



ATRIUM LJUNGBERG

INTERIM REPORT
JANUARY – JUNE 2015

Q2

INTERIM REPORT

1 JANUARY–30 JUNE 2015

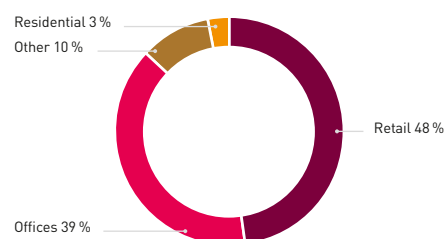
- ▶ **NET SALES** increased to SEK 1,187 million (SEK 1,131 m), of which rental income increased to SEK 1,037 million (SEK 981 m).
- ▶ **THE LETTING RATE** increased to 94 per cent (93% as of 31/12/2014), including project properties.
- ▶ **THE OPERATING SURPLUS** from property management increased to SEK 701.4 million (SEK 656.8 m), which corresponds to an operating surplus margin of 68 per cent (67%). The increase in operating surplus can mainly be attributed to completed projects and property acquisitions.
- ▶ **THE PROFIT BEFORE CHANGES IN VALUE** increased to SEK 461.1 million (SEK 424.2 m).
- ▶ **UNREALISED CHANGES IN THE VALUE** of properties amounted to SEK 1,184.4 million (SEK 426.1 m) mainly due to the market's lower yield requirements as well as higher rental levels due to renegotiations and new leases. Unrealised changes in the value of derivatives amounted to SEK 204.6 million (SEK -454.5 m) as a result of an increase in market interest rates on longer maturities.
- ▶ **THE NET PROFIT FOR THE PERIOD** totalled SEK 1,443.9 million (SEK 311.0 m), corresponding to SEK 10.84/share (SEK 2.38/share). The increase is mainly attributable to increased property values, unrealised changes in value of derivatives, as well as an increased operating surplus due to completed projects and property acquisitions.
- ▶ **INVESTMENTS** in Atrium Ljungberg's own properties amounted to SEK 313 million (SEK 345 m).
- ▶ **PROPERTIES WERE ACQUIRED** for a total of SEK 871 million (SEK 620 m).
- ▶ **THE 2015 PROFIT FORECAST** before changes in value and tax is increased to SEK 940 million.

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

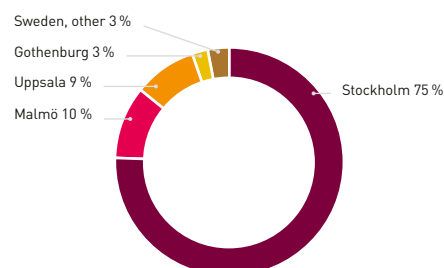
- ▶ A 10 year lease contract with Stora Enso, the Biomaterials division, for approximately 5,000 m² in the office property Sickla Front in Sickla, was signed.
- ▶ The first acquisition in Gothenburg. Three office properties of a total of approximately 35,000 m² letting area and a garage with approximately 400 parking spaces were acquired in the city district Lindholmen.
- ▶ Lease contracts of a total of approximately 3,000 m² was concluded in Gränby Köpstad within Gränbystaden in Uppsala.
- ▶ The annual general meeting elected Johan Ljungberg as the Chairman of the Board after retiring Dag Klackenbergh.

KEY RATIOS	2015	2014	2015	2014
	Jan – Jun	Jan – Jun	Apr – Jun	Apr – Jun
Net sales, SEK	1,187	1,131	607	568
Profit/loss before changes in value, SEK m	461	424	238	214
Net profit/loss for the period, SEK m	1,444	311	1,138	294
Total investments, SEK m	1,184	965	1,035	160
Cash flow from operating activities, SEK m	564	358	265	241
Letting rate, %	94	95	94	95
Equity/assets ratio, %	39.7	41.0	39.7	41.0
Gearing ratio, %	45.9	46.5	45.9	46.5
Interest coverage ratio, multiple	3.3	3.1	3.4	3.2
Average interest rate at period end, %	2.8	3.6	2.8	3.6
Earnings per share, SEK	10.84	2.38	8.54	2.23
Profit/loss before changes in value less nominal tax, SEK/share	2.70	2.53	1.40	1.27
Market value, SEK/share	108.50	109.00	108.50	109.00
EPRA NNAV (Triple net asset value), SEK/share	111.48	98.53	111.48	98.53
Shareholders' equity, SEK/share	94.62	84.40	94.62	84.40

Contracted annual rent per premises type



Contracted annual rent per region



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



“With the acquisition on Lindholmen we have found exactly what we were looking for, a platform on which we can build both a local organisation and continued expansion.”

STRONG FIRST SIX MONTHS

The first six months have been characterised by a high level of activity in our business. At the same time the hot property market and interest rates have contributed to a very strong result in the first six months. We have added to our portfolio of development rights roughly 80,000 m² in Sickla and Barkarby and conducted a strategic acquisition in Gothenburg.

In total we have invested SEK 1.2 billion in the property portfolio during the first six months. In addition unrealised changes in value of properties totalled SEK 1.2 billion, corresponding to 4.2 per cent. During the first six months net letting totalled to SEK 46 million. The operating surplus increased by 7 per cent and the profit before changes in value and tax increased by 9 per cent.

GOOD MARKET CONDITIONS

Swedish growth is good but threatening clouds in Europe and other areas around the globe persist. The National Institute of Economic Research (NIER) predicts higher growth by 2.8 per cent for 2015 and 3.2 per cent for 2016. Consumption and housing construction are mainly expected to drive growth. However, the Riksbank is grappling with the challenge of attaining the inflation target and is continuing with incentive measures, most recently with reduction of the repo rate to -0.35 per cent and the decision on continued support purchase of Swedish state securities. Market interest rates are at historically low levels, even though the long-term market interest rates have started to rise.

Properties are currently a very attractive investment option. Over the last quarter a clear price rise has occurred, both over geographical markets and for different types of properties.

Growth in large urban regions is continuing and many municipalities manage ambitious urban development projects as the need for primarily residential is large. The demand for labour force is also increasing, both within the public sector and private sector. The rental market has strengthened, primarily for offices in attractive locations with good accessibility and range of service, and sales in the retail sector are increasing at a faster pace than in many years.

POSITIVE MANAGEMENT BUSINESS

The positive market is reflected in our property management where net letting during the second quarter amounted to SEK 29 million. The letting to Stora Enso of roughly 5,000 m² is particularly gratifying, which with its strong brand contributes to strengthening Sickla as an office area. We have also conducted project letting which create prerequisites for new construction starts during the latter part of 2015.

Store sales in our large retail hubs increased by 4.8 per cent during the period January – May compared to the corresponding period last year. This can be compared to the sales increase of 4.5 per cent for the entire country. Mobilia increased its sales by double-digit numbers while sales of Gränby Centrum decreased slightly as a result of Coop leaving approximately 5,000 m² during the second quarter of 2014. Currently a large reconstruction and upgrade is taking

place in this area with completion in stages during the autumn and gradually during 2016.

FIRST ACQUISITION IN GOTHENBURG

Our strategy is to operate in locations where Sweden is expanding and to create urban environments in areas where there is well-functioning trade and industry and a significant population growth. We have therefore concentrated our business to Stockholm, Uppsala and Malmö where these prerequisites specifically exist. But we have also explored business opportunities in Gothenburg for a while, especially around the emerging Älvstaden. There are plans for five million new square metres there, just a stone's throw from the city centre.

With the acquisition on Lindholmen we have found exactly what we were looking for, a platform on which we can build both a local organisation and continued expansion. The location is excellent with strong and expanding trade and industry, with academia and research and a clear vision for the continued development. The goal is to increase the number of workplaces from 20,000 to 30,000 by 2020. We want to contribute to this vision and we will also search for more acquisition opportunities in and around Lindholmen. Given the acquisition in Gothenburg, we now operate and participate in the development in all four large cities of Sweden.

OUTLOOK FOR 2015

All signs indicate that the good market conditions will persist during the autumn and considering the many ongoing business discussions, I believe that the second half of 2015 will be eventful for Atrium Ljungberg.

It is not difficult to attain good results in the short-term in the current market situation. The major challenge is to conduct deals which can withstand a weakened economy and property market. Therefore, as a long-term player it is essential that we focus our business to locations which have a good development potential in the future as well.

We are increasing our forecast for profit before changes in value and tax for 2015 to SEK 940 million. Future changes in value, property acquisitions or sales of properties have not been taken into account.

Ingalill Berglund,
CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	2015	2014	2015	2014	2014	2014/2015
	1/1–30/6	1/1–30/6	1/4–30/6	1/4–30/6	1/1–31/12	1/7–30/6
Rental income	1,036.5	981.2	522.0	486.1	1,980.5	2,035.8
Net sales, project and construction work	150.6	149.4	84.7	82.3	330.8	332.0
Net sales	1,187.1	1,130.6	606.7	568.4	2,311.3	2,367.8
Property management costs						
Service charge-related costs	-94.3	-91.7	-37.5	-39.2	-175.6	-178.2
Other operating costs	-78.7	-75.0	-40.5	-36.6	-147.3	-151.0
Management costs	-63.5	-66.2	-36.3	-37.7	-131.6	-128.9
Repairs	-19.6	-18.2	-10.2	-9.0	-44.4	-45.8
Property tax	-62.0	-60.2	-31.2	-29.7	-115.0	-116.8
Leasehold fees	-12.5	-8.6	-7.3	-4.3	-13.6	-17.5
Non-deductible VAT	-4.5	-4.5	-1.8	-1.4	-8.4	-8.4
	-335.1	-324.4	-164.8	-157.9	-635.9	-646.6
Project and construction work costs	-154.8	-153.7	-85.2	-85.3	-341.6	-342.7
Gross profit	697.2	652.5	356.7	325.2	1,333.8	1,378.5
– of which gross profit property management (operating surplus)	701.4	656.8	357.2	328.2	1,344.6	1,389.2
– of which gross profit project and construction work	-4.2	-4.3	-0.5	-3.0	-10.8	-10.7
Central administration, property management	-26.3	-19.1	-13.4	-9.9	-53.3	-60.5
Central administration, project and construction work	-8.0	-7.2	-4.1	-4.1	-14.0	-14.8
	-34.3	-26.3	-17.5	-14.0	-67.3	-75.3
Financial income	0.5	0.8	0.1	0.1	1.5	1.2
Financial expenses	-202.3	-202.8	-100.9	-97.6	-424.5	-424.0
	-201.8	-202.0	-100.8	-97.5	-423.0	-422.8
Profit before changes in value	461.1	424.2	238.4	213.7	843.5	880.4
Changes in value						
Properties, unrealised	1,184.4	426.1	818.0	426.1	860.6	1,618.9
Properties, realised	0.6	1.3	0.6	0.4	8.3	7.6
Derivatives, unrealised	204.6	-454.5	403.1	-263.9	-894.0	-234.9
Goodwill, write-downs	-	-	-	-	0.0	0.0
	1,389.6	-27.1	1,221.7	162.6	-25.1	1,391.6
Profit before tax	1,850.7	397.1	1,460.1	376.3	818.4	2,272.0
Current tax	-19.2	-17.4	-16.2	-9.8	-16.2	-18.0
Deferred tax	-387.6	-68.7	-305.7	-72.4	-157.0	-475.9
	-406.8	-86.1	-321.9	-82.2	-173.2	-493.9
Net profit for the period	1,443.9	311.0	1,138.2	294.1	645.2	1,778.1
Other comprehensive income						
<i>Items which will be reclassified to the profit/loss</i>						
Cash flow hedging	15.0	17.2	7.2	8.6	32.7	30.5
Tax attributable to other reported income and expenses	-3.3	-3.8	-1.6	-1.9	-7.2	-6.7
Total other comprehensive income	11.7	13.4	5.6	6.7	25.5	23.8
Total comprehensive income for the period	1,455.6	324.4	1,143.8	300.8	670.7	1,801.9
Earnings per share, SEK	10.84	2.38	8.54	2.23	4.89	13.35

PROFIT, JANUARY–JUNE 2015

NET SALES

The Group's posted net sales for the first six months totalled SEK 1,187 million (SEK 1,131 m), of which rental income comprised SEK 1,037 million (SEK 981 m). The increase in rental income is primarily explained by additional rental income from projects which were completed last year as well as acquired properties.

Projects which were completed in 2014, which affect the period's rental income are mainly Kvarteret NOD in Kista, Ica Kvantum in Farsta, new residentials in Mobilia and new businesses in Gränby Köpstad within Gränbystaden.

Contributions from acquired properties primarily relate to the properties Dimman 11 in Malmö, which we took in possession in April 2014, and Stora Katrineberg 16 in Stockholm, which we took in possession in February 2015.

During the the first six months, non-recurring remuneration for premature vacating of premises was received by SEK 5.9 million (SEK 5.9 m).

PROPERTY EXPENSES

Property expenses totalled SEK –335.1 million (SEK –324.4 m). Compared to the first two quarters of last year, the costs have increased slightly. The increase refers to a larger property portfolio resulting from completed projects and property acquisitions. The property expenses in relation to rental income correspond to 32.3 per cent (33.1%).

GROSS PROFIT/LOSS

The gross profit for the property management activities (the operating surplus) increased to SEK 701.4 million (SEK 656.8 m), corresponding to 6.8 per cent. The increase primarily refers to completed projects in 2014 as well as acquired properties. The surplus margin increased to 68 per cent (67%).

The gross profit for project and construction activities totalled SEK –4.2 million (SEK –4.3 m). Costs in connection with ongoing development projects that cannot be capitalised have been charged to the result. TL Bygg's gross profit amounted to SEK 12.3 million (SEK 15.5 m).

CENTRAL ADMINISTRATION

Central administration comprises of costs for the company management as well as central support functions. The cost for the first six months amounted to SEK –34.3 million (SEK –26.3 m) and has been affected by investments within HR, digital communication and business support, but also by changed invoicing principle from central administration to property administration. If the equivalent invoicing principle had been applied during the first half of 2014, the cost would have amounted to SEK –31.0 million.

FINANCIAL EXPENSES

Financial expenses amounted to SEK –202.3 million (SEK –202.8 m) for the period. During the period SEK 2.3 million (SEK 12.5 m) in interest expenses has been capitalised as an investment in property projects.

The average interest rate at the end of the period amounted to 2.8 per cent (3.2% as of 31/12/2014). For more information, refer to the section on financing on page 10.

CHANGES IN VALUE

Unrealised changes in the value of properties totalled SEK 1,184.4 million (SEK 426.1 m), and are explained by the market's lower yield requirements for several properties as well as higher rental levels due to renegotiations and new leases. For more information, refer to the section on the property portfolio on page 8.

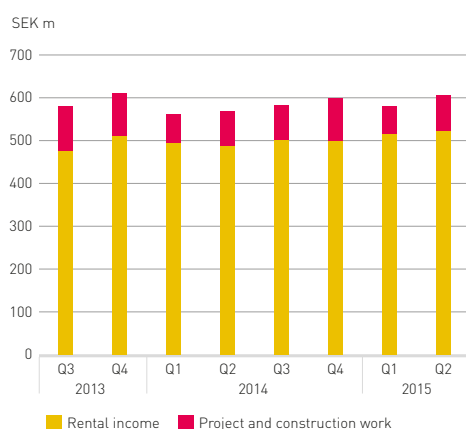
Unrealised changes in the value of derivatives totalled SEK 204.6 million (SEK –454.5 m) as a result of an increase in market interest rates on longer maturities. For more information, refer to the section on financing on page 10.

TAXES

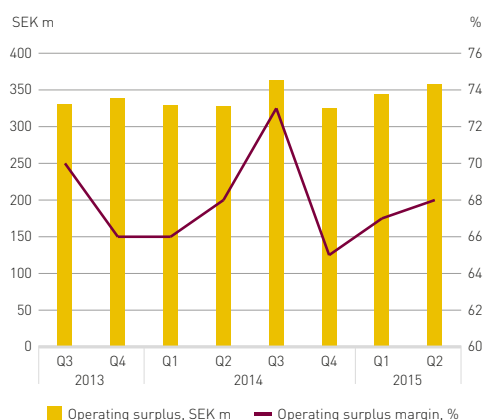
The current tax for the period totalled SEK –19.2 million (SEK –17.4 m) and has been affected by, among other things, fiscally deductible depreciation and investments, and by loss carry-forwards from the previous year's tax assessment.

The change in deferred tax totals SEK –387.6 million (SEK –68.7 m) primarily explained by the effect of deferred tax on unrealised changes in the value of properties.

Net sales



Operating surplus and operating surplus margin



TAX CALCULATION, 30/06/2015

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	1,850.7	
Fiscally deductible		
depreciation	-263.4	263.4
investments	-93.2	93.2
Non-taxable/non-deductible		
changes in the value of properties, unrealised	-1,184.4	1,184.4
changes in the value of properties, realised	-0.6	-
changes in the value of derivatives, unrealised	-204.6	204.6
consolidated capitalisation of borrowing	-5.4	5.4
Other fiscal adjustments	-0.3	-
Fiscal profit/loss before loss carry-forwards	98.8	1,751.0
Loss carry-forwards, opening balance	-122.8	122.8
Other adjustments of loss carry-forwards	-2.5	-
Property acquisition through companies	-20.7	20.7
Loss carry-forwards, closing balance	134.5	-134.5
Taxable profit/loss	87.3	1,760.0
Of which 22% current/deferred tax	-19.2	-387.2
Revaluation of previous tax assessments and other adjustments	-	-0.4
Reported tax expense	-19.2	-387.6

PROFIT/LOSS

The profit before changes in value totalled SEK 461.1 million (SEK 424.2 m). The net profit for the period totalled SEK 1,443.9 million (SEK 311.0 m), corresponding to SEK 10.84/share (SEK 2.38/share).

SALES AND NET PROFIT 1 APRIL–30 JUNE

The Group's posted net sales for the second quarter of the year totalled SEK 607 million (SEK 568 m), of which rental income comprised SEK 522 million (SEK 486 m). The increase in rental income is primarily explained by additional rental income from projects which were completed last year as well as acquired properties.

During the second quarter, non-recurring remuneration for premature vacating of premises was received by SEK 2.7 million (SEK 2.3 m).

Property expenses totalled SEK -164.8 million (SEK -157.9 m). Compared to the second quarter of last year, costs related to a larger property portfolio, have increased.

The costs for central administration amounted to SEK -17.5 million (SEK -14.0 m) for the second quarter.

Financial expenses for the second quarter amounted to SEK -100.9 million (SEK -97.6 m). During the period SEK 1.1 million (SEK 4.8 m) in interest expenses has been capitalised as an investment in property projects.

Unrealised changes in value of properties totalled SEK 818.0 million (SEK 426.1 m) and are mainly explained by the market's lower yield requirements for several properties as well as higher rental levels due to renegotiations and new leases. Unrealised changes in value of financial instruments totalled SEK 403.1 million (SEK -263.9 m) as a result of an increase in market interest rates on longer maturities.

The current tax for the second quarter totalled SEK -16.2 million (SEK -9.8 m) and the net profit for the period totalled SEK 1,138.2 million (SEK 294.1 m), corresponding to SEK 8.54/share (SEK 2.23/share).

CONTRACTED ANNUAL RENT AND LETTING RATE

The Group's contracted annual rent amounted to SEK 2,159 million on 01/07/2015 (SEK 2,090 m as of 01/01/2015). The rental value, i.e. contracted annual rent and estimated market rents for vacant space in existing condition, amounted to SEK 2,302 million on 01/07/2015 (SEK 2,246 m as of 01/01/2015). The economic letting rate thereby amounted to 94 per cent (95% as of 01/01/2015) excluding project properties, and 94 per cent (93% as of 01/01/2015) including project properties.

LETTING RATE¹⁾

	Rental value, SEK m	Contracted annual rent, SEK m	Letting rate, %
Business area Retail	1,164	1,116	96
Business area Offices	1,113	1,021	92
Total	2,277	2,137	94
Project properties	25	22	90
Total	2,302	2,159	94

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

NET LETTING

Net letting during the second quarter of 2015, i.e. newly agreed contracted annual rents less annual rents due to termination of lease contracts, amounted to SEK 29 million, and was primarily impacted by several office lettings including Stora Enso in Sickla Front and new lettings in project properties.

The time lag between net letting and its effect on profit is assessed as 3–12 months.

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.

PROFIT FORECAST

The profit forecast before changes in value and tax for 2015 is expected to reach SEK 940 million, an increase of SEK 20 million compared to the forecast provided most recently. The profit forecast after tax is SEK 1,820 million, corresponding to SEK 13.67/share and including changes in value as of 30/06/2015. Future changes in value and any future property acquisitions and sales of properties have not been taken into account in the forecast.

CONSOLIDATED BALANCE SHEETS SUMMARY

Amounts in SEK m	30/6/2015	30/6/2014	31/3/2015	31/3/2014	31/12/2014
ASSETS					
Investment properties	30,531.5	26,399.5	28,678.3	25,813.3	28,163.4
Goodwill	274.2	274.3	274.2	274.3	274.2
Other fixed assets	49.0	17.1	40.2	17.1	44.6
Total fixed assets	30,854.7	26,690.9	28,992.7	26,104.7	28,482.2
Current assets	460.0	430.9	483.7	378.0	378.6
Liquid assets	416.6	268.6	451.7	251.8	414.8
Total current assets	876.6	699.5	935.4	629.8	793.4
Total assets	31,731.3	27,390.4	29,928.1	26,734.5	29,275.6
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	12,605.6	11,243.3	11,901.4	11,044.3	11,589.6
Deferred tax liability	3,067.0	2,584.5	2,757.4	2,508.4	2,677.5
Long-term interest-bearing liabilities	11,212.5	11,490.1	10,519.8	11,251.4	9,807.1
Derivatives	620.6	414.6	1,037.1	167.1	846.4
Other long-term liabilities	29.9	27.6	28.9	26.8	27.2
Total long-term liabilities	14,930.0	14,516.8	14,343.2	13,953.7	13,358.2
Current interest-bearing liabilities	2,400.5	772.6	2,773.4	712.6	2,510.3
Derivatives	6.3	7.9	-	-	-
Other current liabilities	1,788.9	849.8	910.1	1,023.9	1,817.5
Total current liabilities	4,195.7	1,630.3	3,683.5	1,736.5	4,327.8
Total shareholders' equity and liabilities	31,731.3	27,390.4	29,928.1	26,734.5	29,275.6

CONSOLIDATED CHANGES IN SHAREHOLDERS' 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 2014	333.0	3,959.8	-113.3	6,841.2	11,020.7
Profit for the period				311.0	311.0
Other comprehensive income			13.4		13.4
Sale of repurchased shares				295.1	295.1
Dividend, SEK 3.05/share				-397.0	-397.0
Closing balance as per 30 June 2014	333.0	3,959.8	-99.9	7,050.4	11,243.3
Profit for the period				334.2	334.2
Other comprehensive income			12.1		12.1
Closing balance as per 31 December 2014	333.0	3,959.8	-87.8	7,384.6	11,589.6
Profit for the period				1,443.9	1,443.9
Other comprehensive income			11.7		11.7
Dividend, SEK 3.30/share				-439.6	-439.6
Closing balance as per 30 June 2015	333.0	3,959.8	-76.1	8,388.9	12,605.6

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 (133,220,736) as of 31/12/2014) outstanding shares. Average number of outstanding shares for the period 01/01/2015–30/06/2015 amount to 133,220,736 (130,922,925).

PROPERTY PORTFOLIO

THE PROPERTY MARKET

The Swedish property market continues to be strong. There is a large interest for property investments as a result of the low yield for other assets. Consequently the downward pressure on yield requirements with resulting higher property values is continuing.

According to Savills, the transaction volume in the Swedish property market during the first six months of 2015 amounted to SEK 64 billion, in line with the corresponding period last year. Retail properties have increased their share of the total transaction volume compared to recent years.

OUR PROPERTY PORTFOLIO

Atrium Ljungberg's property portfolio comprises 52 properties located primarily in Stockholm, Uppsala, Malmö and, after the acquisition in June, also in Gothenburg. 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 1,110,000 m². No property sales occurred during the first six months of the year.

Change in the value of the property portfolio

	SEK m	Antal
Property portfolio, 31/12/2014	28,163	49
Acquired properties (after deductions for deferred tax)	871	3
Investments in our own properties	313	-
Unrealised changes in value	1,184	-
Property portfolio, 30/06/2015	30,531	52

ACQUISITION

In June three properties were acquired in Gothenburg; Lundbyvassen 4:7, Lundbyvassen 4:8 and Lundbyvassen 4:13. The properties cover approximately 35,000 m² letting area and a garage with approximately 400 parking spaces and are located on Lindholmen, a city district undergoing development and with clear future visions. The acquisition took place through a corporate deal with an underlying property value of SEK 897 million before deductions for deferred tax. The agreement is conditional on a reallocation entering into force. The preliminary date of possession is 30 September 2015.

PROPERTY VALUES

Atrium Ljungberg has commissioned an external valuation of 13 per cent of the property portfolio's value during the second quarter. The valuation was carried out by Forum Fastighetsekonomi and Savills. The remainder of the portfolio was subject to an internal valuation with market rents, costs, vacancies and yield requirements quality assured by Forum Fastighetsekonomi.

The market valuation is based on analyses of completed property transactions of 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 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. 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 30,531 million. The average dividend yield requirement in the valuation is 5.5 per cent (5.6% as of 31/12/2014). Investments in Atrium Ljungberg's own properties during the period totalled SEK 313 million (SEK 345 m). The unrealised change in value totalled SEK 1,184 million (SEK 426 m), and is primarily explained by the market's lower yield requirements for several properties and higher rents as a result of new leases and renegotiations.

Unrealised changes in value

	SEK m
Change in yield requirements	993
Change in operating surplus	189
Change in investments	2
Total	1,184

Property portfolio, 30/06/2015

Property portfolio by segment	Letting area, 1,000 m ²	Fair value, SEK m	Fair value, SEK/m ²	Rental value, SEK m ¹¹	Rental value, SEK/m ²	Economic letting rate, %
Business area Retail	531	14,711	27,678	1,164	2,189	96
Business area Offices	557	14,795	26,541	1,113	1,997	92
Total	1,089	29,506	27,096	2,277	2,091	94
Project properties, including land and development rights	21	1,026	N/A ²¹	25	1,160	90
Total	1,110	30,531		2,302	2,073	94

¹¹ Reported rental value is based on the immediately subsequent quarter.

²¹ 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	4.3–7.5	5.5
Retail	4.3–7.5	5.5
Residential	3.8–4.3	3.9
Other	4.3–7.5	5.8
Total	3.8–7.5	5.5

Yield requirement per region, %

Region	Interval	Average
Stockholm	3.8–7.5	5.4
Uppsala	4.3–6.5	5.6
Malmö	4.1–7.0	5.7
Gothenburg	5.4–6.0	5.5
Sweden, other	6.1–7.0	6.5
Total	3.8–7.5	5.5

ONGOING PROJECTS

During the first six months of 2015, we invested a total of SEK 313 million in our own properties. We invested SEK 103 million in ongoing projects, which relates to the project Gränby Köpstad within Gränbystaden in Uppsala. The remaining investment volume for ongoing projects amounted to approximately SEK 100 million on 30 June.

GRÄNBYSKÖPSTAD WITHIN GRÄNBYSTADEN – UPPSALA

The building for, among others, City Gross and Apotek Hjärtat is being completed at our new retail hub in Gränbystaden in north-eastern Uppsala. The inauguration will take place at the end of October 2015. For a long time two restaurant buildings with a total of four restaurant concepts have been situated here, as well as a building for Blomsterlandet which opened during March 2015.

Development of the site is continuing and during the autumn of 2015 we will start construction of three more buildings where Arken Zoo, ÖoB as well as three restaurant concepts will open during the spring of 2016. The total letting area at the retail hub will there-

by increase from 15,800 m² to 18,700 m². In connection with completion of the three new buildings, a theme playground and a square with an open-air café will also be inaugurated.

Our long-term plans for the retail hub are to create an approximately 50,000 m² area with a city feel. The range will supplement the nearby Gränby Centrum which Atrium Ljungberg owns and is developing. In the long run the new retail hub will become a natural part of the entirety in the emerging city district Gränbystaden which also covers Gränby Centrum and its surroundings.

POTENTIAL DEVELOPMENT PROJECTS

We are managing several detailed development plan processes in conjunction with our areas to create new development opportunities for the future. A new detailed development plan with a building right of approximately 33,000 m² GFA for the property Sicklaön 346:1 in Sickla was received in April, which allows greater development for, among other things, office businesses on site. Here, on the western part of Sicklaön, alongside Sicklavägen and Uddvägen, Atrium Ljungberg owns a large parcel of land of an industrial nature. Our aim for the currently closed industrial area is to create an attractive and urban district for large and small office businesses. The area will give Sickla a new entrance and increase the appeal of the entire Sickla area. The tram, Tvärbanan, will be extended to Sickla station, which further improves transport options to the area. The extended tram is expected to be in operation in August 2017.

We are also at the final stage of several plan processes which we assess will enter into force during 2015. In terms of area, our long-term development plans cover equally large areas of residential, retail and office premises and also a share for educational facilities. The plans are divided in all our areas where two-thirds of the project portfolio is located in Sickla and Uppsala, but where Järfälla also comprises a large part.

The estimated project volume for potential but not yet determined projects totalled SEK 10 billion on 30 June.

ONGOING PROJECTS

Project/Property/Location	New build, letting area, m ²	Premises type	Investment, SEK m	Of which remaining, SEK m	Completion date	Rental value excl. surcharges, SEK m	Letting rate, %
Gränby Köpstad within Gränbystaden, Brillinge 8:1/9:1, Uppsala	18,700	Retail/Other	360	100	2014–2016 ¹¹	32	72
Total	18,700		360	100		32	72

¹¹ Covers approximately 50,000 m² GFA in total. Investment decisions and completion take place in stages, among other things, connected to letting.

FINANCING

THE FINANCIAL MARKET

The recovery in the Swedish economy is continuing but the Riksbank lowered the repo rate to -0.35 per cent at the start of July with the explanation that inflation and inflation expectations remained low and in order to combat strengthening of the krona. The National Institute of Economic Research (NIER) assessed in June that the Riksbank would lower the repo rate further to -0.40 per cent at the turn of the half-year and will thereafter be left unchanged until the end of 2016.

On 30 June 2015 the 3 month Stibor amounted to -0.22 per cent. The market's pricing of the 3 month Stibor is approximately -0.30 per cent during 2015.

NIER assesses that the Swedish economy will grow by 2.8 per cent in 2015 in comparison to growth in 2014 which amounted to 2.1 per cent.

INTEREST-BEARING LIABILITIES

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 77 per cent of the total loan volume during the end of the second quarter. Interest-bearing liabilities at the end of the period amounted to SEK 13,621 million.

The average interest rate amounted to 2.8 per cent. Including unutilised loan guarantees the average interest rate amounted to 2.9 per cent. Unutilised loan guarantees in addition to outstanding commercial papers amounted to SEK 140 million and the unutilised overdraft facility amounted to SEK 300 million. The average fixed interest term was 4.4 years and the capital commitment term was 2.9 years.

COLLATERAL

Our borrowing is primarily secured by real estate mortgages. Of the interest-bearing liabilities, SEK 10,561 million is secured by real estate mortgage and SEK 3,060 million is unsecured.

DERIVATIVES

At the end of the period, the derivative portfolio comprised of SEK 7,911 million in interest swaps, net including shortened swaps, with maturity between the years 2016-2029. In addition, there is SEK 1,300 million in forward-started swaps meaning that we signed agreements for fixed interest terms beginning in 2015-2017. The derivative portfolio is valued at market rate in conjunction with every closing of the accounts and the change in value is reported via the Profit 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 derivatives during the first six months totalled SEK 204.6 million (SEK -454,5 m) as market interest rates have risen on the terms covered by the derivatives. The deficit book value of the derivative portfolio totalled SEK -626.9 million (SEK -846.4 m as of 31/12/2014) at the period end.

Fixed interest ¹⁾

Fixed interest term	Amount, SEK m	Percentage, %	Average interest, %
Variable + 3M Stibor	2,995	22	1.2
2015	1,210	9	0.3
2016	1,485	11	2.9
2017	630	5	3.6
2018	849	6	3.7
2019	606	4	3.8
2020 and thereafter	5,846	43	3.9
Total	13,621	100	2.8

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.

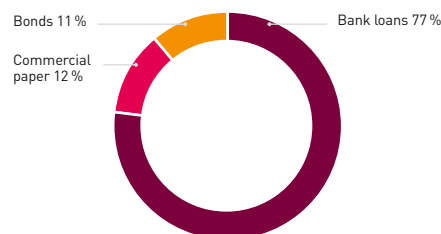
Capital commitment

Maturity date	Amount, SEK m	Percentage, %
2015	801	6
2016	3,335	24
2017	4,455	33
2018	1,482	11
2019	1,120	8
2020 and thereafter	2,428	18
Total	13,621	100
Prepaid financing costs	-8	
Interest-bearing liabilities in accordance with the Balance Sheet	13,613	

Key ratios financing

	30/06/2015	31/12/2014
Interest-bearing liabilities, SEK m	13,621	12,327
Gearing ratio, %	45.9	45.5
Average fixed interest term, years	4.4	4.8
Average capital commitment term, years	2.9	2.7
Average interest rate for interest-bearing liabilities, %	2.8	3.2
Shareholders' equity, SEK m	12,606	11,590

Interest-bearing liabilities



CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in SEK m	2015	2014	2015	2014	2014	2014/2015
	1/1-30/6	1/1-30/6	1/4-30/6	1/4-30/6	1/1-31/12	1/7-30/6
OPERATING ACTIVITIES						
Profit before tax	1,850.7	397.1	1,460.1	376.3	818.4	2,272.0
Reversal of depreciation and write-downs	4.2	3.0	2.4	1.4	6.5	7.7
Realised changes in value, properties	-0.6	-1.3	-0.6	-0.4	-8.3	-7.6
Unrealised changes in value, properties	-1,184.4	-426.1	-818.0	-426.1	-860.6	-1,618.9
Unrealised changes in value, derivatives	-204.6	454.5	-403.1	263.9	894.0	234.9
Other items not included in the cash flow	6.3	8.4	2.4	4.3	17.8	15.7
Tax paid	-99.4	-159.2	-45.7	-21.1	-193.9	-134.1
Cash flow from operating activities before changes in working capital	372.2	276.4	197.5	198.3	673.9	769.7
Net change in working capital	192.1	81.4	67.1	42.8	60.5	171.2
Cash flow from operating activities	564.3	357.8	264.6	241.1	734.4	940.9
INVESTMENT ACTIVITIES						
Acquisition of properties	-1,096.1	-600.0	-10.0	-245.0	-620.0	-1,116.1
Reconstruction and new construction of properties	-312.7	-344.9	-164.2	-160.1	-706.6	-674.4
Sale of properties	-	938.4	-	-	1,031.9	93.5
Acquisition/sale of equipment	-6.1	-3.2	-4.3	-2.3	-7.3	-10.2
Cash flow from investment activities	-1,414.9	-9.7	-178.5	-407.4	-302.0	-1,707.2
FINANCING ACTIVITIES						
Change in other long-term liabilities	2.7	2.5	0.9	0.8	2.5	2.7
Loans raised	2,190.3	1,135.1	627.5	335.1	2,180.4	3,235.6
Amortisation of debts	-901.0	-1,301.8	-310.0	-50.9	-2,285.2	-1,884.4
Sale of repurchased shares	-	295.1	-	295.1	295.1	-
Dividend paid	-439.6	-397.0	-439.6	-397.0	-397.0	-439.6
Cash flow from financing activities	852.4	-266.1	-121.2	183.1	-204.2	914.3
Cash flow for the period	1.8	82.0	-35.1	16.8	228.2	148.0
Liquid assets at the beginning of the period	414.8	186.6	451.7	251.8	186.6	268.6
Liquid assets at the end of the period	416.6	268.6	416.6	268.6	414.8	416.6

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow from operating activities totalled SEK 564.3 million (SEK 357.8 m), corresponding to SEK 4.24/share (SEK 2.73/share). The higher cash flow during the first six months of 2015 compared to the corresponding period last year is explained by a positive change of operating capital and that a tax demand of SEK 107 million was paid to the Swedish Tax Agency in 2014.

Investment activities have been charged to the cash flow by SEK -1,414.9 million (SEK -9.7 m) and are the result of paid purchase money for Stora Katrineberg 16 in Liljeholmen, Stockholm and investments in Atrium Ljungberg's own properties. During the first quarter of 2014 we received payment for the sale of Torgvågen 7 (Pub), which affected the cash flow positively.

The cash flow within financing activities amounted to SEK 852.4 million (SEK -266.1 m) and has been affected by raising of new loans for financing of investments and acquisitions which have been made. Dividend paid has affected the cash flow by SEK -439.6 million (SEK -397.0 m).

The Group's liquidity, including unutilised overdraft facilities totalling SEK 300 million and unutilised lines of credit in addition to outstanding commercial papers of SEK 140 million (SEK 650 m) amounted to SEK 856.6 million at the end of the period (SEK 1,004.8 m as of 31/12/2014).

SEGMENT REPORTING 1/1–30/6 2015

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 Offices	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	547.8	477.1	11.6		1,036.5					1,036.5
Net sales, project and construction work						10.0	198.5	208.5	-57.9	150.6
Net sales	547.8	477.1	11.6		1,036.5	10.0	198.5	208.5	-57.9	1,187.1
Property management costs	-194.3	-134.9	-5.9		-335.1					-335.1
Project and construction work costs						-26.5	-186.2	-212.7	57.9	-154.8
Gross profit	353.5	342.2	5.7		701.4	-16.5	12.3	-4.2	0.0	697.2
<i>- of which gross profit/loss from property management</i>	353.5	342.2	5.7		701.4					701.4
<i>- of which gross profit/loss from project and construction work</i>						-16.5	12.3	-4.2		-4.2
Central administration, property management					-26.3					-26.3
Central administration, project and construction work							-8.0	-8.0		-8.0
Financial income									0.5	0.5
Financial expenses									-202.3	-202.3
Profit/loss before changes in value	353.5	342.2	5.7		675.1	-16.5	4.3	-12.2	-201.8	-201.8
Properties, unrealised changes in value	443.7	729.5	11.2		1,184.4					1,184.4
Properties, realised changes in value				0.6	0.6					0.6
Derivatives, unrealised changes in value									204.6	204.6
	443.7	729.5	11.2	0.6	1,185.0				204.6	1,389.6
Current tax									-19.2	-19.2
Deferred tax									-387.6	-387.6
Net profit/loss for the period	797.2	1,071.7	16.9	0.6	1,860.1	-16.5	4.3	-12.2	-404.0	1,443.9
Investments and acquisitions per business segment										
Investments, investment properties	93.3	116.6	102.8		312.7					312.7
Investments, project and construction work							0.6	0.6		0.6
Acquisitions, investment properties		871.0			871.0					871.0
	93.3	987.6	102.8		1,183.7		0.6	0.6		1,184.3
Assets per business segment, period end										
Investment properties	14,710.5	14,795.0	1,026.0		30,531.5					30,531.5
Project and construction work							96.6	96.6		96.6
Non-allocated assets in common									1,103.2	1,103.2
Total assets	14,710.5	14,795.0	1,026.0		30,531.5		96.6	96.6	1,103.2	31,731.3

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

SEGMENT REPORTING 1/1–30/6 2014

Amounts in SEK m	Business area Retail	Business area Offices	Project properties	Properties sold ²⁾	Property management, total	Project development ¹⁾	TL Bygg	Project and construction activities, total	Non-allocated items and eliminations	The Group
Rental income	546.4	416.0	8.6	10.2	981.2					981.2
Net sales, project and construction work						6.5	188.5	195.0	-45.6	149.4
Net sales	546.4	416.0	8.6	10.2	981.2	6.5	188.5	195.0	-45.6	1,130.6
Property management costs	-193.4	-122.2	-3.7	-5.1	-324.4					-324.4
Project and construction work costs						-26.3	-173.0	-199.3	45.6	-153.7
Gross profit	353.0	293.8	4.9	5.1	656.8	-19.8	15.5	-4.3	0.0	652.5
<i>– of which gross profit/loss from property management</i>	353.0	293.8	4.9	5.1	656.8					656.8
<i>– of which gross profit/loss from project and construction work</i>						-19.8	15.5	-4.3		-4.3
Central administration, property management					-19.1					-19.1
Central administration, project and construction work							-7.2	-7.2		-7.2
Financial income									0.8	0.8
Financial expenses									-202.8	-202.8
Profit/loss before changes in value	353.0	293.8	4.9	5.1	637.7	-19.8	8.3	-11.5	-202.0	424.2
Properties, unrealised changes in value	200.3	196.8	29.0		426.1					426.1
Properties, realised changes in value				1.3	1.3					1.3
Derivatives, unrealised changes in value									-454.5	-454.5
	200.3	196.8	29.0	1.3	427.4				-454.5	-27.1
Current tax									-17.4	-17.4
Deferred tax									-68.7	-68.7
Net profit/loss for the period	553.3	490.6	33.9	6.4	1,065.1	-19.8	8.3	-11.5	-742.6	311.0
Investments and acquisitions per business segment										
Investments, investment properties	82.7	35.3	226.9		344.9					344.9
Investments, project and construction work							0.2	0.2		0.2
Acquisitions, investment properties		265.0	355.0		620.0					620.0
	82.7	300.3	581.9		964.9		0.2	0.2		965.1
Assets per business segment, period end										
Investment properties	13,756.5	10,904.5	1,738.5		26,399.5					26,399.5
Project and construction work							79.7	79.7		79.7
Non-allocated assets in common									911.2	911.2
Total assets	13,756.5	10,904.5	1,738.5		26,399.5		79.7	79.7	911.2	27,390.4

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

²⁾ The gross profit in segment reporting for the period 1/1 – 30/6 2014 has been adjusted for a property sold during the third quarter 2014.

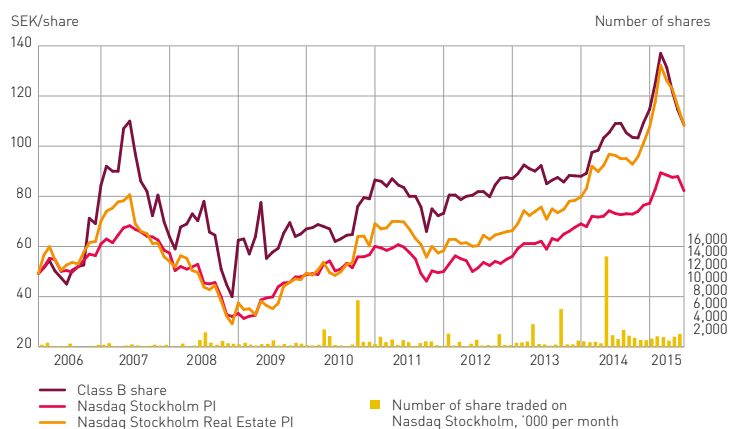
KEY RATIOS

	2015 1/1-30/6	2014 1/1-30/6	2015 1/4-30/6	2014 1/4-30/6	2014 1/1-31/12	2014/2015 1/7-30/6
PROPERTY-RELATED KEY RATIOS						
Letting rate, %	94	95	94	95	93	94
Operating surplus margin, %	68	67	68	68	68	68
Letting area, '000 m ²	1,110	971	1,110	971	1,062	1,110
Investments in own properties, SEK m	313	345	164	160	707	675
Number of properties	52	49	52	49	49	52
FINANCIAL KEY RATIOS						
Equity/assets ratio, %	39.7	41.0	39.7	41.0	39.6	39.7
Gearing ratio, %	45.9	46.5	45.9	46.5	45.5	45.9
Interest coverage margin, multiple	3.3	3.1	3.4	3.2	3.0	3.1
Average rate of interest on interest-bearing liabilities (at period end), %	2.8	3.6	2.8	3.6	3.2	2.8
Return on shareholders' equity, %	23.9	5.6	37.2	10.6	5.7	14.9
Return on shareholders' equity, excluding changes in value, %	6.2	5.9	6.4	6.0	5.8	6.0
Return on total assets, %	13.5	4.4	20.3	7.0	4.4	9.1
Return on total assets excluding changes in value, %	4.4	4.6	4.5	4.6	4.5	4.5
DATA PER SHARE						
Earnings per share, SEK	10.84	2.38	8.54	2.23	4.89	13.35
Profit before changes in value less applicable nominal tax, SEK	2.70	2.53	1.40	1.27	4.98	5.15
EPRA EPS (Earnings per share), SEK	3.30	3.05	1.68	1.53	6.15	6.40
Cash flow, SEK	4.24	2.73	1.99	1.83	5.56	7.06
Shareholders' equity, SEK	94.62	84.40	94.62	84.40	87.00	94.62
EPRA NAV (Net asset value), SEK	120.07	104.91	120.07	104.91	111.19	120.07
EPRA NNNAV (Triple net asset value), SEK ¹⁾	111.48	98.53	111.48	98.53	101.87	111.48
Share price, SEK	108.50	109.00	108.50	109.00	114.70	108.50
Average number of outstanding shares, '000 ²⁾	133,221	130,923	133,221	131,689	132,072	133,221
Number of outstanding shares at end of period, '000 ²⁾	133,221	133,221	133,221	133,221	133,221	133,221
EMPLOYEES						
Average number of employees	280	279	280	279	282	280

¹⁾ For calculation of EPRA NNNAV, an estimated deferred tax of 4 per cent has been used.

²⁾ On 15/5/2014 the company sold its total holdings of repurchased shares (3,063,748).

The Atrium Ljungberg share



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 has 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

Amounts in SEK m	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3
Rental income	522.0	514.5	499.1	500.2	486.1	495.1	511.0	475.2
Net sales, project and construction work	84.7	65.9	98.7	82.7	82.3	67.1	98.3	104.7
Net sales	606.7	580.4	597.8	582.9	568.4	562.2	609.3	579.9
Property management costs	-164.8	-170.3	-174.0	-137.5	-157.9	-166.5	-173.1	-144.8
Project and construction work costs	-85.2	-69.6	-103.1	-84.8	-85.3	-68.4	-95.0	-100.9
Gross profit	356.7	340.5	320.7	360.6	325.2	327.3	341.2	334.2
– of which gross profit from property management	357.2	344.2	325.1	362.7	328.2	328.6	337.9	330.4
– of which gross profit from project and construction work	-0.5	-3.7	-4.4	-2.1	-3.0	-1.3	3.3	3.8
Central administration, property management	-13.4	-12.9	-20.6	-13.6	-9.9	-9.2	-16.2	-11.4
Central administration, project and construction work	-4.1	-3.9	-3.6	-3.2	-4.1	-3.1	-5.7	-3.1
	-17.5	-16.8	-24.2	-16.8	-14.0	-12.3	-21.9	-14.5
Financial income and expenses	-100.8	-101.0	-105.4	-115.6	-97.5	-104.5	-106.5	-98.5
Profit before changes in value	238.4	222.7	191.1	228.2	213.7	210.5	212.8	221.2
Properties, unrealised changes in value	818.0	366.4	434.5	–	426.1	–	101.0	-100.0
Properties, realised changes in value	0.6	–	0.0	7.0	0.4	0.9	-1.6	-2.0
Derivatives, unrealised changes in value	403.1	-198.5	-271.2	-168.3	-263.9	-190.6	1.4	28.3
Goodwill, write-downs	–	–	–	0.0	–	–	-0.1	-33.3
	1,221.7	167.9	163.3	-161.3	162.6	-189.7	100.7	-107.0
Profit before tax	1,460.1	390.6	354.4	66.9	376.3	20.8	313.5	114.2
Tax	-321.9	-84.9	-79.5	-7.6	-82.2	-3.9	-60.9	76.8
Net profit for the period	1,138.2	305.7	274.9	59.3	294.1	16.9	252.6	191.0
KEY RATIOS								
	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3
Property-related key ratios								
Letting rate, %	94	93	93	93	95	95	95	95
Operating surplus margin, %	68	67	65	73	68	66	66	70
Letting area, '000 m ²	1,110	1,064	1,062	1,012	971	964	941	940
Investments in own properties, SEK m	164	149	199	163	160	185	360	329
Number of properties	52	49	49	48	49	49	47	50
Financial key ratios								
Equity/assets ratio, %	39.7	39.8	39.6	41.3	41.0	41.3	41.1	40.7
Gearing ratio, %	45.9	46.4	45.5	45.6	46.5	46.8	47.8	48.4
Interest coverage margin, multiple	3.4	3.2	2.8	3.0	3.2	3.0	3.0	3.2
Average rate of interest on interest-bearing liabilities (at period end), %	2.8	3.0	3.2	3.5	3.6	3.6	3.6	3.6
Return on shareholders' equity, %	37.2	10.4	9.6	2.1	10.6	0.6	9.3	7.2
Return on shareholders' equity, excluding changes in value, %	6.4	5.9	5.2	6.3	6.0	5.9	6.1	5.5
Return on total assets, %	20.3	6.6	6.5	2.7	7.0	1.9	6.3	3.2
Return on total assets excluding changes in value, %	4.5	4.4	4.2	5.0	4.6	4.7	4.8	4.4
Data per share								
Earnings per share, SEK	8.54	2.29	2.06	0.45	2.23	0.13	1.94	1.47
Profit before changes in value less applicable nominal tax, SEK	1.40	1.30	1.12	1.34	1.27	1.26	1.28	1.33
EPRA Earnings per share (EPS), SEK	1.68	1.61	1.50	1.60	1.53	1.52	1.88	1.56
Cash flow, SEK	1.99	2.25	1.42	1.41	1.83	0.90	1.65	2.39
Shareholders' equity, SEK	94.62	89.34	87.00	84.89	84.40	84.85	84.67	82.68
EPRA NAV (Net asset value), SEK	120.07	115.59	111.19	106.56	104.91	103.30	101.74	99.04
EPRA NNNAV (Triple Net asset value), SEK ¹⁾	111.48	104.95	101.99	99.17	98.53	98.54	98.17	95.56
Share price, SEK	108.50	131.30	114.70	103.50	109.00	98.35	88.00	85.70
Average number of outstanding shares, '000 ²⁾	133,221	133,221	133,221	133,221	131,689	130,157	130,157	130,157
Number of outstanding shares at end of period, '000 ²⁾	133,221	133,221	133,221	133,221	133,221	130,157	130,157	130,157

¹⁾ For calculation of EPRA NNNAV, an estimated deferred tax of 4 per cent has been used.

²⁾ On 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 organisation for the management of the properties owned by the Parent Company and subsidiary companies.

Net sales totalled SEK 144.8 million (SEK 138.0 m). The operating profit/loss totalled SEK 2.7 million (SEK 6.0 m). Profit/loss after financial items totalled SEK 123.5 million (SEK 146.4 m).

INCOME STATEMENTS PARENT COMPANY

Amounts in SEK m	2015	2014	2014
	1/1–30/6	1/1–30/6	1/1–31/12
Rental income	83.0	80.4	161.8
Management income	61.8	57.6	122.0
Net sales	144.8	138.0	283.8
Property expenses	-29.3	-31.9	-60.9
Management and administration expenses	-102.8	-91.8	-203.5
Depreciation	-10.0	-8.3	-17.6
Operating profit/loss	2.7	6.0	1.8
Result of participations in Group companies	92.7	92.8	579.7
Interest income and similar profit/loss items	242.5	266.0	536.7
Interest expenses and similar profit/loss items	-214.4	-218.4	-456.5
	120.8	140.4	659.9
Profit/loss after financial items	123.5	146.4	661.7
Appropriations	-2.5	-5.2	-103.3
Profit/loss before tax	121.0	141.2	558.4
Current tax	-19.2	-17.1	-14.3
Deferred tax	-8.5	-9.3	-22.6
	-27.7	-26.4	-36.9
Profit for the period	93.3	114.8	521.5

Interest-bearing liabilities amount to SEK 9,247 million (SEK 8,261 m as of 31/12/2014). These funds finance the Parent Company's property portfolio and are lent to other Group companies.

The Parent Company's layout in the Profit and Loss Statement has been changed. The change has not affected the operating profit/loss. The comparison figures have been updated accordingly.

SUMMARY BALANCE SHEETS PARENT COMPANY

Amounts in SEK m	30/6/2015	30/6/2014	31/12/2014
	ASSETS		
Tangible fixed assets	1,409.1	1,351.7	1,374.4
Financial fixed assets	2,515.0	2,316.4	2,422.1
Current assets	14,618.3	13,488.9	13,999.9
Total assets	18,542.4	17,157.0	17,796.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	6,941.7	6,881.3	7,288.0
Untaxed reserves	38.6	31.0	36.1
Provisions	244.0	222.1	235.5
Long-term liabilities	9,113.9	7,717.6	7,375.3
Current liabilities	2,204.2	2,305.0	2,861.5
Total shareholders' equity and liabilities	18,542.4	17,157.0	17,796.4

OTHER INFORMATION

SUSTAINABILITY

One of Atrium Ljungberg's overall operational goals is Corporate Social Responsibility. We have defined four sustainability goals in this context. All our major new construction projects should be environmentally certified in accordance with BREEAM and the energy consumption per m² should decrease by 20 per cent between the years 2014 and 2021. By 2021, the proportion of green lease contracts is also to be 50 per cent of the contracted annual rent. Finally, we shall be one of Sweden's best workplaces. The goals are monitored annually.

MARKET DEVELOPMENT, RISKS AND UNCERTAINTY FACTORS

Atrium Ljungberg's property portfolio, with retail, offices and full-service environments, is primarily located in strong subsidiary markets in the expanding regions Stockholm, Uppsala, Malmö and Gothenburg. 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 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 or reduce the right to make deductions for negative net financial items. This would entail a higher tax expense for Atrium Ljungberg. The proposal has been submitted for feedback and answers were received during the autumn of 2014. A large majority of the bodies reject the proposal. Pursuant to the Government's spring bill, any new rules will enter into force on 1 January 2017 at the earliest.

In June 2015 the Government provided a directive for an investigation with the aim of reviewing certain issues regarding the property industry taxation. How the investigation's proposal will be structured is difficult to judge. However, it is likely that certain restrictions will be introduced for the opportunity to conduct packaging and registration of property measures without tax consequences.

For further information on risks and uncertainty factors in general, please see Atrium Ljungberg's 2014 Annual Report and the section entitled "Risks and risk management" on pages 93–97.

ACCOUNTING PRINCIPLES

Atrium Ljungberg's Consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS). The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts

Act. The Parent Company applies Swedish Financial Reporting Board's recommendation, RFR2 Accounting for Legal Entities, and the Swedish Annual Accounts Act. The accounting principles applied conform to those described in the 2014 Annual Report.

New and revised standards from IFRS and interpretations from IFRIC to be applied by the Group as of 1 January 2015 have had no effect on the Group's results or financial position.

This level means that the valuation is based on input data other than the listed prices, 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.

Valuation method for investment properties

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

Valuation method for derivatives

Derivatives (interest swap agreements) are valued at fair value in the Balance Sheet. Pursuant to the IFRS valuation hierarchy, the fair value of derivatives has been valued in accordance with level 2. This level means that the valuation is based on input data other than the listed prices, 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.

Fair value interest-bearing liabilities

According to the Balance Sheet, the Group's reported interest-bearing liabilities total SEK 13,613 million (SEK 12,317 m as of 31/12/2014) and their fair value totals SEK 13,698 million (SEK 12,417 m as of 31/12/2014). 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.

EPRA

As of 1 January 2015, Atrium Ljungberg reports EPRA EPS, EPRA NAV as well as EPRA NNNAV in accordance with the European Public Real Estate Association.

For calculation of EPRA NNNAV (the triple net asset value), an estimated deferred tax of 4 per cent has been used. The calculation of the tax rate is based on a discount rate of 3 per cent (real) and that the property portfolio is realised over 50 years, where 10 per cent of the properties are sold directly with a nominal tax rate of 22 per cent and that 90 per cent are sold indirectly through transfer of shares with a tax deduction for the buyer of 6 per cent.

ANNUAL GENERAL MEETING AND NOMINATION COMMITTEE

The Annual General Meeting (AGM) of the company, held on 21 April 2015, resolved that the Board of Directors shall comprise six ordinary members. Johan Ljungberg, Simon de Château, Sune Dahlqvist, Anna Hallberg and Erik Langby were re-elected for the period until the next AGM. Hanna Graflund Sleyman was elected as a new member of the Board. Johan Ljungberg was elected as the Chairman of the Board. Thomas Evers and Dag Klackenberglund declined re-election.

It was further resolved that a new Nomination Committee would, ahead of the 2016 AGM, comprise representatives of the company's five biggest shareholders on the last banking day of February 2015. The Nomination Committee thereby consists of Lars Ericson representing the Stockholm Consumer Cooperative society, Hans Hedström representing Carnegie Fonder, Per-Erik Hasselberg representing the Holmström family, Johan Ljungberg representing the Ljungberg family, and Ilkka Tomperi representing Varma Mutual Pension Insurance Company.

A dividend payment of SEK 3.30 per share (SEK 3.05/share) was approved. The AGM also resolved to authorise the Board of Directors to both decide on an issue in kind of maximum SEK 13.3 million shares of class B and to decide on buy back of the company's own shares of class B provided that certain specified preconditions are met, during the period until the next AGM.

Full minutes are available on Atrium Ljungberg's website.

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

The Board of Directors and the CEO hereby attest that the Q2 Interim Report provides an accurate overview of the operations, position and results of the Parent Company and the Group and that it describes significant risks and uncertainty factors faced by the company and the companies that make up the corporate Group.

Nacka, 10 July 2015

Johan Ljungberg
Chairman of the Board

Sune Dahlqvist
Member of the Board

Simon de Château
Member of the Board

Anna Hallberg
Member of the Board

Erik Langby
Member of the Board

Hanna Graflund Sleyman
Member of the Board

Ingalill Berglund
CEO



Atrium Ljungberg entered the Gothenburg market by acquiring three office properties in the city district Lindholmen in central Gothenburg.

DEFINITIONS

FINANCIAL DEFINITIONS

Average number of outstanding shares

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

Cash flow per share, SEK

Cash flow from operating activities divided by the average number of outstanding shares.

Dividend pay-out ratio, %

Dividend per share as a percentage of the profit/loss per share before changes in value, less applicable nominal tax.

Earnings per share, SEK

Net profit/loss for the year divided by the average number of outstanding shares after dilution.

EPRA

The European Public Real Estate Association is a trade organisation for publicly listed real estate companies and investors in Europe which sets standards for the financial reporting.

EPRA EPS Earnings per share, SEK

Profit/loss before changes in value, less nominal tax, divided by the average number of outstanding shares. The deducted tax has been calculated by taking into account tax deductible depreciation and investments.

EPRA NAV (Net asset value)/share, SEK

Reported shareholders' equity with reversal of goodwill, interest derivatives and deferred tax, divided by the number of outstanding shares at the end of the period.

EPRA NNAV (Triple net asset value)/share, SEK

Reported shareholders' equity with reversal of goodwill and adjusted with estimated actual deferred tax, divided by the number of outstanding shares at the end of the period.

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.

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 accounting 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 accounting 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 1 January of the year after completion.

Project return, %

The market value after conducted project minus the total investment divided by the total investment.

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.

ABOUT ATRIUM LJUNGBERG

Atrium Ljungberg is one of Sweden's largest listed property companies and has been listed on the NASDAQ Stockholm Exchange since 1994. We own, develop and manage properties and areas – primarily for the retail and office sectors. We are primarily located in Stockholm, Uppsala, Malmö and Gothenburg.

Our vision, "Our city – where everyone thrives", is an expression for what we want to achieve – exciting and sustainable urban environments where everything you desire is close by and where people want to be, today and tomorrow. Together with customers, suppliers, municipalities and other partners, we grow stronger and help places develop and grow.

Deciding to build property and places for the future is every bit as obvious to us as deciding that our business is to create long-term value – for us, our customers and the society.

Number of properties	52
Property value, SEK billion	30.5
Contracted annual rent, SEK billion	2.2
Total letting area, '000 m ²	1,110
Letting rate, %	94
Number of employees	280

GOALS

Atrium Ljungberg's operations focus on growth in the operating surplus. This, together with a stable capital structure, generates excellent conditions for good growth in value. Our goals are divided into three areas:

- ▶ **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 project return on new build and extension projects shall be 20%. The dividend shall correspond to a minimum of 50% of the project profit before changes in value, after nominal tax.
- ▶ **LONG-TERM STABILITY**
The minimum equity/assets ratio shall be 30% and the minimum interest coverage ratio shall be a multiple of 2.0.
- ▶ **CORPORATE SOCIAL RESPONSIBILITY**
All major new builds shall be environmentally certified in accordance with BREEAM. Energy consumption per m² is to decrease by 20% between 2014 and 2021. By 2021, the proportion of green lease contracts is to be 50% of the contracted annual rent. We shall be one of Sweden's best workplaces.

BUSINESS CONCEPT

Our long-term approach to ownership, development and management enables us to offer our customers attractive retail, office and urban environments in strong subsidiary markets. Our in-house expertise and holistic perspective enable us to generate added value for our customers and partners and to create value growth within the company.



BUSINESS MODEL

Atrium Ljungberg's business model creates profitability and value growth, mostly through long-term property ownership, management and improvement, as well as through project development of properties. Our construction business also contributes to profitability, as do our property acquisitions and sales.

STRATEGIES

- ▶ Focus on developing environments for retail and office purposes and, where possible, add housing, service, culture and education.
- ▶ Develop and improve properties and development rights.
- ▶ Operate in strong subsidiary markets in large urban regions.
- ▶ Be a significant player with large, unified units in each subsidiary market.
- ▶ Our focus, in everything we do, shall be on our customers. Collaboration with customers, suppliers, municipalities and other stakeholders should be close, long-term, stable and personal.
- ▶ Conduct and manage the entire business process in-house using our in-house expertise.
- ▶ The sustainability work should be integrated in the business strategy and should comprise an important component of our offering.
- ▶ Have committed employees who are passionate about what we do.

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.

THE ANNUAL REPORT and interim reports are available on our website. The Annual Report is distributed in printed format by post to shareholders who have actively requested it. Interim reports and preliminary financial statements are translated into English and both language versions are published simultaneously on our website. The annual reports are 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 the website is also available in English.

PUBLICATION OF FINANCIAL INFORMATION

Interim report Jan–Sep 2015	23/10/2015
Preliminary Financial Statement, 2015	19/02/2016
2015 Annual Report	March 2016
Annual General Meeting	07/04/2016
Interim report Jan–March 2016	22/04/2016
Interim report Jan–Jun 2016	12/07/2016
Interim report Jan–Sep 2016	21/10/2016



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

www.atriumljungberg.se