK -1.6 m) and refer to the sale of Fatbursbrunnen 17. Unrealised changes in the value of financial instruments totalled SEK -894.0 million (SEK 342.6 m) as a result of lower market interest rates.

The current tax for the year totalled SEK -16.2 million and has been affected by, among other things, fiscally deductible depreciation and investments, and by carry-forwards from the previous year's tax assessment.

The net profit for the year totalled SEK 645.2 million (SEK 1,108.3 m), corresponding to SEK 4.89/share (SEK 8.52/share).

1 OCTOBER – 31 DECEMBER

The Group's posted net sales for the fourth quarter of the year totalled SEK 598 million (SEK 609 m), of which rental income comprised SEK 499 million (SEK 511 m).

The operating surplus decreased to SEK 325.1 million (SEK 337.9 m) mainly due to the sold property Torgvågen 7 (Pub) being included in the operating surplus during the fourth quarter of 2013 and due to temporary vacancies where new tenants will move in at the turn of the year 2014/2015.

The profit before changes in value totalled SEK 191.1 million (SEK 212.8 m). Unrealised changes in the value of properties totalled SEK 434.5 million (SEK 101.0 m), and are primarily explained by lower yield requirements for certain properties, primarily for offices in Stockholm city centre and for some large retail properties. Realised changes in the value of properties totalled SEK 0.0 million (SEK -1.6 m). Unrealised changes in the value of financial instruments totalled SEK -271.2 million (SEK 1.4 m) as a result of lower market interest rates.

Net profit for the period totalled SEK 274.9 million (SEK 252.6 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 for the year was impacted positively compared to previous years as a result of a milder winter with little snow, both at the start and end of the year.

PROJECT AND CONSTRUCTION ACTIVITIES

Net sales for project and construction activities for the year totalled SEK 331 million (SEK 405 m). TL Bygg's net sales totalled SEK 418 million (SEK 492 m), SEK 112 million (SEK 114 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 -10.8 million (11.0). TL Bygg's gross profit amounted to SEK 29.3 million (SEK 49.6 m).

FINANCING

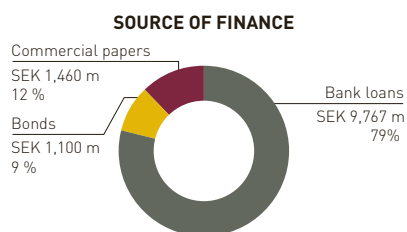
Atrium Ljungberg meets its financing requirements through five Nordic banks and the capital market. The banks are Atrium Ljungberg's biggest financiers, and bank loans accounted for 79 per cent of the total loan volume during the fourth quarter. Interest-bearing liabilities totalled SEK 12,327 million at the period end, with an average interest rate of 3.2 per cent. Including unutilised loan guarantees, the average interest rate amounted to 3.3 per cent. The average fixed interest term was 4.8 years and the capital commitment term was 2.7 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 900 million in forward-started swaps. Interest swaps are valued at market rate in conjunction with every year-end closing and the change in value is reported via the Profit

TAX CALCULATION, 31/12/2014

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	818.4	
Fiscally deductible		
depreciation	-531.1	531.1
investments	-156.2	156.2
Non-taxable/non-deductible		
changes in the value of properties, unrealised	-860.6	860.6
changes in the value of properties, realised	-8.3	-27.3
changes in the value of financial instruments, unrealised	894.0	-894.0
consolidated capitalisation of borrowing costs	-15.2	15.2
Other fiscal adjustments	2.6	3.0
Fiscal profit/loss before loss carry-forwards	143.6	644.8
Loss carry-forwards, opening balance	-23.1	23.1
Fiscally deductible investments, adjustment from previous years	-61.8	60.6
Other adjustments of loss carry-forwards	3.3	-
Property acquisition through companies	-108.5	-
Loss carry-forwards, closing balance	122.8	-14.3
Taxable profit/loss	76.3	714.2
Of which 22% current/deferred tax	-16.8	-157.1
Revaluation of previous tax assessments and other adjustments	0.6	0.1
Reported tax expense	-16.2	-157.0

and Loss Statement. During final maturity, a derivative contract's market value has been entirely dissolved and the change in value over time has thereby not impacted shareholders' equity. The unrealised change in the value of financial instruments totalled SEK -894.0 million (SEK 342.6 m) as interest rates had fallen on the terms of the derivatives taken out in relation to those during the period. The deficit book value of the derivatives portfolio totalled SEK -846.4 million (SEK 14.9 m) at the period end.



FIXED INTEREST¹⁾

Fixed interest term	Amount, SEK m	Percentage, %	Average interest, %
Variable + 3M Stibor	2,018	16	1.8
2015	1,742	14	1.2
2016	1,085	9	3.8
2017	630	5	3.7
2,018	849	7	3.8
2019	606	5	4.0
2020 and thereafter	5,396	44	4.1
Total	12,327	100	3.2

¹⁾ The average credit margin for variable interest rates is spread over the time segment during which the derivative falls due for payment. The average interest is reported excluding the cost of unutilised loan guarantees.

CAPITAL COMMITMENT

Fixed interest term	Amount, SEK m	Percentage, %
2015	2,510	20
2016	2,935	24
2017	3,730	30
2018	1,482	12
2019	840	7
2020 and thereafter	829	7
Total	12,327	100
Prepaid financing costs	-10	
Interest-bearing liabilities in accordance with the Balance Sheet	12,317	

KEY RATIOS FINANCING

	31/12/2014	31/12/2013
Interest-bearing liabilities, SEK m	12,327	12,427
Gearing ratio, %	45.5	47.8
Average fixed interest term, years	4.8	4.4
Average capital commitment term, years	2.7	3.0
Average interest rate for interest-bearing liabilities, %	3.2	3.6
Shareholders' equity, SEK m	11,590	11,021

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 light of both their complexity and size of the amounts involved, are letting, property valuation, 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.

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 of the taxable profit. This would entail a higher tax expense for Atrium Ljungberg. The proposal has been submitted for feedback and answers were received during the autumn. The majority of the bodies reject the proposal. It is proposed that the new rules will enter into force on 1 January 2016, but the assessors do not believe that this is possible in light of that the consultative bodies have presented aspects which should be taken into account in the continued work.

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.

EVENTS AFTER THE CLOSING DAY

On 2 February 2015 the property Stora Kattrineberg 16, Point Liljeholmen in Stockholm was taken into possession. The property comprises several connected buildings, with a total letting area of approximately 40,000 m². The acquisition took place through a company transaction in December 2014. The underlying property value was SEK 1.1 billion.

On 3 February 2015 it was communicated that Atrium Ljungberg has won a land allocation competition for a new urban district of 50,000 m² in Barkarbystaden in Järfälla. Together with the municipality of Järfälla, Atrium Ljungberg will further develop Barkarby College to a regional meeting place for training, culture, trade and industry as well as higher education.

OUTLOOK FOR 2015

Atrium Ljungberg is well-positioned 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 investment volume in own properties for 2015 is assessed as amounting to approximately SEK 700 million.

The result for 2015 will be affected by completed projects and conducted property acquisitions. The forecast profit before changes in value and tax for 2015 is SEK 920 million. The forecast net profit after tax is SEK 720 million, corresponding to SEK 5.40/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 3.30 per share (SEK 3.05/share) is proposed for the financial year, which corresponds to a dividend of SEK 66.8 per cent of the distributable profit (SEK 61.4%) and a yield of 2.9 per cent (3.5%).

ANNUAL GENERAL MEETING

The annual general meeting (AGM) will take place on Tuesday 21 April 2015 at 17.00 (CET), Kvarteret NOD, Borgarfjordsgatan 12 in Kista. Notices convening the AGM will be sent by letters in the post to shareholders and the AGM will also be advertised in Post- och Inrikes Tidningar (the Official Swedish Gazette). A statement that the AGM 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) for full details of the Nomination Committee's proposals and of the items on the agenda for the AGM.



In December we acquired the property Stora Katrineberg 16 in Liljeholmen of approximately 40,000 m² office space.



In February 2015 the municipality of Järfälla decided to proceed with Atrium Ljungberg's proposal "Barkarby Col-lege/Symbiosis" – an urban district with education, service, culture as well as trade and industry.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	2014 1/1-31/12	2013 1/1-31/12	2014 1/10-31/12	2013 1/10-31/12
Rental income	1,980.5	1,956.2	499.1	511.0
Net sales, project and construction work	330.8	405.3	98.7	98.3
Net sales	2,311.3	2,361.5	597.8	609.3
Property management costs				
Service charge-related costs	-175.6	-178.9	-46.0	-47.3
Other operating costs	-147.3	-156.1	-41.5	-40.8
Management costs	-131.6	-128.9	-41.5	-36.0
Repairs	-44.4	-41.0	-15.9	-12.2
Property tax	-115.0	-119.5	-28.0	-29.7
Leasehold fees	-13.6	-24.7	0.3	-4.4
Non-deductible VAT	-8.4	-9.8	-1.4	-2.7
	-635.9	-658.9	-174.0	-173.1
Project and construction work costs	-341.6	-394.3	-103.1	-95.0
Gross profit	1,333.8	1,308.3	320.7	341.2
– of which gross profit property management (operating surplus)	1,344.6	1,297.3	325.1	337.9
– of which gross profit project and construction work	-10.8	11.0	-4.4	3.3
Central administration, property management	-53.3	-47.1	-20.6	-16.2
Central administration, project and construction work	-14.0	-14.4	-3.6	-5.7
	-67.3	-61.5	-24.2	-21.9
Financial income	1.5	2.8	0.5	1.2
Financial expenses	-424.5	-420.6	-105.9	-107.7
	-423.0	-417.8	-105.4	-106.5
Profit before changes in value	843.5	829.0	191.1	212.8
Changes in value				
Properties, unrealised	860.6	142.5	434.5	101.0
Properties, realised	8.3	-1.6	0.0	-1.6
Financial instruments, unrealised ¹⁾	-894.0	342.6	-271.2	1.4
Write-downs, goodwill	0.0	-33.4	-	-0.1
	-25.1	450.1	163.3	100.7
Profit before tax	818.4	1,279.1	354.4	313.5
Current tax	-16.2	6.1	16.8	39.5
Deferred tax	-157.0	-176.9	-96.3	-100.4
	-173.2	-170.8	-79.5	-60.9
Net profit for the period	645.2	1,108.3	274.9	252.6
Other comprehensive income				
<i>Items that will be reclassified to net profit for the period</i>				
Cash flow hedging ¹⁾	32.7	35.9	7.7	8.6
Tax attributable to other reported income and expenses	-7.2	-7.9	-1.7	-1.9
Total other comprehensive income	25.5	28.0	6.0	6.7
Total comprehensive income for the period	670.7	1,136.3	280.9	259.3
Earnings per share, SEK	4.89	8.52	2.06	1.94

¹⁾ For note references, see page 19.

SEGMENT REPORTING 1/1–31/12 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 ¹⁾	TL Bygg	Project and construction activities, total	Non-allocated items and eliminations	The Group
Rental income	1,098.0	827.6	44.5	10.4	1,980.5					1,980.5
Net sales, project and construction work						24.3	418.1	442.4	-111.6	330.8
Net sales	1,098.0	827.6	44.5	10.4	1,980.5	24.3	418.1	442.4	-111.6	2,311.3
Property management costs	-387.1	-228.0	-16.7	-4.1	-635.9					-635.9
Project and construction work costs						-64.4	-388.8	-453.2	111.6	-341.6
Gross profit	710.9	599.6	27.8	6.3	1,344.6	-40.1	29.3	-10.8	0.0	1,333.8
<i>- of which gross profit/loss from property management</i>	<i>710.9</i>	<i>599.6</i>	<i>27.8</i>	<i>6.3</i>	<i>1,344.6</i>					<i>1,344.6</i>
<i>- of which gross profit/loss from project and construction work</i>						<i>-40.1</i>	<i>29.3</i>	<i>-10.8</i>		<i>-10.8</i>
Central administration, property management					-53.3					-53.3
Central administration, project and construction work							-14.0	-14.0		-14.0
Financial income									1.5	1.5
Financial expenses									-424.5	-424.5
Profit/loss before changes in value	710.9	599.6	27.8	6.3	1,291.3	-40.1	15.3	-24.8	-423.0	843.5
Unrealised changes in value, properties	301.9	476.5	82.2		860.6					860.6
Realised changes in value, properties				8.3	8.3					8.3
Unrealised changes in value, financial instruments									-894.0	-894.0
	301.9	476.5	82.2	8.3	868.9				-894.0	-25.1
Current tax									-16.2	-16.2
Deferred tax									-157.0	-157.0
Net profit/loss for the period	1,012.8	1,076.1	110.0	14.6	2,160.2	-40.1	15.3	-24.8	-1,490.2	645.2
Investments and acquisitions per business segment										
Investments, investment properties	149.1	120.2	437.3		706.6					706.6
Investments, project and construction work							0.4	0.4		0.4
Acquisitions, investment properties		1,318.0	355.0		1,673.0					1,673.0
	149.1	1,438.2	792.3		2,379.6		0.4	0.4		2,380.0
Assets per business segment, period end										
Investment properties	13,924.5	12,236.9	2,002.0		28,163.4					28,163.4
Project and construction work							105.9	105.9		105.9
Unallocated joint assets									1,006.3	1,006.3
Total assets	13,924.5	12,236.9	2,002.0		28,163.4		105.9	105.9	1,006.3	29,275.6

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

SEGMENT REPORTING 1/1–31/12 2013

Amounts in SEK m	Business area Retail	Business area Office	Project properties	Properties sold	Property management, total	Project development ¹⁾	TL Bygg	Project and construction activities, total	Non-alloc- ated items and eliminations	The Group
Rental income	1,061.2	818.0	1.3	75.7	1,956.2					1,956.2
Net sales, project and construction work						27.3	491.8	519.1	-113.8	405.3
Net sales	1,061.2	818.0	1.3	75.7	1,956.2	27.3	491.8	519.1	-113.8	2,361.5
Property management costs	-373.9	-246.8	-0.9	-37.3	-658.9					-658.9
Project and construction work costs						-67.6	-440.5	-508.1	113.8	-394.3
Gross profit	687.3	571.2	0.4	38.4	1,297.3	-40.3	51.3	11.0	0.0	1,308.3
<i>- of which gross profit/loss from property management</i>	<i>687.3</i>	<i>571.2</i>	<i>0.4</i>	<i>38.4</i>	<i>1,297.3</i>					<i>1,297.3</i>
<i>- of which gross profit/loss from project and construction work</i>						<i>-40.3</i>	<i>51.3</i>	<i>11.0</i>		<i>11.0</i>
Central administration, property management					-47.1					-47.1
Central administration, project and construction work							-14.4	-14.4		-14.4
Financial income									2.8	2.8
Financial expenses									-420.6	-420.6
Profit/loss before changes in value	687.3	571.2	0.4	38.4	1,250.2	-40.3	36.9	-3.4	-417.8	829.0
Unrealised changes in value, properties	240.2	72.0	-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
	240.2	72.0	-169.7	-35.0	107.5				342.6	450.1
Current tax									6.1	6.1
Deferred tax									-176.9	-176.9
Net profit/loss for the period	927.5	643.2	-169.3	3.4	1,357.7	-40.3	36.9	-3.4	-246.0	1,108.3
Investments and acquisitions per business segment										
Investments, investment properties	71.0	137.4	1,093.4		1,301.8					1,301.8
Investments, project and construction work							1.0	1.0		1.0
	71.0	137.4	1,093.4		1,301.8		1.0	1.0		1,302.8
Assets per business segment, period end										
Investment properties	12,709.5	10,030.5	2,268.5		25,008.5					25,008.5
Project and construction work							73.4	73.4		73.4
Unallocated joint assets									1,748.4	1,748.4
Total assets	12,709.5	10,030.5	2,268.5		25,008.5		73.4	73.4	1,748.4	26,830.3

¹⁾ 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	31.12.2014	31.12.2013	30.9.2014	30.9.2013
ASSETS				
Investment properties	28,163.4	25,008.5	26,477.4	24,580.1
Goodwill	274.2	274.3	274.2	274.3
Derivatives	-	14.9	-	4.8
Other fixed assets	44.6	23.0	16.8	18.6
Total fixed assets	28,482.2	25,320.7	26,768.4	24,877.8
Current assets	378.6	1,323.0	447.2	1,308.3
Liquid assets	414.8	186.6	178.3	271.1
Total current assets	793.4	1,509.6	625.5	1,579.4
Total assets	29,275.6	26,830.3	27,373.9	26,457.2
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	11,589.6	11,020.7	11,308.7	10,761.4
Deferred tax liability	2,677.5	2,515.7	2,578.2	2,408.5
Long-term interest-bearing liabilities ²¹	9,807.1	10,660.2	10,596.5	10,324.7
Derivatives	846.4	-	576.6	-
Other long-term liabilities	27.2	25.1	26.1	23.0
Total long-term liabilities	13,358.2	13,201.0	13,777.4	12,756.2
Current provisions	-	-	-	106.9
Current interest-bearing liabilities ²¹	2,510.3	1,753.6	1,470.7	2,057.6
Derivatives	-	-	6.5	-
Other current liabilities	1,817.5	855.0	830.6	775.1
Total current liabilities	4,327.8	2,608.6	2,307.8	2,939.6
Total shareholders' equity and liabilities	29,275.6	26,830.3	27,393.9	26,457.2

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
Opening balance, as per 1 January 2013	333.0	3,959.8	-141.3	6,103.8	10,255.3
Change in shareholders' equity, 2013					
Profit for the period				1,108.3	1,108.3
Other comprehensive income			28.0		28.0
Dividend, SEK 2.85/share				-370.9	-370.9
Closing balance as per 31 December 2013	333.0	3,959.8	-113.3	6,841.2	11,020.7
Change in shareholders' equity, 2014					
Profit for the period				645.2	645.2
Other comprehensive income			25.5		25.5
Sale of repurchased shares				295.1	295.1
Dividend, SEK 3.05/share				-397.0	-397.0
Closing balance as per 31 December 2014	333.0	3,959.8	-87.8	7,384.6	11,589.6

There are a total of 133,220,736 (133,220,736) shares, of which 4,000,000 (4,000,000) are class A shares and 129,220,736 (129,220,736) are class B shares. One class A share grants entitlement to ten votes and one class B share grants entitlement to one vote. At the period end, there were a total of 133,220,736 (130,156,988) outstanding shares. Average number of outstanding shares for the year 2014 amount to 132,071,831 (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).

²¹ For note references, see page 19.

CONSOLIDATED STATEMENTS OF CASH FLOW

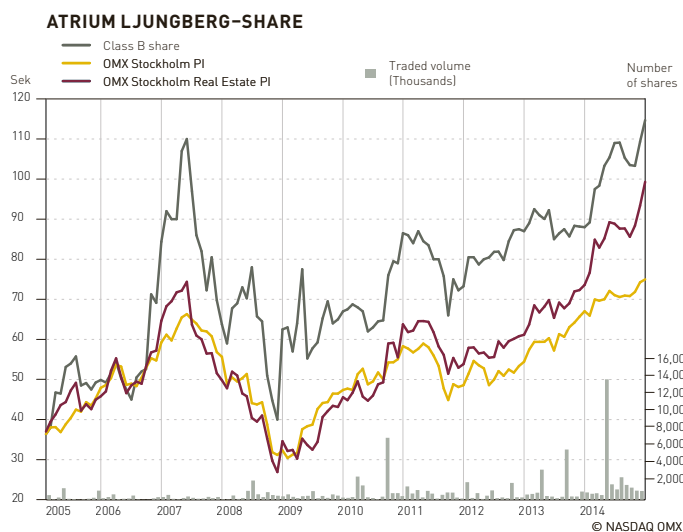
Amounts in SEK m	2014 1/1-31/12	2013 1/1-31/12	2014 1/10-31/12	2013 1/10-31/12
OPERATING ACTIVITIES				
Profit before tax	818.4	1,279.1	354.4	313.5
Reversal of depreciation and write-downs	6.5	6.1	1.8	1.5
Realised changes in value, investment properties	-8.3	1.6	0.0	1.6
Unrealised changes in value, investment properties	-860.6	-142.5	-434.5	-101.0
Unrealised changes in value, financial instruments	894.0	-342.6	271.2	-1.4
Other items not included in the cash flow	17.8	54.2	8.4	6.2
Tax paid ³⁾	-193.9	-86.5	6.3	-23.7
Cash flow from operating activities before changes in working capital	673.9	769.4	207.6	196.7
Net change in working capital	60.5	84.8	-18.9	18.4
Cash flow from operating activities	734.4	854.2	188.7	215.1
INVESTMENT ACTIVITIES				
Acquisition of properties	-620.0	-	-	-
Reconstruction and new construction of properties	-706.6	-1,301.8	-198.8	-359.4
Sale of properties	1,031.9	32.0	-	32.0
Acquisition/sale of equipment	-7.3	-3.3	-2.7	-1.0
Cash flow from investment activities	-302.0	-1,273.1	-201.5	-328.4
FINANCING ACTIVITIES				
Change in other long-term receivables	2.5	1.7	1.4	1.5
Loans raised	2,180.4	3,409.8	833.8	1,046.0
Amortisation of debts	-2,285.2	-2,623.6	-585.9	-1,018.7
Sale of repurchased shares	295.1	-	-	-
Dividend paid	-397.0	-370.9	-	-
Cash flow from financing activities	-204.2	417.0	249.3	28.8
Cash flow for the period	228.2	-1.9	236.5	-84.5
Liquid assets at the beginning of the period	186.6	188.5	178.3	271.1
Liquid assets at the end of the period	414.8	186.6	414.8	186.6

³⁾ For note references, see page 19.

KEY RATIOS

	2014 1/1-31/12	2013 1/1-31/12	2014 1/10-31/12	2013 1/10-31/12
PROPERTY-RELATED KEY RATIOS				
Letting rate, %	93	95	93	95
Operating surplus margin, %	68	66	65	66
Letting area, '000 m ²	1,062	941	1,062	941
Investments in properties, SEK m	707	1,302	199	360
Number of properties	49	47	49	47
FINANCIAL KEY RATIOS				
Equity/assets ratio, %	39.6	41.1	39.6	41.1
Debt/equity ratio, multiple	1.1	1.1	1.1	1.1
Gearing ratio, %	45.5	47.8	45.5	47.8
Interest coverage margin, multiple	3.0	3.0	2.8	3.0
Average rate of interest on interest-bearing liabilities (at period end), %	3.2	3.6	3.2	3.6
Return on shareholders' equity, %	5.7	10.4	9.6	9.3
Return on shareholders' equity, excluding changes in value, %	5.8	6.0	5.2	6.1
Return on total assets, %	4.4	6.5	6.5	6.3
Return on total assets excluding changes in value, %	4.5	4.7	4.2	4.8
DATA PER SHARE				
Earnings per share, SEK	4.89	8.52	2.06	1.94
Profit before changes in value less applicable nominal tax, SEK	4.98	4.97	1.12	1.28
Cash flow, SEK	5.56	6.56	1.42	1.65
Shareholders' equity, SEK	87.00	84.67	87.00	84.67
Net worth, 10% deferred tax, SEK	96.66	93.09	96.66	93.09
Share price, SEK	114.70	88.00	114.70	88.00
Average number of outstanding shares, '000 ¹⁾	132,072	130,157	133,221	130,157
Number of outstanding shares at end of period, '000 ¹⁾	133,221	130,157	133,221	130,157
EMPLOYEES				
Average number of employees	282	285	282	285

¹⁾ 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 3.2 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

	2014	2014	2014	2014	2013	2013	2013	2013
Amounts in SEK m	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Rental income	499.1	500.2	486.1	495.1	511.0	475.2	481.7	488.3
Net sales, project and construction work	98.7	82.7	82.3	67.1	98.3	104.7	112.1	90.2
Net sales	597.8	582.9	568.4	562.2	609.3	579.9	593.8	578.5
Property management costs	-174.0	-137.5	-157.9	-166.5	-173.1	-144.8	-158.0	-183.0
Project and construction work costs	-103.1	-84.8	-85.3	-68.4	-95.0	-100.9	-111.8	-86.6
Gross profit	320.7	360.6	325.2	327.3	341.2	334.2	324.0	308.9
– of which gross profit from property management	325.1	362.7	328.2	328.6	337.9	330.4	323.7	305.3
– of which gross profit from project and construction work	-4.4	-2.1	-3.0	-1.3	3.3	3.8	0.3	3.6
Central administration, property management	-20.6	-13.6	-9.9	-9.2	-16.2	-11.4	-11.1	-8.4
Central administration, project and construction work	-3.6	-3.2	-4.1	-3.1	-5.7	-3.1	-3.0	-2.6
	-24.2	-16.8	-14.0	-12.3	-21.9	-14.5	-14.1	-11.0
Financial income	0.5	0.2	0.1	0.7	1.2	0.8	0.6	0.2
Financial expenses	-105.9	-115.8	-97.6	-105.2	-107.7	-99.3	-104.2	-109.4
	-105.4	-115.6	-97.5	-104.5	-106.5	-98.5	-103.6	-109.2
Profit before changes in value	191.1	228.2	213.7	210.5	212.8	221.2	206.3	188.7
Unrealised changes in value, properties	434.5	–	426.1	–	101.0	-100.0	141.5	–
Realised changes in value, properties	0.0	7.0	0.4	0.9	-1.6	-2.0	2.0	–
Unrealised changes in value, financial instruments	-271.2	-168.3	-263.9	-190.6	1.4	28.3	191.4	121.5
Goodwill write-downs	–	0.0	–	–	-0.1	-33.3	–	–
	163.3	-161.3	162.6	-189.7	100.7	-107.0	334.9	121.5
Profit before tax	354.4	66.9	376.3	20.8	313.5	114.2	541.2	310.2
Tax	-79.5	-7.6	-82.2	-3.9	-60.9	76.8	-118.3	-68.4
Net profit for the period	274.9	59.3	294.1	16.9	252.6	191.0	422.9	241.8
KEY RATIOS								
	2014	2014	2014	2014	2013	2013	2013	2013
Property-related key ratios	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Letting rate, %	93	93	95	95	95	95	95	95
Operating surplus margin, %	65	73	68	66	66	70	67	63
Letting area, '000 m ²	1,062	1,012	971	964	941	940	903	903
Investments in properties, SEK m	199	163	160	185	360	329	293	320
Number of properties	49	48	49	49	47	50	51	57
Financial key ratios								
Equity/assets ratio, %	39.6	41.3	41.0	41.3	41.1	40.7	40.2	40.7
Debt/equity ratio, multiple	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.1
Gearing ratio, %	45.5	45.6	46.5	46.8	47.8	48.4	48.7	47.4
Interest coverage margin, multiple	2.8	3.0	3.2	3.0	3.0	3.2	3.0	2.7
Average rate of interest on interest-bearing liabilities (at period end), %	3.2	3.5	3.6	3.6	3.6	3.6	3.6	3.7
Return on shareholders' equity, %	9.6	2.1	10.6	0.6	9.3	7.2	16.1	9.3
Return on shareholders' equity, excluding changes in value, %	5.2	6.3	6.0	5.9	6.1	5.5	6.2	5.7
Return on total assets, %	6.5	2.7	7.0	1.9	6.3	3.2	9.9	6.5
Return on total assets excluding changes in value, %	4.2	5.0	4.6	4.7	4.8	4.4	4.8	4.7
Data per share								
Earnings per share, SEK	2.06	0.45	2.23	0.13	1.94	1.47	3.25	1.86
Profit before changes in value less applicable nominal tax, SEK	1.12	1.34	1.27	1.26	1.28	1.33	1.24	1.13
Cash flow, SEK	1.42	1.41	1.83	0.90	1.65	2.39	1.18	1.34
Shareholders' equity, SEK	87.00	84.89	84.40	84.85	84.67	82.68	81.16	80.71
Net worth, 10% deferred tax, SEK	96.66	93.91	93.30	93.41	93.09	90.66	89.45	88.73
Share price, SEK	114.70	103.50	109.00	98.35	88.00	85.70	85.00	91.00
Average number of outstanding shares, '000 ¹⁾	133,221	133,221	131,689	130,157	130,157	130,157	130,157	130,157
Number of outstanding shares at end of period, '000 ¹⁾	133,221	133,221	133,221	130,157	130,157	130,157	130,157	130,157

¹⁾ 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 164.0 million (SEK 171.6 m). The operating profit/loss totalled SEK 1.8 million (SEK -68.3 m). Profit/loss after financial items total-

led SEK 661.7 million (SEK 177.3 m) and has been impacted by higher interest income from lending to subsidiary and a better result of participations in group companies.

Interest-bearing liabilities amount to SEK 8,261 million (SEK 7,822 m). 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
	1/1-31/12	1/1-31/12
Net sales	164.0	171.6
Management and production costs	-109.5	-177.8
Gross profit	54.5	-6.2
Profit/loss on property sales	-	-15.2
Central administration and marketing	-52.7	-46.9
Operating profit/loss	1.8	-68.3
Result of participations in Group companies	579.7	281.6
Interest income and similar profit/loss items	536.7	396.7
Interest expenses and similar profit/loss items	-456.5	-432.7
	659.9	245.6
Profit/loss after financial items	661.7	177.3
Appropriations	-103.3	28.2
Profit before tax	558.4	205.5
Current tax	-14.3	3.9
Deferred tax	-22.6	-3.7
	-36.9	0.2
Net profit/loss for the period	521.5	205.7

SUMMARY BALANCE SHEETS PARENT COMPANY

Amounts in SEK m	31.12.2014	31.12.2013
	ASSETS	
Tangible fixed assets	1,374.4	1,318.5
Financial fixed assets	2,422.1	2,223.6
Current assets	13,999.9	13,695.0
Total assets	17,796.4	17,237.1
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	7,288.0	6,868.4
Untaxed reserves	36.1	25.8
Provisions	235.5	212.8
Long-term liabilities	7,375.3	6,791.3
Current liabilities	2,861.5	3,338.8
Total shareholders' equity and liabilities	17,796.4	17,237.1

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 31 December 2014 totals SEK -87.8 million.

2) The Group's reported interest-bearing liabilities total SEK 12,317 million (SEK 12,414 m as of 31st Dec. 2013) and their fair value totals SEK 12,417 million (SEK 12,511 m as of 31st Dec. 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. The valuation is hereby conducted with IFRS valuation hierarchy level 2. 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 2014 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, 20 February 2015

The Board of Directors



Over the coming five years there are plans to supplement our locations with roughly 2,000 residential. The two new residential buildings in Mobilier were ready for occupancy in March.

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/loss 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, m²

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

Letting area, m²

Total area available for letting.

Letting rate, %

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

Net letting, SEK

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

Operating surplus, SEK

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, SEK

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 Stockholm Exchange. Significant events, interim reports and preliminary financial statements are published immediately via press releases and the information is also available on the company's website: www.atriumljungberg.se.

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

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

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

PUBLICATION OF FINANCIAL INFORMATION

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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