INTERIM REPORT 2016
JANUARY–MARCH

ATRIUM LJUNGBERG

INTERIM REPORT
1 JANUARY–31 MARCH 2016

- NET SALES amounted to SEK 564 million (SEK 580 m), of which rental income increased to SEK 524 million (SEK 515 m).
- THE LETTING RATE amounted to 94 per cent (94% as of 31/12/2015), including project properties.
- THE OPERATING SURPLUS from property management increased to SEK 357 million (SEK 344 m), an increase by 3,8 per cent. The operating surplus margin increased to 68 per cent (67%). The increase in operating surplus is mainly attributable to property acquisitions and lettings.
- THE PROFIT BEFORE CHANGES IN VALUE amounted to SEK 223 million (SEK 223 m).
- UNREALISED CHANGES IN THE VALUE of properties amounted to SEK 14 million (SEK 366 m). Unrealised changes in the value of derivatives amounted to SEK –311 million (SEK –199 m) as a result of a decrease in market interest rates on the terms covered by the derivatives.
- THE NET PROFIT FOR THE PERIOD totalled SEK –57 million (SEK 306 m), corresponding to SEK –0.43/share (SEK 2.29/share). The change is mainly attributable to unrealised changes in value of properties and derivatives.
- INVESTMENTS in own properties amounted to SEK 201 million (SEK 149 m).
- ACQUISITION of properties amounted to SEK 121 million (SEK 0 m).
- THE 2016 PROFIT FORECAST before changes in value and tax amounts to SEK 925 million.

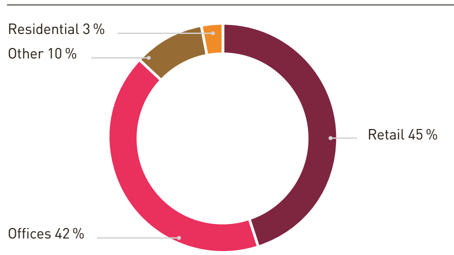
SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Acquisition of the Malmen 12 property in central Malmö, an office and health care property totalling approximately 7,500 m² of letting area.
- A new detailed development plan for Gränby-staden in Uppsala entered into force and construction of approximately 60 rental apartments could thereby start. The detailed development plan also enables development of the area for retail, residentials, culture, offices, service and education.
- Atrium Ljungberg was ranked for the third year in a row by Great Place To Work® as one of Sweden's best workplaces.
- A seven year agreement was concluded with Bankgirot on office premises of approximately 7,000 m² in Liljeholmen.
- Annica Ånäs, formerly CFO and acting CEO, was appointed to succeed Ingalill Berglund as CEO as of 19 February. Martin Lindqvist took over as the new CFO.

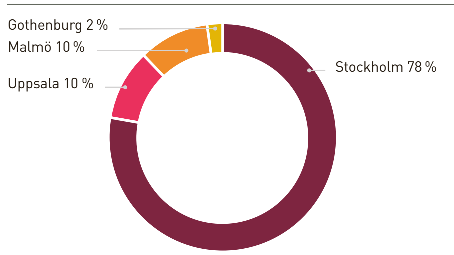
KEY RATIOS	2016 Jan–Mar	2015 Jan–Mar	2015 Jan–Dec
Net sales, SEK	564	580	2,468
Profit/loss before changes in value, SEK m	223	223	945
Net profit/loss for the period, SEK m	–57	306	2,784
Total investments, SEK m	322	149	1,640
Cash flow from operating activities, SEK m	218	300	1,006
Letting rate, %	94	93	94
Equity/assets ratio, %	43.1	39.8	43.7
Gearing ratio, %	42.0	46.4	43.0
Interest coverage ratio, multiple	3.2	3.0	3.3
Average interest rate at period end, %	2.8	3.0	2.9
Earnings per share, SEK	–0.43	2.29	20.89
Profit/loss before changes in value less nominal tax, SEK/share	1.31	1.30	5.54
Market value, SEK/share	140.50	131.30	133.00
EPRA NNNAV (Triple net asset value), SEK/share	122.73	89.34	122.95
Shareholders' equity, SEK/share	104.33	104.95	104.73

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.

Contracted annual rent per premises type



Contracted annual rent per region



CEO'S STATEMENT

PROFIT IN THE FIRST QUARTER

For the first quarter of 2016 our operating surplus has increased by 3.8 per cent to SEK 357 million. This is despite sale of four retail properties (Igor in Västerås, Mittpunkten in Östersund, Orminge Centrum in Nacka, Rotebro Handel in Sollentuna) which we vacated at the end of 2015. The increase is mainly the result of acquired properties on Lindholmen in Gothenburg which we took into possession in September 2015 as well as completed project in Gränbystaden in Uppsala and new lettings in for instance Nod in Kista and Sickla Front I in Sickla.

SUSTAINABLE URBAN DEVELOPMENT

At the end of 2015 we decided to start a residential project in Gränbystaden in Uppsala with approximately 60 rental apartments combined with commercial businesses. With that I cut the first sod as new CEO and at the same time contributed to the starting shot for a new residential investment which we will make in several locations. Supplementing our retail and office areas with residentials is an important piece of the puzzle in our work on creating sustainable urban environments where people thrive and choose to be, both during the daytime and in the evenings. The mixture increases the flow of people at the site and also creates comfort and dynamics, as well as commercial synergy effects for businesses in the area.

Over the coming years we will build a total of 2,000 residentials in Gränbystaden and Sickla. We also have plans for building residentials in Barkarbystaden in Järfälla. It mainly entails tenant-owned dwellings but we will also build rental apartments.

After a few years with a slightly lower investment rate than our target of SEK 1 billion per year, we have created good opportunities for a higher investment rate with several project starts over the upcoming two years. I assess that the investment in our own properties will be approximately SEK 1 billion for 2016 and over SEK 1 billion for 2017.

TWO ACQUISITIONS IN STRONG TRANSACTION MARKETS

The property market continues to be strong and the transaction volume for the first quarter of 2016 exceeded last year's volume during the comparable period. The transactions which have been conducted have not shown any large change in the yield requirements, which is why in the property valuation we only made a minor change.

"We believe that the strong rental market and the renegotiations we are now conducting will result in a positive effect on rental income in the future."

We are continuing to work actively with strategic acquisitions. During the first quarter we acquired an office and health care property in Malmö totalling approximately 7,500 m² for an underlying property value of SEK 125 million, a small acquisition which supplements our property portfolio at Möllevången in a good manner and increases our presence in central Malmö.

Furthermore, in April we conducted an acquisition of a property in Kista of approximately 13,000 m² for an underlying property value of SEK 325 million. The property is a modern office property with excellent qualities, strategic locations close to both the underground and commuter train station. It supplements our existing portfolio in Kista in a good manner and we are convinced that the property has vast opportunities to attract new tenants, despite the competitive market in Kista.

Kista has a strong position through vast trade and industry as well as an attractive geographical location close to the city of Stockholm, Arlanda and Uppsala. Kista is undergoing a major transformation where the urban environment is now getting increasingly urban qualities with life and dynamics. In addition, several thousand residentials will be constructed in the area over the upcoming years, which will favour business community.

STRONG RENTAL MARKET

We believe that the strong rental market and the renegotiations we are now conducting will result in a positive effect on rental income in the future. At the same time we are conducting reconstruction and extension projects in the shopping centre in Gränbystaden (formerly Gränby Centrum) and are emptying parts of Forumgallerian in central Uppsala for future upgradation.

During the first quarter our net letting amounted to SEK 5 million and has been affected by, among other things, Bankgirot concluding an agreement on renting approximately 7,000 m² in Liljeholmen, in premises which Grontmij will leave during the spring. We will upgrade the premises for our new tenant before they move in during April/May of 2017.

Net letting has also been affected by that Casco Adhesives has terminated its agreement at Nobelberget in Sickla. The termination enables our further development of the area.

SATISFIED EMPLOYEES

Employees are the key to our success. Therefore it is gratifying that once again we surpassed our employee targets and were ranked as one of Sweden's best workplaces by Great Place to Work®.

OUTLOOK FOR 2016

The Swedish economy continues to do well and the National Institute of Economic Research assesses that the economy will grow by 3.5 per cent during 2016 and 2.3 per cent during 2017. Both the Riksbank and banking analysts expect a negative key interest rate until the start of 2018.

HUI Research predicts growth within the retail sector of roughly 4 per cent for the current year. Our major retail hubs had a collective growth of 6.8 per cent while the average for Sweden amounted to 6.2 per cent. Total net sales are primarily affected by newly opened stores in Gränbystaden.

Our forecast for profit before changes in value is increased to SEK 925 million based on property acquisitions which we conducted at the start of the year.

Annica Ånäs,
CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	2016 1/1–31/3	2015 1/1–31/3	2015 1/1–31/12	2015/2016 1/4–31/3
Rental income	524	515	2,122	2,131
Net sales, project and construction work	40	66	346	320
Net sales	**564**	**580**	**2,468**	**2,451**
Property management costs				
Service charge–related costs	–54	–57	–177	–174
Other operating costs	–36	–38	–150	–148
Management costs	–27	–27	–136	–136
Repairs	–10	–9	–47	–47
Property tax	–33	–31	–126	–127
Leasehold fees	–5	–5	–26	–26
Non–deductible VAT	–3	–3	–10	–10
	–167	–170	–671	–668
Project and construction work costs	–41	–70	–372	–343
Gross profit	**356**	**341**	**1,425**	**1,440**
– of which gross profit property management (operating surplus)	*357*	*344*	*1,450*	*1,463*
– of which gross profit project and construction work	*–1*	*–4*	*–26*	*–23*
Central administration, property management	–30	–13	–60	–77
Central administration, project and construction work	–3	–4	–15	–15
	–33	–17	–76	–92
Financial income	0	0	2	1
Financial expenses	–100	–101	–405	–403
	–100	–101	–403	–402
Profit before changes in value	**223**	**223**	**945**	**946**
Changes in value				
Properties, unrealised	14	366	2,328	1,976
Properties, realised	–6	–	–33	–39
Derivatives, unrealised	–311	–199	201	88
Goodwill, write-downs	–	–	–11	–11
	–303	168	2,485	2,014
Profit before tax	**–80**	**391**	**3,431**	**2,960**
Current tax	–7	–3	–17	–21
Deferred tax	30	–82	–630	–519
	22	–85	–647	–540
Net profit for the period	**–57**	**306**	**2,784**	**2,420**
Other comprehensive income				
Items which will be reclassified to the profit/loss				
Cash flow hedging	5	8	25	22
Tax attributable to other reported income and expenses	–1	–2	–5	–5
Total other comprehensive income	**4**	**6**	**19**	**17**
Total comprehensive income for the period	**–54**	**312**	**2,803**	**2,437**
Earnings per share, SEK	–0.43	2.29	20.89	18.17

PROFIT, JANUARY–MARCH 2016

NET SALES

The Group's net sales for the period totalled SEK 564 million (SEK 580 m), of which rental income comprised SEK 524 million (SEK 515 m). The change in rental income is primarily explained by additional rental income from acquired properties, as well as new letting and renegotiations, but also by the effect of sold properties.

Contributions from acquired properties primarily relate to the properties Lundbyvassen 4:7 and Lundbyvassen 4:13 in Gothenburg, which we took into possession on 30 September 2015.

During the first quarter, non-recurring remuneration of SEK 2 million (SEK 3 m) was received for premature vacating of premises.

RENTAL INCOME TREND

	2016 1/1–31/3	2015 1/1–31/3	Change (%)
Equal portfolio	480	463	3.7
Project properties	9	6	
Properties acquired	36	15	
Properties sold	–	31	
Rental income	**524**	**515**	**1.8**

PROPERTY EXPENSES

Property expenses totalled SEK –167 million (SEK –170 m). Regarding equal portfolio, property management costs are basically unchanged compared to the first quarter 2015.

PROPERTY MANAGEMENT COSTS TREND

	2016 1/1–31/3	2015 1/1–31/3	Change (%)
Equal portfolio	–151	–152	–0.7
Project properties	–4	–3	
Properties acquired	–12	–3	
Properties sold	–	–12	
Property management costs	**–167**	**–170**	**–1.8**

GROSS PROFIT/LOSS

The gross profit for the property management activities (the operating surplus) increased to SEK 357 million (SEK 344 m), corresponding to 3.8 percent. The increase mainly relates to contributions from acquired properties and new letting and renegotiations, as well as a slightly lower cost level. The surplus ratio increased to 68 per cent (67%).

The gross profit for project and construction activities totalled SEK –1 million (SEK –4 m). Costs in connection with ongoing development projects that cannot be capitalised have been charged to profit/loss. TL Bygg's gross profit amounted to SEK 5 million (SEK 5 m).

CENTRAL ADMINISTRATION

Central administration comprises of costs for the company management as well as central support functions. The cost for the first quarter amounted to SEK –33 million (SEK –17 m) and has been affected by costs in connection with changes in the company management as well as investments in development of certain central functions.

FINANCIAL INCOME AND EXPENSES

Financial expenses for the period amounted to SEK –100 million (SEK –101 m). SEK 1 million (SEK 1 m) in interest expenses has been capitalised as an investment in property projects during the period.

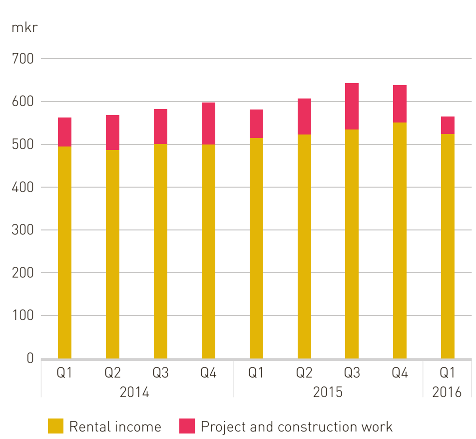
The average interest rate at the end of the period amounted to 2.8 per cent (2.9% as of 31/12/2015). For more information, refer to the section on financing on page 10.

CHANGES IN VALUE

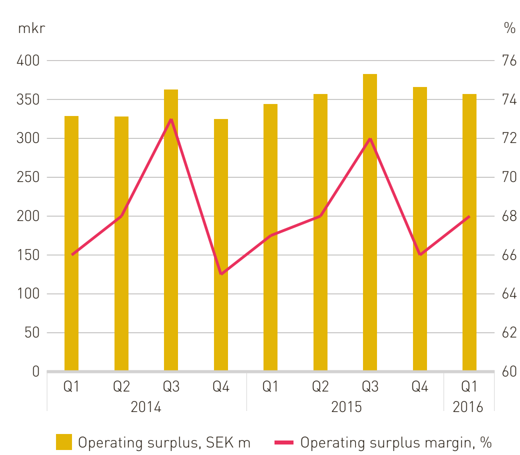
Unrealised changes in the value of properties totalled SEK 14 million (SEK 366 m). For more information, refer to the section on the property portfolio on page 8.

Unrealised changes in the value of derivatives totalled SEK –311 million (SEK –199 m) as a result of lower market interest rates. For more information, refer to the section on financing on page 10.

Net sales



Operating surplus and operating surplus margin



TAXES

The current tax for the period totalled SEK –7 million (SEK –3 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 30 million (SEK –82 m).

TAX CALCULATION, 31/03/2016

SEK m	Current tax	Deferred tax
Reported profit/loss before tax	–80	–
Tax deductible		
depreciation	–124	124
investments	–49	49
Non-taxable/non-deductible		
changes in the value of properties, unrealised	–14	14
changes in the value of properties, realised	6	–11
changes in the value of derivatives, unrealised	311	–311
consolidated capitalisation of borrowing	–1	1
Other fiscal adjustments	0	–
Taxable profit/loss before loss carry-forwards	**49**	**–134**
Loss carry-forwards utilised	–15	15
Taxable profit/loss	34	–119
Of which 22% current/deferred tax	**–7**	**26**
Revaluation of previous tax assessments and other adjustments	–	4
Reported tax expense	**–7**	**30**

At the end of the period the Group's accumulated fiscal deficit is estimated at SEK 180 million (SEK 196 m as of 31/12/2015), of which SEK 121 m (SEK 136 m as of 31/12/2015) comprises the base of the Group's deferred tax receivable.

RESULTS

The profit before changes in value totalled SEK 223 million (SEK 223 m).

Net profit for the period totalled SEK –57 million (SEK 306 m), corresponding to SEK –0.43/share (SEK 2.29/share).

CONTRACTED ANNUAL RENT AND LETTING RATE

The Group's contracted annual rent amounted to SEK 2,098 million on 01/04/2016 (SEK 2,090 m as of 01/01/2016). The rental value, i.e. contracted annual rent and estimated market rents for vacant space in existing condition, amounted to SEK 2,228 million on 01/04/2016 (SEK 2,246 m as of 01/01/2016). The economic letting rate thereby amounted to 94 per cent (94% as of 01/01/2016) excluding project properties, and 94 per cent (94% as of 01/01/2016) including project properties.

LETTING RATE[1)]

	Rental value, SEK m	Contracted annual rent, SEK m	Letting rate, %
Business area Retail	1,083	1,028	95
Business area Offices	1,107	1,033	93
Total	**2,190**	**2,061**	**94**
Project properties	38	37	98
Total	**2,228**	**2,098**	**94**

[1)] Reported letting rates are based on the immediately subsequent quarter after the accounting date. Two profit areas of approximately 8,000 m^2 in total changed business area from Offices to Retail on 01/01/2016.

NET LETTING

Net letting during the first quarter of 2016, i.e. newly agreed contracted annual rents less annual rents terminated due to clients vacating the premises, amounted to SEK 5 million, and was primarily affected by Bankgirot concluding an agreement on renting approximately 7,000 m^2 in Liljeholmen, but also by Casco Adhesives terminating its agreement on Nobelberget in Sickla. The termination enables our further development of the area.

The time lag between net letting and its effect on profit is assessed to be 1–6 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 forecast profit for 2016 before changes in value and tax is increased to SEK 925 million. The forecast profit after tax is SEK 490 million, corresponding to SEK 3.68/share and including changes in value as of 31/03/2016. The property Borgarfjord 3 in Kista, which was acquired in April, is included in the forecast.

Future changes in value and any future property acquisitions and sales of properties have not been taken into account in the forecast.

EVENTS AFTER THE CLOSING DAY

On April 13, Atrium Ljungberg concluded an agreement on acquisition of the office property Borgarfjord 3 in Kista. The property totals 13,550 m^2 and was acquired at an underlying property value of SEK 325 million. The date of possession was April 20.

CONSOLIDATED BALANCE SHEETS SUMMARY

Amounts in SEK m	31/03/2016	31/03/2015	31/12/2015
ASSETS			
Investment properties	31,157	28,678	30,841
Goodwill	263	274	263
Other fixed assets	45	40	48
Total fixed assets	**31,464**	**28,993**	**31,152**
Current assets	568	484	405
Derivatives	1	–	–
Liquid assets	179	452	389
Total current assets	**747**	**935**	**795**
Total assets	**32,211**	**29,928**	**31,947**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	13,899	11,901	13,953
Deferred tax liability	3,243	2,757	3,275
Long-term interest-bearing liabilities	9,594	10,520	10,976
Derivatives	927	1,037	621
Other long-term liabilities	34	29	32
Total long-term liabilities	**13,799**	**14,343**	**14,905**
Current interest-bearing liabilities	3,442	2,773	2,285
Derivatives	–	–	0
Other current liabilities	1,071	910	804
Total current liabilities	**4,514**	**3,684**	**3,090**
Total shareholders' equity and liabilities	**32,211**	**29,928**	**31,947**

CONSOLIDATED CHANGES IN SHAREHOLDERS´ EQUITY

	Attributable to the Parent Company shareholders				
Amounts in SEK m	Share capital	Other capital contributed	Hedging provisions	Profits brought forward	Total share-holders' equity
Opening balance, as per 1 January 2015	**333**	**3,960**	**–88**	**7,385**	**11,590**
Profit for the period				306	306
Other comprehensive income			6		6
Closing balance as per 31 March 2015	**333**	**3,960**	**–82**	**7,690**	**11,901**
Profit for the period				2,478	2,478
Other comprehensive income			13		13
Dividend, SEK 3.30/share				–440	–440
Closing balance as per 31 December 2015	**333**	**3,960**	**–69**	**9,729**	**13,953**
Profit for the period				–57	–57
Other comprehensive income			4		4
Closing balance as per 31 March 2016	**333**	**3,960**	**–65**	**9,672**	**13,899**

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 31/12/2015) outstanding shares. Average number of outstanding shares for the period 01/01/2016–31/03/2016 amount to 133,220,736 (133,220,736).

PROPERTY PORTFOLIO

THE PROPERTY MARKET

The Swedish property market continues to be strong. The underlying fundamentals are good with low vacancies, higher market rents and a continued large interest in property investments as a result of the low yield for other assets.

According to Savills, the transaction volume in the Swedish property market in the first quarter of 2016 amounted to SEK 35 billion, which is 46 per cent higher than the corresponding period last year. The retail segment continues to comprise a larger share of transaction voluyme than historically seen, as a result of the low supply of offices.

OUR PROPERTY PORTFOLIO

Atrium Ljungberg's property portfolio consists of 49 properties located in Stockholm, Uppsala, Malmö and Gothenburg. Our portfolio, which mainly consists of retail and office properties, is made up of modern, attractive properties with a total letting area of 1,052,000 m^2.

In March the property Malmen 12 in central Malmö was acquired, an office and health care property totalling approximately 7,500 m² of letting area. The acquisition will take place through a share deal with an underlying property value of SEK 125 million. The date of possession is 2 May 2016.

In March, we sold a small part of a property.

Change in the value of the property portfolio

SEK m	2016 1/1–31/3	2015 1/1–31/3
Property portfolio, beginning of period	30,841	28,163
Acquired properties (after deductions for deferred tax)	121	–
Sale	–21	–
Investments in our own properties	201	149
Unrealised changes in value	14	366
Property portfolio, period end	**31,157**	**28,678**

PROPERTY VALUES

During the first quarter, Atrium Ljungberg internally valued the entire property portfolio and assumed yield requirements have been subject to quality assurance by Forum Fastighetsekonomi. The market valuation is based on analyses of completed property transactions for properties of a similar standard and in a similar location, in order to assess the market's yield requirements. The valuation also entails cash flow calculations, with individual assessments of the earning capacity of each individual property. Assumed rental levels in conjunction with contract expirations correspond to current market rent levels. Operating costs have been assessed on the basis of the company's actual costs. Development rights have been valued on the basis of an estimated market value per m² gross floor area and include only those development rights that are confirmed in accordance with approved detailed development plans. Acquired land is valued at the acquisition value. Project properties are valued on the basis of completed projects, less remaining investments. A risk surcharge is added to the yield requirement on the basis of the current phase of the project.

The reported value of the property portfolio totalled SEK 31,157 million (SEK 30,841 m as of 31/12/2015). The average yield requirement in the valuation is 5.2 per cent (5.2 per cent as of 31/12/2015). Investments in Atrium Ljungberg's own properties during the period totalled SEK 201 million (SEK 149 m). The unrealised change in value totalled SEK 14 million (SEK 366 m).

Unrealised changes in value

	mkr
Change in yield requirements	–
Change in operating nets	14
Change in investments	–
Total	**14**

Yield requirement per premises type, %

Premises type	Interval	Average
Offices	3.9–7.3	5.2
Retail	3.9–7.3	5.2
Residentials	3.7–4.0	3.7
Gothenburg	3.9–7.3	5.5
Total	**3.7–7.3**	**5.2**

Yield requirement per region, %

Region	Interval	Average
Stockholm	3.7–7.3	5.1
Uppsala	3.8–5.7	5.6
Malmö	3.9–6.8	5.7
Gothenburg	5.3–6.0	5.3
Total	**3.7–7.3**	**5.2**

ONGOING PROJECTS

During the first quarter of 2016, we invested SEK 201 million in our own properties, of which SEK 73 million was in project properties. The investments in project properties mainly refer to Northen Gränbystaden (previously called Gränby Köpstad within Gränbystaden) and Sickla Front II. Other investments mainly refer to major internal renovation of the shopping centre in Gränbystaden and Mobilia and a number of tenant-specific adaptations in Hagastaden. The remaining investment volume for ongoing projects amounted to approximately SEK 1,190 million on 31 March.

PROPERTY PORTFOLIO, 31/03/2016

Property portfolio by segment[1]	Letting area, 1,000 m^2	Fair value, SEK m	Fair value, SEK/m^2 [2]	Rental value, SEK m [3]	Rental value, SEK/m^2 [2]	Economic letting rate, %
Business area Retail	460	14,677	31,886	1,083	2,353	95
Business area Offices	558	15,267	27,340	1,107	1,983	93
Total	**1,019**	**29,945**	**29,394**	**2,190**	**2,150**	**94**
Project properties, including land and development rights	34	1,212	N/A[4]	38	1,134	98
Total	**1,052**	**31,157**		**2,228**	**2,118**	**94**

1) Two profit areas of approximately 8,000 m^2 in total changed business area from Offices to Retail on 01/01/2016.
2) Square meters including garage.
3) Reported rental value is based on the immediately subsequent quarter.
4) Letting area for new production is not reported until the project is completed and the figures hence do not accurately represent the actual situation.

NORTHERN GRÄNBYSTADEN – UPPSALA

Our development of Gränbystaden is continuing. In the northern part of the area we are gradually creating a retail area of approximately 50,000 m^2 in an attractive urban environment which will become a natural part of the entire Gränbystaden in the long run. In February we opened two new businesses in one of the buildings which we completed during the autumn of 2015 and all areas in the newly-constructed buildings are thereby essentially fully let. The construction of additional three buildings is in the final stage. At the end of May, Arken Zoo, ÖoB and three restaurants will open here, while we will inaugurate a new square with an outdoor playground and open-air café.

GRÄNBY ENTRÉ BUILDING 1 – UPPSALA

A new detailed development plan in Gränbystaden entered into force in March. The detailed development plan enables approximately 60,000 m^2 of GFA for retail, residentials, culture, offices, service and education as well as 11,000 m^2 of GFA for parking. We thus started construction of our first residential project in Uppsala, a residential building with 62 rental apartments and business premises on two floors. Gränby Entré will be certified in accordance with Environmental Building level silver. Occupancy is expected to take place in the autumn of 2017.

SICKLA FRONT II – STOCKHOLM

The construction of two office buildings and a parking garage on Uddvägen in Sickla is progressing according to plan and the ground and foundation work are in full swing. The project covers approximately 25,000 m^2 of letting office area in total and 14,000 m^2 of parking area.

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 office buildings. Occupancy will take place during the second quarter of 2018.

Our aim with Sickla Front II is to create an attractive and urban district for large and small office operations which will link together Hammarby Sjöstad with the Sickla area.

GRÄNBYSTADEN, SOUTHERN GARAGE – UPPSALA

South of the shopping centre in Gränbystaden we have started to construct a parking garage with approximately 300 underground parking spaces. The parking garage is being constructed for preventative purposes for upcoming retail and residential areas.

POTENTIAL DEVELOPMENT PROJECTS

Our existing project portfolio enables us to invest the equivalent of approximately SEK 9 billion in the future. The rate at which we can complete the projects depends on the market situation and the progress made in the detailed development plan process. A project is not usually started until we have secured a minimum yield level in the form of signed lease contracts.

In terms of area, our long-term development plans cover approximately equally large areas of residentials, retail and office premises as well as some educational facilities. The plans are distributed among all our areas, with three-quarters of the project portfolio located in Sickla and Uppsala, but with Järfälla also comprising a large part.

POTENTIAL PROJECT STARTS DURING 2016–2017

We are planning several project starts during 2016 and 2017 which are covered by current detailed development plans and others depend on new detailed development plans.

In Sickla during 2016 we expect to start extension of the former wallpaper factory with 7,000 m^2 for hotel and/or office operations and in 2017 we are planning to start reconstruction and extension by Järnvägsgatan for additional 9,000 m^2 of retail and offices. Both projects are covered by current detailed development plans. In addition, work is ongoing on a new detailed development plan for Gillevägen in Sickla where we are planning to build approximately 50 new tenan-owned dwellings with construction start in 2017. We are also managing other detailed development plans in Sickla for both residentials and offices.

Development of the Mobilia city district in Malmö is continuing. The next step involves the new construction and extension of approximately 14,000 m^2 for retail, residentials and cultural activities in the heart of the district. We will also establish several restaurants towards Mobilia's square. The project is covered by current detailed development plans and construction is expected to start in 2016.

Our vision for Gränbystaden is to create Uppsala's second city centre with retail, culture, restaurants, residentials and offices in a dense neighbourhood structure. Besides the ongoing residential project Gränby Entré our aim is to, starting in 2017, construct 130 more rental dwellings, which will be covered by current detailed development plans. In addition, work is ongoing on new detailed development plans for additional 20,000 m^2 GFA for retail and 30,000 m^2 GFA for parking just north of the existing shopping center.

In Hagastaden, in the centre of the emerging life science cluster, we have a land allocation with a development right of 30,000 m^2 GFA. Here we aim to create an exceptional place, Life City, which will become a new centre for science and innovation and a meeting place for trade and industry, academia and society. Construction is expected to start during 2017.

In Barkarby in Järfälla, where we have a land allocation with a development right of approximately 50,000 m^2 GFA, we will create a regional meeting place for learning, trade and industry and culture in a dynamic urban environment around the regional hub Stockholm Väst. The objective is that the construction start of the first phase of approximately half of the total development right will commence during 2017.

ONGOING PROJECTS

Project/Property/Location	Municipality	Letting area, Retail, m^2	Letting area, Office, m^2	Residential, letting area, m^2	Parking, GFA	Measure, new build/ reconstruction	Investment, SEK m	Of which remaining	Completed	Rental value excl. surcharges, SEK m [1]	Letting rate, %	Environmental certification
Northern Gränbystaden, Brillinge 8:1/9:1 (previously called Gränby Köpstad within Gränbystaden)	Uppsala	18,700				new build	390	40	2014–2016 [2]	33	96	BREEAM
Gränby Entré building 1, Gränby 21:4	Uppsala	2,700		3,100		new build	220	210	2017	15	59 [3]	Environmental Building
Gränbystaden, southern garage, Gränby 21:4	Uppsala				11,000	new build	180	180	2017	[4]		
Sickla Front II, Sicklaön 346:1	Nacka		25,000		14,000	new build	830	760	2018	63	N/A [5]	BREEAM
Total		**21,400**	**25,000**	**3,100**	**25,000**		**1,620**	**1,190**		**111**		

1) Excluding any additional turnover outcome.
2) Covers approximately 45,000 m^2 GFA in total. Investment decisions and completion take place in stages, among other things, connected to letting.
3) Letting rate for commercial premises amounts to 95 per cent. Letting of residentials takes place closer to completion.
4) The garage will be used as a free of charge guest parking.
5) Letting rate is not, with regard to individual business transactions, reported as a subsidary amount.

FINANCING

THE FINANCIAL MARKET

Monetary policy in the global economy continues to be highly expansive. However, in the US the Federal Reserve increased the key interest rate in December but indicated that future increases are expected to take place slowly.

Growth in the Swedish economy has been high over the past year where growth can be explained by a strong rise in domestic demand while exports have increased. The GDP growth forecast of the National Institute of Economic Research for 2016 is 3.5 per cent, which indicates good continued growth. Despite the economy continuing to strengthen, the Riksbank lowered the repo rate in February by –0.15 percentage points to –0.50 per cent in order to support inflation which continues to be lower than the target.

The variable rate, 3M Stibor, continued to fall and was –0.45 per cent at the turn of the quarter, which is a decline by 0.15 percentage points over the period. The long-term interest rate has fallen even more, the 10 year swap interest rate at the end of the quarter has declined by –0.53 percentage points and was 1.13 per cent at the turn of the quarter.

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 70 per cent of the total loan volume during the first quarter. Interest-bearing liabilities at the end of the period amounted to SEK 13,044 million, a decrease of SEK 226 million during the period.

The change during the first quarter consists mainly of a bank loan of SEK 900 million was redeemed and a bond of SEK 300 million matured. Outstanding volumes of commercial papers increased by SEK 375 million and a new loan of SEK 600 million was subscribed. At period end, the average interest rate amounted to 2.8 per cent, both excluding and including unutilised loan guarantees. Unutilised loan guarantees amounted to SEK 2,400 million. The unutilised overdraft facility amounted to SEK 300 million. The average fixed interest term was 5.0 years and the capital commitment term was 2.8 years.

COLLATERAL

Our borrowing is largely secured by real estate mortgages. Of the interest-bearing liabilities, SEK 9,169 million is secured by mortgage deeds and SEK 3,875 million is unsecured.

DERIVATIVES

At the end of the period, the derivative portfolio comprised of SEK 8,805 million in interest swaps, net including shortened swaps, with maturity between the years 2016–2029. In addition, there is SEK 400 million in forward-started swaps starting in 2017. The derivatives 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 quarter totalled SEK –311 million (SEK –199 m) as market interest rates have fallen on the terms covered by the derivatives during the period. The deficit book value of the derivatives portfolio totalled SEK –927 million (SEK –621 m as of 31/12/2015) at the end of the period.

Fixed interest [1]

Fixed interest term	Amount, SEK m	Percentage, %	Average interest, %
2016	3,944	30	1.0
2017	905	7	2.5
2018	849	7	3.6
2019	–	–	–
2020	600	5	4.3
2021 and thereafter	6,746	52	3.6
Total	**13,044**	**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.

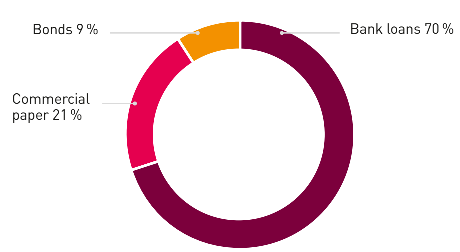
Capital commitment

Maturity date	Amount, SEK m	Percentage, %
2016	1,785	14
2017	3,730	29
2018	3,432	26
2019	1,120	9
2020	653	5
2021 and thereafter	2,324	18
Total	**13,044**	**100**
Prepaid financing costs	–8	
Interest-bearing liabilities in accordance with the Balance Sheet	**13,036**	

Key ratios financing

	31/03/2016	31/12/2015
Interest-bearing liabilities, SEK m	13,044	13,269
Shareholders' equity, SEK m	13,899	13,953
Gearing ratio, %	42.0	43.0
Average fixed interest term, years	5.0	4.4
Average capital commitment term, years	2.8	3.1
Average interest rate for interest-bearing liabilities, %	2.8	2.9

Interest-bearing liabilities



CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in SEK m	2016 1/1–31/3	2015 1/1–31/3	2015 1/1–31/12	2015/2016 1/4–31/3
OPERATING ACTIVITIES				
Profit before tax	–80	391	3,431	2,960
Reversal of depreciation and write-downs	2	2	8	9
Realised changes in value, properties	6	–	33	39
Unrealised changes in value, properties	–14	–366	–2,328	–1,976
Unrealised changes in value, derivatives	311	199	–201	89
Other items not included in the cash flow	2	4	17	15
Tax paid	–66	–54	–41	–53
Cash flow from operating activities before changes in working capital	**161**	**176**	**919**	**–906**
Net change in working capital	57	125	87	18
Cash flow from operating activities	**218**	**300**	**1,006**	**924**
INVESTMENT ACTIVITIES				
Acquisition of properties	–	–1,086	–1,958	–872
Reconstruction and new construction of properties	–201	–149	–769	–822
Sale of properties	–	–	1,201	1,201
Acquisition/sale of equipment	–2	–2	–9	–9
Cash flow from investment activities	**–203**	**–1,236**	**–1,535**	**–501**
FINANCING ACTIVITIES				
Change in other long-term liabilities	1	2	5	4
Loans raised	1,023	1,563	3,811	3,271
Amortisation of debts	–1,250	–591	–2,873	3,532
Dividend paid	–	–	–440	–440
Cash flow from financing activities	**–226**	**974**	**504**	**–696**
Cash flow for the period	**–211**	**37**	**–25**	**–274**
Liquid assets at the beginning of the period	**389**	**415**	**415**	**452**
Liquid assets at the end of the period	**179**	**452**	**389**	**179**

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow from operating activities totalled SEK 218 million (SEK 300 m), corresponding to SEK 1.64/share (SEK 2.25/share). The lower cash flow during the first quarter of 2016 compared to the corresponding period of last year is mainly explained by a lower change in the operating capital.

SEK –203 million (SEK –1,236 m) in investment activities has been charged to the cash flow and refers primarily to investments in Atrium Ljungberg's own properties.

The cash flow within financing activities amounted to SEK –226 million (SEK 974 m) mainly due to reduced lending volume.

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 2,725 million (SEK 1,540 m), amounted to SEK 154 million at the end of the period (SEK 1,340 m as of 31/12/2015).

SEGMENT REPORTING 1/1–31/3 2016

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	261	254	9		524					524
Net sales, project and construction work						3	97	100	–60	40
Net sales	**261**	**254**	**9**		**524**	**3**	**97**	**100**	**–60**	**564**
Property management costs	–88	–75	–4		–167					–167
Project and construction work costs						–9	–92	–101	60	–41
Gross profit	**173**	**179**	**5**		**357**	**–6**	**5**	**–1**	**0**	**356**
– of which gross profit/loss from property management	*173*	*179*	*5*		*357*					*357*
– of which gross profit/loss from project and construction work						*–6*	*5*	*–1*		*–1*
Central administration, property management					–30					–30
Central administration, project and construction work							–3	–3		–3
Financial income									0	0
Financial expenses									–100	–100
									–100	–100
Profit/loss before changes in value	**173**	**179**	**5**		**327**	**–6**	**2**	**–4**	**–100**	**223**
Properties, unrealised changes in value		4	10		14					14
Properties, realised changes in value				–6	–6					–6
Derivatives, unrealised changes in value									–311	–311
		4	10	–6	8			–4	–311	–303
Current tax									–7	–7
Deferred tax									30	30
Net profit/loss for the period	**173**	**183**	**15**	**–6**	**335**	**–6**	**2**	**–4**	**–388**	**–57**
Investments and aquisitions										
Investments, investment properties	76	52	73		201					201
Investments, project and construction work							0	0		0
Acquisitions, investment properties		121			121					121
Total investments	**76**	**173**	**73**		**322**					**322**
Assets, period end										
Investment properties	14,677	15,267	1,212		31,157					31,157
Project and construction work							93	93		93
Non-allocated assets in common									961	961
Total assets	**14,677**	**15,267**	**1,212**		**31,157**		**93**	**93**	**961**	**32,211**

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

SEGMENT REPORTING 1/1–31/3 2015

Amounts in SEK m	Business area Retail [2]	Business area Offices	Project properties [2]	Properties sold	**Property management, total**	Project development [1]	TL Bygg	**Project and construction activities, total**	Non-allocated items and eliminations	**The Group**
Rental income	242	236	6	31	515					515
Net sales, project and construction work						4	92	96	–30	66
Net sales	**242**	**236**	**6**	**31**	**515**	**4**	**92**	**96**	**–30**	**580**
Property management costs	–85	–70	–3	–12	–170					–170
Project and construction work costs						–13	–87	–100	30	–70
Gross profit	**157**	**166**	**2**	**19**	**344**	**–9**	**5**	**–4**	**0**	**341**
– of which gross profit/loss from property management	*157*	*166*	*2*	*19*	*344*					*344*
– of which gross profit/loss from project and construction work						*–9*	*5*	*–4*		*–4*
Central administration, property management					–13					–13
Central administration, project and construction work							–4	–4		–4
Financial income									0	0
Financial expenses									–101	–101
									–101	–101
Profit/loss before changes in value	**157**	**166**	**2**	**19**	**331**	**–9**	**1**	**–8**	**–101**	**223**
Properties, unrealised changes in value	165	197	4		366					366
Properties, realised changes in value										
Derivatives, unrealised changes in value									–199	–199
	165	197	4		366				–199	168
Current tax									–3	–3
Deferred tax									–82	–82
Net profit/loss for the period	**322**	**363**	**7**	**19**	**698**	**–9**	**1**	**–8**	**–384**	**306**
Investments and aquisitions										
Investments, investment properties	42	58	49		149					149
Investments, project and construction work							0	0		0
Acquisitions, investment properties										
Total investments	**42**	**58**	**49**		**149**					**149**
Assets, period end										
Investment properties	14,381	13,416	882		28,678					28,678
Project and construction work							171	171		171
Non-allocated assets in common									1,079	1,079
Total assets	**14,381**	**13,416**	**882**		**28,678**		**171**	**171**	**1,079**	**29,928**

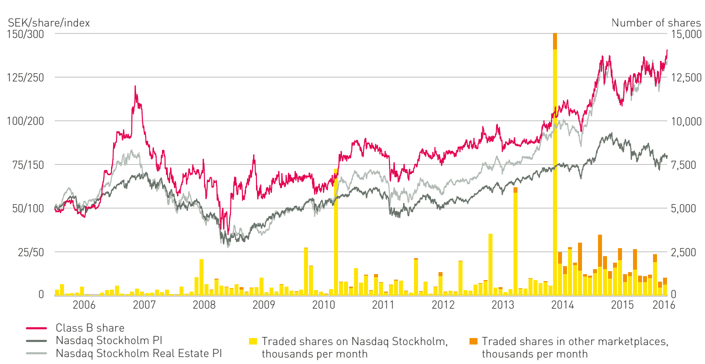
[1] Profit/loss in Project development refers primarily to costs from investigations in previous project phases and ongoing development projects.
[2] Gross profit in segment reporting for the first quarter 2015 has been adjusted referring to sold properties in the fourth quarter 2015.

KEY RATIOS

PROPERTY-RELATED KEY RATIOS	**2016** 1/1–31/3	2015 1/1–31/3	2015 1/1–31/12	2015/2016 1/4–31/3
Letting rate, %	94	93	94	94
Operating surplus margin, %	68	67	68	68
Letting area, ´000 m²	1,052	1,064	1,034	1,072
Investments in own properties, SEK m	201	149	768	821
Number of properties (at period end)	49	49	48	49
FINANCIAL KEY RATIOS				
Equity/assets ratio, %	43.1	39.8	43.7	43.1
Gearing ratio, %	42.0	46.4	43.0	42.0
Interest coverage margin, multiple	3.2	3.2	3.3	3,3
Average rate of interest on interest-bearing liabilities (at period end), %	2.8	3.0	2.9	2.8
Return on shareholders´ equity, %	–1.7	10.4	21.8	18.8
Return on shareholders´ equity, excluding changes in value, %	5.4	5.9	6.3	6.2
Return on total assets, %	0.3	6.6	12.5	10.8
Return on total assets excluding changes in value, %	4.1	4.4	4.6	4.5
DATA PER SHARE				
Earnings per share, SEK	–0.43	2.29	20.89	18.17
Profit before changes in value less applicable nominal tax, SEK	1.31	1.30	5.54	5.54
EPRA EPS (Earnings per share), SEK	1.59	1.61	6.91	6.89
Cash flow, SEK	1.64	2.25	7.55	6.94
Shareholders´ equity, SEK	104.33	89.34	104.73	104.33
EPRA NAV (Net asset value), SEK	133.46	115.59	131.78	133.46
EPRA NNNAV (Triple net asset value), SEK [1]	122.73	104.95	122.95	122.73
Share price, SEK	140.50	131.30	133.00	140.50
Average number of outstanding shares, ´000	133,221	133,221	133,221	133,221
Number of outstanding shares at end of period, ´000	133,221	133,221	133,221	133,221
EMPLOYEES				
Average number of employees	281	280	282	282

[1] For calculation of EPRA NNNAV, an estimated deferred tax of 4 per cent has been used regarding propeties.

The Atrium Ljungberg share



FOUR 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.
- **Sustainable urban development** – The sustainability work is integrated in the business model where we continuously develop our areas in a sustainable direction. We are a long-term player which takes responsibility for the impact of our business on human beings and the environment.

QUARTERLY SUMMARY

INCOME STATEMENTS

Amounts in SEK m	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Rental income	524	551	534	522	515	499	500	486
Net sales, project and construction work	40	87	109	85	66	98	83	82
Net sales	**564**	**638**	**643**	**607**	**580**	**598**	**583**	**568**
Property management costs	–167	–185	–151	–165	–170	–174	–138	–158
Project and construction work costs	–41	–99	–118	–85	–70	–103	–85	–85
Gross profit	**356**	**354**	**374**	**357**	**341**	**321**	**361**	**325**
– of which gross profit from property management	*357*	*366*	*383*	*357*	*344*	*325*	*363*	*328*
– of which gross profit from project and construction work	*–1*	*–12*	*–9*	*–1*	*–4*	*–4*	*–2*	*–3*
Central administration, property management	–30	–21	–13	–13	–13	–21	–14	–10
Central administration, project and construction work	–3	–4	–3	–4	–4	–4	–3	–4
	–33	–25	–16	–18	–17	–24	–17	–14
Financial income and expenses	–100	–101	–100	–101	–101	–105	–116	–98
Profit before changes in value	**223**	**227**	**257**	**238**	**223**	**191**	**228**	**214**
Properties, unrealised changes in value	14	928	216	818	366	435	–	426
Properties, realised changes in value	–6	–33	–	1	–	0	7	0
Derivatives, unrealised changes in value	–311	161	–165	403	–199	–271	–168	–264
Goodwill, write–downs	–	–11	–	–	–	–	0	–
	–303	1,045	50	1,222	168	163	–161	163
Profit before tax	**–80**	**1,272**	**307**	**1,460**	**391**	**354**	**67**	**376**
Tax	22	–173	–68	–322	–85	–80	–8	–82
Net profit for the period	**–57**	**1,100**	**240**	**1,138**	**306**	**275**	**59**	**294**

KEY RATIOS

Property–related key ratios	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Letting rate, %	94	94	94	94	93	93	93	95
Operating surplus margin, %	68	67	72	68	67	65	73	68
Letting area, ´000 m²	1,052	1,034	1,110	1,110	1,064	1,062	1,012	971
Investments in own properties, SEK m	201	268	187	164	149	199	163	160
Number of properties	49	48	52	52	49	49	48	49
Financial key ratios								
Equity/assets ratio, %	43.1	43.7	40.4	39.7	39.8	39.6	41.3	41.0
Gearing ratio, %	42.0	43.0	45.6	45.9	46.4	45.5	45.6	46.5
Interest coverage margin, multiple	3.2	3.2	3.5	3.4	3.2	2.8	3.0	3.2
Average rate of interest on interest–bearing liabilities (at period end), %	2.8	2.9	2.8	2.8	3.0	3.2	3.5	3.6
Return on shareholders´ equity, %	–1.7	32.8	7.5	37.2	10.4	9.6	2.1	10.6
Return on shareholders´ equity, excluding changes in value, %	5.4	5.7	6.6	6.4	5.9	5.2	6.3	6.0
Return on total assets, %	0.3	17.2	5.1	20.3	6.6	6.5	2.7	7.0
Return on total assets excluding changes in value, %	4.1	4.3	4.6	4.5	4.4	4.2	5.0	4.6
Data per share								
Earnings per share, SEK	–0.43	8.25	1.80	8.54	2.29	2.06	0.45	2.23
Profit before changes in value less applicable nominal tax, SEK	1.31	1.33	1.50	1.40	1.30	1.12	1.34	1.27
EPRA Earnings per share (EPS), SEK	1.59	1.75	1.86	1.68	1.61	1.50	1.60	1.53
Cash flow, SEK	1.64	1.73	1.59	1.99	2.25	1.42	1.41	1.83
Shareholders´ equity, SEK	104.33	104.73	96.45	94.62	89.34	87.00	84.89	84.40
EPRA NAV (Net asset value), SEK	133.46	131.78	123.58	120.07	115.59	111.19	106.56	104.91
EPRA NNNAV (Triple Net asset value), SEK [1]	122.73	122.95	113.89	111.48	104.95	101.99	99.17	98.53
Share price, SEK	140.50	133.00	126.60	108.50	131.30	114.70	103.50	109.00
Average number of outstanding shares, ´000 [2]	133,221	133,221	133,221	133,221	133,221	133,221	133,221	131,689
Number of outstanding shares at end of period, ´000 [2]	133,221	133,221	133,221	133,221	133,221	133,221	133,221	133,221

[1] For calculation of EPRA NNNAV, an estimated deferred tax of 4 per cent has been used regarding propeties.
[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 82 million (SEK 71 m). The operating profit/loss totalled SEK –4 million (SEK –1 m). Profit/loss after financial items totalled SEK 6 million (SEK 63 m).

Interest-bearing liabilities amount to SEK 10,362 million (SEK 9,685 m as of 31/12/2015). These funds finance the Parent Company's property portfolio and are lent to other Group companies.

INCOME STATEMENTS PARENT COMPANY

	2016	2015	2015
Amounts in SEK m	1/1–31/3	1/1–31/3	1/1–31/12
Rental income	42	42	169
Management income	40	29	209
Net sales	**82**	**71**	**378**
Property expenses	–14	–16	–58
Management and administration expenses	–67	–51	–240
Depreciation	–5	–5	–20
Operating profit/loss	**–4**	**–1**	**59**
Result of participations in Group companies	–	48	620
Interest income and similar profit/loss items	113	124	473
Interest expenses and similar profit/loss items	–103	–108	–426
	10	**64**	**667**
Profit/loss after financial items	**6**	**63**	**726**
Appropriations	–2	–1	–139
Profit/loss before tax	**4**	**62**	**587**
Current tax	–7	–3	–12
Deferred tax	–5	–3	–22
	–12	–6	–34
Profit for the period	**–8**	**56**	**553**

SUMMARY BALANCE SHEETS PARENT COMPANY

Amounts in SEK m	31/03/2016	31/03/2015	31/12/2015
ASSETS			
Tangible fixed assets	1,446	1,385	1,439
Financial fixed assets	2,612	2,470	2,613
Current assets	14,150	14,729	14,721
Total assets	**18,209**	**18,584**	**18,773**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	7,393	7,344	7,401
Untaxed reserves	43	38	42
Provisions	262	239	258
Long-term liabilities	7,753	8,421	8,934
Current liabilities	2,756	2,543	2,138
Total shareholders' equity and liabilities	**18,209**	**18,584**	**18,773**

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 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 good procedures for managing these risks. The company also has a strong financial position with strong key ratios, such as a low gearing ratio and high interest coverage ratio.

In June 2014, the Swedish Committee on Corporate Taxation, which was appointed by the Government to review corporate taxation, submitted its final report. Atrium Ljungberg is primarily affected by the Committee's proposal to eliminate the right to make deductions for negative net financial items and instead introduce a flat deduction of 25 per cent of the taxable profit. This would entail a higher tax expense for Atrium Ljungberg. The proposal has been submitted for feedback and answers were received during the autumn of 2014. The 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.

For further information on risks and uncertainty factors in general, please see Atrium Ljungberg's 2015 Annual Report and the section entitled "Risks and risk management" on pages 97–101.

ONGOING DISPUTES

During the second quarter of 2014, Atrium Ljungberg submitted an application for summons directed against AkzoNobel, which in 2013 rescinded the lease contract it signed for Sickla Front I in 2010. The main proceedings in the District Court started in April 2016.

ORGANISATION

Annica Ånäs, formerly CFO and acting CEO, was appointed to succeed Ingalill Berglund as CEO as of 19 February. Martin Lindqvist took over as the new CFO.

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 2015 Annual Report.

New and revised standards from IFRS and interpretations from IFRIC to be applied by the Group as of 1 January 2016 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 13,036 million (SEK 13,261 m as of 31/12/2015) and their fair value totals SEK 13,087 million (SEK 13,318 m as of 31/12/2015). 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 regarding properties. The calculation of the tax rate is based on a discount rate of 3.0 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 06 April 2016, resolved that the Board of Directors shall comprise six ordinary members. Johan Ljungberg, Simon de Château, Sune Dahlqvist, Anna Hallberg, Erik Langby and Hanna Graflund Sleyman were re-elected for the period until the next AGM. Johan Ljungberg was elected as the Chairman of the Board.

It was further resolved that a new Nomination Committee would, ahead of the 2017 Annual General Meeting, comprise representatives of the company's five biggest shareholders on the last banking day of February 2016. The Nomination Committee 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 the mutual occupational pension insurance company, Varma.

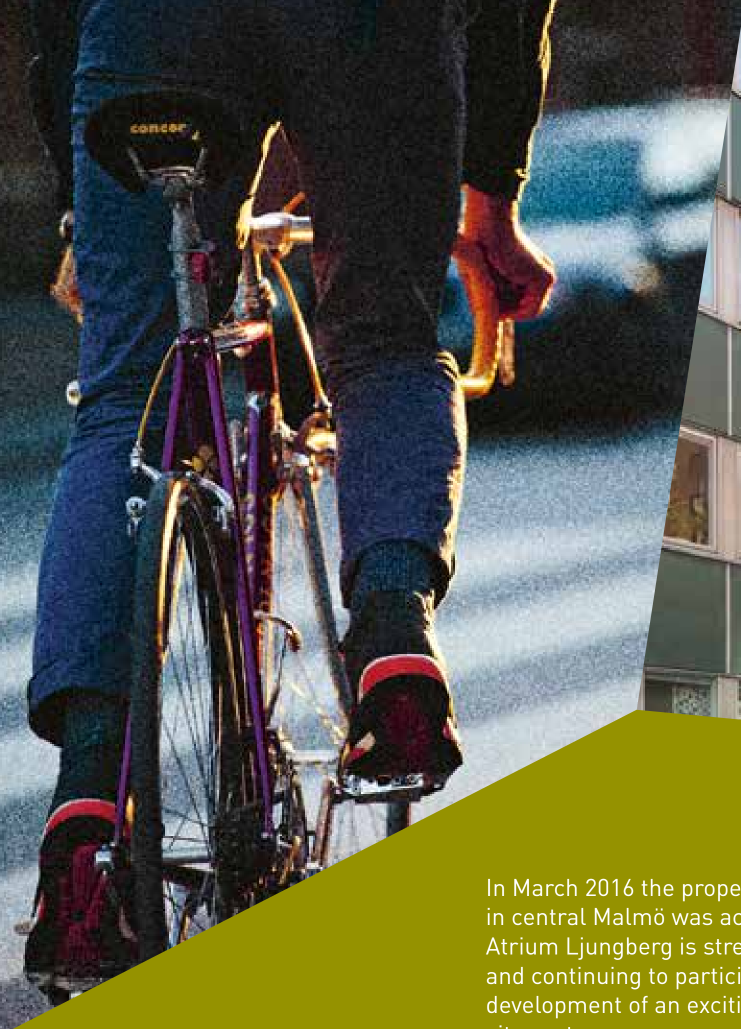
A dividend payment of SEK 3.55 per share (SEK 3.30/share) was approved. The AGM also resolved to authorise the Board of Directors to both decide on an issue in kind of maximum SEK 13.3 million shares of class B and to decide on buy back of the company's own shares of class B provided that certain specified preconditions are met, during the period until the next AGM.

Full minutes are available on Atrium Ljungberg's website, www.al.se.

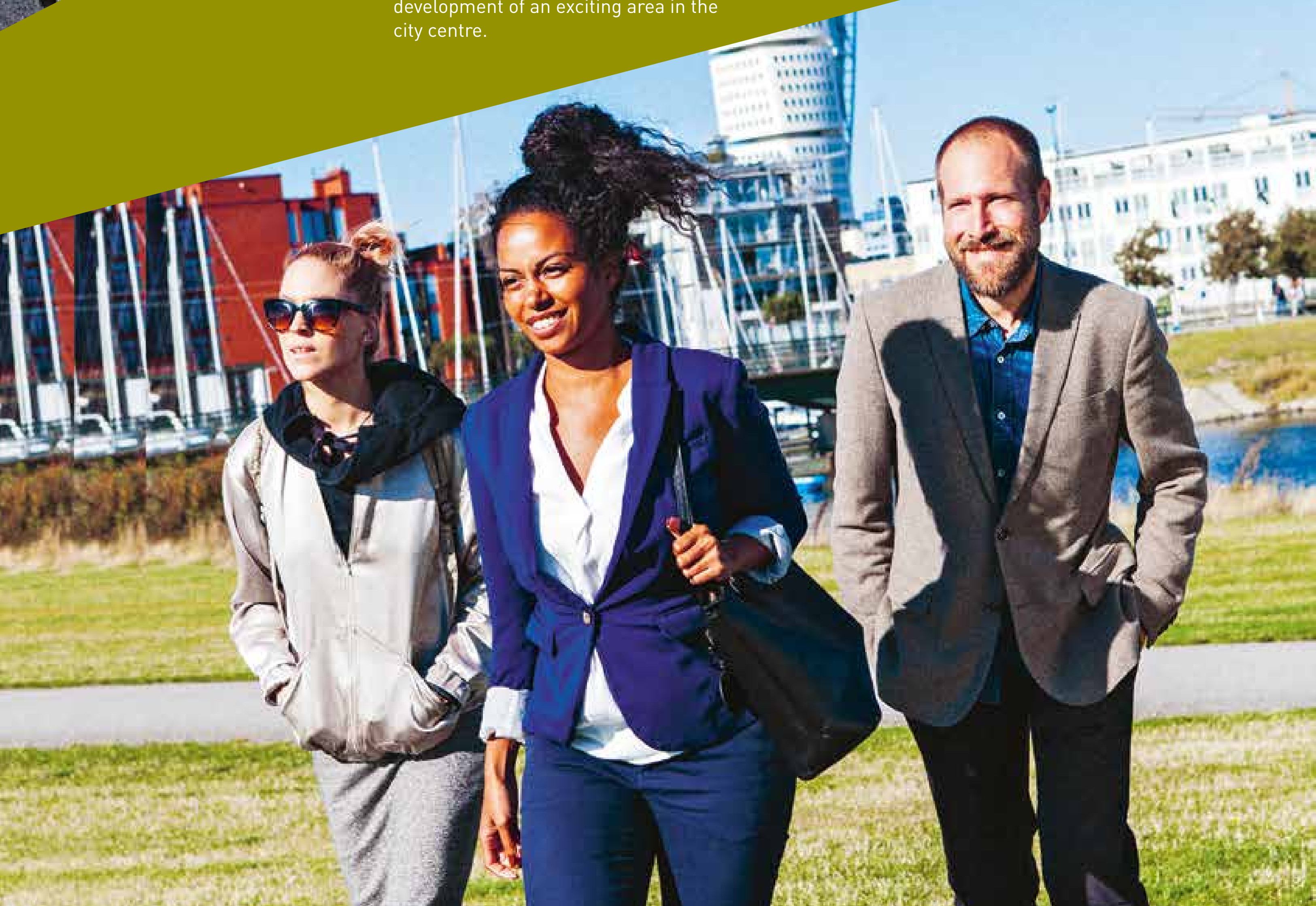
The Interim Report has not been subject to review by the company's auditors.

Nacka, 22 April 2016

Annica Ånäs,
CEO



In March 2016 the property Malmen 12 at Möllevången in central Malmö was acquired. Through the acquisition, Atrium Ljungberg is strengthening its position in Malmö and continuing to participate in the long-term development of an exciting area in the city centre.



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, %
Proposed 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 period divided by the average number of outstanding shares.

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 NNNAV (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.

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 as a percentage of average shareholders' equity.

Rounding off
As the figures have been rounded off to the nearest SEK million, the tables do not always add up.

Share dividend yield, %
Share dividend as a percentage of the share price on the balance sheet date.

Share's total yield, %
The year's change in the share price plus the dividend paied as a percentage of the share price at the previous balance sheet date.

PROPERTY-RELATED DEFINITIONS

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

GFA, m²
GFA (Gross Floor Area) refers to the building's total area, including outer walls.

Letting area, m²
Total area available for letting.

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

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

Operating surplus
Rental income less property management costs.

Operating surplus margin, %
Gross profit/loss from property management as a percentage of the reported rental income.

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

Project return, %
Market value after completed project minus total investment as a percentage of total investment.

Rental value
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 owns, develops and manages properties. Our primary focus is on retail and offices, but our vibrant urban environments also include residential properties and cultural, service and educational facilities. We create city districts where people want to be, today and tomorrow. We are located where Sweden is growing: Stockholm, Uppsala, Malmö and Gothenburg.

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

Atrium Ljungberg has been listed on the NASDAQ Stockholm Exchange since 1994.

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.

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 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**
  Long-term stability – the minimum equity/assets ratio shall be 30% and the interest coverage ratio shall be a multiple of 2.0.

- **CORPORATE SOCIAL RESPONSIBILITY**
  All major new builds shall be environmentally certified in accordance with BREEAM. Energy consumption per m^2 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.

FACTS

Number of properties	49
Property value, SEK billion	31
Contracted annual rent, SEK billion	2.1
Total letting area, 1,000 m^2	1,052
Letting rate, %	94
Number of employees	281

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 operations 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.al.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–Jun 2016	**12/07/2016**
Interim report Jan–Sep 2016	**21/10/2016**
Preliminary financial statement 2016	**Feb. 2017**
2016 Annual Report	**Mar. 2017**

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Atrium Ljungberg, April 2016. Photo: Christoffer Edling och Daniel Månsson. Production: Ineko, Stockholm, 258485.