



ATRIUM LJUNGBERG

INTERIM REPORT
JANUARY-SEPTEMBER 2015

Q3

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1 JANUARY–30 SEPTEMBER 2015

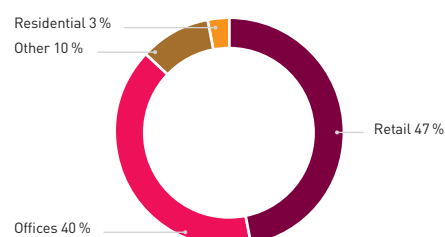
- ▶ NET SALES increased to SEK 1,830 million (SEK 1,714 m), of which rental income increased to SEK 1,571 million (SEK 1,481 m).
- ▶ THE LETTING RATE increased to 94 per cent (93% as of 31/12/2014), including project properties.
- ▶ THE OPERATING SURPLUS from property management increased to SEK 1,084 million (SEK 1,020 m), which corresponds to an operating surplus margin of 69 per cent (69%). The increase in operating surplus can mainly be attributed to property acquisitions and completed projects.
- ▶ THE PROFIT BEFORE CHANGES IN VALUE increased to SEK 718.1 million (SEK 652.4 m).
- ▶ UNREALISED CHANGES IN THE VALUE of properties amounted to SEK 1,400.1 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 39.3 million (SEK -622.8 m) as a result of a slight increase in market interest rates on the terms covered by the derivatives.
- ▶ THE NET PROFIT FOR THE PERIOD totalled SEK 1,683.6 million (SEK 370.3 m), corresponding to SEK 12.64/share (SEK 2.81/share). The increase is mainly attributable to increased property values, unrealised changes in value of derivatives and an increased operating surplus due to property acquisitions and completed projects.
- ▶ INVESTMENTS in Atrium Ljungberg's own properties amounted to SEK 500 million (SEK 508 m).
- ▶ PROPERTIES WERE ACQUIRED for a total of SEK 872 million (SEK 620 m).
- ▶ THE 2015 PROFIT FORECAST before changes in value and tax amounts to SEK 930 million.

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

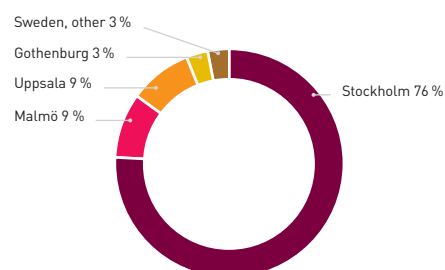
- ▶ An agreement was concluded on the sale of four retail properties. The transaction is subject to a financing condition, and the premises are expected to be vacated at the end of November.
- ▶ An agreement was concluded with the Swedish National Courts Administration for the lease of 10,700 m² of office space in the Sickla Front II project. As a result, construction was started on two office buildings with around 27,500 m² of letting area and a parking garage with approximately 450 parking places. The lease contract is conditional on the Government granting its approval, which it is expected to decide on during the autumn of 2015.
- ▶ Stora Enso's Biomaterial division took possession of its premises totalling approximately 5,000 m² in the Sickla Front office building.
- ▶ Possession of the three properties at Lindholmen in Gothenburg, which we acquired during the summer of 2015. A new local organisation was established on location.
- ▶ Lease of 5,600 m² in the Gränby Köpstad project in Gränbystaden.

KEY RATIOS	2015 Jan–Sep	2014 Jan–Sep	2015 Jul–Sep	2014 Jul–Sep
Net sales, SEK	1,830	1,714	643	583
Profit/loss before changes in value, SEK m	718	652	257	228
Net profit/loss for the period, SEK m	1,684	370	240	59
Total investments, SEK m	1,372	1,128	189	163
Cash flow from operating activities, SEK m	776	546	211	188
Letting rate, %	94	93	94	93
Equity/assets ratio, %	40.4	41.3	40.4	41.3
Gearing ratio, %	45.6	45.6	45.6	45.6
Interest coverage ratio, multiple	3.4	3.0	3.5	3.0
Average interest rate at period end, %	2.8	3.5	2.8	3.5
Earnings per share, SEK	12.64	2.81	1.80	0.45
Profit/loss before changes in value less nominal tax, SEK/share	4.20	3.86	1.50	1.34
Market value, SEK/share	126.60	103.50	126.60	103.50
EPRA NNAV (Triple net asset value), SEK/share	113.89	99.17	113.89	99.17
Shareholders' equity, SEK/share	96.45	84.89	96.45	84.89

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



“Our target is to be the leader in sustainable urban development.”

THREE STRONG QUARTERS

The booming real estate market and the low interest rates contributed to a strong result. Unrealised changes in value of properties totalled SEK 1.4 billion, corresponding to five per cent growth. The operating surplus increased by more than six per cent, and profit before changes in value and tax increased by ten per cent.

We have invested SEK 1.4 billion in our real estate portfolio during the first three quarters and sold properties for SEK 1.3 billion. Net letting during the first three quarters amounted to SEK 62 million.

MARKET CONDITIONS

The global economy is facing many challenges, but Swedish growth is good. The National Institute of Economic Research (NIER) predicts higher growth by 3.2 per cent for 2015 and 3.1 per cent for 2016. Consumption and housing construction are mainly expected to drive growth. The Riksbank is very focused on the SEK exchange rate as well as on achieving the inflation target and continuing with stimulus measures. The Riksbank decided not to make any changes to the repo rate in September, and it remains at -0.35 per cent. Market interest rates continue to be at historically low levels.

REAL ESTATE PRICES ARE RISING

Real estate continues to be a very attractive investment alternative, primarily due to the low interest rate. During the most recent quarter, real estate prices continued to rise and there is demand for all types of property in most geographic markets.

MANAGEMENT BUSINESS

Our net letting for the third quarter amounted to SEK 16 million. Some great news was that the lease with the Swedish National Courts Administration for 10,700 m² made it possible to start a new project in Sickla. Net letting was also negatively impacted by a company, Grontmij, vacating 7,600 m² in Liljeholmen.

Demand for our office premises is strong, and we are currently involved in a number of business discussions, primarily in Ärvinge, where we see potential for reducing the rate of vacancy in the near future.

Store sales in our large retail hubs increased by 4.9 per cent during the period January – August 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 in Malmö reported the largest increase in sales.

On 30 September, we took possession of three newly acquired properties at Lindholmen in Gothenburg. We are now on location with a local office and staff has been recruited to be responsible for the long-term management and development of the existing portfolio and to seek growth opportunities in the area. The acquisition of Lindholmen is our first step into an expansive Gothenburg market, and we have a clear ambition to continue to grow here. We would like to be a long-term, active participant in the development of the emerging Älvsåden.

START OF CONSTRUCTION IN SICKLA

As we already mentioned, we are very pleased to announce that we have signed a 20-year agreement with the Swedish National Courts Administration for premises in Sickla. We therefore started a large office project, Sickla Front II, next to Uddvägen in Sickla, where the Swedish National Courts Administration and three of its departments will move into during the second quarter of 2018.

The project encompasses two office buildings and a parking garage, and it is yet another step toward transforming Sickla into Nacka Municipality's vision of a “dense and mixed city”. The neighbourhood will be tied together in a natural manner with our existing office building, Sickla Front, and create a link between Sickla and Hammarby

Sjöstad. It will give this old industrial area a new character and offer an inviting entrance to all of Sickla.

SALES IN LINE WITH OUR STRATEGY

We shall be present where we can establish long-term growth and create unified areas with mixed content. Locally, our property portfolio should be large enough to support a management office with its own staff. It is very important to us that we are close to our customers and have an instinctive feel for the area. This strategy serves as the basis for the business transaction that was concluded in July when we sold Kvarteret Igor in Västerås, Orminge Centrum in Nacka, Rotebro Handel in Sollentuna and Mittpunkten in Östersund. Since all of the conditions for the transaction have not yet been met, vacancy of the properties has been postponed until the end of November.

SUSTAINABILITY AN IMPORTANT PART OF OUR BUSINESS

As a long-term owner, manager and developer, we are a significant player in the markets and areas in which we operate. It is our responsibility to take people, the environment and the economy into consideration, and we see the possibilities for doing so, and we are also working continuously to become more sustainable in our areas. Sustainability is an integrated part of our operations through our vision and business concept, our values and our business processes.

During the year we started a major, strategic sustainability project, as part of which one of the targets is to become a leader in sustainable urban development.

FUTURE OUTLOOK

All indications point to the beneficial market conditions continuing throughout the rest of the year. Thanks to our strong balance sheet and considerable experience in project development, we are facing good possibilities for implementing all of the projects we have planned for. Today our project portfolio amounts to a possible investment of SEK 9 billion. These investments will primarily be made in Sickla, Uppsala and Barkarby, areas in which there is good future growth.

We are lowering our forecast for 2015 for profit before changes in value and tax from SEK 940 million to SEK 930 million due to the sale of the four retail properties. 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
	1/1–30/9	1/1–30/9	1/7–30/9	1/7–30/9	1/1–31/12	1/10–30/9
Rental income	1,570.6	1,481.4	534.1	500.2	1,980.5	2,069.7
Net sales, project and construction work	259.3	232.1	108.7	82.7	330.8	358.0
Net sales	1,829.9	1,713.5	642.8	582.9	2,311.3	2,427.7
Property management costs						
Service charge-related costs	-130.6	-129.6	-36.3	-37.9	-175.6	-176.6
Other operating costs	-112.6	-105.8	-33.9	-30.8	-147.3	-154.1
Management costs	-91.7	-90.1	-28.2	-23.9	-131.6	-133.2
Repairs	-30.9	-28.5	-11.3	-10.3	-44.4	-46.8
Property tax	-93.7	-87.0	-31.7	-26.8	-115.0	-121.7
Leasehold fees	-20.0	-13.9	-7.5	-5.3	-13.6	-19.7
Non-deductible VAT	-6.8	-7.0	-2.3	-2.5	-8.4	-8.2
	-486.3	-461.9	-151.2	-137.5	-635.9	-660.3
Project and construction work costs	-272.9	-238.5	-118.1	-84.8	-341.6	-376.0
Gross profit	1,070.7	1,013.1	373.5	360.6	1,333.8	1,391.4
– of which gross profit property management (operating surplus)	1,084.3	1,019.5	382.9	362.7	1,344.6	1,409.4
– of which gross profit project and construction work	-13.6	-6.4	-9.4	-2.1	-10.8	-18.0
Central administration, property management	-39.2	-32.7	-12.9	-13.6	-53.3	-59.8
Central administration, project and construction work	-11.3	-10.4	-3.3	-3.2	-14.0	-14.9
	-50.5	-43.1	-16.2	-16.8	-67.3	-74.7
Financial income	1.2	1.0	0.7	0.2	1.5	1.7
Financial expenses	-303.3	-318.6	-101.0	-115.8	-424.5	-409.2
	-302.1	-317.6	-100.3	-115.6	-423.0	-407.5
Profit before changes in value	718.1	652.4	257.0	228.2	843.5	909.2
Changes in value						
Properties, unrealised	1,400.1	426.1	215.7	–	860.6	1,834.6
Properties, realised	0.6	8.3	–	7.0	8.3	0.6
Derivatives, unrealised	39.3	-622.8	-165.3	-168.3	-894.0	-231.9
Goodwill, write-downs	–	0.0	–	0.0	0.0	0.0
	1,440.0	-188.4	50.4	-161.3	-25.1	1,603.3
Profit before tax	2,158.1	464.0	307.4	66.9	818.4	2,512.5
Current tax	-24.4	-33.0	-5.2	-15.6	-16.2	-7.6
Deferred tax	-450.1	-60.7	-62.5	8.0	-157.0	-546.4
	-474.5	-93.7	-67.7	-7.6	-173.2	-554.0
Net profit for the period	1,683.6	370.3	239.7	59.3	645.2	1,958.5
Other comprehensive income						
<i>Items which will be reclassified to the profit/loss</i>						
Cash flow hedging	20.0	25.0	5.0	7.8	32.7	27.7
Tax attributable to other reported income and expenses	-4.4	-5.5	-1.1	-1.7	-7.2	-6.1
Total other comprehensive income	15.6	19.5	3.9	6.1	25.5	21.6
Total comprehensive income for the period	1,699.2	389.8	243.6	65.4	670.7	1,980.1
Earnings per share, SEK	12.64	2.81	1.80	0.45	4.89	14.70

PROFIT, JANUARY–SEPTEMBER 2015

NET SALES

The Group's posted net sales for the first nine months totalled SEK 1,830 million (SEK 1,714 m), of which rental income comprised SEK 1,571 million (SEK 1,481 m). The increase in rental income is primarily explained by additional rental income from acquired properties and projects which were completed last year.

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.

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.

During the the first nine months, non-recurring remuneration for premature vacating of premises was received by SEK 13.5 million (SEK 17.7 m).

PROPERTY EXPENSES

Property expenses totalled SEK –486.3 million (SEK –461.9 m). Compared to the corresponding period last year, the costs have increased slightly. The increase refers to a larger property portfolio resulting from property acquisitions and completed projects. The property expenses in relation to rental income correspond to 31.0 per cent (31.2%).

GROSS PROFIT/LOSS

The gross profit for the property management activities (the operating surplus) totalled SEK 1,084.3 million (SEK 1,019.5 m), an increase of 6.4 per cent. The increase primarily refers to acquired properties and projects completed in 2014. The surplus margin amounted to 69 per cent (69%).

The gross profit for project and construction activities totalled SEK –13.6 million (SEK –6.4 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 9.4 million (SEK 22.6 m). The decrease in gross profit mainly refers to forcing costs in a construction project.

CENTRAL ADMINISTRATION

Central administration comprises of costs for the company management as well as central support functions. The cost for the first nine months amounted to SEK –50.5 million (SEK –43.1 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 corresponding period last year, the cost would have amounted to SEK –46.0 million.

FINANCIAL EXPENSES

Financial expenses amounted to SEK –303.3 million (SEK –318.6 m) for the period. SEK 3.9 million (SEK 14.0 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 1,400.1 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. For more information, refer to the section on the property portfolio on page 8.

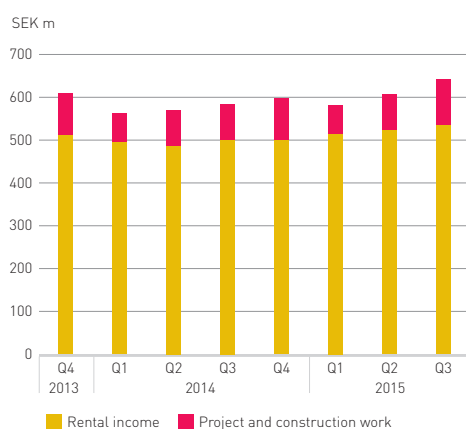
Unrealised changes in the value of derivatives totalled SEK 39.3 million (SEK –622.8 m) as a result of a slight increase in market interest rates on the terms covered by the derivatives during the period. For more information, refer to the section on financing on page 10.

TAXES

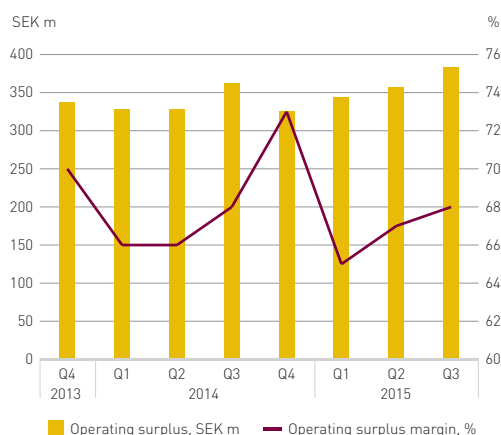
The current tax for the period totalled SEK –24.4 million (SEK –33.0 m) and has been affected by, among other things, fiscally deductible depreciation and investments, and by loss carry-forwards from the previous year's tax assessment.

The change in deferred tax totals SEK –450.1 million (SEK –60.7 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, 30/09/2015

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	2,158.1	
Fiscally deductible		
depreciation	-396.5	396.5
investments	-141.4	141.4
disposal of property	-34.2	34.2
Non-taxable/non-deductible		
changes in the value of properties, unrealised	-1,400.1	1,400.1
changes in the value of properties, realised	-0.6	-
changes in the value of derivatives, unrealised	-39.3	39.3
consolidated capitalisation of borrowing	-6.9	6.9
Other fiscal adjustments	-0.3	-
Fiscal profit/loss before loss carry-forwards	138.7	2,018.5
Loss carry-forwards, opening balance	-122.8	122.8
Fiscally deductible investments, adjustment from previous years	-7.3	7.3
Other adjustments of loss carry-forwards	-3.5	-
Property acquisition through companies	-20.6	20.7
Loss carry-forwards, closing balance	124.8	-124.8
Taxable profit/loss	109.4	2,044.4
Of which 22% current/deferred tax	-24.1	-449.8
Revaluation of previous tax assessments and other adjustments	-0.3	-0.3
Reported tax expense	-24.4	-450.1

PROFIT/LOSS

The profit before changes in value for the first nine months of the year totalled SEK 718.1 million (SEK 652.4 m). The net profit for the period totalled SEK 1,683.6 million (SEK 370.3 m), corresponding to SEK 12.64/share (SEK 2.81/share).

SALES AND NET PROFIT 1 JULY-30 SEPTEMBER

The Group's posted net sales for the third quarter of the year totalled SEK 643 million (SEK 583 m), of which rental income comprised SEK 534 million (SEK 500 m). The increase in rental income is primarily explained by additional rental income from acquired properties and projects which were completed last year.

During the third quarter, non-recurring remuneration for premature vacating of premises was received by SEK 7.6 million (SEK 11.8 m).

Property expenses totalled SEK -151.2 million (SEK -137.5 m). Compared to the third quarter of last year, costs have increased related to a larger property portfolio.

The costs for central administration amounted to SEK -16.2 million (SEK -16.8 m) for the third quarter.

Financial expenses for the third quarter amounted to SEK -101.0 million (SEK -115.8 m). During the quarter SEK 1.6 million (SEK 1.5 m) in interest expenses has been capitalised as an investment in property projects.

Unrealised changes in value of properties totalled SEK 215.7 million (SEK 0.0 m) and are explained by the market's lower yield requirements for several properties. Unrealised changes in value of financial instruments totalled SEK -165.3 million (SEK -168.3 m) as a result of a decrease in market interest rates on the terms covered by the derivatives during the third quarter.

The current tax for the third quarter totalled SEK -5.2 million (SEK -15.6 m) and the net profit for the period totalled SEK 239.7 million (SEK 59.3 m), corresponding to SEK 1.80/share (SEK 0.45/share).

CONTRACTED ANNUAL RENT AND LETTING RATE

The Group's contracted annual rent amounted to SEK 2,181 million on 01/10/2015 (SEK 2,090 m as of 01/01/2015). The rental value, i.e. contracted annual rent and estimated market rents for vacant area in existing condition, amounted to SEK 2,321 million on 01/10/2015 (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	1,163	1,103	95
Business area Offices	1,132	1,055	93
Total	2,295	2,158	94
Project properties	26	23	91
Total	2,321	2,181	94

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

NET LETTING

Net letting, i.e. newly agreed contracted annual rents less annual rents due to termination of lease contracts, amounted during the third quarter of 2015 to SEK 16 million, and had been affected by the agreement with Swedish National Courts Administration in Sickla Front II and several lettings in Gränby Köpstad, but also by Grontmij vacating 7,600 m² in Liljeholmen.

The time lag between net letting and its effect on profit is assessed to be 3-18 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 930 million, a decrease of SEK 10 million compared to the forecast provided most recently, due to sold properties. The profit forecast after tax is SEK 1,850 million, corresponding to SEK 13.89/share and including changes in value as of 30/09/2015. 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	30/09/2015	30/09/2014	30/06/2015	30/06/2014	31/12/2014
ASSETS					
Investment properties	30,935.6	26,477.4	30,531.5	26,399.5	28,163.4
Goodwill	274.2	274.2	274.2	274.3	274.2
Other fixed assets	45.3	16.8	49.0	17.1	44.6
Total fixed assets	31,255.1	26,768.4	30,854.7	26,690.9	28,482.2
Current assets	486.0	447.2	460.0	430.9	378.6
Liquid assets	58.9	178.3	416.6	268.6	414.8
Total current assets	544.9	625.5	876.6	699.5	793.4
Total assets	31,800.0	27,393.9	31,731.3	27,390.4	29,275.6
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	12,849.2	11,308.7	12,605.6	11,243.3	11,589.6
Deferred tax liability	3,128.5	2,578.2	3,067.0	2,584.5	2,677.5
Long-term interest-bearing liabilities	11,357.1	10,596.5	11,212.5	11,490.1	9,807.1
Derivatives	786.2	576.6	620.6	414.6	846.4
Other long-term liabilities	30.8	26.1	29.9	27.6	27.2
Total long-term liabilities	15,302.6	13,777.4	14,930.0	14,516.8	13,358.2
Current interest-bearing liabilities	2,737.9	1,470.7	2,400.5	772.6	2,510.3
Derivatives	0.9	6.5	6.3	7.9	-
Other current liabilities	909.4	830.6	1,788.9	849.8	1,817.5
Total current liabilities	3,648.2	2,307.8	4,195.7	1,630.3	4,327.8
Total shareholders' equity and liabilities	31,800.0	27,393.9	31,731.3	27,390.4	29,275.6

CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY

Amounts in SEK m	Attributable to the Parent Company shareholders				Total shareholders' equity
	Share capital	Other capital contributed	Hedging provisions	Profits brought forward	
Opening balance, as per 1 January 2014	333.0	3,959.8	-113.3	6,841.2	11,020.7
Profit for the period				370.3	370.3
Other comprehensive income			19.5		19.5
Sale of repurchased shares				295.1	295.1
Dividend, SEK 3.05/share				-397.0	-397.0
Closing balance as per 30 September 2014	333.0	3,959.8	-93.8	7,109.7	11,308.7
Profit for the period				274.9	274.9
Other comprehensive income			6.0		6.0
Closing balance as per 31 December 2014	333.0	3,959.8	-87.8	7,384.6	11,589.6
Profit for the period				1,683.6	1,683.6
Other comprehensive income			15.6		15.6
Dividend, SEK 3.30/share				-439.6	-439.6
Closing balance as per 30 September 2015	333.0	3,959.8	-72.2	8,628.6	12,849.2

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 01/01/2015–30/09/2015 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 nine months of 2015 amounted to SEK 100 billion. The forecast is that the volume for the whole year will be in line with last year's record volume. Retail and industrial properties have increased their share of the total transaction volume compared to recent years, which is an effect of the low supply of office buildings.

OUR PROPERTY PORTFOLIO

Atrium Ljungberg's property portfolio comprises 52 properties located primarily in Stockholm, Uppsala, Malmö and, now, after the recent acquisition, also Gothenburg. Our portfolio, which mainly consists of retail and office properties, is made up of modern, attractive properties with a total letting area of 1,110,000 m².

In September we took possession of three properties in Gothenburg: Lundbyvassen 4:7, Lundbyvassen 4:8 and Lundbyvassen 4:13, with a total of approximately 35,000 m² lettable area and 400 parking spaces. The acquisition took place through a corporate deal with an underlying property value of SEK 897 million before deductions for deferred tax.

During the third quarter, an agreement was concluded on the sale of four retail properties with a total of 63,300 m² lettable area; Igor 8 (Kvarterat Igor in Västerås), Månadsmötet 9 (Mittpunkten in Östersund), Rotundan 1 (Rotebro Handel in Sollentuna) and Orminge 47:1 (Orminge Centrum in Nacka). The properties are expected to be vacated at the end of November, but this is subject to a financing condition. The sale will take place through the divestment of shares with an underlying property value of approximately SEK 1.3 billion. The transaction will yield a profit after tax of around SEK 90 million and will be reported in the accounts for the fourth quarter.

Change in the value of the property portfolio

	SEK m	Number
Property portfolio, 31/12/2014	28,163	49
Acquired properties (after deductions for deferred tax)	872	3
Investments in our own properties	500	-
Unrealised changes in value	1,400	-
Property portfolio, 30/09/2015	30,936	52

PROPERTY VALUES

Atrium Ljungberg has conducted an internal valuation of its property portfolio during the third quarter.

The market valuation is based on analyses of completed property transactions for properties of a similar standard and in a similar location, in order to assess the market's yield requirements. The valuation also entails cash flow calculations, with individual assessments of the earning capacity of each individual property. Assumed rental levels in conjunction with contract expirations correspond to current market rent levels. Operating costs have been assessed on the basis of the company's actual costs. Development rights have been valued on the basis of an estimated market value per 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 30,936 million. The average yield requirement in the valuation is 5.4 per cent (5.6% as of 31/12/2014). Investments in Atrium Ljungberg's own properties during the period totalled SEK 500 million (SEK 508 m). The unrealised change in value amounted to SEK 1,400 million (SEK 426 m) and is primarily explained by the market's lower yield requirements for the majority of properties and higher rents as a result of new letting and renegotiations.

Unrealised changes in value

	SEK m
Change in yield requirements	1,209
Change in operating surplus	189
Change in investments	2
Total	1,400

Yield requirement per premises type, %

Premises type	Interval	Average
Offices	4.2-7.5	5.4
Retail	4.2-7.5	5.4
Residential	3.7-4.3	3.8
Other	4.3-7.5	5.8
Total	3.7-7.5	5.4

Property portfolio, 30/09/2015

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	14,896	28,046	1,163	2,190	95
Business area Offices	558	14,971	26,854	1,132	2,030	93
Total	1,089	29,867	27,436	2,295	2,108	94
Project properties, including land and development rights	21	1,068	N/A ²¹	26	1,211	91
Total	1,110	30,936		2,321	2,091	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 region, %

Region	Interval	Average
Stockholm	3.7–7.5	5.3
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	3.7–7.5	5.4

ONGOING PROJECTS

We have invested a total of SEK 500 million in our own properties during the first three quarters of 2015. The investments in project properties amounted to SEK 145 million and refer primarily to the Gränby Köpstad project at Gränbystaden in Uppsala. The remaining investment volume for ongoing projects amounted to approximately SEK 890 million at 30 September.

GRÄNBÝ KÖPSTAD WITHIN GRÄNBÝSTADEN – UPPSALA

Atrium Ljungberg continues to develop the new retail hub in Gränbystaden in northeast Uppsala. The most recent new building was inaugurated on 21 October and is home to City Gross, a pharmacy and a hair salon. At the end of the year a toy store and a play area will open on the top floor of the building, which will then be fully occupied.

Gränbystaden continues to develop with the opening of more stores and restaurants. An additional three buildings are under construction and Arken Zoo, ÖöB and three restaurant concepts will open in the spring of 2016. In connection with the completion of these buildings, a theme playground and a square with an open-air café will also be inaugurated. The total letting area for the new retail hub will thus be 18,700 m².

Atrium Ljungberg's long-term plans for this retail area are to create a volume retail area of around 50,000 m² that has the feel of a city centre and offers a selection that complements Gränby Centrum. In the long run this new retail area will be a natural part of the Gränbystaden neighbourhood as a whole, which will also include Gränby Centrum and its surroundings.

Our vision for Gränbystaden is to create a new, attractive and exciting city district in Uppsala. This is being realised in cooperation with Uppsala Municipality, which is improving the options for pedestrians, cyclists and modern public transport. We are planning now for the development of residential next to Gränby Centrum and for additional retail, service, cultural and educational facilities. Work on the detailed development plans is already underway and a new detailed development plan for residential next to Gränby Centrum is expected to enter into force during the first quarter of 2016.

SICKLA FRONT II – SICKLA

A lease contract was signed with the Swedish National Courts Administration at the beginning of September for around 10,700 m² of office space at Uddvägen on the western part of Sicklaön in Sickla. We have therefore started construction on two new office buildings at Sicklaön 346:1, where we own a large area of land with an industrial feel. The planned project, called Sickla Front II, covers a total of approximately 27,500 m² of letting area and a parking garage of approximately 12,000 m² with around 450 parking places. The Swedish National Courts Administration, which includes the Nacka District Court, the Rent and Tenancy Tribunal and the Land and Environmental Court, will become a significant tenant in one of the new office buildings. The lease contract with the Swedish National Courts Administration is conditional on the Government providing its approval, which is expected to take place during the autumn of 2015. Occupancy of the premises is planned for the second quarter of 2018.

Our aim for the currently closed industrial area is to create an attractive and urban district for large and small businesses. The area will give Sickla a new entrance and increase the appeal of the entire Sickla area. The Tvärbanan tram will be extended to Sickla Station, which further improves transport options to the area. This extension is expected to be in operation in August 2017.

POTENTIAL DEVELOPMENT PROJECTS

An adjusted detailed development plan for part of Mobilia in Malmö is expected to enter into force in October 2015. The detailed development plan enables the continued development of Mobilia with new construction and extensions totalling around 14,000 m² GFA for retail, residential and cultural facilities. The planned new construction and extensions will create clearer links between Mobilia's different parts and provide opportunities to further develop the square at the heart of the district.

Several planning processes are underway for other areas in our portfolio, which we believe will enter into force at the beginning of 2016. In terms of area, our long-term development plans cover equally large areas of residential, retail and office premises as well as some educational facilities. The plans are distributed among all our areas, with two-thirds of the project portfolio located in Sickla and Uppsala, but with Järfälla also comprising a large part.

The estimated project volume for potential but not yet determined projects totalled SEK 9 billion at 30 September.

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	370	90	2014–2016 ¹⁾	32	95
Sickla Front II, Sicklaön 346:1, Nacka	27,500	Offices/Parking	830	800	2018	64	N/A ²⁾
Total	46,200		1,200	890		96	

¹⁾ Covers approximately 50,000 m² GFA in total. Investment decisions and completion take place in stages, among other things, connected to letting.

²⁾ Letting rate is not, with regard to individual business transactions, reported as a subsidiary amount.

³⁾ The lease contract is conditional on the Government providing its approval, which is expected to take place during the autumn of 2015.

FINANCING

THE FINANCIAL MARKET

The Swedish business cycle is improving and there is a clear upward trend in inflation, which indicates that the Swedish economy will continue to recover. According to the National Institute of Economic Research, GDP is expected to grow by 3.2 per cent during 2015 and 3.1 per cent during 2016. The recovery will take time, however, and the Riksbank lowered the repo rate to -0.35 per cent at the beginning of July with the justification that inflation and inflation expectations remained low and to counteract a strengthening of the Swedish krona. The National Institute of Economic Research's forecast in August was that the Riksbank will lower the repo rate to -0.45 per cent in December and then leave it unchanged until the end of 2016.

The variable rate, 3M Stibor, continued to fall and at 30/09/2015 was -0.30 per cent.

INTEREST-BEARING LIABILITIES

Atrium Ljungberg meets its financing requirements through five Nordic banks and the capital market. Bank loans secured by real estate mortgages are the primary source of funding and accounted for 70 per cent of the total loan volume at the end of the third quarter. Remaining part consists of unsecured loans through the capital market.

Interest-bearing liabilities at the end of the period amounted to SEK 14,102 million. The average interest rate amounted to 2.8 per cent. The average fixed interest term was 4.4 years and the capital commitment term was 2.9 years.

During the third quarter bank loans of SEK 180 million was raised, SEK 790 million was settled and SEK 550 million was refinanced. Outstanding commercial papers increased by SEK 1,090 million. In total, interest-bearing liabilities have increased by SEK 481 million during the third quarter due to the acquisition in Gothenburg.

DERIVATIVES

At the end of the period, the derivative portfolio comprised of SEK 8,411 million in interest swaps, net including shortened swaps, with maturity between the years 2016-2029. In addition, there is SEK 800 million in forward-started swaps meaning that we signed agreements for fixed interest terms beginning in 2016-2017. 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 nine months totalled SEK 39.3 million (SEK -622.8 m) as market interest rates have risen slightly on the terms covered by the derivatives during the period. The deficit book value of the derivative portfolio totalled SEK -787 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	1,985	14	1.1
2015	751	5	0.4
2016	2,935	21	1.7
2017	630	4	3.6
2018	849	6	3.7
2019	606	4	3.8
2020 and thereafter	6,346	45	3.8
Total	14,102	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.

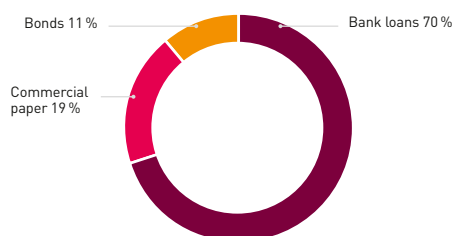
Capital commitment

Maturity date	Amount, SEK m	Percentage, %
2015	-	-
2016	4,067	29
2017	4,455	32
2018	1,482	11
2019	1,120	8
2020 and thereafter	2,978	21
Total	14,102	100
Prepaid financing costs	-7	
Interest-bearing liabilities in accordance with the Balance Sheet	14,095	

Key ratios financing

	30/09/2015	31/12/2014
Interest-bearing liabilities, SEK m	14,102	12,327
Gearing ratio, %	45.6	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	12,849	11,590

Interest-bearing liabilities



CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in SEK m	2015	2014	2015	2014	2014	2014/2015
	1/1–30/9	1/1–30/9	1/7–30/9	1/7–30/9	1/1–31/12	1/10–30/9
OPERATING ACTIVITIES						
Profit before tax	2,158.1	464.0	307.4	66.9	818.4	2,512.5
Reversal of depreciation and write-downs	6.3	4.7	2.1	1.7	6.5	8.1
Realised changes in value, properties	-0.6	-8.3	-	-7.0	-8.3	-0.6
Unrealised changes in value, properties	-1,400.1	-426.1	-215.7	-	-860.6	-1,834.6
Unrealised changes in value, derivatives	-39.3	622.8	165.3	168.3	894.0	231.9
Other items not included in the cash flow	8.5	9.4	2.2	1.0	17.8	16.9
Tax paid	-140.1	-200.2	-40.7	-41.0	-193.9	-133.8
Cash flow from operating activities before changes in working capital	592.8	466.3	220.6	189.9	673.9	800.4
Net change in working capital	182.9	79.4	-9.2	-2.0	60.5	164.0
Cash flow from operating activities	775.7	545.7	211.4	187.9	734.4	964.4
INVESTMENT ACTIVITIES						
Acquisition of properties	-1,958.2	-620.0	-862.1	-20.0	-620.0	-1,958.2
Reconstruction and new construction of properties	-500.0	-507.8	-187.3	-162.9	-706.6	-698.8
Sale of properties	-	1,031.9	-	93.5	1,031.9	-
Acquisition/sale of equipment	-6.6	-4.6	-0.5	-1.4	-7.3	-9.3
Cash flow from investment activities	-2,464.8	-100.5	-1,049.9	-90.8	-302.0	-2,666.3
FINANCING ACTIVITIES						
Change in other long-term liabilities	3.6	1.1	0.9	-1.4	2.5	5.0
Loans raised	3,610.2	1,346.6	1,419.9	211.5	2,180.4	4,444.0
Amortisation of debts	-1,841.0	-1,699.3	-940.0	-397.5	-2,285.2	-2,426.9
Sale of repurchased shares	-	295.1	-	-	295.1	-
Dividend paid	-439.6	-397.0	-	-	-397.0	-439.6
Cash flow from financing activities	1,333.2	-453.5	480.8	-187.4	-204.2	1,582.5
Cash flow for the period	-355.9	-8.3	-357.7	-90.3	228.2	-119.4
Liquid assets at the beginning of the period	414.8	186.6	416.6	268.6	186.6	178.3
Liquid assets at the end of the period	58.9	178.3	58.9	178.3	414.8	58.9

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow from operating activities totalled SEK 775.7 million (SEK 545.7 m), corresponding to SEK 5.82/share (SEK 4.10/share). The higher cash flow during the first nine 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 -2,464.8 million (SEK -100.5 m) and are the result of paid purchase money for Stora Katrineberg 16 in Liljeholmen, Stockholm, the acquired properties at Lindholmen, Gothenburg, 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 1,333.2 million (SEK -453.5 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 119 million and unutilised lines of credit in addition to outstanding commercial papers of SEK 0 million (SEK 700 m) amounted to SEK 177.9 million at the end of the period (SEK 1,004.8 m as of 31/12/2014).

SEGMENT REPORTING 1/1–30/9 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	828.0	725.6	17.0		1,570.6					1,570.6
Net sales, project and construction work						29.4	339.9	369.3	-110.0	259.3
Net sales	828.0	725.6	17.0		1,570.6	29.4	339.9	369.3	-110.0	1,829.9
Property management costs	-282.0	-197.0	-7.3		-486.3					-486.3
Project and construction work costs						-52.4	-330.5	-382.9	110.0	-272.9
Gross profit	546.0	528.6	9.7		1,084.3	-23.0	9.4	-13.6	0.0	1,070.7
<i>- of which gross profit/loss from property management</i>	<i>546.0</i>	<i>528.6</i>	<i>9.7</i>		<i>1,084.3</i>					<i>1,084.3</i>
<i>- of which gross profit/loss from project and construction work</i>						<i>-23.0</i>	<i>9.4</i>	<i>-13.6</i>		<i>-13.6</i>
Central administration, property management					-39.2					-39.2
Central administration, project and construction work							-11.3	-11.3		-11.3
Financial income									1.2	1.2
Financial expenses									-303.3	-303.3
Profit/loss before changes in value	546.0	528.6	9.7		1,045.1	-23.0	-1.9	-24.9	-302.1	718.1
Properties, unrealised changes in value	543.7	845.4	11.0		1,400.1					1,400.1
Properties, realised changes in value				0.6	0.6					0.6
Derivatives, unrealised changes in value									39.3	39.3
	543.7	845.4	11.0	0.6	1,400.7				39.3	1,440.0
Current tax									-24.4	-24.4
Deferred tax									-450.1	-450.1
Net profit/loss for the period	1,089.7	1,374.0	20.7	0.6	2,445.8	-23.0	-1.9	-24.9	-737.3	1,683.6
Investments and acquisitions per business segment										
Investments, investment properties	178.9	175.9	145.2		500.0					500.0
Investments, project and construction work								0.0		0.0
Acquisitions, investment properties		872.0			872.0					872.0
	178.9	1,047.9	145.2		1,372.0			0.0		1,372.0
Assets per business segment, period end										
Investment properties	14,896.1	14,971.3	1,068.2		30,935.6					30,935.6
Project and construction work							125.7	125.7		125.7
Non-allocated assets in common									738.7	738.7
Total assets	14,896.1	14,971.3	1,068.2		30,935.6		125.7	125.7	738.7	31,800.0

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

SEGMENT REPORTING 1/1–30/9 2014

Amounts in SEK m	Business area Retail	Business area Offices	Project properties	Properties sold ¹	Property management, total	Project development ¹¹	TL Bygg	Project and construction activities, total	Non-allocated items and eliminations	The Group
Rental income	819.9	624.4	26.7	10.4	1,481.4					1,481.4
Net sales, project and construction work						12.8	288.8	301.6	-69.5	232.1
Net sales	819.9	624.4	26.7	10.4	1,481.4	12.8	288.8	301.6	-69.5	1,713.5
Property management costs	-276.7	-171.8	-9.3	-4.1	-461.9					-461.9
Project and construction work costs						-41.8	-266.2	-308.0	69.5	-238.5
Gross profit	543.2	452.6	17.4	6.3	1,019.5	-29.0	22.6	-6.4	0.0	1,013.1
<i>– of which gross profit/loss from property management</i>	543.2	452.6	17.4	6.3	1,019.5					1,019.5
<i>– of which gross profit/loss from project and construction work</i>						-29.0	22.6	-6.4		-6.4
Central administration, property management					-32.7					-32.7
Central administration, project and construction work							-10.4	-10.4		-10.4
Financial income									1.0	1.0
Financial expenses									-318.6	-318.6
Profit/loss before changes in value	543.2	452.6	17.4	6.3	986.8	-29.0	12.2	-16.8	-317.6	652.4
Properties, unrealised changes in value	200.3	196.8	29.0		426.1					426.1
Properties, realised changes in value				8.3	8.3					8.3
Derivatives, unrealised changes in value									-622.8	-622.8
	200.3	196.8	29.0	8.3	434.4				-622.8	-188.4
Current tax									-33.0	-33.0
Deferred tax									-60.7	-60.7
Net profit/loss for the period	743.5	649.4	46.4	14.6	1,421.2	-29.0	12.2	-16.8	-1,034.1	370.3
Investments and acquisitions per business segment										
Investments, investment properties	120.7	65.3	321.8		507.8					507.8
Investments, project and construction work							2.1	2.1		2.1
Acquisitions, investment properties		265.0	355.0		620.0					620.0
	120.7	330.3	676.8		1,127.8		2.1	2.1		1,129.9
Assets per business segment, period end										
Investment properties	13,794.5	10,849.6	1,833.3		26,477.4					26,477.4
Project and construction work							151.1	151.1		151.1
Non-allocated assets in common									765.4	765.4
Total assets	13,794.5	10,849.6	1,833.3		26,477.4		151.1	151.1	765.4	27,393.9

¹¹ Profit/loss in Project development refers primarily to costs from investigations in previous project phases and ongoing development projects.

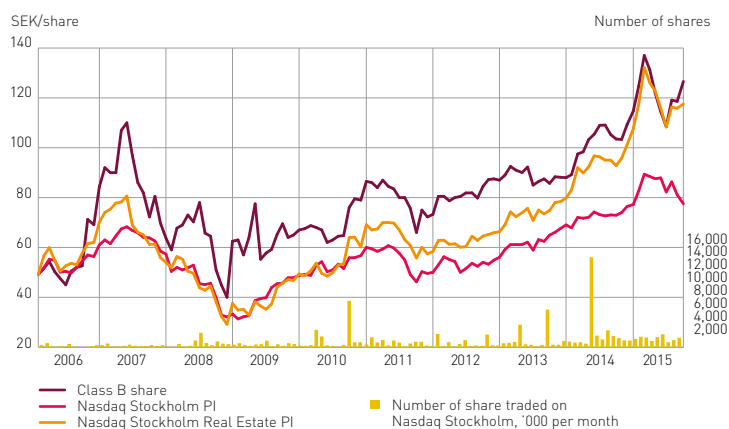
KEY RATIOS

	2015 1/1-30/9	2014 1/1-30/9	2015 1/7-30/9	2014 1/7-30/9	2014 1/1-31/12	2014/2015 1/10-30/9
PROPERTY-RELATED KEY RATIOS						
Letting rate, %	94	93	94	93	93	94
Operating surplus margin, %	69	69	72	73	68	68
Letting area, '000 m ²	1,110	1,012	1,110	1,012	1,062	1,110
Investments in own properties, SEK m	500	508	187	163	707	699
Number of properties	52	48	52	48	49	52
FINANCIAL KEY RATIOS						
Equity/assets ratio, %	40.4	41.3	40.4	41.3	39.6	40.4
Gearing ratio, %	45.6	45.6	45.6	45.6	45.5	45.6
Interest coverage margin, multiple	3.4	3.0	3.5	3.0	3.0	3.2
Average rate of interest on interest-bearing liabilities (at period end), %	2.8	3.5	2.8	3.5	3.2	2.8
Return on shareholders' equity, %	18.4	4.4	7.5	2.1	5.7	16.2
Return on shareholders' equity, excluding changes in value, %	6.4	6.0	6.6	6.3	5.8	6.2
Return on total assets, %	10.7	3.8	5.1	2.7	4.4	9.9
Return on total assets excluding changes in value, %	4.5	4.8	4.6	5.0	4.5	4.5
DATA PER SHARE						
Earnings per share, SEK	12.64	2.81	1.80	0.45	4.89	14.70
Profit before changes in value less applicable nominal tax, SEK	4.20	3.86	1.50	1.34	4.98	5.32
EPRA EPS (Earnings per share), SEK	5.16	4.65	1.86	1.60	6.15	6.66
Cash flow, SEK	5.82	4.14	1.59	1.41	5.56	7.24
Shareholders' equity, SEK	96.45	84.89	96.45	84.89	87.00	96.45
EPRA NAV (Net asset value), SEK	123.58	106.56	123.58	106.56	111.19	123.58
EPRA NNNAV (Triple net asset value), SEK ¹⁾	113.89	99.17	113.89	99.17	101.87	113.89
Share price, SEK	126.60	103.50	126.60	103.50	114.70	126.60
Average number of outstanding shares, '000 ²⁾	133,221	131,689	133,221	133,221	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	282	280	282	282	280

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

²⁾ On 15/05/2014 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 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4
Rental income	534.1	522.0	514.5	499.1	500.2	486.1	495.1	511.0
Net sales, project and construction work	108.7	84.7	65.9	98.7	82.7	82.3	67.1	98.3
Net sales	642.8	606.7	580.4	597.8	582.9	568.4	562.2	609.3
Property management costs	-151.2	-164.8	-170.3	-174.0	-137.5	-157.9	-166.5	-173.1
Project and construction work costs	-118.1	-85.2	-69.6	-103.1	-84.8	-85.3	-68.4	-95.0
Gross profit	373.5	356.7	340.5	320.7	360.6	325.2	327.3	341.2
– of which gross profit from property management	382.9	357.2	344.2	325.1	362.7	328.2	328.6	337.9
– of which gross profit from project and construction work	-9.4	-0.5	-3.7	-4.4	-2.1	-3.0	-1.3	3.3
Central administration, property management	-12.9	-13.4	-12.9	-20.6	-13.6	-9.9	-9.2	-16.2
Central administration, project and construction work	-3.3	-4.1	-3.9	-3.6	-3.2	-4.1	-3.1	-5.7
	-16.2	-17.5	-16.8	-24.2	-16.8	-14.0	-12.3	-21.9
Financial income and expenses	-100.3	-100.8	-101.0	-105.4	-115.6	-97.5	-104.5	-106.5
Profit before changes in value	257.0	238.4	222.7	191.1	228.2	213.7	210.5	212.8
Properties, unrealised changes in value	215.7	818.0	366.4	434.5	-	426.1	-	101.0
Properties, realised changes in value	-	0.6	-	0.0	7.0	0.4	0.9	-1.6
Derivatives, unrealised changes in value	-165.3	403.1	-198.5	-271.2	-168.3	-263.9	-190.6	1.4
Goodwill, write-downs	-	-	-	-	0.0	-	-	-0.1
	50.4	1,221.7	167.9	163.3	-161.3	162.6	-189.7	100.7
Profit before tax	307.4	1,460.1	390.6	354.4	66.9	376.3	20.8	313.5
Tax	-67.7	-321.9	-84.9	-79.5	-7.6	-82.2	-3.9	-60.9
Net profit for the period	239.7	1,138.2	305.7	274.9	59.3	294.1	16.9	252.6
KEY RATIOS								
	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4
Property-related key ratios								
Letting rate, %	94	94	93	93	93	95	95	95
Operating surplus margin, %	72	68	67	65	73	68	66	66
Letting area, '000 m ²	1,110	1,110	1,064	1,062	1,012	971	964	941
Investments in own properties, SEK m	187	164	149	199	163	160	185	360
Number of properties	52	52	49	49	48	49	49	47
Financial key ratios								
Equity/assets ratio, %	40.4	39.7	39.8	39.6	41.3	41.0	41.3	41.1
Gearing ratio, %	45.6	45.9	46.4	45.5	45.6	46.5	46.8	47.8
Interest coverage margin, multiple	3.5	3.4	3.2	2.8	3.0	3.2	3.0	3.0
Average rate of interest on interest-bearing liabilities (at period end), %	2.8	2.8	3.0	3.2	3.5	3.6	3.6	3.6
Return on shareholders' equity, %	7.5	37.2	10.4	9.6	2.1	10.6	0.6	9.3
Return on shareholders' equity, excluding changes in value, %	6.6	6.4	5.9	5.2	6.3	6.0	5.9	6.1
Return on total assets, %	5.1	20.3	6.6	6.5	2.7	7.0	1.9	6.3
Return on total assets excluding changes in value, %	4.6	4.5	4.4	4.2	5.0	4.6	4.7	4.8
Data per share								
Earnings per share, SEK	1.80	8.54	2.29	2.06	0.45	2.23	0.13	1.94
Profit before changes in value less applicable nominal tax, SEK	1.50	1.40	1.30	1.12	1.34	1.27	1.26	1.28
EPRA Earnings per share (EPS), SEK	1.86	1.68	1.61	1.50	1.60	1.53	1.52	1.88
Cash flow, SEK	1.59	1.99	2.25	1.42	1.41	1.83	0.90	1.65
Shareholders' equity, SEK	96.45	94.62	89.34	87.00	84.89	84.40	84.85	84.67
EPRA NAV (Net asset value), SEK	123.58	120.07	115.59	111.19	106.56	104.91	103.30	101.74
EPRA NNNAV (Triple Net asset value), SEK ¹⁾	113.89	111.48	104.95	101.99	99.17	98.53	98.54	98.17
Share price, SEK	126.60	108.50	131.30	114.70	103.50	109.00	98.35	88.00
Average number of outstanding shares, '000 ²⁾	133,221	133,221	133,221	133,221	133,221	131,689	130,157	130,157
Number of outstanding shares at end of period, '000 ²⁾	133,221	133,221	133,221	133,221	133,221	133,221	130,157	130,157

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

²⁾ On 15/05/2014 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 232.3 million (SEK 217.7 m). The operating profit/loss totalled SEK 7.4 million (SEK 17.7 m). Profit/loss after financial items totalled SEK 193.9 million (SEK 217.3 m).

INCOME STATEMENTS PARENT COMPANY

Amounts in SEK m	2015 1/1–30/9	2014 1/1–30/9	2014 1/1–31/12
Rental income	124.0	121.0	161.8
Management income	108.3	96.7	122.0
Net sales	232.3	217.7	283.8
Property expenses	-41.8	-42.6	-60.9
Management and administration expenses	-168.2	-145.0	-203.5
Depreciation	-14.9	-12.4	-17.6
Operating profit/loss	7.4	17.7	1.8
Result of participations in Group companies	151.5	140.0	579.7
Interest income and similar profit/loss items	356.1	402.9	536.7
Interest expenses and similar profit/loss items	-321.1	-343.3	-456.5
	186.5	199.6	659.9
Profit/loss after financial items	193.9	217.3	661.7
Appropriations	-3.9	-7.8	-103.3
Profit/loss before tax	190.0	209.5	558.4
Current tax	-24.0	-32.7	-14.3
Deferred tax	-16.0	-14.5	-22.6
	-40.0	-47.2	-36.9
Profit for the period	150.0	162.3	521.5

Interest-bearing liabilities amount to SEK 10,519 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	30/09/2015	30/09/2014	31/12/2014
ASSETS			
Tangible fixed assets	1,421.3	1,366.2	1,374.4
Financial fixed assets	2,573.7	2,363.6	2,422.1
Current assets	15,910.7	13,356.2	13,999.9
Total assets	19,905.7	17,086.0	17,796.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	6,998.4	6,928.8	7,288.0
Untaxed reserves	40.0	33.6	36.1
Provisions	251.5	227.4	235.5
Long-term liabilities	8,709.4	7,372.7	7,375.3
Current liabilities	3,906.4	2,523.5	2,861.5
Total shareholders' equity and liabilities	19,905.7	17,086.0	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 square metre should be reduced 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 in 2015, any new rules will enter into force on 1 January 2017 at the earliest.

In June 2015, the Government issued a directive to start an investigation into several specific issues related to taxation of the real estate industry. It is difficult to predict how the investigation's proposal will be structured, but it is likely that some restrictions will be introduced to limit the possibility of using corporate deals and land parcelling to pay a lower tax rate. The investigation must submit its report no later than 31 March 2017.

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.

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 14,095 million (SEK 12,317 m as of 31/12/2014) and their fair value totals SEK 14,167 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.

Nacka, 23 October 2015

Ingalill Berglund, CEO

AUDITOR'S REVIEW

Atrium Ljungberg AB corporate identity number 556175-7047

To the Board of Directors of Atrium Ljungberg AB

Introduction

We have reviewed the condensed interim report for Atrium Ljungberg AB as at September 30, 2015 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other

review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Stockholm, 23 October 2015

Ernst & Young AB

Jonas Svensson
Authorized Public Accountant

Ingemar Rindstig
Authorized Public Accountant



The Swedish National Courts Administration will be a large and significant tenant in in one of the two new office buildings at Uddvägen in Sickla. Occupancy is planned for the second quarter of 2018.



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 on 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	30.9
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

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



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