



A CITY WHERE EVERYONE WANTS TO LIVE

AL 13

ATRIUM LJUNGBERG

ANNUAL REPORT

THE RESULTS IN BRIEF

- The Group's net sales increased to SEK 2,362 million (SEK 2,078 m), of which rental income increased to SEK 1,956 million (SEK 1,825 m). Net sales by the project and construction activities totalled SEK 405 million (SEK 253 m).

The increase in rental income is primarily explained by completed projects, new lets and the full-year effect of properties acquired at the end of 2012.

The increased sales within project and construction activities mainly relate to a sales increase for TL Bygg compared to the previous year.

- The operating surplus increased to SEK 1,297.3 million (1,224.0 m), corresponding to 6.0 percent. The profit before changes in value increased to SEK 829.0 million (739.2 m), corresponding to 12.1 percent.

In addition to completed projects, new lets and property acquisitions which were completed by the end of 2012, profit before changes in value was also impacted by a lower interest expense.

- Unrealised changes in the value of properties totalled SEK 142.5 million (SEK 367.8 m). The reported value of the property portfolio was SEK 25,008 million (SEK 24,576 m), and the valuation's average yield requirement was 5.7 per cent (5.7 %).

The change in value corresponds to 0.6 per cent and is explained by slightly lowered yield requirements,

primarily in Stockholm city centre, and that the rental levels at a few properties have increased. The valuation has also been affected by greater investment costs in the project portfolio, amongst other things due to AkzoNobel's rescission of the lease in the Sickla Front project property.

- During 2013, Atrium Ljungberg invested SEK 1,302 million (1,512 m) in its own properties and sold properties at a value of SEK 1,012 million.

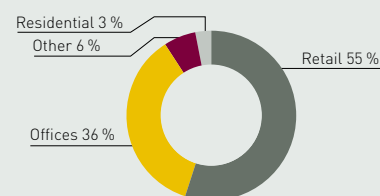
We have made substantial investments in, for example, Mobilia in Malmö, Kvarteret NOD in Kista, Port 73 in Haninge and Sickla Front in Sickla. No property acquisitions were made in 2013. Property acquisitions the previous year totalled SEK 895 million. During the year, we also sold the Torgvågen 7 property, better known as the PUB department store, in central Stockholm. We also sold the Fasta Paviljongen 1 property on Långholmen in Stockholm, as well as two small plots in Nynäshamn.

- The net profit for the year totalled SEK 1,108.3 million (SEK 1,030.8 m), corresponding to SEK 8.52/share (SEK 7.92/share). The Board of Directors proposes a dividend payment of SEK 3.05/share (SEK 2.85/share).

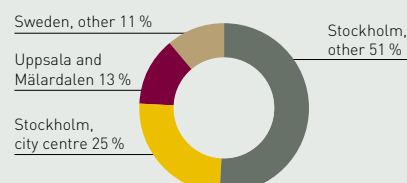
The dividend corresponds to a dividend yield of 3.5 per cent (3.3 %).

	2013	2012	2011	2010	2009
Net sales, SEK	2,362	2,078	2,018	1,936	1,980
Profit/loss before changes in value, SEK m	829	739	694	669	667
Profit after tax, SEK m	1,108	1,031	905	916	187
Investments, SEK m	1,302	1,512	1,050	1,047	1,087
Cash flow from operating activities, SEK m	854	832	640	671	608
Letting rate, %	95	95	94	94	93
Equity/assets ratio, %	41.1	40.3	41.2	42.9	42.4
Gearing ratio, %	47.8	47.3	45.1	45.7	45.6
Average interest rate at period end, %	3.6	3.9	4.2	3.8	3.8
Interest coverage ratio, multiple	3.0	2.6	2.9	3.1	3.0
Earnings per share, SEK	8.52	7.92	6.95	7.03	1.44
Profit/loss before changes in value less nominal tax, SEK/share	4.97	4.19	3.93	3.79	3.78
Dividend, SEK/share (proposed for 2013)	3.05	2.85	2.60	2.40	2.25
Share price as per 31 December, SEK/share	88.00	87.00	73.25	86.50	67.00
Shareholders' equity, SEK/share	84.67	78.79	73.30	69.91	64.66
Net worth, SEK/share, 10 % deferred tax	93.09	86.67	83.03	77.98	71.48

CONTRACTED ANNUAL RENT PER PREMISES TYPE



CONTRACTED ANNUAL RENT PER REGION



Inauguration of a major reconstruction and expansion of Mobilia in Malmö, September 2013.



SIGNIFICANT EVENTS IN 2013

Q1

- We withdrew our appeal against the detailed development plan for Nya Slussen, and concluded an agreement with the City of Stockholm regarding compensation for the reduction in value of the Glashuset property.
- We set up a programme for and issued commercial papers.
- Construction start-up of Ica Kvantum in Farsta Centrum.

Q2

- Construction start-up for the first phase of Gränby Köpstad in Uppsala.
- We obtained a land allocation of 36,000 m² GFA alongside Solnavägen in Hagastaden.

Q3

- Sale of the Fasta Paviljongen 1 property, Långholmen.
- Sale of the Torgvågen 7 property, better known as the PUB department store.
- We established a new business area in the organisation, Transaction and market.
- Inauguration of the third expansion phase of Port 73 in Haninge, including ten or so stores and restaurants.
- Inauguration of the Mobilia city district in Malmö, where around forty new stores, restaurants and service outlets opened.
- The detailed development plan for the remodelling of Nya Slussen was approved by the Land and Environment Court.
- We obtained our first BREEAM certificates for the new construction of Intrum Justitia's head office in Sickla and Mobilia in Malmö.
- AkzoNobel rescinded a 15-year lease for the Sickla Front property in Sickla.

Q4

- We set up a MTN programme and completed the first issue on the bonds market.

THIS IS ATRIUM LJUNGBERG

Atrium Ljungberg aims to create sustainable and attractive urban environments where people want to be – today and tomorrow. Our locations and environments are to contribute to society's development and provide the conditions needed for growth and business. Properties are the core of our operations, but we are actually more interested in the people who spend their time in the environments that we create. Together with customers, suppliers, municipalities and other partners, we obtain places to develop and grow.

- Atrium Ljungberg is **one of Sweden's largest listed property companies**, and has been listed on Nasdaq OMX Stockholm since 1994.
- We **own, develop and manage properties** and areas – primarily for the retail and office sectors.
- In order to create **attractive locations** that are vibrant around the clock, we add residential properties and cultural, service and educational facilities in our areas. The operations enrich one another and the combinations generate added value for our customers and society at large.

OUR BUSINESS

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

OUR LOCATIONS

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

OUR OFFER

AS A SHAREHOLDER, you receive a stable return at a low risk. At the same time, you have the potential for a good total yield through the company's large project portfolio.

AS A CUSTOMER, you gain security and good conditions for a profitable business, both now and in the future. We are a long-term landlord that engages in ongoing and close dialogues with our customers.

TOGETHER, WE CREATE ATTRACTIVE MEETING PLACES THAT CONTRIBUTE TO SOCIETY'S DEVELOPMENT AND WHICH PROVIDE A FOUNDATION FOR GROWTH AND GOOD BUSINESS.

FOR SOCIETY, we create environments that will last. Sustainable urban development summarises the way in which we create economic, environmental and societal value.

FIND OUT MORE AT:
WWW.ATRIUMLJUNGBERG.SE

QUICK FACTS & FIGURES

- Number of properties 47
- Property value SEK 25 billion
- Contracted annual rent SEK 1.9 billion
- Total letting area 941,000 m²
- Letting rate 95 %
- Number of employees 285

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READY FOR THE FUTURE

AN EVENTFUL 2013 has ended for Atrium Ljungberg with a strong fourth quarter. The most recent phase expansions in our retail hubs, Port 73 in Haninge and Mobilia in Malmö, have contributed to a continued good growth in profit, and profit before changes in value and tax increased by twelve per cent. For the future we have prepared new project opportunities for another SEK two billion.



Hesselmans torg, Sickla

STRONG PROFIT IN 2013

We achieved a strong profit for 2013, a year in which Sweden experienced weak development. Our profit before changes in value and tax was SEK 829 million, a twelve per cent increase compared to 2012.

We completed new projects over the year, which contributed to the growth in profit, but our operations are still based on property management. Taking care of our customers, our customers' customers and having competent and committed employees is essential.

We have gained renewed confidence in both extended leases and in new businesses, and we have been successful with recruitment. In my view, this bears testament to our success in terms of our aims and that we are continuing to nurture our strong brand. Many thanks to all of you – customers, partners and colleagues – who have contributed to the good development in 2013.

“We achieved a strong profit for 2013, a year in which Sweden experienced weak development.”

PROPERTIES IN STRONG LOCATIONS

Having properties at attractive locations is a strength. Since there is always demand for good premises at attractive locations, vacancies can be kept at low levels and rental levels are more stable over time. This is one of the reasons for our strategy to focus on strong subsidiary markets in Stockholm, Uppsala and Malmö.

Our properties at these locations have done very well, in spite of the weak economy. Sales at our retail hubs continue to increase from high levels, we have a high letting rate and premises in several of our office rental markets are basically fully let.

NEW PROJECT OPPORTUNITIES

Another strategy is to continuously improve and develop our properties. We do this, for example, by initiating new development rights to implement our own projects, which has helped us create value growth in the company over the years. Our project development also allows us to shape our locations and properties in a long-term sustainable and attractive manner.

Adding new project opportunities for the future was a prioritised business focus in 2013 – and we were very successful. Several vision projects have been carried out together with municipalities and other partners, and have resulted in the identification of new future projects in the vicinity of several of our areas.

“Adding new project opportunities for the future was a prioritised business focus in 2013 – and we were very successful.”

Potential new build projects in our own property portfolio total SEK seven billion. This is an SEK two billion increase compared to last year. Just under half of the SEK seven billion is comprised by existing detailed development plans.

The project portfolio gives rise to great value potential for the future, in terms of both new development rights being created and us managing to generate development gains at project implementation.

RESIDENTIAL PROPERTIES FOR VIBRANT URBAN ENVIRONMENTS

What constitutes long-term sustainable and attractive locations? We believe in increased urbanisation and will continue to contribute to a city where everyone wants to live. We focus on offices and retail, but to create urban environments that are vibrant around the clock every day of the week, we also need to add other aspects. We already have facilities for culture, education, service and residential properties at our locations. In its current form, our project portfolio will provide residential properties to a greater extent than previously. Residential properties contribute a great deal to the vibrant environments we want to create; they feed our retail hubs and create the conditions needed to provide more culture and service. We will, however, also continue developing both retail and offices – we aim to build blended cities.

Overall, our project portfolio is relatively evenly distributed over the three categories of office, retail and residential. Business opportunities will determine our priorities more specifically as well as how quickly development progresses.

SUSTAINABILITY A MATTER OF COURSE

With our long-term approach, sustainable environments and sustainable properties are a matter of course – not only through our environmentally certified new build projects, but also in every decision we make.

We take responsibility for the environment, society and people at our locations. We have also signed the UN Global Compact and support its principles. We take part in many different collaboration projects that aim to develop properties and locations in a sustainable manner.

OUTLOOK FOR 2014

The new year has started well, and there is a lot to indicate that the economy will strengthen, although at a cautious pace. My assessment is that there will be good access to capital and that interest rate levels will remain low over the year, which paves the way for a stable real estate market.

We are entering the year with a slightly reduced portfolio after vacating the PUB department store at the end of January, but with diversified financing, a strong balance sheet and a business-oriented organisation, we are well-equipped for new business opportunities in 2014.



Ingalill Berglund, CEO

A CITY WHERE EVERYONE WANTS TO LIVE.

OUR CITY IS a place where everything you need and desire is right next door. A number of businesses meet here, creating an exciting urban environment where anyone would want to be. Here you can work, shop, conduct business, live, study, socialise and be entertained – everything that is part of life. Our locations have a soul and everyone should feel at home.

OUR CITY CAN be large or small, and we always take responsibility for and contribute to the big picture outside the confines of our properties. Together with our customers, the municipalities and everyone who spends time at and lives in our common city, we build attractive urban environments that are vibrant around the clock. Where people want to live – the city thrives.



MOVING TOGETHER TOWARDS THE SAME GOALS

OUR VISION

A city where everyone wants to live.

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 can be divided into three areas:

PROFITABILITY AND GROWTH

LONG-TERM STABILITY

CORPORATE SOCIAL RESPONSIBILITY

PROFITABILITY AND GROWTH

The operating surplus shall increase by 10 % per year.

We shall invest SEK 1 billion each year in in-house projects. For investment decisions from 2012, the goal is for the return on new build and extension projects to be 20 %.

The dividend shall correspond to a minimum of 50 % of the profit before changes in value, after nominal tax.

LONG-TERM STABILITY

The minimum assets/equity ratio shall be 30 %.

The minimum interest coverage ratio shall be a multiple of 2.0.

CORPORATE SOCIAL RESPONSIBILITY

All major new builds shall be environmentally certified.

We shall be one of Sweden's best workplaces.

DESCRIPTION

GOAL FULFILMENT 2013

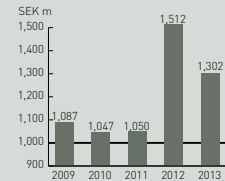
HISTORIC GOAL FULFILMENT

By investing in our own new build and reconstruction projects, reducing vacancy levels, and ensuring cost-effective management, we will increase our operating surplus by 10 % per year. The investments also generate growth in the value of our properties and the company in that the return on the projects exceeds the market's yield requirements. See pages 38–59 for further information about our projects.

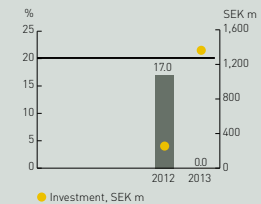
The operating surplus increased by 6 % due to additional operating surplus for completed projects such as phase 3 in Malmö and phase 3 in Port 73, new lets and the full-year effect of properties acquired in 2012.



Investments in our own properties totalled SEK 1,302 million and were primarily made in Mobilia in Malmö, Port 73 in Haninge, Kvarteret NOD in Kista and Sickla Front in Sickla.



Two new build and extension projects were completed during the year: phase 3 of Mobilia in Malmö and phase 3 of Port 73 in Haninge. Total investment for the projects was SEK 1,362 million. Investment decisions were made in 2011 for expected return just over market value. There was no return, due primarily to a tough market in Malmö.



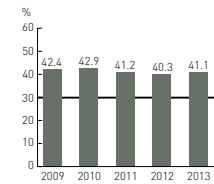
The owners shall share, in the long-term, in the company's profits by means of stable dividend payments. See pages 95–98 for further information about the share and our shareholders.

The Board proposes a dividend of SEK 3.05/ share, corresponding to a dividend payment of 61.4 % of the profit available for distribution, and a dividend yield of 3.5 %.

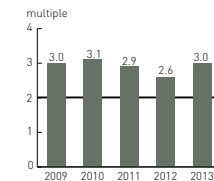


The company's capital base shall be strong, to help ensure long-term stability and generate the conditions needed to do good business in different market situations. The rolling cash flow shall cover interest costs by a wide margin.

The equity/assets ratio continues to be high and was 41.1 % at the end of 2013.



The interest coverage ratio was a multiple of 3.0.



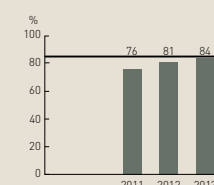
We have chosen to environmentally certify our major new build projects in accordance with the BREEAM environmental classification system. The goal is, at a minimum, to achieve a rating of "very good". See pages 18–23 for further information about certification and our sustainability work.

During the year, HK Intrum Justitia and Mobilia phase 3 were environmentally certified and were rated as "very good".

All of the new build projects that have been certified have been rated as at least "very good".

We take part in the Great Place to Work® (GPTW) evaluation of "Sweden's best workplaces", where our strengths and developmental areas as an employer are identified by means of an employee survey. The survey is divided into 5 dimensions: credibility, respect, fairness, pride, and camaraderie. Our goal is to achieve a minimum average index of 85 %. See pages 24–27 for more information about employees.

The employee survey for 2013 showed our results had improved in all areas, and the average index increased by three percentage points, compared to the previous year, to reach 84 %.



HOW WE CREATE ATTRACTIVE URBAN ENVIRONMENTS

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 create value growth within the company.

OUR STRATEGIES & VALUE-ENHANCING FACTORS

RETAIL – OFFICES – URBAN ENVIRONMENTS

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

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

STRONG SUBSIDIARY MARKETS IN SWEDISH GROWTH TOWNS

We shall establish a presence in strong subsidiary markets in Stockholm, Uppsala and Malmö where the potential exists for long-term population growth.

› *Long-term population growth creates the conditions needed for long-term profitability, both for ourselves and our customers.*

IMPROVEMENT AND DEVELOPMENT OF PROPERTIES AND DEVELOPMENT RIGHTS

We shall develop and improve properties and development rights.

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

SIGNIFICANT PLAYER

We shall be a significant player with large, unified units in each subsidiary market.

› *As a significant player, we can lead and influence development and create urban environments with longevity.*

LONG-TERM PARTNERSHIPS THAT FOCUS ON THE CUSTOMER

Our focus, in everything we do, shall be on our customers. Cooperation with customers, suppliers, municipalities and other stakeholders should be close, long-term, stable and personal.

› *Through collaboration we find innovative solutions and together we create long-term sustainable and attractive environments.*

IN-HOUSE EXPERTISE AND EXPERIENCE

We shall conduct and manage the entire business process in-house using our in-house expertise.

› *By managing the development and building process ourselves, we can satisfy our customers' requirements and create project benefits over time.*

INTEGRAL SUSTAINABILITY

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

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

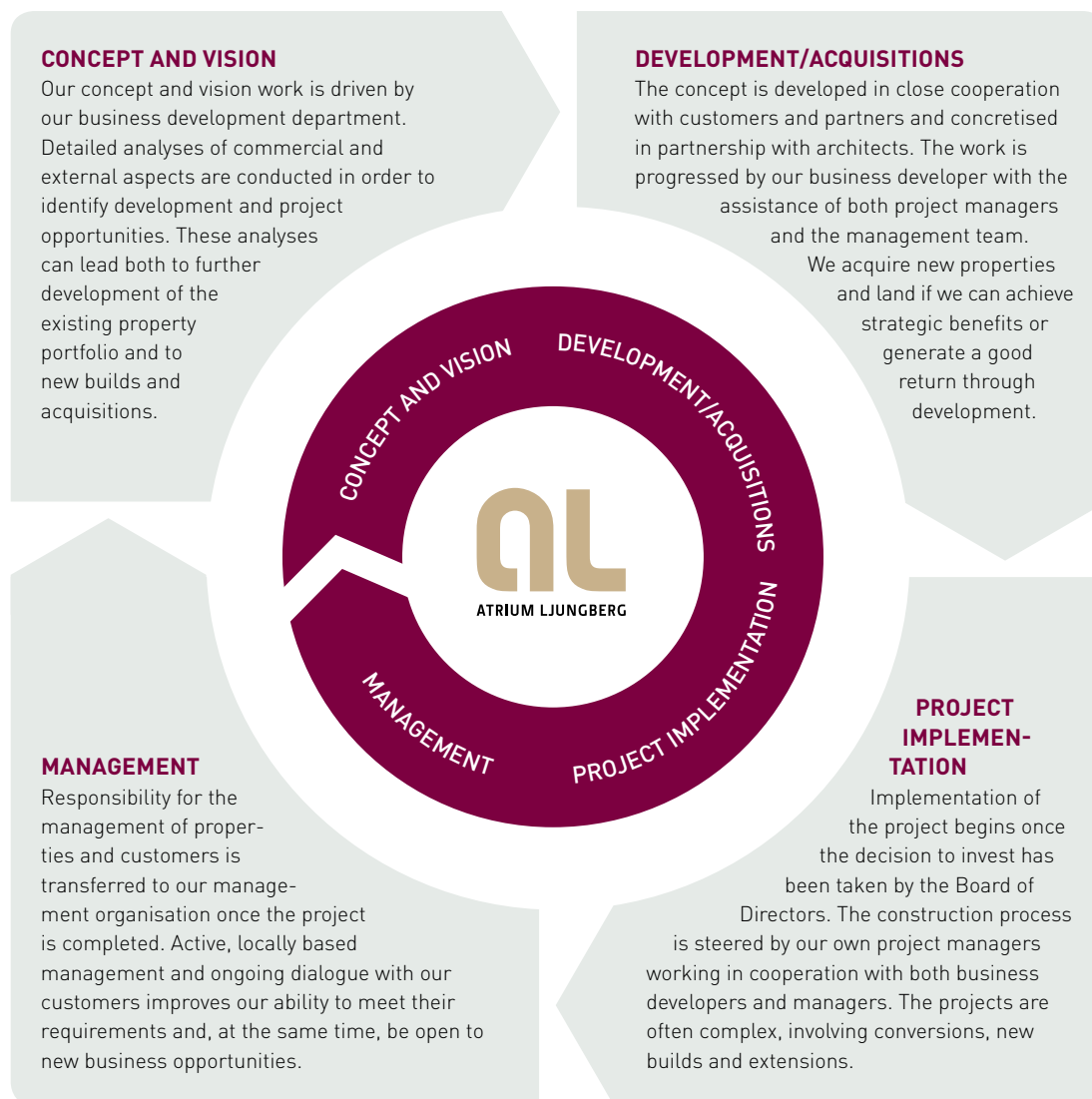
EMPLOYEES WITH PASSION AND WIDELY SUPPORTED CORE VALUES

We shall have committed employees who are passionate about what we do. Our core values – a long-term approach, cooperation, reliability and innovative thinking – shall be firmly rooted in the workforce psyche.

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

BUSINESS MODEL

Atrium Ljungberg's business model generates profitability and growth in value through continuous improvement and efficient, customer-orientated management of properties. The model is based on a number of business processes. All of these processes are conducted in-house and several of the company's functions participate to varying degrees, depending on the stage in the process.

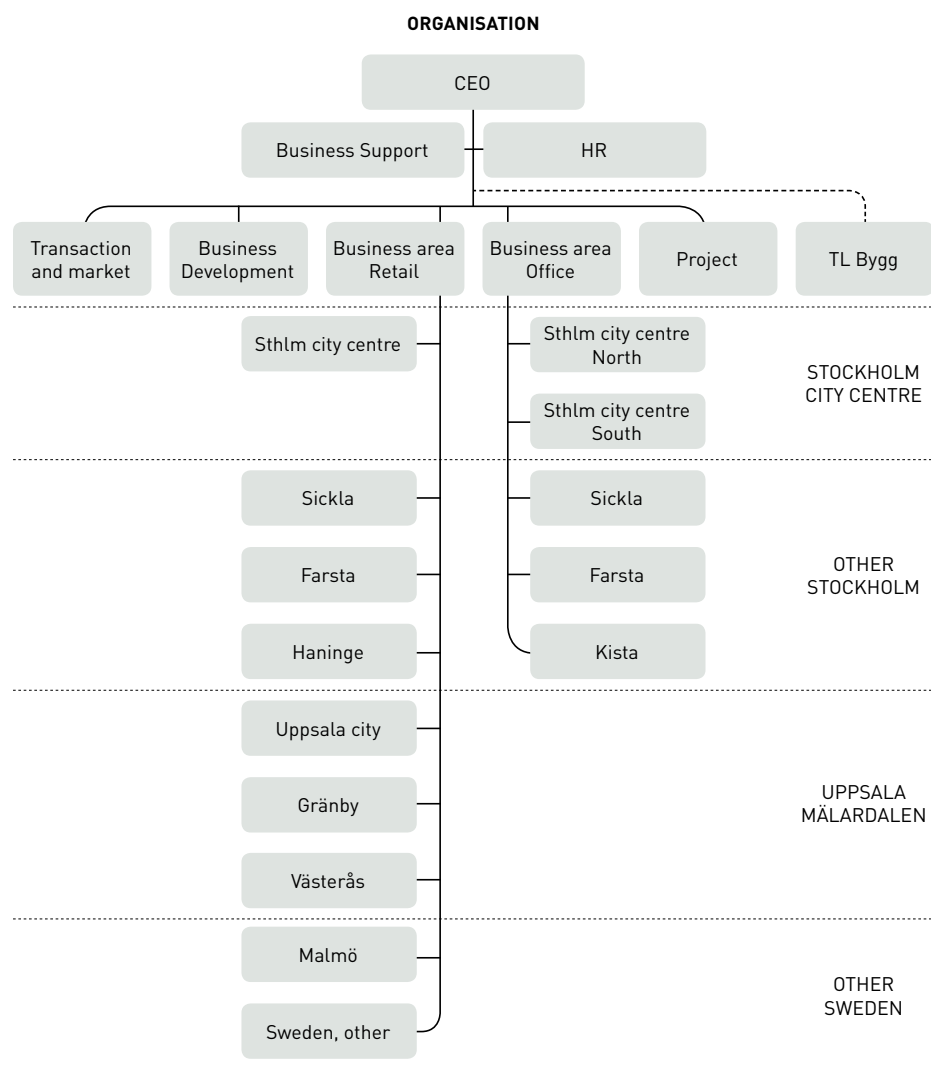


ORGANISATION

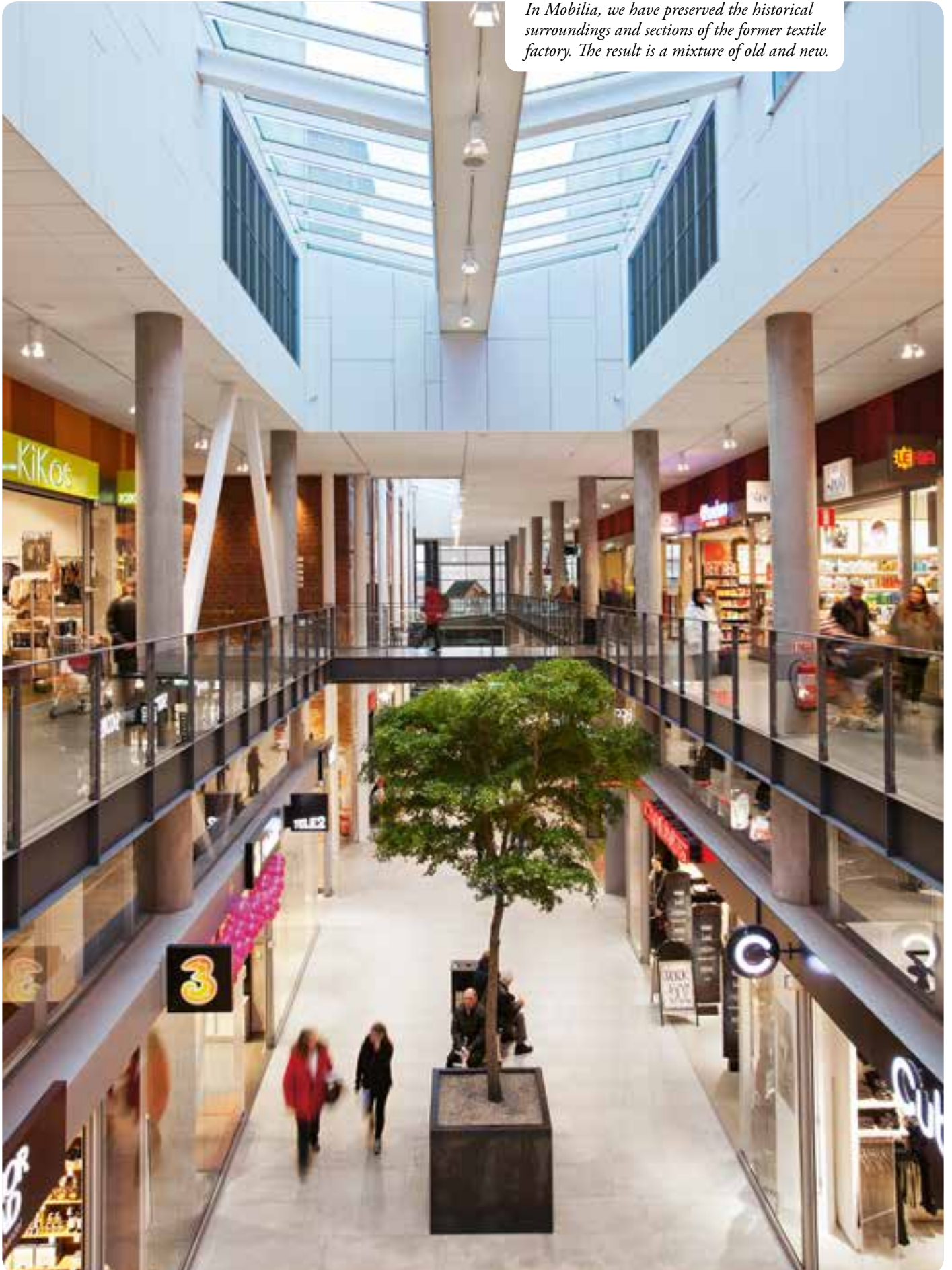
Our organisation is designed to focus on the customer and the individual business deal, to be close to our customers, and to have short decision-making routes within the business process. Our operations are divided into two branches, namely property management and project and construction operations. Our management activities are conducted by two business areas: one for retail properties and the other for offices. Organisationally, the project and construction operations are divided into four units, namely transaction and market, business development, projects, and the subsidiary company, TL Bygg.

Our properties and areas are managed locally by our own, on-site staff. The management of our market areas is broken down by geographical area. Our head offices are located in Sickla in Nacka Municipality, and we also have nine local offices where the majority of our employees have their day-to-day workplaces within walking distance of the customers.

Our support functions are divided into HR and business support. Business support includes functions such as accounts, finance, investor relations (IR), communication, IT support, and legal affairs.



In Mobilia, we have preserved the historical surroundings and sections of the former textile factory. The result is a mixture of old and new.



STABLE REAL ESTATE MARKET AND CAUTIOUS ECONOMIC RECOVERY

THE SWEDISH REAL estate market experienced a stable 2013. The economic recovery is progressing slowly, but there were positive signals towards the end of the year indicating that the Swedish economy had passed the turning point in the recession and was moving in a more positive direction.

The world economy remained sensitive in 2013. Despite the slow pace and major differences between countries and parts of the world, however, there was a certain amount of recovery. Swedish GDP growth in 2013 was 1.0 per cent, after the year started with zero growth. Uncertainty in the global economy, not least in Europe, has primarily delayed a rise in the industrial economy. At the end of the year and at the beginning of 2014, however, there were several positive economic indicators. Despite the cautious growth, unemployment in Sweden has remained at the same level.

The Swedish economy's continued development is primarily due to export recovery and domestic consumption. Inflation was -0.1 per cent in 2013.

Provided that economic stabilisation continues in the surrounding world in 2014, HUI Research, for example, anticipates Swedish households will begin consuming to a greater extent than in previous years. Over the past few years, households – not least in growth areas – have also benefited from a number of

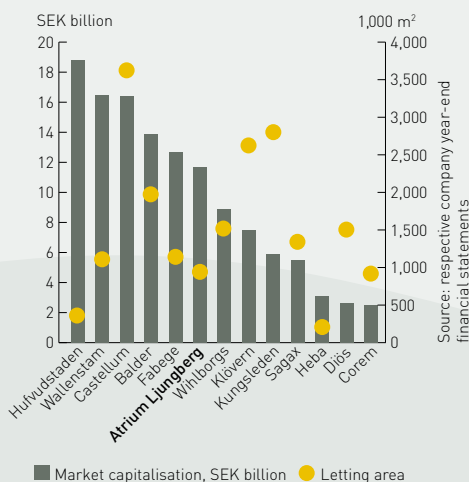
factors such as rising house prices, low interest rates, low taxes, a strong stock market and high savings levels. The Swedish National Institute of Economic Research anticipates a growth in GDP of 2.4 per cent in 2014.

STRONG REAL ESTATE MARKET

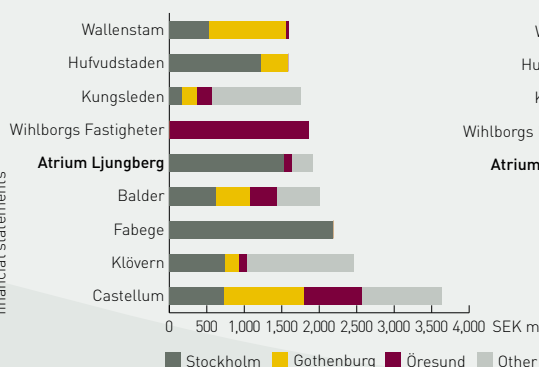
The real estate market is currently strong. Access to shareholders' equity is good and there is a high willingness to invest. The financing possibilities have also improved since the spring of 2013, which has further benefited the situation in the market.

The dividend yield for high-quality properties in attractive locations has been stable over the year. Focus is still on this type of property, even if we recognise a growing interest in more alternative investments. It is primarily the shortage of high-quality properties that has prompted increased interest in secondary objects and curtailed the difference in the yield requirements between them.

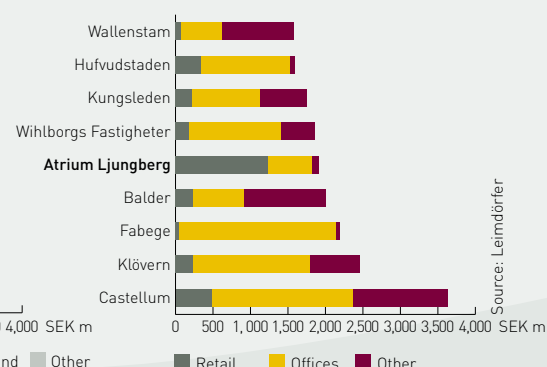
MARKET CAPITALISATION AND LETTING AREA



RENTAL VALUE PER REGION ¹⁾



RENTAL VALUE BY USE ¹⁾



¹⁾ From Leimdörfer's Company Overview, based on the property portfolio of each company's reporting for Q3 2013. Refers to investment properties.

LOWER SUPPLY OF COMMERCIAL PROPERTIES

According to Savills, the transaction volume in the Swedish real estate market in 2013 amounted to SEK 99 billion, which can be compared to SEK 108 billion for 2012. The ten quarter long negative trend of a declining transaction pace was reversed at the start of 2013, and the number of transactions has increased since then.

The percentage of sold commercial properties – more specifically retail properties – was slightly lower in 2013 than previously. This is more likely due to the shortage of supply than to a lack of interest. This should improve as the number of fixed-term investment funds reach the end of their holding periods. Office properties constituted 26 per cent and retail properties 13 per cent of the total transaction volume during the year. Residential properties and public property are still in great demand. In the past year, residential properties represented 31 per cent of the total transaction volume.

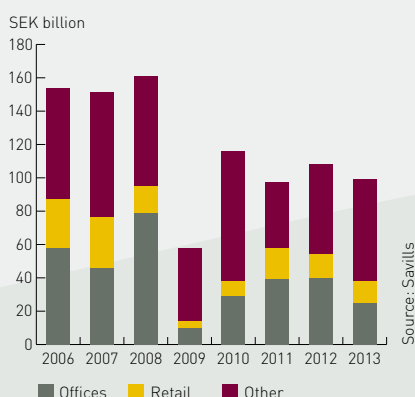
The rental market for commercial premises in Sweden has, for many years now, been characterised by healthy demand in growth regions, which has attracted a whole string of strong owners. As the market has matured in recent years, we have seen an increasing degree of streamlining amongst retail centre owners, whose portfolios are becoming increasingly specialised. Atrium Ljungberg, Unibail Rodamco, Steen & Ström

and Eurocommercial are the largest retail centre owners in Sweden. A number of retail properties changed hands in 2013. For example, KF Fastigheter sold eight retail properties, including Bromma Blocks, to Starwood Capital Group for close to SEK 4 billion.

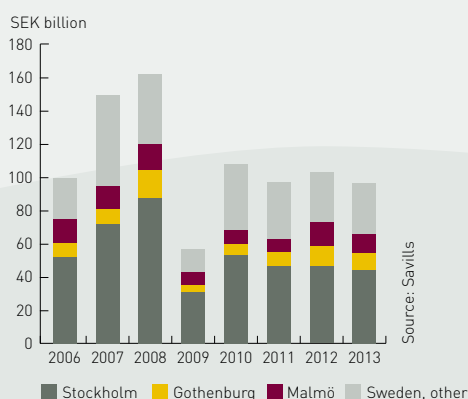
DOMESTIC BUYERS DOMINATE

Basically all investment categories are represented in the market and are actively seeking new investments. Domestic institutions continue to dominate the segment with high-quality properties in attractive locations, but they are also looking at the best objects in secondary locations, primarily due to a supply shortage. Investors willing to take more risks have also become more active, and they generally have a greater need for external financing than buyers with a long-term ownership perspective. Foreign buyers, however, were relatively inactive over the past year. They have difficulty competing with local investors and are also disadvantaged by the costs involved in hedging. In 2013, foreign buyers were, however, somewhat successful in acquiring retail and logistics properties.

TRANSACTION VOLUME BY PROPERTY TYPE



TRANSACTION VOLUME BY GEOGRAPHIC AREA



YIELD REQUIREMENT FOR RETAIL AND OFFICE PROPERTIES AND 10-YEAR GOVERNMENT BONDS



VARIED DEVELOPMENT FOR THE RETAIL SECTOR

SALES IN THE Swedish retail sector increased by just over two per cent in 2013.

As expected, the sector was met by stiff competition from the restaurant and travel sectors. According to HUI Research, however, the outlook for 2014 is optimistic.

Swedish households continued to consume cautiously as a result of the tentative global and Swedish economic recovery. The grocery retail sector continued to serve as the locomotive for the retail sector as a result of the growing interest in food. Swedes are more frequently going to restaurants and cafés, at the same time that cooking programmes, recipe sites and food magazines are growing in popularity. This development encourages consumers to purchase higher quality food, and thus contributed to an increased sales growth in the grocery retail sector of 2.7 per cent in 2013.

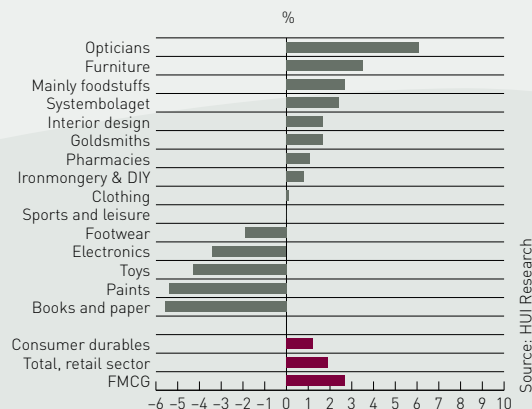
Infrequent retail experienced a tougher year with a cautious 1.2 per cent growth. Despite low interest rates, a strong krona, increased real wages and a high level of savings, households were cautious in 2013. A large part of the sales in infrequent retail was characterised by less needs-driven business. Most households can relatively easily reduce their purchases without having to reduce their quality of life, which is also demonstrated by the sales statistics from the past two years.

THE RETAIL SECTOR'S WINNERS AND LOSERS

There are a few other gleams of hope in addition to the grocery retail sector. The industries that developed the best over the year include the optical and furniture industries, which increased by 6.1 respectively 3.5 per cent. Building up the new deregulated pharmacy market has been a lengthy process. However, as the logistics and IT systems have been implemented, the pharmacies' focus has shifted to the customers, which is evident in the sales statistics.

The clothing retail trade is one of the losers, after having experienced several strong years. The sector experienced a decline of almost two per cent in 2012 for the first time in 17 years. The negative trend in both the clothing and footwear retail trades continued in 2013, with a 0.1 per cent respectively -1.9 per cent development. The tough situation faced by the fashion retail sector is primarily explained by the extremely stiff competition after several years of high establishment rate, and because the sports retail trade has taken over some of the market shares in the fashion retail sector.

**THE RETAIL SECTOR'S PERFORMANCE IN 2013
IN COMPARISON WITH 2012 (CURRENT PRICES)**



**THE RETAIL SECTOR'S PERFORMANCE AND
FORECAST, 1995-2015 (CURRENT PRICES)**



E-TRADE AND MULTICHANNELS

Online sales reached close to SEK 37 billion in 2013, which is an 18 per cent increase. E-trade currently accounts for approximately 6 per cent of all retail sales. Sports retail was this year's winning sector online with increased sales of almost 27 per cent. The combination of the new e-trade challengers and the retail chains' entry has stimulated consumers to purchase sports items over the Internet. Even though e-trade has increased sales, however, it is still experiencing profitability problems.

E-trade is nevertheless an important sales channel. An increasing number of retail companies are setting up online shops, and customer maturity will increase over time. Combining online sales and retail trade in stores has proven successful. Consumers feel more secure if there is a physical store they can go to for exchanges and returns. It is advantageous for retailers to display their goods in a store and to give the customer the opportunity to pick up their products there, thus avoiding shipping costs. In the same way that online merchants are opening physical stores, we are going to see more retail chains convert their stores into showrooms. The chains' physical stores will focus on the big sellers and high sales per square meter.

THE RETAIL SECTOR'S REGIONAL DEVELOPMENT

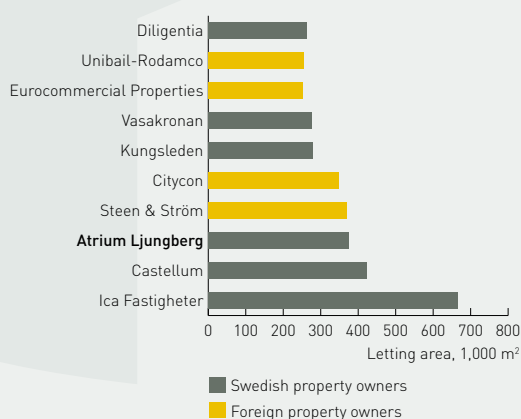
Retail sector growth is driven, to a large extent, by population growth. Sweden's population growth is primarily taking place in Stockholm, Malmö and Uppsala, which thus continue to drive sales development in the country. The retail sector in these cities has grown faster than the national average recently, and a large proportion of investments are clearly being made here. Over the past few years, Malmö has undergone major changes as regards retail sector investments. Recently concluded projects in Malmö include Emporia, Mobilia, Triangeln and Kvarteret Caroli. Local competition has thus increased.

Uppsala and Stockholm are also characterised by a growing retail sector, including many investments the past few years and growing competition.

OPTIMISM IN LIGHT OF THE 2014 RETAIL YEAR

The outlook for the retail sector in 2014 is optimistic. Increased real wages, low inflation and low interest rates pave the way for increased purchasing power. Consumer confidence has also improved after several years of pessimism. Provided that economic stabilisation continues in the surrounding world in 2014, households are likely to begin consuming to a greater extent. HUI Research anticipates that total sales in the retail sector will grow by three per cent during 2014. The grocery retail sector's strong development continues, and sales are expected to increase by three per cent. Infrequent retail is expected to increase by 2.5 per cent in 2014 since the majority of households have avoided these types of purchases for a long time; there is a pent-up consumer need that may emerge as early as autumn 2014.

RETAIL LETTING AREA IN SWEDEN ¹⁾



¹⁾ Estimated area, as per 31 Dec. 2013.

ATRIUM LJUNGBERG'S MARKET SHARES IN SUBSIDIARY MARKETS

Municipalities	Sales municipality, SEK million	Share Atrium Ljungberg, %
Malmö (Mobilia)	21,027	6.7 %
Uppsala (Gränby Centrum, Rådhuset, Forumgallerian)	13,540	17.2 %
Nacka (Sickla Köpvarter, Orminge Centrum)	6,369	51.0 %
Stockholm (Farsta Centrum, Glashuset Drottninggatan, Västberga Handel)	62,920	4.6 %
Haninge (Port 73)	3,910	17.9 %

Refers to the 2012 outcome

Source: HUI Research

STABLE MARKET FOR OFFICES IN STOCKHOLM

OFFICE RENTS HAVE been stable in the Stockholm market. The vacancy levels for offices is low and new production is limited. Stockholm continues to be an attractive market thanks to the high population growth.

The office rental market in Stockholm was stable over the past year. Activity levels especially increased with greater demand for office premises during the second half of 2013. The number of employees in the private services sector continues to increase, which indicates a growing need for premises.

Thanks to the large population growth, Stockholm is expected to continue expanding and dominating Swedish trade and industry, which makes the office rental market in Stockholm especially attractive. Rental levels and the shortage of large modern premises in Stockholm's city centre have resulted in many tenants considering nearby areas outside the city centre as an alternative. Government and municipal organisations are also reviewing their need for premises, often from a cost-conscious perspective, which has led to relocation to less central locations in Stockholm.

SUBSIDIARY MARKETS IN STOCKHOLM

There is still uncertainty regarding what the large amount of upcoming vacancies in Stockholm city centre will mean. It may be possible to alleviate the effects by converting some of the portfolio into premises for other purposes.

The rental market on Norrmalm, including the emerging Hagastaden district, is stable, despite new construction and renovation projects. The city district also continues to be a competitive alternative to Stockholm city centre in terms of rent. Large development rights will be released in the future in conjunction with the completion of Citybanan and Norra Länken, which may impact the competitive situation in the area.

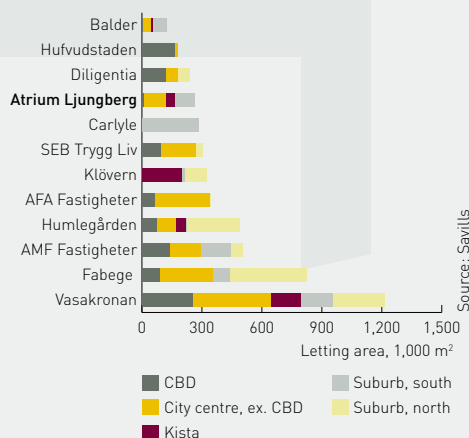
The rental market on Södermalm continues to be stable, and rental levels have increased for some types of premises. The city district has successfully attracted specific categories of tenants, primarily within the creative industries such as advertising, fashion and media.

The rental market in Kista is more cautious. There are still ultra-modern premises for lease on the market, and a number of new construction projects are under way. The market for premises that need to be renovated in older buildings is weak. Kista's strength, however, is that it is a well-known IT and telecom cluster, which helps maintain faith in the area.

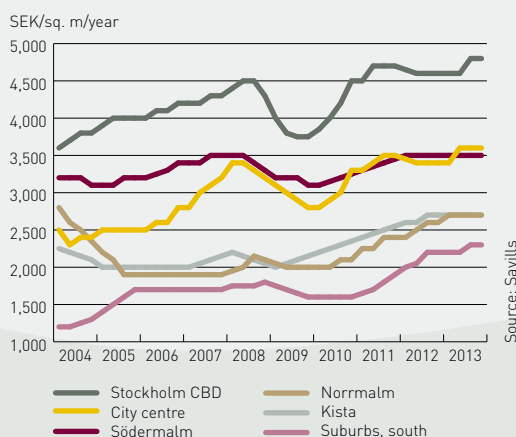
NEW CONSTRUCTION OUTSIDE THE CITY CENTRE

With a few exceptions, the new construction projects are found outside the city centre, primarily in the northern parts of Stockholm: Kista, Arenastaden and Sundbyberg. The number of projects inside the city is modest, with the exception of Hagastaden and the western part of Kungsholmen.

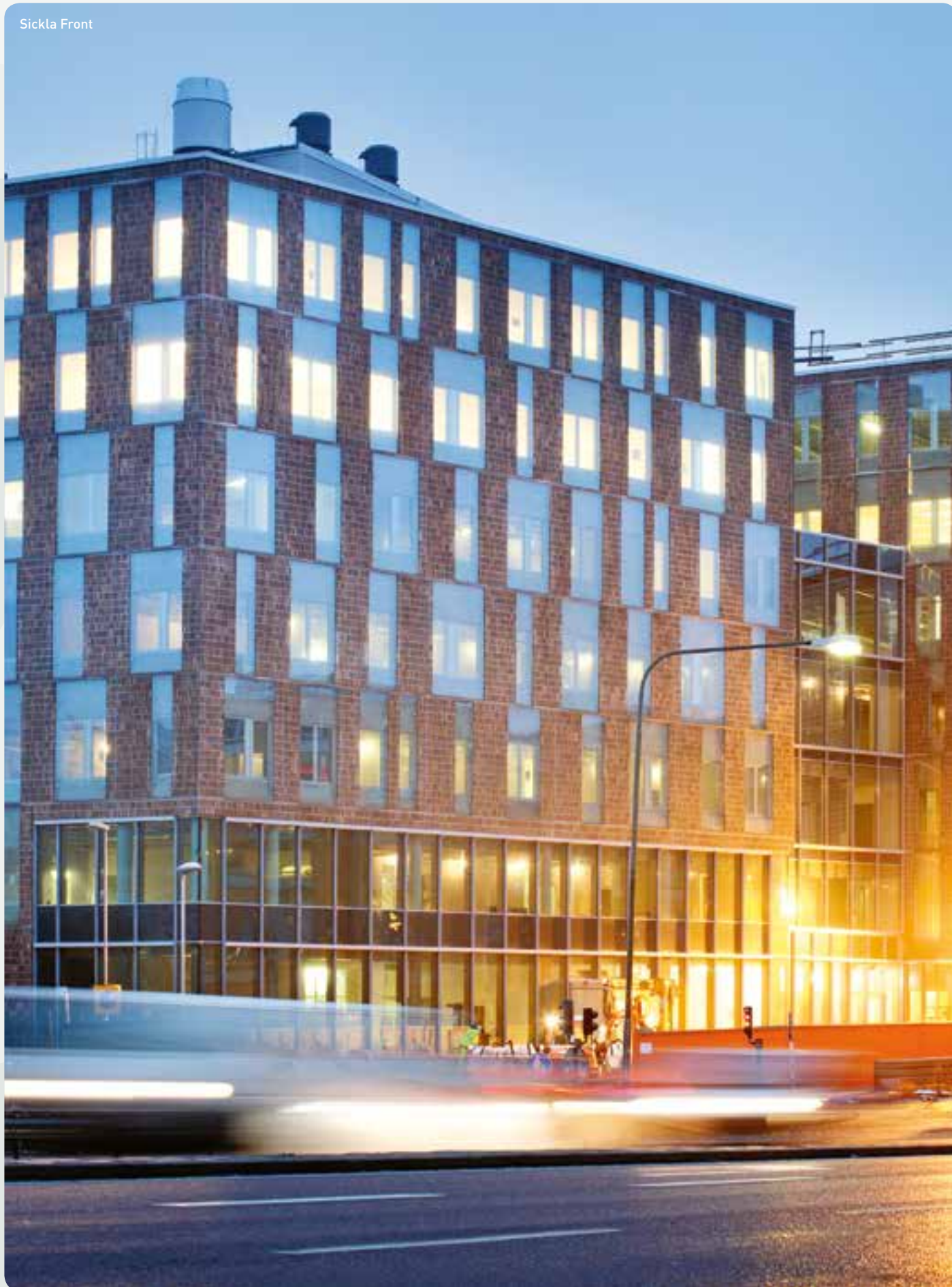
OFFICE LETTING AREA IN STOCKHOLM



RENTAL TREND IN STOCKHOLM ¹¹



¹¹ The average rent for very good premises in the best locations.



FOR SUSTAINABLE URBAN ENVIRONMENTS

AS OWNER, DEVELOPER and manager, Atrium Ljungberg is a significant player in the markets and areas in which we operate, which means we shoulder long-term responsibility for people and the environment. Our responsibility can be divided into three main areas: sustainable urban development, responsible property management, and the creation of sustainable conditions for our employees, customers and partners.

We aim to create sustainable and attractive environments where people want to live, work and be – today and tomorrow. Our locations and areas are to contribute to society's development and provide the conditions needed for growth and business. It is important to us that our environments comprise all aspects of life – that retail hubs and workplaces blend in with culture, residential properties, service and education. People must be able to meet, develop and run their businesses here. In the same manner, our environments are to contribute to the urban fabric and be accessible – by both public transport and bicycle – and be environmentally adapted, with energy efficiency and green material selections as our catchwords.

Building and managing in a sustainable manner for the future provides our customers with the conditions they need to run their businesses, at the same time that Atrium Ljungberg's position and the surrounding world's faith in us are strengthened. It is for this reason that we perform our sustainability work as a whole, taking environmental, social and financial considerations into account (see figure below).

Our values of long-term approach, cooperation, reliability and innovative thinking permeate everything we do and guide us in our encounters with our customers and other stakeholders.

FOCUS AREAS AND GOALS

One of Atrium Ljungberg's overall goals for operations is Corporate Social Responsibility. With our vision, business concept, values and business processes, and action plans and daily routines, we take long-term responsibility for people and the environment. Our work can be divided into three focus areas:

- Sustainable urban development
- Responsible property management
- Generation of sustainable conditions for employees, customers and partners

On the basis of these focus areas, we have formulated three operative goals, which are presented in the table to the right.

ENVIRONMENTALLY SUSTAINABLE ENVIRONMENTS: Offer properties built with the best possible technology, and which maintain a high level of environmental performance. With our partners, we create areas where people can work and live, while showing respect for the environment.

FINANCIALLY SUSTAINABLE ENVIRONMENTS: Offer environments that contribute positively to the well-being of operations and people and to financial development.

SOCIALLY SUSTAINABLE ENVIRONMENTS: Offer environments with a variety of activities that enable working and living. We help create inviting meeting places for human encounters and development.



CORPORATE SOCIAL RESPONSIBILITY GOAL	WHY?	RESULTS 2013
BREEAM certify all major new builds	Ensure compliance with existing and future product requirements	<ul style="list-style-type: none"> Intrum Justitia's head office in Sickla was certified with a rating of "very good". Phase 3 of Mobilia in Malmö was certified with a rating of "very good".
Increase the number of "green leases" and voluntary sustainability agreements	Ensure we satisfy customer demand for clear division of responsibility with regard to environmental issues and consumption costs, for example	Has been evaluated. The number of green leases did not increase in 2013.
Be one of Sweden's best workplaces	Ensure that Atrium Ljungberg is an attractive employer and workplace	We improved our average index from 81 to 84 in the Great Place to Work® employee survey.

› Our values of *long-term approach*, *cooperation*, *reliability* and *innovative thinking* are to permeate everything we do and always be based on the customer and business.

1. SUSTAINABLE URBAN DEVELOPMENT

Our work begins and ends with sustainable urban development. We create full-service environments where people want to be, today and tomorrow, which presupposes attractive content that makes an impression. It is important to us that the point of departure for these places is always the people who live and are active there, and that the spot's soul has ties to its location and history. In several of our areas, we have opted to preserve and develop old properties and add modern features – a mixture of old and new that results in a dynamic impression and variation of expression and architecture. Sickla is one example where we have created a vibrant city district in an old industrial area. The current transformation of Mobilia in Malmö is also based on the idea of giving the location a clear soul by preserving parts of the old textile factory and adding modern architecture. Our properties in Haga-staden are also an example of how we develop old

industrial properties into modern, functional office environments.

Collaboration and investments in society

As owner, developer and manager, we play an important role in the areas where we are active. We must take an active part in jointly creating our areas and maintaining ongoing contact with the people who are impacted by our operations. Thus we conduct stakeholder dialogues, take part in local collaboration projects, join associations and networks, and share our expertise. The dialogues pertain to everything from identifying how land, buildings and infrastructure can be utilised to which cultural activities are suitable for our retail hubs. Important forms of collaboration include cooperation initiatives with civil servants and politicians in the relevant municipalities. Here we are an active and influential party on issues pertaining to urban development, infrastructure and development of local trade

and industry. Examples of collaboration projects where we have been very much involved include Stockholm Life in Hagastaden, Kista Science City, Stockholm Business Region and the “Tyngdpunkt Farsta” and “Världsklass Uppsala” projects. Other examples of collaboration include the regular workshops that we hold together with politicians and civil servants in Nacka to discuss urban development issues in Sickla, and Haninge’s collaboration group where we, other property owners and the municipality collaborate to promote the development of central Haninge.

We are also involved in Drivhuset Stockholm and Start-Up Stockholm, which aim to help new entrepreneurs start up and run companies. We contribute, for example, by providing “hotspots” in Kista and Farsta, where we offer office premises for new entrepreneurs who want to develop their companies and build a network. They pay for access to a workplace in a creative office environment, and share meeting rooms and education facilities with others, as well as receive business advice free of charge.

We are greatly involved in issues related to the development of the city centres; examples include Uppsala Citysamverkan, Västerås Citysamverkan and Destination Östersund.

Read more about our collaboration projects on our website, www.atriumljungberg.se.

2. RESPONSIBLE PROPERTY DEVELOPMENT AND MANAGEMENT

Responsible property development and management are connected to long-term ownership and help us extend the property’s lifetime. In practical terms, this means that we, in collaboration with our tenants and partners, find ways to make better environmental choices, and that we seek out and introduce new materials and methods that improve the properties’ environmental performance.

Focus on accessibility and safety

Our retail hubs are as accessible, secure and safe as possible. Our work related to accessibility issues involves creating welcoming environments everywhere, from bicycle storage rooms and dressing rooms for employees, to tactile paving to assist pedestrians who are visually impaired.

We cooperate with municipalities on the design of

regional and local public transport. At Port 73, for example, we produced a solution for busses and taxis, as well as improved the entrance for cars from Nynäsvägen to the retail hub. We also provide customers and visitors to our retail hubs with proposals for alternative modes of transport and optimised travel planning.

Safety in the environments surrounding our properties is always a top priority. We collaborate with the Police, municipality, businesses and property owners for an increased level of security in public spaces. Work focuses on preventing and avoiding threats, theft and robbery, for example. We take part in large social collaboration initiatives through “Järvaandan” and “Söderandan”. Järvaandan aims to increase comfort and well-being in the Järva area. Söderandan is a local committee in the Södermalm city district in Stockholm that works to prevent crime and make Södermalm a more pleasant area for residents, business owners and visitors.

3. SUSTAINABLE CONDITIONS FOR OUR EMPLOYEES, CUSTOMERS AND PARTNERS

We recognise that environmental issues are becoming increasingly important for our employees, customers and partners, which spurs us to stay one step ahead in terms of creating good and sustainable conditions for all of our stakeholders. One aspect of these efforts is that since 2011, we certify major new builds in accordance with the BREEAM environmental classification system for the construction and property sector.

This helps us continuously evaluate our decisions to ensure we build with sustainable materials, choose the most energy-efficient methods and always work from the perspective of lifecycle. In this way, BREEAM also has a governing function as regards our suppliers.

Certification work underway

Four environmental certification processes were carried out in 2013 on new build projects with the aim of achieving a rating of “very good”. At the end of 2013, we obtained the first BREEAM certificates with this rating for Intrum Justitia’s head office in Sickla and for phase 3 of Mobilia. For Mobilia, we focused in particular on the requirements for energy consumption per square meter and recycling water. In 2014, efforts to certify our properties in accordance with BREEAM will continue for the NOD property in Kista and

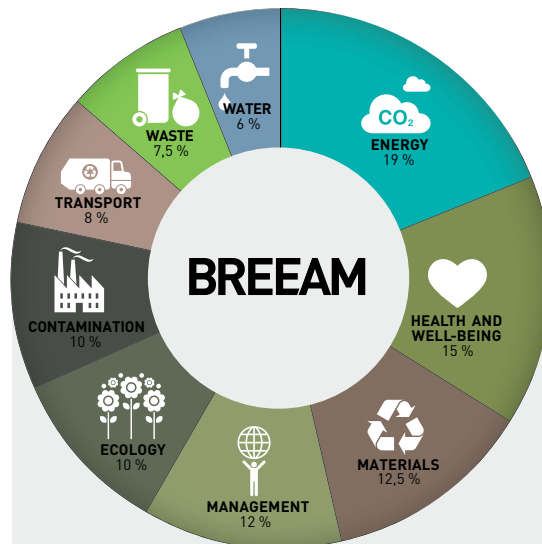
Sickla Front property in Sickla. In spring 2014 we will also start construction on Gränby Köpkvarter in Uppsala, which is to be certified.

Energy an essential issue

Energy constitutes the single largest operating cost during a property's lifetime. The majority of Atrium Ljungberg's properties use externally produced district heating, and district cooling is used in just over half of our property portfolio. A great deal of our environmental impact derives from these sources; at the same time, the electricity we use and supply is carbon dioxide-free hydroelectric power with a guarantee of production. We offer this to our customers who have no supply subscription of their own. The extent of the combined environmental impact and our carbon dioxide emissions mainly depends, however, on variations in energy suppliers' production mix, i.e. the raw materials used to produce heating, cooling and electricity. The properties' energy performance, user behaviour, and the measures we ourselves take to reduce the negative effects have a relatively small impact, but are very important in terms of cost performance.

Focusing on our energy consumption is, therefore, a given for Atrium Ljungberg. Our overall energy goal is to reduce the combined energy consumption per heated m² and to achieve values that are below applicable building norms. Our energy strategy entails optimising consumption in conjunction with major investments and using the cleanest energy possible. In concrete terms, our work involves, for example, choosing window sizes and types on the basis of the direction in which they face, conducting ongoing requirement adaptations and adjusting ventilation units, active provision of district heating and district cooling, and making attempts to influence our customers' choices, needs and behaviour. We continuously monitor energy consumption – and the results of our efforts.

We signed the Climate Pact of the City of Stockholm in 2009. The aim is for the current 166 participating companies to reduce their greenhouse gas emissions by 2015. The pact is a forum for cooperation and an arena for sharing knowledge and experience. Since 2014 we have also, as one of 13 property companies, been a member of the City of Stockholm's forum for sustainable properties. There we share knowledge and experience with the



ABOUT BREEAM

BRE Environmental Assessment Method, BREEAM, is the most widely applied environmental certification system for built environments in Europe. BREEAM demands are more stringent than existing legislation and take an overall approach to a building's environmental performance. Certification takes the building's environmental impact into account during the construction phase, management and operations, as well as during usage. BREEAM addresses energy and water consumption, health, transport, materials, waste, land usage, emissions, ecology and management.

BREEAM's objectives:

- Reduce the environmental impact from buildings
- Enable assessment of a building's environmental benefits
- Offer a credible ecolabel
- Stimulate demand for sustainable buildings



INTRUM JUSTITIA'S NEW OFFICES REINFORCE ENVIRONMENTAL PROFILE

In November 2012, Intrum Justitia moved its head office to one of Sweden's first BREEAM-certified offices in Sickla. Thinking in terms of the environment made a real breakthrough in the company with the move. Certification has, amongst other things, generated solutions for less waste and more sustainable energy consumption during both the construction phase and when the building is used.

The entire building is prepared for more detailed energy measurement, with water and electricity metres at several places. In this way, Atrium Ljungberg as the owner and Intrum Justitia and other tenants in the building can monitor how much energy is being consumed for ventilation, lifts and heating.

BREEAM also places demands on operations, which makes the organisation more active and involved in environmental work. The new office has also proven to be useful in terms of communicating the company's environmental profile to customers and work applicants.

"The office is generally a drawback in a company's sustainability reporting, but for us it has become an asset"

Anna-Lena Öhman, environmental and quality manager at Intrum Justitia in Sweden

aim of making the properties in the City of Stockholm more energy efficient and sustainable.

Together with customers and suppliers

We offer tenants carbon dioxide-free, hydroelectric power with a guarantee of origin as standard, and we can also supply eco-labelled or wind power electricity as an option. We are happy to suggest energy-efficient solutions for lighting, heating and cooling, for example.

We also offer "green leases" as a supplement to the standard lease. This is an undertaking by Atrium Ljungberg and the tenant to work together to reduce their environmental impact, e.g. by lowering carbon dioxide emissions and improving waste management. Our aim is to increase the number of green leases and voluntary sustainability agreements, and we believe that demand for green leases will increase as the industry standard for them becomes more accepted.

However, green leases were not in much demand in 2013.

We communicate our values, expectations and demands to consultants and suppliers as part of our business process. Each individual project or assignment has its own specific requirements that are defined in the contract for services or delivery agreement. Together we work to propel our sustainability work forward and live up to our high standards.

Responsibility beyond our core business

Together with a number of companies in the property sector, we support Unicef's "Companies for Malawi" project. The aim of the project is to support Unicef's efforts to help children in the poorest parts of the world. Representatives from our company have been on two journeys to Malawi to study the work there.

Our two appointed Malawi ambassadors are tasked with sharing information about the project in our organisation. This has resulted in a great deal of involvement among employees, who have donated money and got involved in the “Spring för livet” race, for example.

Governing our sustainability work

Responsibility and sustainability issues are part of our values, culture, guidelines, action plans, and day-to-day routines. The values guide and influence everything we do, not least the way in which we carry out our projects and the way we conduct ourselves in dealings with customers and other stakeholders.

Atrium Ljungberg has an overall sustainability policy, as well as policies for the environment, ethics, suppliers, the work environment, equality and anti-discrimination.

We have been a signatory of the UN Global Compact since 2009, and hence support the ten principles concerning human rights, labour law, the environment and anticorruption. The policies are available in their entirety on our website. The management and Board evaluate and revise the policies and guidelines at least once a year, but more often if necessary.

ENERGY CONSUMPTION/CARBON DIOXIDE EMISSIONS, RESULTS 2013

Area*	Unit	2013	2012	2011
District heating ^{normal}	kWh/m ²	86	84	92
District cooling	kWh/m ²	24	18	27
Electricity	kWh/m ²	133	141	147
CO ₂ , total	g CO ₂ /kWh	26	28	28
Water	m ³ /m ²	0.59	0.61	0.64

See the GRI supplement for comments on the statistics. See www.atriumljungberg.se for more information.

* **District heating** is used in the majority of Atrium Ljungberg's properties. The value shown in the table is calculated on the basis of normal year-corrected, actual consumption.

District cooling is currently used in just over half of Atrium Ljungberg's property portfolio. The value in the table is calculated on the basis of actual consumption.

Electricity consumed and supplied by Atrium Ljungberg is hydroelectric power with a guarantee of origin. The value in the table is calculated on the basis of actual consumption.

Carbon dioxide released into the atmosphere derives primarily from district heating and district cooling production, sub-contractors' transports, and journeys by Atrium Ljungberg's own personnel and visitors. The value shown in the table is based on actual consumption of district heating, district cooling, and journeys by Atrium Ljungberg.

Water used in Atrium Ljungberg's properties is supplied by the municipality. The value shown in the table is based on actual consumption.

CARBON DISCLOSURE PROJECT

Our work is reviewed by shareholders and investors, e.g. as part of the Carbon Disclosure Project (CDP). CDP is a non-profit organisation that works to reduce greenhouse gas emissions and promote sustainable water consumption. In 2013, Atrium Ljungberg achieved a result of 65D (66E) of 100 in CDP's overall climate review.

Since 2008, we have reported our sustainability work in line with the Global Reporting Initiatives (GRI) guidelines for level C sustainability reporting. The GRI supplement is available at www.atriumljungberg.se and on page 147.



3

QUESTIONS TO HELENA MARTINI, HR MANAGER

What are you most proud of about your work from 2013?

› That employees are so satisfied and committed to their jobs, and that our managers have become clearer and more secure in their roles. This is a constantly ongoing effort, and we have made great strides in 2013.

What area will you prioritise now?

› We are going to continue to work in a structured manner in accordance with the performance management model. For example, we will take an overall approach to skills development by launching an Atrium Ljungberg academy.

What does Atrium Ljungberg's new vision entail for HR work?

› It reminds us of the aim of our activities and thus how we can create the best possible framework to help employees reach our operational goals. When employees have goals and meaning in their everyday situation as well as clear responsibility, they can and want to do a good job.

MOVING AHEAD WITH SATISFIED EMPLOYEES

IN LINE WITH our goal to be one of Sweden's best workplaces, we fit some important puzzle pieces into place during 2013. For the first time, we managed to apply "performance management" to the fullest in the entire organisation during the year. And our most recent employee survey clearly shows that we are headed in the right direction since the results improved in all areas.

It is our employees' efforts that generate benefit for our customers and help us reach our goals for the organisation. Since we conduct the entire business process in-house – from acquisition, the creative process and concept development, to planning, construction, leasing and management of the property – it is also important constantly to ensure the right employees are at the right place in the organisation. When this works, we improve our ability to attract, involve and keep the right employees.

Our values of a long-term approach, cooperation, reliability and innovative thinking guide us in our daily activities. In practice this means that our workplace culture is based on cooperation and straight-forward and open dialogue between management and employees, as well as on encouraging employees to take responsibility and initiative.

RESULTS TO PROUD OF

We have been conducting the Great Place to Work® employee survey since 2011. To a large degree, it governs the improvement activities we conduct. In the 2013 survey, we happily improved our results in all areas. The survey in particular shows that managers have improved in their ability to clearly communicate expectations to employees. This is the result of us having invested a great deal in management training. We implemented an extensive training programme for all managers in the organisation 2011–2012, and in 2013 new managers also completed the training programme. All of the managers also meet regularly to share expertise and experiences. We are convinced that the energy that is generated when all of the managers collaborate can help bring about real change.

Internal communication is another area on which we have focused a great deal – and we can now see the results in the employee survey. Something new for 2013, for example, is that we hold regular breakfast meetings for the entire company where we provide information about current issues in the organisation and market. At the end of last year, we also launched

IMPROVED RESULTS IN ALL DIMENSIONS OF THE EMPLOYEE SURVEY

GREAT PLACE TO WORK®

WHAT? Atrium Ljungberg takes part in the Great Place to Work® (GPTW) evaluation of "Sweden's best workplaces". GPTW identifies our strengths and developmental areas as an employer by means of an employee survey, which is divided into the dimensions of credibility, respect, fairness, pride, and camaraderie. Our goal is to achieve an average confidence index of 85 per cent – and to be one of the best workplaces in Sweden.

WHY? GPTW provides an important basis for prioritising among improvement activities in the organisation and gauging our success in relation to the company's goals.

RESULTS, 2013

- We achieved an average confidence index of 84 per cent, which is three percentage points better than the previous year and only one per cent away from our goal.
- Ninety (87) per cent of our employees assess Atrium Ljungberg as a very good workplace.
- The single most positive development pertained to the improved ability of managers to communicate their expectations.
- The survey's response rate in 2013 was 92 (87) per cent.

ABOUT PERFORMANCE MANAGEMENT

Performance management is a working model that aims to create a structure around goal setting, goal fulfilment, reconciliation, feedback, development and a good workplace culture. It is to help managers and employees set goals that not only state where we are going but how we will get there. The model requires time for both planning and clearly defining mandates and responsibilities.

a new intranet to help improve our internal communication further.

Our Great Place to Work® group has been in existence for one year. It is a forum in which all of the departments are represented to discuss issues related to workplace culture. The group disseminates information and has an advisory role, and functions as a bridge between management and employees.

INDIVIDUAL GOALS AND DEVELOPMENT PLANS

As one aspect of performance management, each role in the organisation is defined. Based on the role descriptions, the department's action plan and the

company's overall goals, employees, in consultation with their managers, produced their individual annual targets as well as a short-term and long-term development plan. We apply "SMARTA" criteria, which stands for: specific, measurable, approved, realistic, timebound and ambitious.

Employees are offered different courses based on their role and needs. They are initiated centrally or on the initiative of the individual employee – always in consultation with the employee's immediate manager.

ACTIVITIES AHEAD

We will continue to build upon our current, solid platform. Over the year, we are going to launch an Atrium Ljungberg academy as a means to further our overall approach to our skills development and to ensure that each initiative is relevant for both the company and employee. For example, employees will rate their own expertise before development discussions and focus on how they can work on the basis of values.

We will also develop our internal communication by taking advantage of the new intranet's potential in various ways, for example to create more social forums.

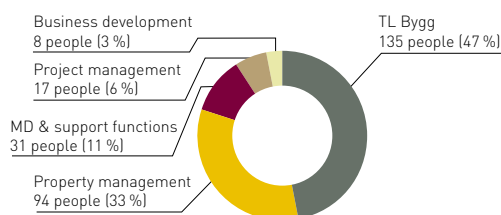
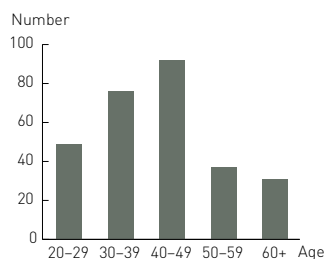
GENDER BREAKDOWN, 2013

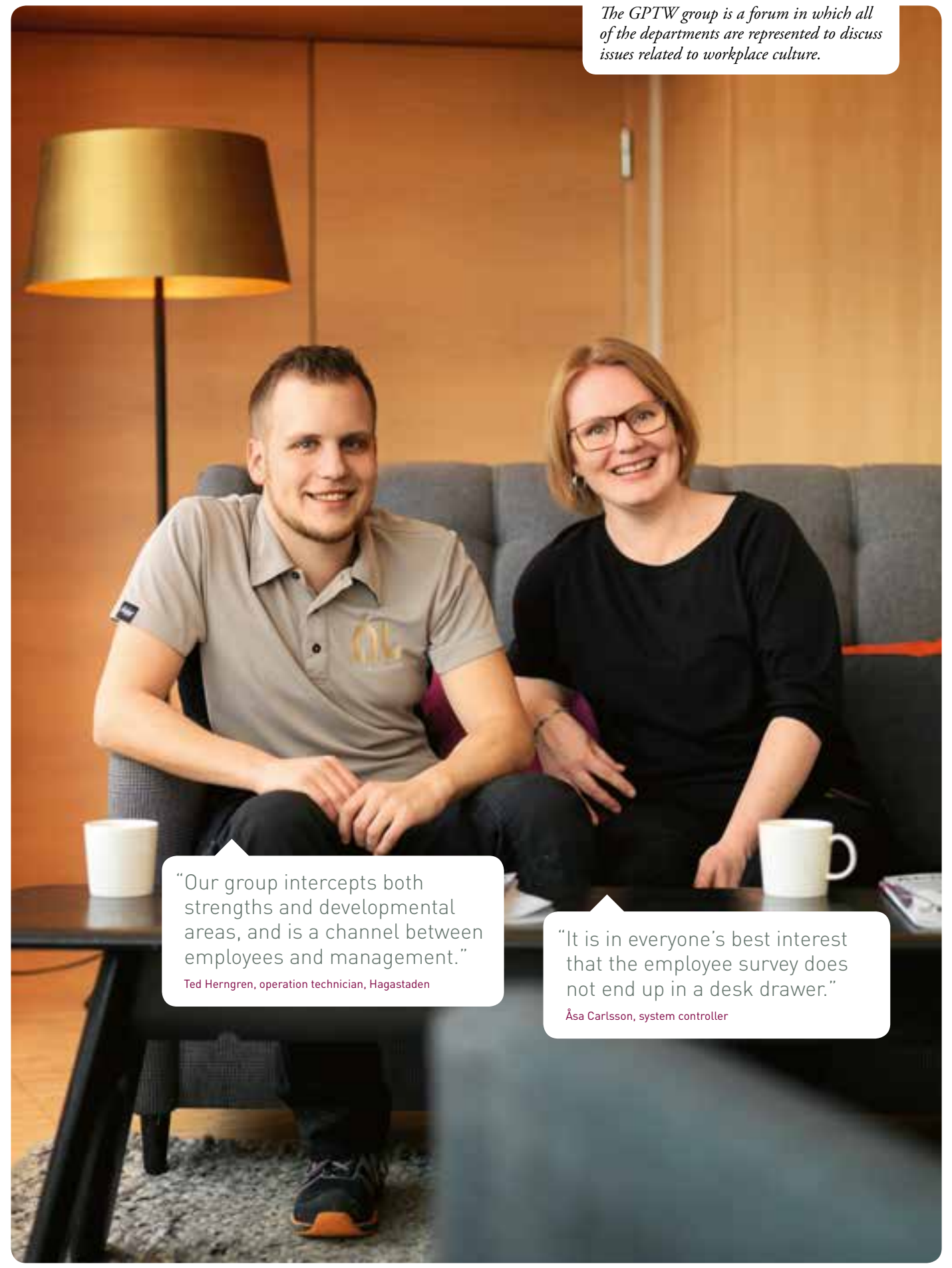
	Men	Women	Total
Board of Directors	5	1	6
Total	5	1	6
Senior management	4	4	8
Mid-level management	8	9	17
Other	213	47	260
Total	225	60	285

Senior management	4	4	8
Support functions	9	14	23
Property management	60	34	94
Business development	6	2	8
Project management	15	2	17
TL Bygg	131	4	135
Total average number	225	60	285

KEY RATIOS

	31/12/2013	31/12/2012
Average number of employees	285	265
Staff turnover, %	11.9	13.6
Percentage collective agreements, %	100	100
Average age, years	43.5	41.8
Women, %	21	22
Men, %	79	78
Years employed	7.9	7.6

AVERAGE NUMBER OF EMPLOYEES DURING 2013**AGE BREAKDOWN IN 2013**



The GPTW group is a forum in which all of the departments are represented to discuss issues related to workplace culture.

“Our group intercepts both strengths and developmental areas, and is a channel between employees and management.”

Ted Herngren, operation technician, Hagastaden

“It is in everyone’s best interest that the employee survey does not end up in a desk drawer.”

Åsa Carlsson, system controller

THE PROPERTY PORTFOLIO IN FIGURES

ATRIUM LJUNGBERG'S PROPERTY portfolio comprises 47 properties with a total letting area of 941,000 m². The greater part of the portfolio is located in the large urban regions. The total value of the property portfolio at the year-end was SEK 25 billion. The contracted annual rent totalled SEK 2 billion and the economic letting level was 95 per cent.

PROPERTY PORTFOLIO

Atrium Ljungberg's portfolio comprises well-located retail and office properties with a concentration in Stockholm, Uppsala and Malmö, with the Stockholm region as the biggest of the three, accounting for 75 per cent of income. We also own one property in Östersund and one in Västerås. The property portfolio includes a total of 47 properties with a total letting area of 941,000 m². Over the year, we sold properties with a letting area of 17,700 m².

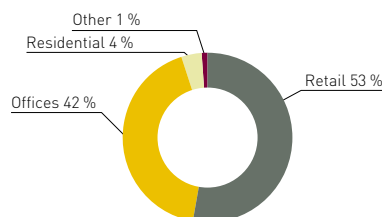
PROPERTY VALUE

The market value of the property portfolio at the end of the year totalled SEK 25,008 million (SEK 24,576 m), corresponding to SEK 26,572/m² (SEK 27,203/m²). The average yield requirement in the valuation is 5.7 per cent (5.7 %). Development rights and land account for SEK 290 million, corresponding to SEK 1,900/m² GFA. Based on the detailed development plans that have gained final approval, there is a total of approximately 150,000 m² GFA in the portfolio. Furthermore, there are project plans to create an additional 176,000 m² GFA development rights.

Investments in Atrium Ljungberg's own properties during the year totalled SEK 1,302 million (SEK 1,512 m). We have not acquired any property during the year. However, we have sold properties with a book value of SEK 1,012 million (SEK 94 m). The

unrealised change in value of the properties during the year totalled SEK 142 million (SEK 368 m), corresponding to an increase in value of 0.6 per cent. The change in value is explained by slightly lowered yield requirements, primarily in Stockholm city centre, and because raised rental levels in a few properties. The valuation has also been affected by greater investment costs in the project portfolio,

MARKET VALUE PER PROPERTY TYPE



CHANGE IN THE PROPERTY PORTFOLIO

	SEK m	Number
Property portfolio, 01/01/2013	24,576	57
Acquisitions	–	–
New builds, reconstruction and extension	1,302	–
Property settlements	–	–6
Sales	–1,012	–4
Unrealised changes in value	142	–
Property portfolio, 31/12/2013	25,008	47

PROPERTY PORTFOLIO, 31/12/2013

Property portfolio by segment	Letting area, 1,000 m ²	Fair value, SEK m	Fair value, SEK/m ²	Rental value, SEK m ²⁾	Rental value, SEK/m ²	Economic letting rate, %	January–December 2013 ¹⁾			Yield ¹⁾
							Rental income, SEK m	Property costs, SEK m	Operating surplus, SEK m	
Stockholm city centre	178	6,794	38,091	492	2,758	97	492	–134	358	5.3
Stockholm, other	521	11,298	21,688	1,028	1,973	94	973	–332	641	5.7
Uppsala and Mälardalen	93	3,034	32,768	253	2,728	97	249	–77	172	5.7
Sweden, other	82	1,614	19,625	142	1,722	93	139	–61	78	4.8
Total	874	22,740	26,015	1,914	2,190	95	1,853	–604	1,249	5.5
Project properties	67	1,979	E/T ³⁾	94	1,396	90	34	–19	15	0.8
Land and development rights	–	290								
Total	941	25,008	E/T ³⁾	2,008	2,133	95	1,887	–623	1,264	5.1
Properties sold							70	–36	34	
Total Group							1,956	–659	1,297	

¹⁾ Refers to actual result during the year.

²⁾ Reported rental value is based on the immediately subsequent quarter.

³⁾ Letting area for new production is not reported until the project is completed and the figures hence do not accurately represent the actual situation.

among other things due to AkzoNobel's rescission of the lease contract in Sickla Front. In addition to greater investment, the property's value has also been affected by an adjustment of the rental level, reduced letting areas, and a postponement of the occupancy date.

UNREALISED CHANGES IN VALUE

	SEK m
Change in yield requirements	245
Change in rental levels	96
Changed project investments	-199
Total	142

VALUATION METHOD

All of the properties in our portfolio are classified as investment properties and are reported at fair value (market value). The portfolio is valued every quarter. The property valuation is performed both internally and externally. Properties corresponding to 45 per cent of the value have been valued externally during the year. The external valuations were conducted by Forum Fastighetsekonomi and Savills.

The valuations are based on a cash flow calculation with individually estimated yield requirements for each property and activity. The yield requirement is determined in accordance with the location price method whereby information is gathered from equivalent transactions completed in the property market. The calculation period is normally between 5 and 10 years but may, in certain cases, be longer due to the contractual situation.

The long-term earning capacity of each property is assessed during the valuation. Analyses and an assess-

ment of the underlying factors that impact the value form the basis, for example:

- completed transactions on comparable markets
- the technical and commercial condition of the properties
- existing rental levels and market rents for the respective properties and an analysis of the long-term nature of existing tenants
- future vacancies
- operating and maintenance costs in the short and long-term, based on the property's and company's actual costs
- reconstructions, extensions and new builds and other investment requirements

Project properties are valued as completed buildings, less remaining investments. A risk surcharge is added to the yield requirement on the basis of the current phase of the project.

Development rights are valued on the basis of an estimated market value per m² GFA, and only include development rights for detailed development plans that have gained final approval.

Assessing the property portfolio's market value on the basis of normalised operating net together with specific separate adjustments is described in the table below.

RENTAL INCOME

The contracted yearly rents totalled SEK 1,900 million (SEK 1,904 m) at the end of the year, and break down into 55 per cent derived from retail, 36 per cent from offices, three per cent residential and six per cent

YIELD REQUIREMENT PER PREMISES TYPE, %

Premises type, %	Interval	Average
Offices	4.7-8.0	5.8
Retail	4.7-8.0	5.8
Residential	4.0-4.8	4.2
Other	4.7-8.0	6.2
Total	4.0-8.0	5.7

YIELD REQUIREMENTS PER SEGMENT

Segment, %	Interval	Average
Stockholm city centre	4.7-5.8	5.2
Stockholm, other	4.0-8.0	5.9
Uppsala and Mälardalen	5.8-6.4	5.9
Sweden, other	5.5-7.3	5.9
Project properties	5.5-7.0	6.2
Total	4.0-8.0	5.7

VALUE BASED ON NORMALISED OPERATING NET

SEK m	Management	Project	Total
Rental value	1,902	214	2,116
Long-term vacancy (-3.5 %)	-65	-10	-74
Rental income	1,838	204	2,042
Property expenses	-541	-50	-591
Normalised operating net	1,297	154	1,451
Yield requirement	5.7 %	6.2 %	5.7 %
Yield value before adjustments	22,753	2,478	25,231
Adjustments			
Current value of remaining investments	-271	-502	-773
Initial vacancies	-38	-64	-102
Other adjustments	368	74	442
Land and development rights	0	290	290
Registration of title deeds costs	-72	-8	-80
Fair value	22,740	2,269	25,008

other such as education, culture, service and parking. The rental value was SEK 2,008 million (SEK 2,002 m), which results in an economic letting rate of 95 per cent (95 %), including project properties. The letting rate was also 95 per cent (96 %) when project properties were excluded. Of the properties' total letting area of 941,000 m², 14 per cent (11 %) was vacant.

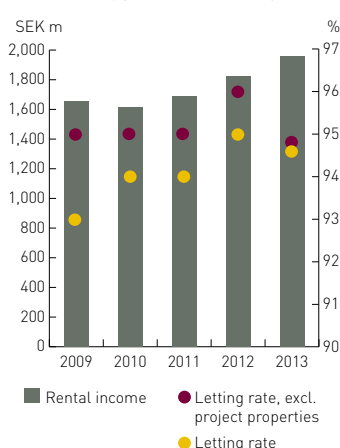
The lease contract portfolio is well-diversified and comprises 2,551 commercial lease contracts where the average contracted area is 458 m². The average remaining term of the commercial lease contracts at the year-end was 3.6 years (3.6 yrs.). During 2014, 15 per cent of the leases will be subject to renegotiation. 95 per cent of the commercial leases have index clauses linked to inflation. 41 per cent of rental income is based on net sales-based rents, and the rent is consequently based on the tenant's net sales. Minimum rental provisions ensure, however, that rental levels are maintained. One per cent of the contracted annual rents, excluding supplements, consists of net sales surcharges on the minimum rent.

Details about the largest tenants are shown in the Retail and Offices sections on pages 60–79 and in the section entitled Opportunities and Risks on pages 88–91.

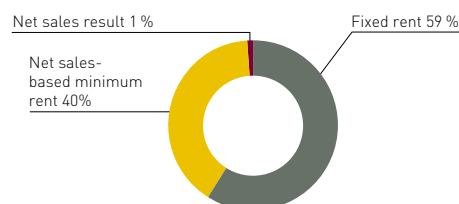
PROPERTY COSTS

Property costs in 2013 totalled SEK 659 million (SEK 601 m). Corrected for acquisitions and new builds, which have been adjusted to full-year value, and for properties sold that have been eliminated, property costs totalled SEK 680/m² (SEK 677/m²). This is at the same level as previous years when property tax and other operating costs increased slightly, at the same time that management costs diminished to a corresponding amount. The cost of operating retail properties in general and retail centres in particular is generally higher than for other types of commercial properties, and this is reflected in the company's cost level. These costs are, to some extent, covered by passing them on to the tenants in the form of rental surcharges.

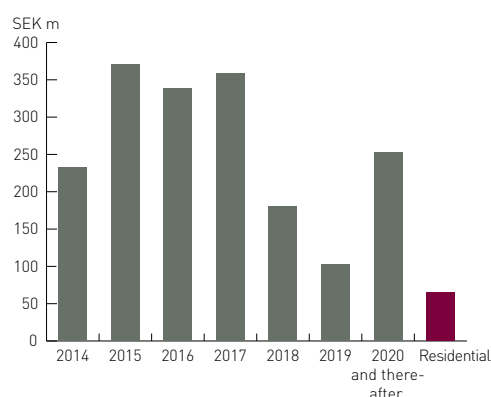
RENTAL INCOME AND LETTING RATE



BREAKDOWN OF RENTAL INCOME



MATURITY STRUCTURE FOR LEASE CONTRACT AS PER 31 DECEMBER 2013



DEVELOPMENT OF CONTRACTED ANNUAL RENT

SEK m	2013 result	2014 Q1 ¹⁾	2014 Q2 ²⁾	2014 Q3 ³⁾	2014 Q4 ¹⁾
Stockholm city centre	492	475	472	465	468
Stockholm, other	973	965	961	959	959
Uppsala and Mälardalen	249	244	244	244	244
Sweden, other	139	132	127	130	130
Project properties	34	83	101	127	127
Properties sold	70	–	–	–	–
Total	1,956	1,900	1,905	1,925	1,928

¹⁾ Contracted annual rent including known contract changes.

PROPERTY COSTS ¹⁾

SEK/m ²	2013	2012	2011
Service charge-related costs	–189	–188	–213
Other operating costs	–168	–152	–143
Management costs	–126	–144	–138
Repairs	–42	–47	–45
Property tax	–119	–109	–118
Leasehold fees	–26	–26	–30
Non-deductible VAT	–10	–10	–10
Total	–680	–677	–698

¹⁾ Adjusted by excluding properties sold and by adjusting new acquisitions and new builds for the full year.

SEGMENT OVERVIEW

SEGMENT	KEY RATIOS	RENTAL VALUE PER PREMISES TYPE
STOCKHOLM CITY CENTRE	Rental value, SEK m 492 Percentage of total rental value, % 24 Letting rate, % 97 Letting area, 1,000 m ² 178 Market value, SEK per m ² 38,000 Percentage of total market value, % 27 Yield requirement in valuation, % 5.2	<p>Vacant 3 % Other 7 % Retail 18 % Offices 72 %</p>
STOCKHOLM, OTHER	Rental value, SEK m 1,028 Percentage of total rental value, % 51 Letting rate, % 94 Letting area, 1,000 m ² 521 Market value, SEK per m ² 22,000 Percentage of total market value, % 45 Yield requirement in valuation, % 5.9	<p>Residential 4 % Vacant 6 % Other 11 % Offices 26 % Retail 53 %</p>
UPPSALA AND MÄLARDALEN	Rental value, SEK m 253 Percentage of total rental value, % 13 Letting rate, % 97 Letting area, 1,000 m ² 93 Market value, SEK per m ² 33,000 Percentage of total market value, % 12 Yield requirement in valuation, % 5.9	<p>Vacant 3 % Other 4 % Offices 4 % Retail 89 %</p>
SWEDEN, OTHER	Rental value, SEK m 142 Percentage of total rental value, % 7 Letting rate, % 93 Letting area, 1,000 m ² 82 Market value, SEK per m ² 20,000 Percentage of total market value, % 7 Yield requirement in valuation, % 5.9	<p>Other 3 % Vacant 7 % Residential 10 % Retail 80 %</p>
PROJECT PROPERTIES	Rental value, SEK m 94 Percentage of total rental value, % 5 Letting rate, % 90 Letting area, 1,000 m ² 67 Market value, SEK per m ² E/T ¹⁾ Percentage of total market value, % 8 Yield requirement in valuation, % 6.2	<p>Offices 2 % Residential 3 % Vacant 10 % Retail 85 %</p>
TOTAL	Rental value, SEK m 2,008 Letting rate, % 95 Letting area, 1,000 m ² 941 Market value, SEK per m ² E/T ¹⁾ Yield requirement in valuation, % 5.7	<p>Residential 3 % Vacant 5 % Other 8 % Offices 32 % Retail 52 %</p>

¹⁾ Letting area for new production is not reported until the project is completed and the figures hence do not accurately represent the actual situation.



Round parking garage, Sickla



Dieselverkstaden, Sickla



Port 73, Haninge



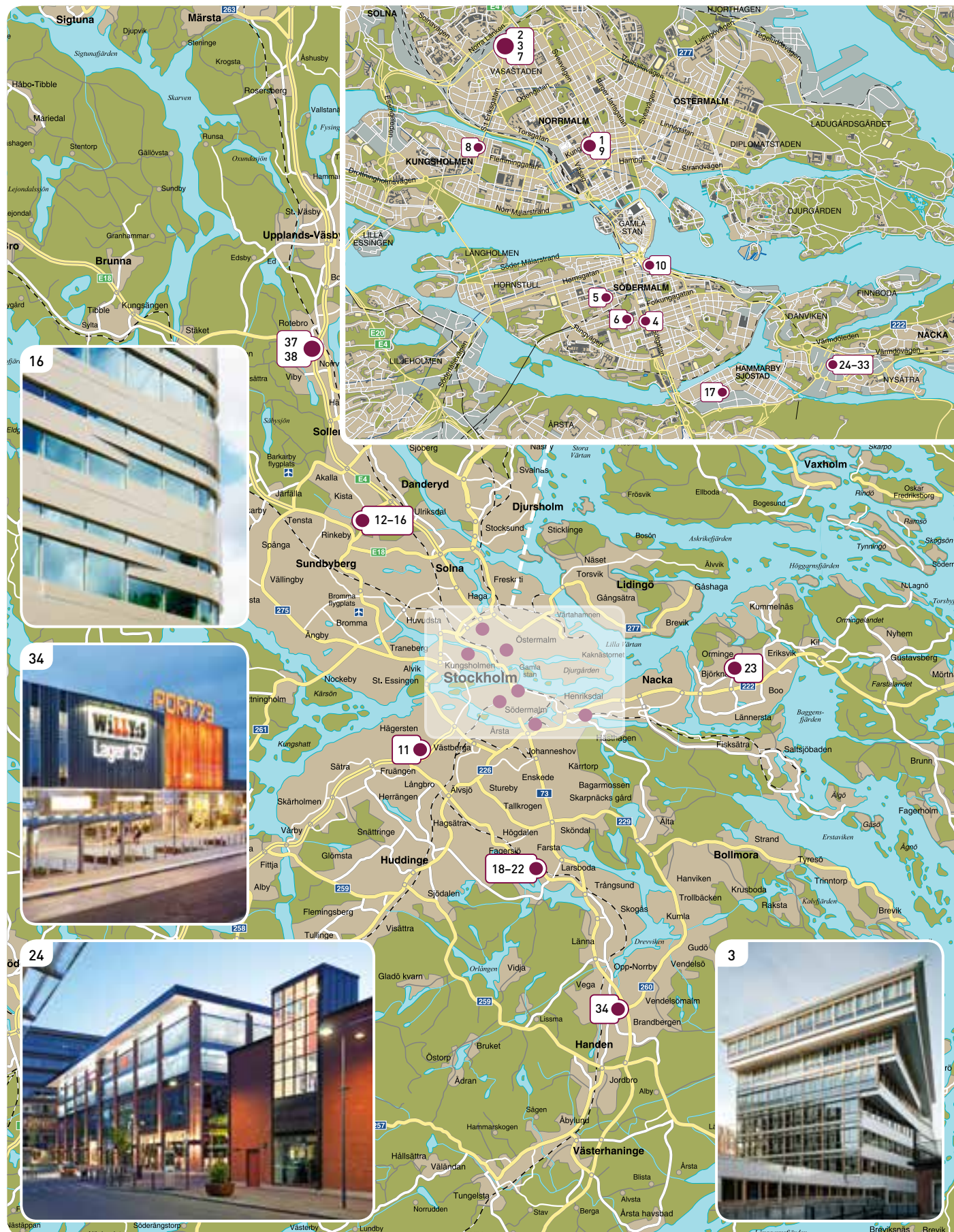
Hesselmans torg, Sickla



PROPERTY LIST

Letting area, m²												Rateable value, SEK m	Rental value, SEK m	Economic letting rate
No.	Property name	Municipality	Address/Description	Lease- hold	Year of construction/ recon- struction	Retail	Offices	Resi- dential	Garage	Other	Total			
STOCKHOLM CITY CENTRE														
1	Adam & Eva 17	Stockholm	Drottninggatan 68		1929/2006	3,627	4,179			285	8,091	406	46	98
2	Blästern 6	Stockholm	Gävlegatan 20–22		1939/1995	3,129	19,908		6,468	1,343	30,848	437	61	95
3	Blästern 11	Stockholm	Hälsingegatan 43–45		1930/2006	2,554	38,688		9,632	3,400	54,274	929	129	93
4	Fatburen 1	Stockholm	Söderhallarna		1991	2,240	9,042		3,773	3,360	18,145	345	46	100
5	Fatbursbrunnen 17	Stockholm	Högbergsgatan 62		1929/2002		630			2,213	2,843		6	100
6	Fatburssjön 8	Stockholm	Magnus Ladulåsgatan 63		1930/2006		6,680			1,113	7,793	199	23	100
7	Härden 14	Stockholm	S:t Eriksgatan 113		1932/1957	807	6,237		2,000	233	9,277	123	19	97
8	Roddaren 7	Stockholm	S:t Eriksgatan 46		1900/1995	818	7,027		780	101	8,726	162	23	92
9	Skotten 6	Stockholm	Glashuset Drottninggatan		1959/2008	6,295	3,594			2,016	11,905	522	57	97
10	Tranbodarne 12	Stockholm	Katarinavägen 15	T	1974/2006	92	23,200		2,886	12	26,190	710	83	100
Total						19,563	119,185		25,539	14,076	178,362	3,833	492	97
STOCKHOLM, OTHER														
11	Arbetsstolen 3	Stockholm	Västbergavägen 4–12		1955/2008	15,733	635			1,036	17,404	59	31	92
12	Kolding 1	Stockholm	Ärvinge, Kista	T	1993		128	15,800	3,087		19,015	188	21	100
13	Kolding 2	Stockholm	Ärvinge, Kista	T	1992	574	348	20,802	1,750	70	23,544	191	28	98
14	Kolding 3	Stockholm	Ärvinge, Kista	T	1993	954	16,099	1,256	6,848	820	25,977	200	44	84
15	Kolding 4	Stockholm	Ärvinge, Kista	T	1993/2001	251	23,923		8,067	1,185	33,426	404	58	81
16	Borgarnäs 1 ¹⁾	Stockholm	Kista Gårdsväg 2	T										
17	Proppen 6	Stockholm	Textilgatan 31		1937/2008	978	10,342			1,244	12,564	226	30	100
18	Storö 2	Stockholm	Farsta Centrum	T	1961/2006	5,695	4,081			1,374	11,150	114	25	88
19	Storö 15	Stockholm	Farsta Centrum	T	1961/1998	217				1,315	1,532		3	86
20	Storö 21	Stockholm	Farsta Centrum	T	1961/2010	46,237	22,753		13,692	7,265	89,947	1,193	214	94
21	Storö 23	Stockholm	Farsta Centrum	T	1961/1998	1,654	2,110		1,470	3,135	8,369		16	99
22	Storö 24 ¹⁾	Stockholm	Farsta Centrum		1961/2008									
23	Orminge 47:1	Stockholm	Orminge Centrum		1967/1992	10,521	59			283	10,863	136	22	99
24	Sicklaön 83:22	Stockholm	Sickla Köp- och Affärskvarter		1898/2012	75,582	55,785		47,470	27,306	206,143	2,727	432	95
25	Sicklaön 83:32 ¹⁾	Stockholm	Uddvägen 1		1877					305	305	10	1	100
26	Sicklaön 87:1	Stockholm	Alphyddevägen 4		1962	87				2,476	2,563		3	100
27	Sicklaön 115:1	Stockholm	Planiavägen 1		1929		370				370	1		
28	Sicklaön 115:4	Stockholm	Sjötorpsvägen 3–14					921			921	3	1	100
29	Sicklaön 117:1	Stockholm	Planiavägen 3		1967	2,592	330			435	3,357	11	4	50
30	Sicklaön 117:2	Stockholm	Sjötorpsvägen 6		1909			176			176	5		
31	Sicklaön 117:17	Stockholm	Planiavägen 5–7		1978					1,629	1,629		4	100
32	Sicklaön 265:5	Stockholm	Atlasvägen 2											
33	Sicklaön 346:1	Stockholm	Uddvägen 7		1981	484	4,500				4,984	49	10	97
34	Söderby Huvudgård 2:43 ¹⁾	Haninge	Port 73		1974/2013	35,799				481	36,280	274	64	99
35	Västnora 4:26	Haninge	Västnora, Västerhaninge											
36	Ribban 16	Nynäshamn	Backluravägen											
37	Resan 1	Sollentuna	Konsumentvägen 2		1972					1,160	1,160	5	1	56
38	Rotundan 1	Sollentuna	Rotebro Handel		1965/2010	19,759				175	19,934	119	31	93
Total						217,116	141,463	38,779	82,384	51,870	531,612	5,915	1,043	94

¹⁾ All or part of the property was classified as a project property as per 31/12/2013.



PROPERTY LIST

					Letting area, m²						Rateable value, SEK m	Rental value, SEK m	Economic letting rate	
No.	Property name	Municipality	Address/Description	Leasehold	Year of construction/ recon- struction	Retail	Offices	Resi- dential	Garage	Other				Total
UPPSALA and MÄLARDALEN														
39-40	Brillinge 8:1, 9:1 ¹¹	Uppsala	Gränby		2013	477					477	18	1	100
41	Dragarbrunn 19:1	Uppsala	Rådhuset		1645/2012	2,515				420	2,935	40	9	98
42	Dragarbrunn 27:2	Uppsala	Forumgallerian		1902/2005	10,122	4,765	1,140		385	16,411	371	50	92
43	Gränby 21:4	Uppsala	Gränby Centrum		1971/2011	41,022	491			1,839	43,351	566	144	99
44	Igor 8	Västerås	Kvarteret Igor		1970/2010	17,165	888		11,230	611	29,894	232	49	91
Total						71,300	6,144	1,140	11,230	3,254	93,068	1,227	254	96
SWEDEN, OTHER														
45	Bohus 7	Malmö	Mobilia		1966/2010	5,831	183	11,248	6,680	35	23,977	188	27	89
46	Bohus 8 ¹¹	Malmö	Mobilia		1968/2013	50,139	3,603	1,491	37,800	3,261	96,294	408	164	91
47	Månadsmötet 9	Östersund	Mittpunkten		1962/2009	11,594	29		6,129	95	17,847	136	27	99
Total						67,564	3,815	12,739	50,609	3,391	138,118	732	218	92
Total						375,543	270,607	52,657	169,762	72,591	941,159	11,707	2,008	95

¹¹ All or part of the property was classified as a project property as per 31/12/2013.

CHANGES IN THE PROPERTY PORTFOLIO 2013

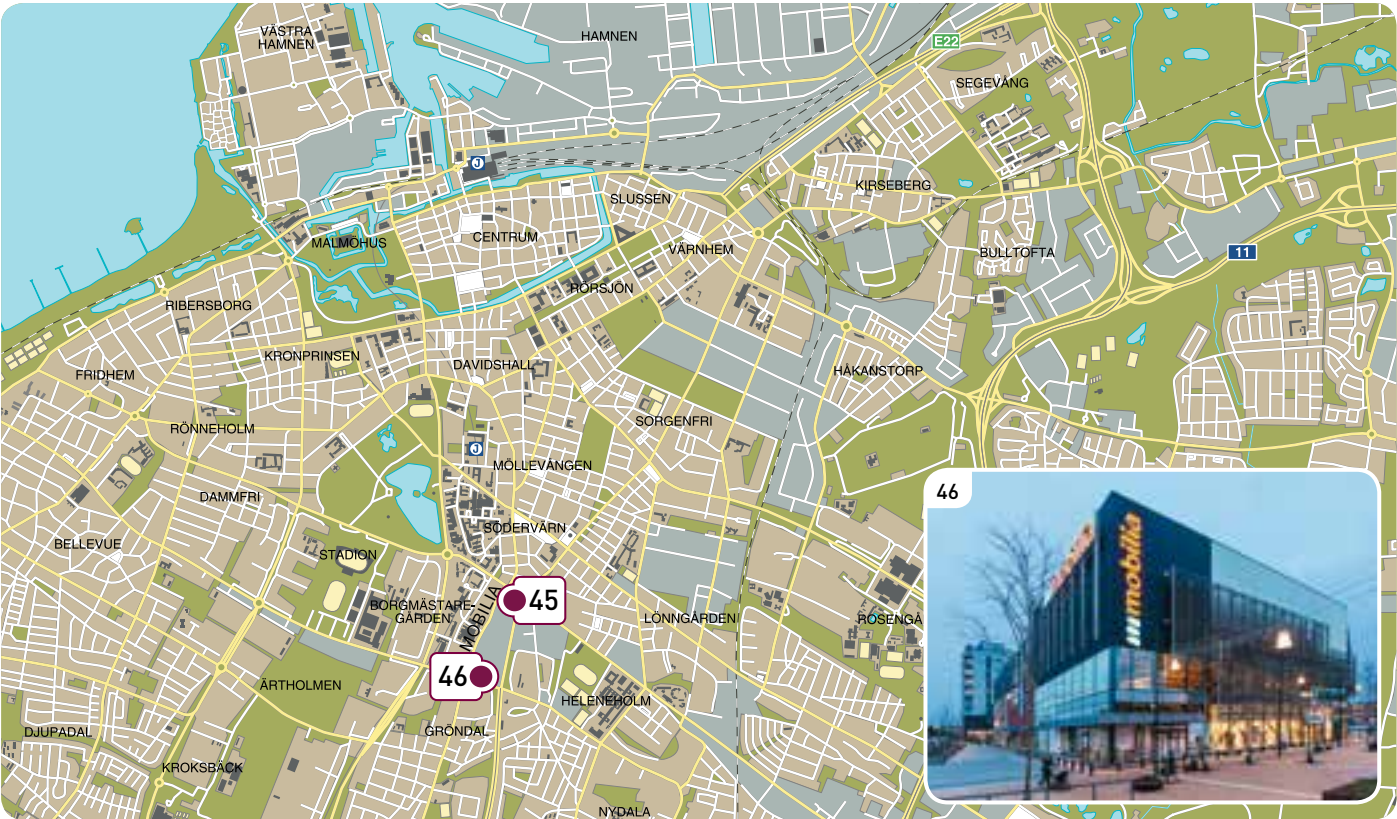
PROPERTIES SOLD 2013				
Property name	Municipality	Letting area, m ²	Period ¹¹	Date vacated
Fasta Paviljongen 1	Stockholm	1,169	Q3 2013	4/11/2013
Torgvågen 7, PUB	Stockholm	16,608	Q3 2013	31/01/2014
Storbygården 1:15, 1:31	Nynäshamn	–	Q4 2013	15/01/2014

¹¹ Period for bookkeeping of sale.

UPPSALA



MALMÖ



INVESTMENTS AND PROJECTS

3 QUESTIONS TO BUSINESS AREA DIRECTORS FOR OUR PROJECT AND CONSTRUCTION ACTIVITIES

ANGELA BERG, PROJECT DIRECTOR

How is the project department planning to prepare itself to cope with the tough growth objectives?

› Our project managers are highly skilled, and we have a successful method in place to run our projects. The working model is based on a mixture of expertise in the steering groups, a flat organisation and clear responsibilities. We have reinforced the project department's team so it can react more quickly and to improve the level of cooperation both internally and with customers at the early stages.

LINUS KJELLBERG, BUSINESS DEVELOPMENT DIRECTOR

What does the new vision mean for business development?

› There is a strong demand for urban environments from municipalities, customers and residents. Our vision involves satisfying this need by creating attractive and multi-dimensional full-service environments where different businesses are found right next door to each other. We achieve this in collaboration with our customers and partners. This is how we build our common city.

MICAEL AVERBORG, DIRECTOR TRANSACTION AND MARKET

What is the new business area's most prioritised task?

› Our task can be summarised in one word – growth. We primarily aim to grow with our existing customers, but we also need to find new customers for future projects. We will also proactively search for new properties and development projects that contribute to long-term growth.

INVESTMENTS IN OUR OWN PROPERTIES, ACQUISITIONS AND SALES

PROPERTY DEVELOPMENT IS critical to Atrium Ljungberg's value growth. Our existing project portfolio will enable us to invest in the equivalent of approximately SEK seven billion in the future. Our goal is to invest SEK one billion every year in our own development projects with a project profit of 20 per cent for new builds and extensions. In 2013, we invested a total of SEK 1,302 million in our own development projects.

INVESTMENTS IN OUR OWN PROPERTIES

Our goal is to invest SEK one billion in our own development projects every year, where new build and extension projects are to yield a return of 20 per cent, thus generating good value growth within the company and healthy growth in the company's cash flows. The projects make the biggest contribution to achieving our growth objective of a ten per cent increase in the operating net per annum.

The rate at which we can complete the projects depends on the market situation and the progress made in the detailed planning work. These issues are handled by our business development staff on a daily basis in close cooperation with internal resources such as project managers and managers, but principally with our customers and partners. A project is not usually started until we have secured a minimum return level in the form of signed lease contracts.

In 2013, we invested SEK 1,302 million in our own properties, and we completed two development projects. These projects are described in greater detail on pages 49 and 55.

PROPERTY TRANSACTIONS

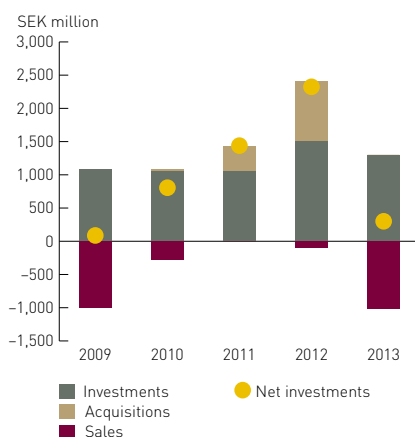
We acquire properties primarily to gain access to development rights and future development projects, or to obtain strategic benefits. We make all of our acquisitions with the intention of long-term ownership and management of the properties. We did not acquire any properties in 2013.

During the year we sold Torgvågen 7, better known as the PUB department store, in central Stockholm. We also sold Fasta Paviljongen 1 on Långholmen in Stockholm, as well as two small plots in Nynäshamn.

NEW BUSINESS AREA

We expanded our organisation over the year by adding an entirely new business area, Transaction and Market. The business area is tasked with working proactively to acquire properties and land, as well as actively generate new business opportunities.

INVESTMENTS AND SALES PER YEAR



SALES 2013

Property name	Municipality	Deductible letting area, m ²	Date vacated
Fasta Paviljongen 1	Stockholm	1,116	04/11/2013
Torgvågen 7	Stockholm	16,608	31/01/2014
Storbygården 1:15, 1:31	Nynäshamn	–	15/01/2014

Intrum Justitia's head office in Sickla



COMPLETED, ONGOING AND POTENTIAL PROJECTS

In 2013, we completed and inaugurated a third phase of Port 73 in Haninge as well as a major reconstruction and new construction of Mobilia in Malmö. Residential buildings in Malmö, Ica Kvantum's new store in Farsta Centrum, part of Gränby Köpstad and Kvarteret Nod in Kista will be completed over the course of 2014.

We have completed a major project to produce vision and detailed development plans for future

development projects in conjunction with several of our areas, primarily for Gränby Centrum, Sickla and Port 73. The project has been based on the concept of mixed and attractive cities, and it is an important platform for collaborating with the municipalities in which we have chosen to work. The estimated project volume for potential but as yet undecided projects was SEK seven billion at the end of the year.

PROJECTS COMPLETED IN 2013

Project/Phase	Municipality	Letting area, Retail, m ²	Parking, GFA	Measure, new build/reconstruction ¹⁾	Investment, SEK m	Completed	Rental value excl. surcharges, SEK m ²⁾	Letting rate, %	Environmental certification
Port 73, phase 3	Haninge	10,500		new build/reconstruction	250	Q3 2013	16	96	
Mobilia, phase 3	Malmö	29,000	23,000	new build/reconstruction	1,050	Q4 2013	71	82	BREEAM
Total		39,500	23,000		1,300		87		

¹⁾ New build and/or reconstruction. ²⁾ Excl. any net sales result.

ONGOING PROJECTS 2013

Project/Phase	Municipality	Letting area, Retail, m ²	Letting area, Offices, m ²	Letting area, Residential, m ²	Parking, GFA	Measure, new build/reconstruction ¹⁾	Investment, SEK m	Of which remaining, 31/12/2013	Completed	Rental value excl. surcharges, SEK m ²⁾	Letting rate, %	Environmental certification
Mobilia, rental apartments	Malmö			4,100		new build	100	10	Q1 2014	7	95	
Ica Kvantum, Farsta	Stockholm	3,900			5,000	new build/reconstruction	150	40	Q2 2014	E/T ³⁾	83	
Kvarteret NOD, Kista	Stockholm		27,000		6,000	new build	750	300	Q3 2014	67	49	BREEAM
Gränby Köpstad, part of phase 1	Uppsala	1,300				new build	50	30	Q3 2014	5	100	BREEAM
Sickla Front, formerly HQ AkzoNobel	Nacka		10,100			new build	350	120	Q3 2015	23	-	BREEAM
Total		5,200	37,100	4,100	11,000		1,400	500				

¹⁾ New build and/or reconstruction. ²⁾ Excl. any net sales result.

³⁾ Rental value is not, with reference to individual business transactions, reported as a subtotal of rental value excl. surcharges.

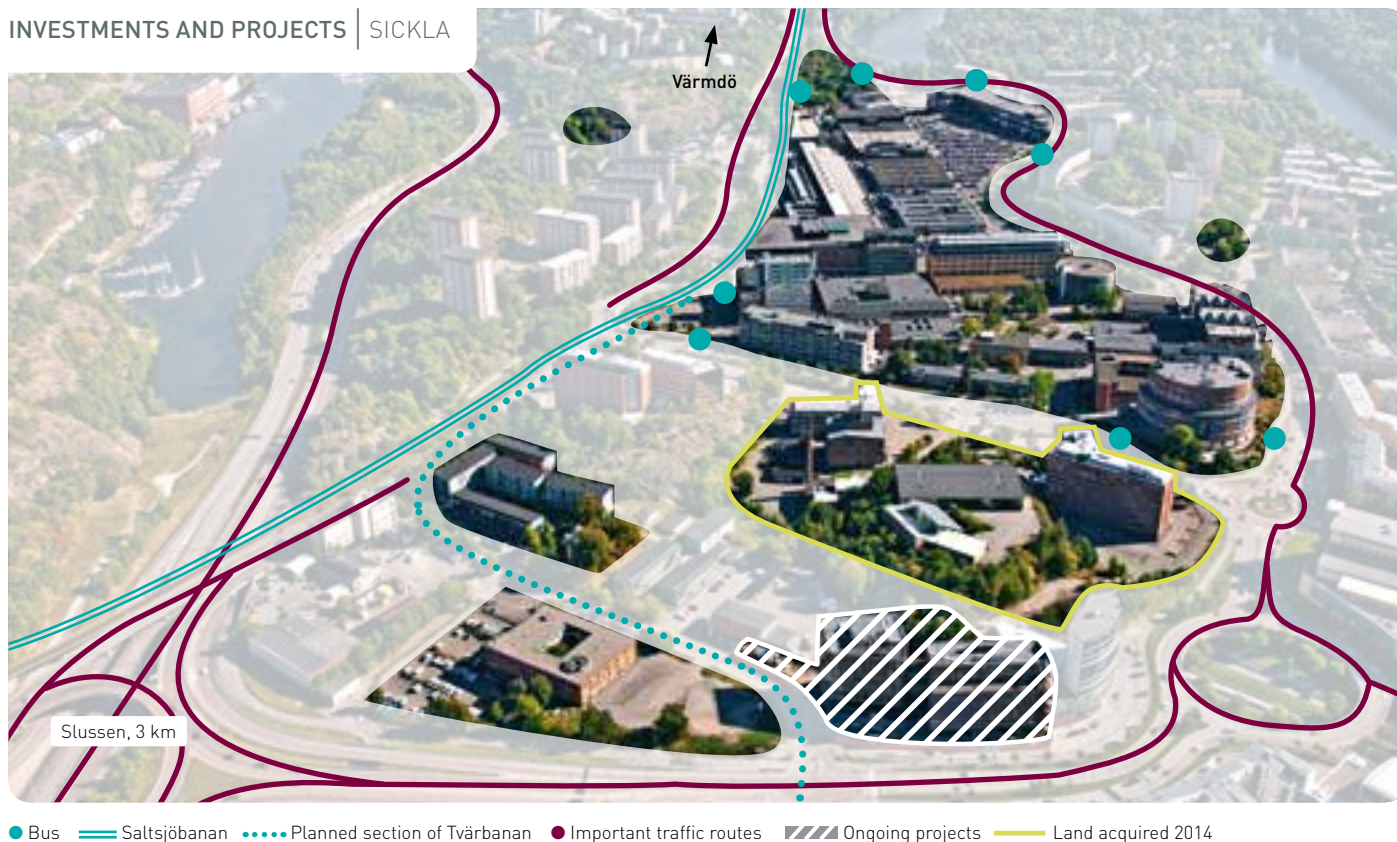
POTENTIAL DEVELOPMENT PROJECTS

	Municipality	Premises type ¹⁾	Project area, m ² GFA		Investment, SEK m
			Detailed development plan exists	Change to detailed development plan required	
Sickla	Nacka	Retail	10,000	5,000	
Sickla	Nacka	Offices	14,000	40,000	
Sickla	Nacka	Residential		59,000	
Gränby Köpstad	Uppsala	Retail	48,000		
Gränby Centrum	Uppsala	Retail		28,000	
Gränby Centrum	Uppsala	Offices		7,000	
Gränby Centrum	Uppsala	Residential		37,000	
Mobilia	Malmö	Retail	15,000		
Port 73	Haninge	Retail	8,000		
Hagastaden ²⁾	Stockholm	Offices	36,000		
Farsta Centrum	Stockholm	Retail	5,000		
Södermalm ³⁾	Stockholm	Offices	16,000		
Total			152,000	176,000	7,000

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

²⁾ Refers to a land allocation with the option of acquiring land with a development right of approximately 36,000 m² GFA alongside Solnavägen (part of the Vasastaden 1:45 property).

³⁾ Refers to a land allocation with the option of acquiring land with development rights of approximately 16,000–18,000 m² GFA on Stadsgårdsleden in front of Glashuset.



SICKLA | DEVELOPMENT TOWARDS A DENSE AND MIXED CITY

We have been involved in the development of Sickla since 1997. Since then Sickla has gradually progressed from being a closed industrial area to an attractive district. One of the objectives of Nacka Municipality's comprehensive plan is to create a dense and mixed city in the western part of Sickla. It is to be a natural part of Stockholm and offer a mixture of residential properties, retail, workplaces, service and attractive meeting places. As part of a major underground initiative in the entire Stockholm region, there are plans to further reinforce public transport by extending the Tvärbanan cross-town light rail link past Sickla and building the underground out to Nacka. The initiatives will greatly improve accessibility in the region.

SICKLA CAN CONTINUE GROWING

We will continue to develop Sickla into a vibrant city district and hub in south-eastern Stockholm by developing the area's shopping, working life, cultural centres, educational facilities, service and housing. In addition to the current Sickla Front project, we can expand and develop Sickla with almost 130,000 m² additional space. The next step is to provide residential properties as part of the ambition to create a vibrant urban environment, and to continue increasing the number of office workplaces and help develop transport options in and around the area.

Geographic location

Sickla is located in south-eastern Stockholm at the boundary between Stockholm and Nacka. Sickla is located close to Hammarby Sjöstad and Södermalm, and is directly connected to the Värmdöleden, which is the cross-town route to Nacka and Värmdö, and to the Södra Länken link. Slussen is seven minutes away by public transport.

Population of Nacka Municipality, Hammarby Sjöstad and Södermalm

Population of Nacka Municipality: 93,000.
The population is expected to grow by 23,000 by 2021, at which point it will total 116,000.
Population of Hammarby Sjöstad: 21,000.
Population of Södermalm: 105,000

128,000

M² POTENTIAL PROJECT AREA
IN SICKLA

SICKLA FRONT – WITH PREMISES AT THE BEST POSSIBLE LOCATION

Work was performed during 2013 to complete the Sickla Front office building, previously referred to as HQ AkzoNobel, on Uddvägen in Sickla. The property is strategically located between Sickla and Hammarby Sjöstad, with a Tvärbanan station just a stone's throw away from the building and a number of bus routes operating in the area.

During the autumn of 2013, AkzoNobel informed us that they do not intend to fulfil the 15-year lease which was concluded in December 2010 for 7,800 m² of space of the building's total letting area of just over 10,800 m². Sickla Front will now be completed without AkzoNobel's tenant-specific adaptations, and work on identifying new tenants is ongoing.

SICKLA FRONT, SICKLA

LETTING AREA	10,100 M ²
INVESTMENT	SEK 350 MILLION
RENTAL VALUE EXCL. SURCHARGES	SEK 22 MILLION
LETTING RATE	0 %
WILL BE COMPLETED	Q3 2015
ENVIRONMENTAL CERTIFICATION	BREEAM



ATTRACTIVE RESIDENTIAL PROPERTIES AT KYRKVIKEN

In accordance with Nacka Municipality's residential vision and the comprehensive plan's strategy for dense and mixed cities, we are developing the western part of Sicklaön at the eastern part of Sickla Köp kvarter at Kyrkviken. We are aiming to create 500 attractive residential units complete with service and businesses in a pleasant neighbourhood setting, adjacent to the waterfront, public transport and with a wide shopping range at Sickla Köp kvarter.

Work on the planning programme is ongoing, and the detailed development plan will commence in 2014.



POTENTIAL PROJECTS



VISION FOR SICKLA STATION

There is a project underway in Nacka Municipality to extend the Tvärbanan cross-town light rail link from the current terminus at Sickla Udde in Hammarby Sjöstad to Sickla Station. The extension will create an attractive alternative for travelling by public transport to Nacka and contribute to the development of the western part of the Sicklaön area into a more unified and dense city district.

As part of Tvärbanan's detailed development plan, Atrium Ljungberg has a development right at Sickla Station next to the planned entrance and exit for Tvärbanan. Within the framework of our development right, we have produced a sketch for our vision of a building that combines office, retail and service operations.

The municipality's goal is for construction on Tvärbanan to start during Q3 2014. Construction start-up for our planned building will potentially be Q1 2015.

POTENTIAL PROJECTS

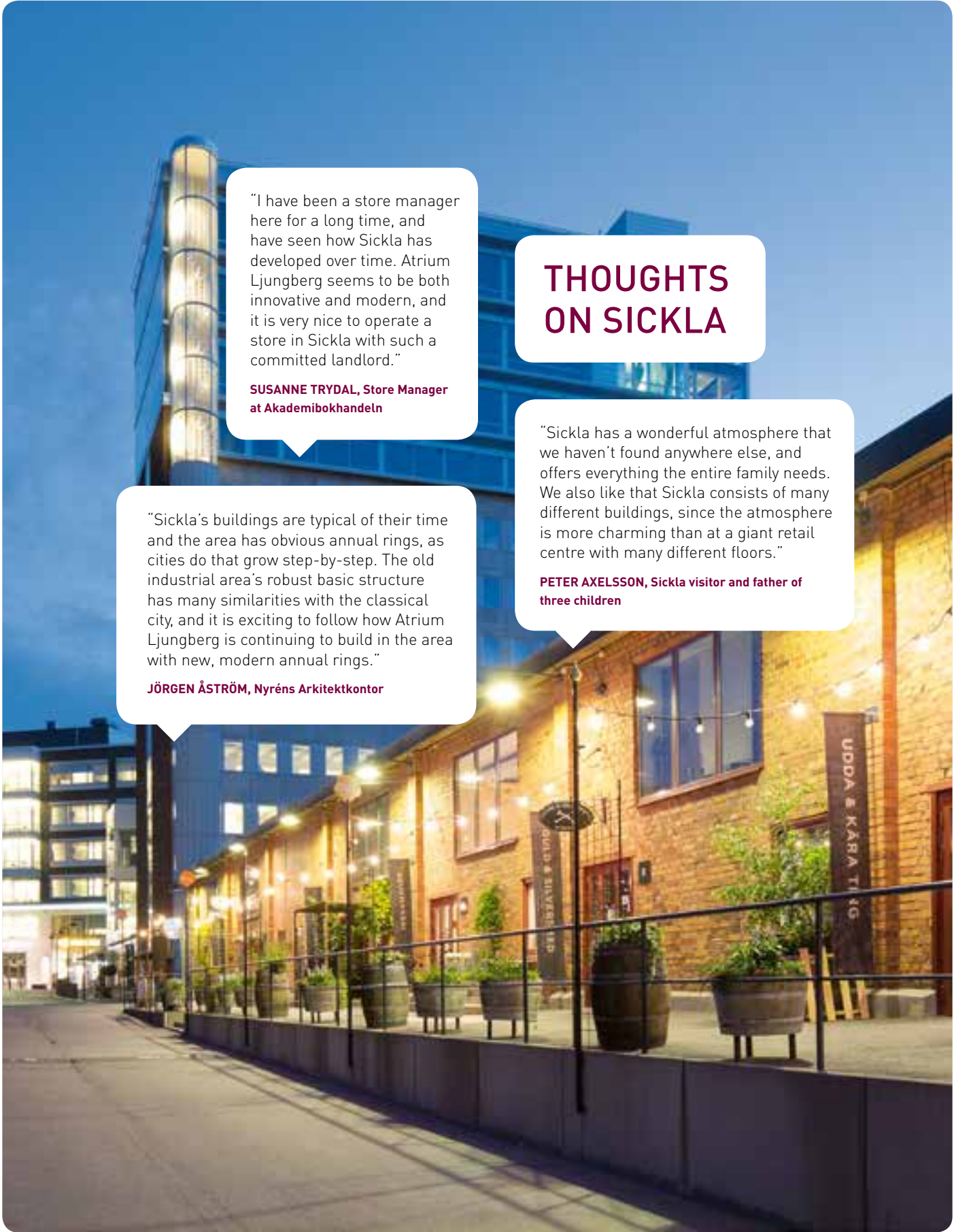


NEW URBAN NEIGHBOURHOOD FOR OFFICES

We own a large parcel of land with an existing industrial property on the western part of Sicklaön, alongside Sicklavägen and Uddvägen. Our ambition here is to transform the closed industrial area into an attractive, urban and inviting neighbourhood for both large and small office operations. We want the location to provide Sickla with a new entrance, serve as a bridge between the old and new Sickla and link Hammarby Sjöstad to Sickla Köp kvarter.

The project includes two office buildings with a total of almost 26,000 m² letting area and around 500 parking spaces. The buildings are planned to be six stories tall with a flexible floor plan for 900–1,200 workplaces, depending on the design of the offices. Tvärbanan's new section will run by the area on the way to Sickla Station.

The detailed development plan is expected to be adopted during the second half of 2014, and preliminary construction start-up is planned for January 2015.



"I have been a store manager here for a long time, and have seen how Sickla has developed over time. Atrium Ljungberg seems to be both innovative and modern, and it is very nice to operate a store in Sickla with such a committed landlord."

**SUSANNE TRYDAL, Store Manager
at Akademibokhandeln**

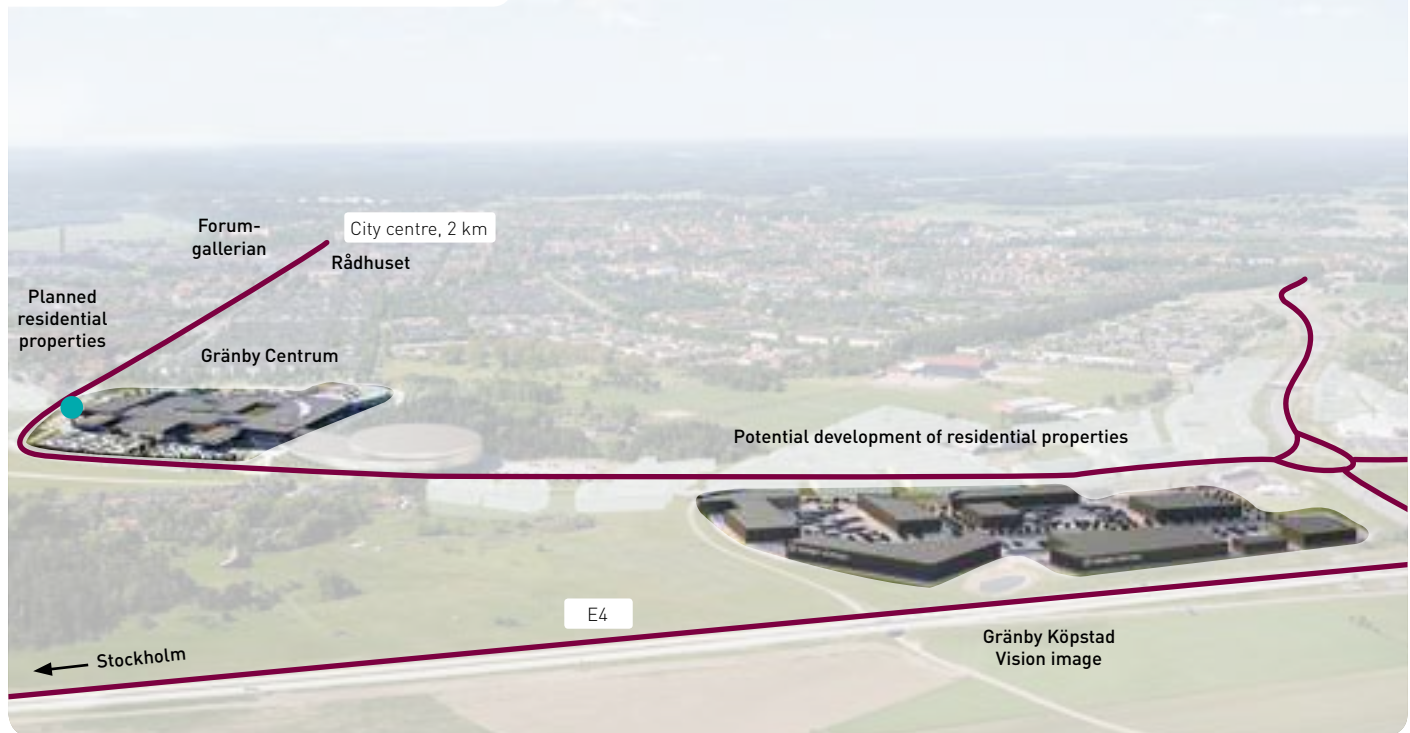
THOUGHTS ON SICKLA

"Sickla has a wonderful atmosphere that we haven't found anywhere else, and offers everything the entire family needs. We also like that Sickla consists of many different buildings, since the atmosphere is more charming than at a giant retail centre with many different floors."

**PETER AXELSSON, Sickla visitor and father of
three children**

"Sickla's buildings are typical of their time and the area has obvious annual rings, as cities do that grow step-by-step. The old industrial area's robust basic structure has many similarities with the classical city, and it is exciting to follow how Atrium Ljungberg is continuing to build in the area with new, modern annual rings."

JÖRGEN ÅSTRÖM, Nyréns Arkitektkontor



● Bus ● Important traffic routes

UPPSALA | ONE OF SWEDEN'S FASTEST GROWING MUNICIPALITIES

Uppsala is, in terms of population, Sweden's fourth biggest municipality and one of the fastest growing ones in Sweden. Population is expected to grow by about 2,400 people every year over the next few years. Stockholm is 67 kilometres away and Arlanda Airport is 35 kilometres away. Uppsala has a solid foundation for advanced research with two top-ranked universities with just over 40,000 students and researchers as well as a regional hospital. This has resulted in the emergence of a number of companies within bio-medicine and information technology.

GRÄNBY CITY DISTRICT INTEGRATED WITH THE CITY OF UPPSALA

The Gränby city district, where we own the well-established Gränby Centrum and the Gränby Köpstad project area, is about to undergo major changes and become one of the most important and expansive city districts in Uppsala. Amongst other things, several residential projects are underway or being planned for a total of approximately 7,000 new residential units close to both Gränby Centrum and Gränby Köpstad, as well as several sports facilities in the area. It is likely that within a few years, the Gränby city district will be completely integrated with Uppsala city centre.

Geographic location

Gränby Centrum and Gränby Köpstad are located in the Gränby city district in the eastern part of Uppsala, and are strategically located close to the north exit from E4. Gränby Centrum is about two kilometres away from Uppsala city centre.

Population of Uppsala Municipality

Population of Uppsala Municipality: 205,000. The population is expected to grow by almost 20,000 people by 2020, and is expected to pass the 250,000 mark in about 20 years.

48,000

M² POTENTIAL PROJECT AREA
IN GRÄNBY KÖPSTAD

72,000

M² POTENTIAL PROJECT AREA
IN GRÄNBY CENTRUM

GRÄNBY KÖPSTAD CONTINUES TO GROW

A new McDonald's restaurant opened in autumn 2013 as the first one in Gränby Köpstad, next to the E4 motorway entrance in north-east Uppsala. The development of Gränby Köpstad will continue during spring 2014 as we construct another building with three restaurants.

With Gränby Köpstad, we aim to create a unified area for approximately 50,000 m² rational bulk retail space that complements the existing Gränby Centrum to form a competitive and attractive retail area in Gränby, an expansive city district. We also aim for Gränby Köpstad to be an environmentally certified retail hub.

GRÄNBY KÖPSTAD, PART OF PHASE 1

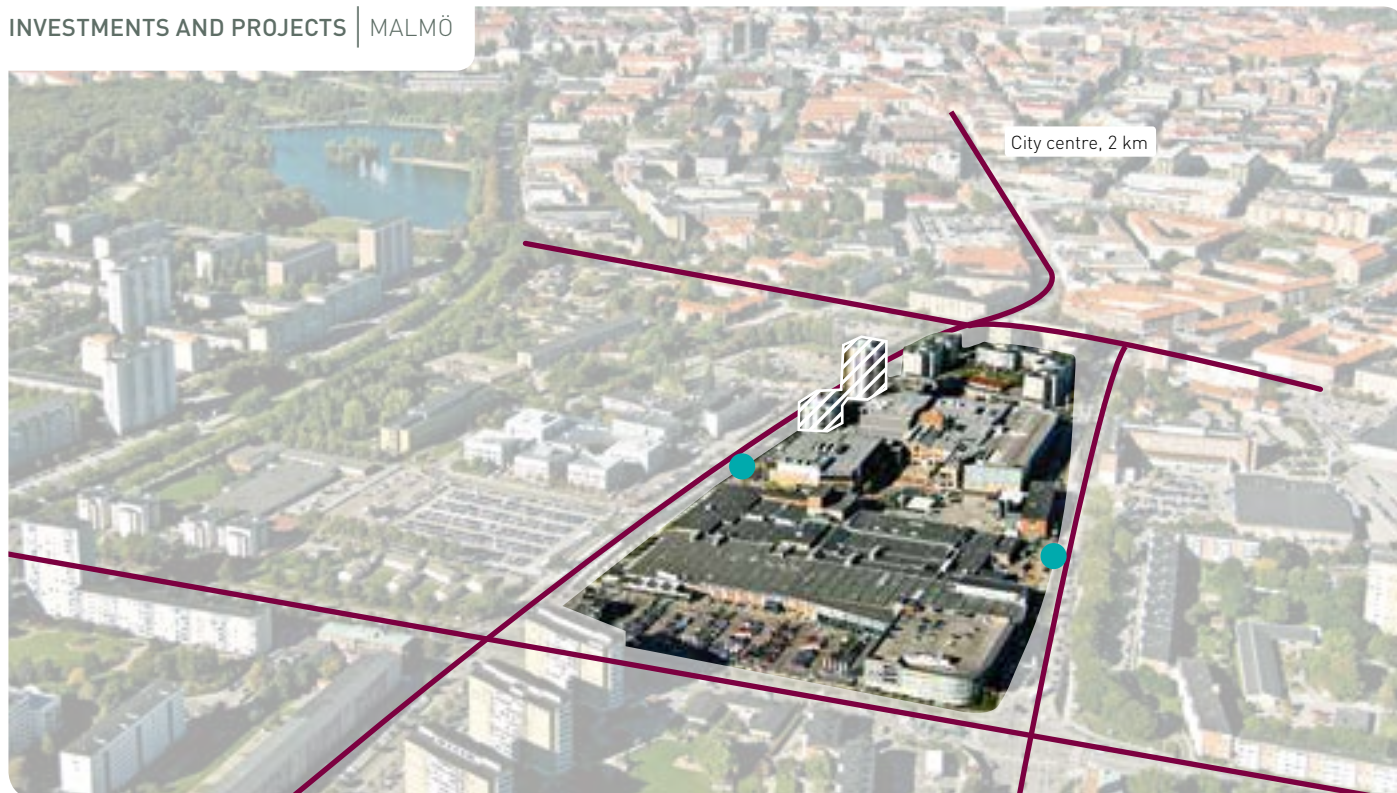
LETTING AREA	1,300 M ²
INVESTMENT	SEK 50 MILLION
RENTAL VALUE EXCL. SURCHARGES	SEK 5 MILLION
LETTING RATE	100 %
WILL BE COMPLETED	Q3 2014
ENVIRONMENTAL CERTIFICATION	BREEAM

VISION PROGRAMME FOR THE GRÄNBY CITY DISTRICT

The long-term vision for Gränby Centrum, Gränby Köpstad and the surrounding area is to create an integrated city district in Uppsala. Continued development of retail and service facilities, supplemented by residential properties and cultural and educational facilities in a dense neighbourhood structure, with modern public transport and better possibilities for pedestrians and cyclists, together provide the conditions required for an attractive and vibrant city district.

A vision programme has been produced and will form the basis for future development work. New land acquisition and a new detailed development plan are required for the vision to be implemented.





● Bus ● Important traffic routes ▨ Ongoing projects

MALMÖ | LARGEST PROJECT COMPLETED THUS FAR – THE MOBILIA JOURNEY CONTINUES

The entire Öresund region is a strong growth region with a population of around 3.6 million. The past decade's growth in population and positive purchasing power trend makes the region, including Malmö, an attractive area for new business start-ups, not least in the retail sector.

The city of Malmö is planning to develop and densify the urban environment around Mobilia, as well as improve the infrastructure for pedestrians, cyclists and public transport users to ensure Mobilia becomes a natural part of Malmö city centre. In addition to our own development work with Mobilia that has been ongoing for several years, other players are planning new residential areas and will develop the Medeon Science Park and the UMAS University Hospital.

CITY DISTRICT CONTINUES TO GROW

We recognised Mobilia's potential early on, and Malmö is one of our most prioritised markets. Mobilia has a unique industrial history, and over the years we have created an integrated environment with retail, restaurants, residential properties and social services. These aspects support one another and attend to both needs and demand. Our ambition is for Mobilia to continue developing as a city district, and we are making plans for more retail, cultural centres and residential properties within the framework of our project area.

Geographic location

Mobilia is located in Malmö's southern city centre district, only two kilometres from the city of Malmö itself. Mobilia is surrounded by Malmö's most important cross-town routes: Trelleborgsvägen, Ystadsvägen and Stadiongatan.

Population of Malmö Municipality

Population of Malmö Municipality: 307,000. The population is expected to grow by 36,000 by 2020, at which point it will total 343,000.

15,000

M² POTENTIAL PROJECT AREA
IN MOBILIA

NEW MOBILIA – PART OF MALMÖ'S FUTURE

At the end of September 2013, we inaugurated a large phase of Mobilia in Malmö, in which extensive transformation work has been ongoing for a long time. One of Malmö's oldest and busiest retail centres has made a substantial journey. We transformed a traditional retail centre into a city district where retail is complemented by restaurants, service facilities and housing, as well as a vibrant city square milieu with pavement cafés and restaurants, and paths for pedestrians and bicycles. We have preserved Mobilia's historical surroundings and sections of the former textile factory. The result is a mixture of old and new.

DIFFERENT BUSINESSES IN A VIBRANT SETTING

Around forty stores and restaurants opened during the well-attended inauguration days, including large chains like Willys, Clas Ohlson and Åhléns, and small local businesses.

The former textile factory's machine room, which has long stood unused, now houses a food court that is home to several different restaurant concepts. The mixture of stores and the many restaurants and cafés in the vibrant setting has played an important role in terms of creating Mobilia's dynamic meeting place. Some of the newly added areas have been reserved to house cultural, health care and educational facilities.

The transformation project as a whole included new construction of a total of 29,000 m² of letting area, a garage with approximately 650 parking spaces, and two residential buildings with seventy or so new rental apartments. When the inauguration was complete, Mobilia had some 115 businesses.

COMPLETED PROJECTS



ONGOING PROJECTS

RESIDENTIAL PROPERTIES
COMPLEMENT THE CITY
DISTRICT

We have built two residential buildings right next to the Mobilia city district; they are 9 respectively 16 stories tall, and will be natural landmarks in south Malmö. The tenants live in light-filled apartments with open floor plans in a vibrant setting, which creates a sense of security even after the stores close for the evening. Occupancy started in October 2013 and will continue through May 2014. When the two new residential buildings are complete, the number of apartments that Atrium Ljungberg owns and manages in Mobilia will increase from 190 to 260.

MOBILIA, RENTAL APARTMENTS, MALMÖ

LETTING AREA	4,100 M ²
INVESTMENT	SEK 100 MILLION
RENTAL VALUE EXCL. SURCHARGES	SEK 7 MILLION
LETTING RATE	95 %
WILL BE COMPLETED	Q1 2014

POTENTIAL PROJECTS

NEW BUILDING FOR GREATER
NEIGHBOURHOOD FEEL

We are planning for another phase of approximately 15,000 m² GFA for trade, residences and cultural activities in the best location in the centre of Mobilia. The extension will create greater links between the different areas of Mobilia and provide further opportunities for developing the square at the heart of the neighbourhood. The residences in the new building will turn inwards towards the square to create a lively feel in the area at all hours of the day.

Minor adjustments of the detailed development plan are required for construction start-up and signing of lease contract for a board resolution on investment. Adjustment of the detailed development plan is expected to take place during the first half of 2014.

"I live an active life, and find the neighbourhood's range of retail and restaurants appealing. The central location also means I don't have to use my car very often. I live close to the park and the hospital – if I should happen to require medical care."

HALINA WILCZAK, recently retired and a tenant of one of Mobilia's new rental apartments

THOUGHTS ON MOBILIA

"Atrium Ljungberg has been particular about taking the neighbourhood's history into account. Sections of the old factory building have been spared, renovated and, in some cases, re-built. The city, the red brick and the old meeting the new have been clear common goals."

To achieve a vibrant setting, the bottom floors of the buildings have been designed for various businesses, with the entrances facing the street or square."

PER AAGE NILSSON, Fojab Architect

"Mobilia is much more vibrant than many other retail areas that we have seen over the years. The neighbourhood is a natural centre in south Malmö, as the city grows towards Hyllie and densifies towards Malmö city centre."

ANDREAS SCHÖNSTRÖM, Deputy Mayor, City of Malmö (s)

"Malmö as a retail hub has greatly expanded over the past few years and competition has stiffened. We are certain that Mobilia can withstand the competition, which in fact benefits Malmö residents and other people living in Skåne."

HÅKAN WULFF, Regional Manager at Ähléns, which opened at Mobilia in conjunction with the inauguration in September 2013



● Bus/underground entrance — Underground — Important traffic routes ▨ Ongoing projects

FARSTA | IMPORTANT JUNCTION IN THE SOUTH

Farsta Centrum is a strong retail hub and an important meeting place for residents and workers in southern Stockholm. It has a well-developed infrastructure, with underground and commuter train stations, bus traffic and links to the Nynäsvägen cross-town route.

The regional catchment area extends across five different municipalities and also covers a large part of southern Greater Stockholm.

The City of Stockholm's comprehensive plan highlights Farsta as one of the city's focal points and most important meeting places.

PARTICIPATION IN THE STOCKHOLM'S VISION

Our ambition, when it comes to Farsta Centrum, is very much in line with the overall vision and development work for Farsta, where we also have a high level of involvement and work in close cooperation with the City of Stockholm and other stakeholders in the "Tyngdpunkt Farsta" programme.

Our ambition is to continue developing a good mix of residential properties, workplaces, local service, restaurants, health care, schools, culture, recreation and retail. The new ICA Kvantum is one of the first steps, and will reinforce Farsta Centrum as a food destination.

Geographic location

Farsta Centrum, in the city district of Farsta, is an important hub at the heart of Stockholm's southern suburbs.

Farsta is bordered by Tyresö to the east, Haninge to the south, and Huddinge to the west. Stockholm's city centre area is 20 minutes away by public transport.

5,000

M² POTENTIAL PROJECT AREA
IN FARSTA CENTRUM

NEW ICA KVANTUM REINFORCES FARSTA CENTRUM

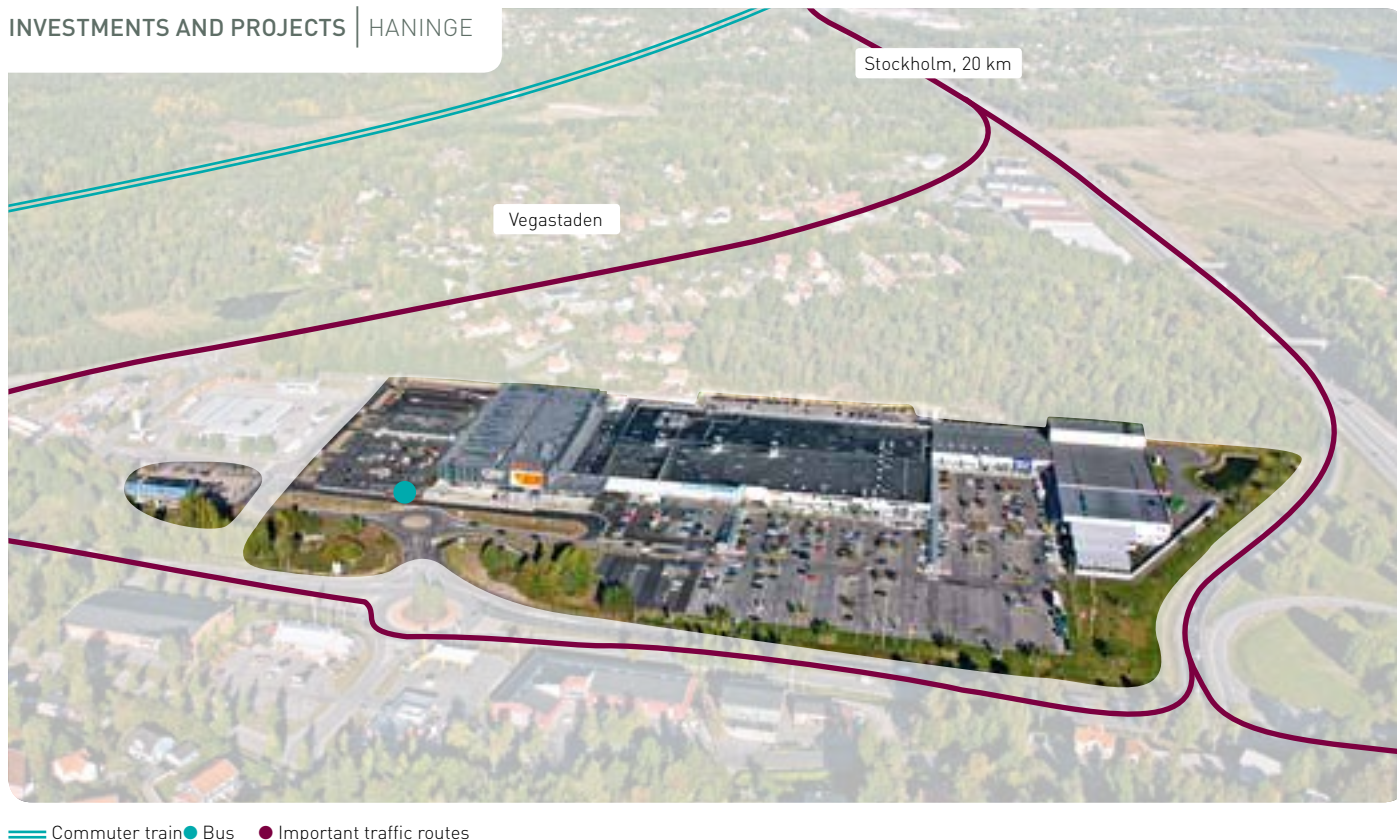
We began constructing a new ICA Kvantum and a parking garage with around 160 parking places at Farsta Centrum in 2013. The new building is about 3,900 m², and is located at Karlandaplan, a part of Farsta Centrum that was previously used for outdoor parking. The new building is linked to the existing stores in the retail centre.

The new ICA Kvantum store will strengthen Farsta Centrum's overall offering and meet the need for an efficient and rational high quality grocery store with generous opening hours and a wide product range. The store will open at the beginning of May 2014.

FARSTA CENTRUM, ICA KVANTUM

LETTING AREA	3,900 M ²
INVESTMENT	SEK 150 MILLION
LETTING RATE	83 %
WILL BE COMPLETED	Q2 2014





— Commuter train ● Bus ● Important traffic routes

HANINGE | WILL DEVELOP INTO A REGIONAL CITY CENTRE

Haninge, in southern Greater Stockholm, is a growth municipality where substantial investments in infrastructure are both ongoing and being planned. In Greater Stockholm's development plan (RUF), Haninge has been named as a regional city centre, and it is believed that the entire region will experience strong population growth over the next few years. The extension of the motorway out to Nynäshamn has cut the distance to Stockholm, and the planned new commuter train station in the Vega city district will make the area even more accessible. The massive urban development project for the Vega city district, which will create around 10,000 new homes, has now begun and is scheduled for completion within a ten-year period.

STEP-BY-STEP TOWARDS AN ATTRACTIVE CITY DISTRICT

Our retail hub, Port 73, is an important hub in southern Greater Stockholm. We have been developing the location in a piecemeal fashion since 2009. We will continue to contribute to the development of both Haninge and Port 73, and see many opportunities to do more here. We want to provide more retail, culture and service to a section of our land for which there is a valid detailed development plan. We also aim to provide residential properties and possibly retail with elements of culture and service right next to Port 73. Our goal is to continue gradually developing Port 73 into a vibrant and attractive city district that grows into and becomes a natural part of Haninge city centre.

Geographic location

Port 73 in Haninge is located at the intersection between route 73 (Nynäsvägen) and the Gudöbroleden cross-town link between Haninge, Tyresö and Nacka.

Population of Haninge Municipality

Population of Haninge Municipality: 79,500
The population is expected to grow by 8,500 by 2021, at which point it will total 88,000.

8,000

M² POTENTIAL PROJECT AREA
IN PORT 73

THIRD PHASE INAUGURATED

In August 2013, we inaugurated the third phase expansion of Port 73 when a new 10,000 m² section and some ten new grocery and fashion stores and restaurants opened. Four new restaurant and café concepts opened, along with the Willys grocery retail chain outlet and a further two grocery and delicatessen outlets. The Lager 157 fashion company also opened a large store – their first major outlet in the Stockholm region.

A gym and fitness company also opened in the new section at the beginning of 2014, and four new stores opened in the existing section. Port 73 is thus basically fully let and now comprises forty or so stores, restaurants and service outlets with a total area of 37,000 m².

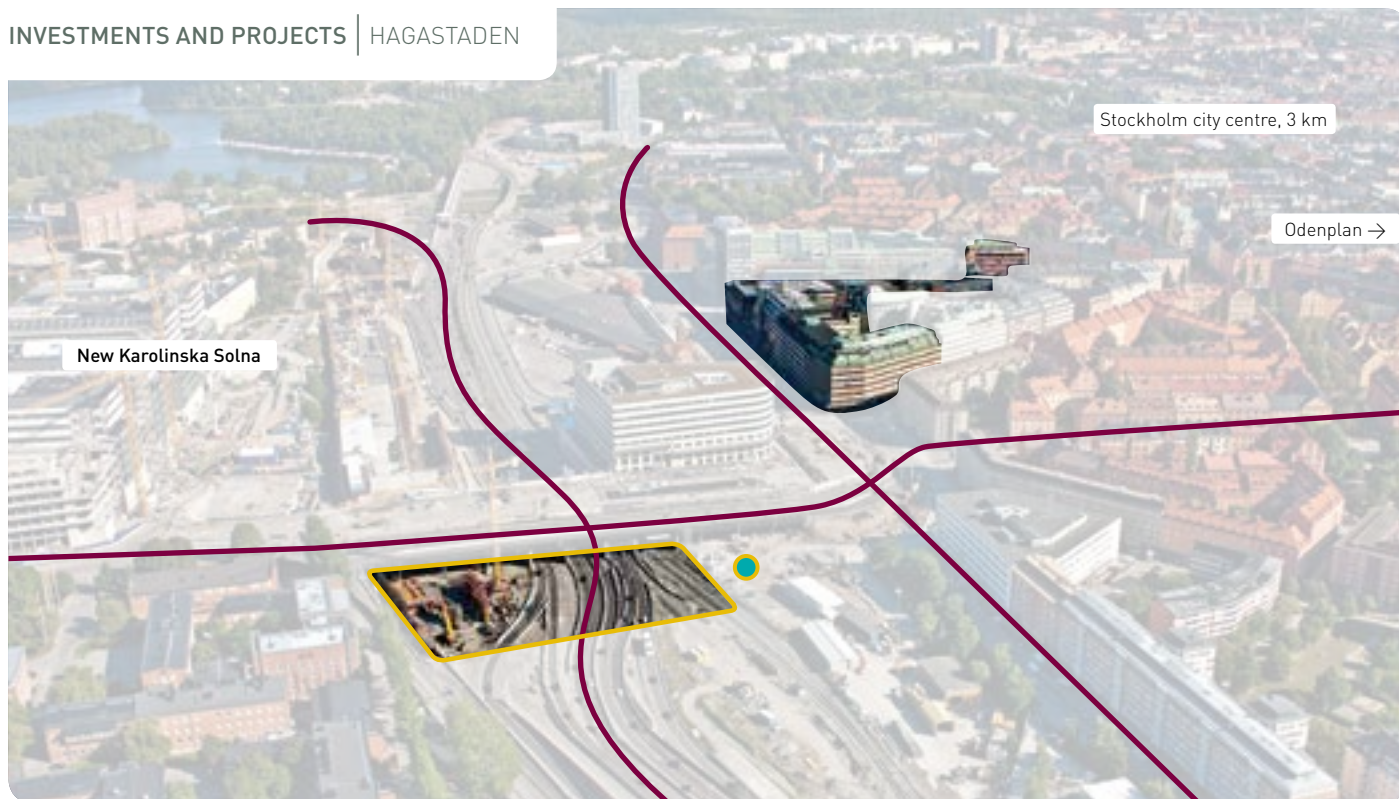
PLANNING PROGRAMME FOR RESIDENTIAL PROPERTIES, RETAIL, CULTURE AND SERVICE

Our long-term vision for Port 73 is to create an integrated city district in Haninge. Continued development of retail and service facilities, supplemented by residential properties in a varied neighbourhood structure, generous parks and better possibilities for pedestrians and cyclists, provide the conditions required for an attractive and vibrant city district. A project is underway with Haninge Municipality to investigate traffic and noise issues, amongst others.

New land acquisition and a new detailed development plan are required for the vision to be implemented.

COMPLETED PROJECTS





● Planned underground entrance ● Important traffic routes ● Early land reservation

HAGASTADEN | NEW CITY DISTRICT TO BE ARENA FOR LIFE SCIENCES

One of Stockholm's biggest urban development projects ever is underway in the Hagastaden area of northern Stockholm. The area begins at Karolinska Hospital and stretches to Norrtull. The new city district will be a world-leading arena for life sciences – an umbrella term for fields of science such as biology, medicine, chemistry, technology and informatics which have the common aim of improving human life and health. The City of Stockholm, Stockholm County Council, three universities (Karolinska Institutet, Royal Institute of Technology and Stockholm University) and trade and industry are working together through the Stockholm Science City foundation to establish and develop life science activities in Hagastaden. Hagastaden will have space for 50,000 workplaces, 5,000 residential units, service and cultural facilities, restaurants and parks in an investment totalling approximately SEK 60 billion.

IMPORTANT PLAYERS WITH A CHANCE TO GROW

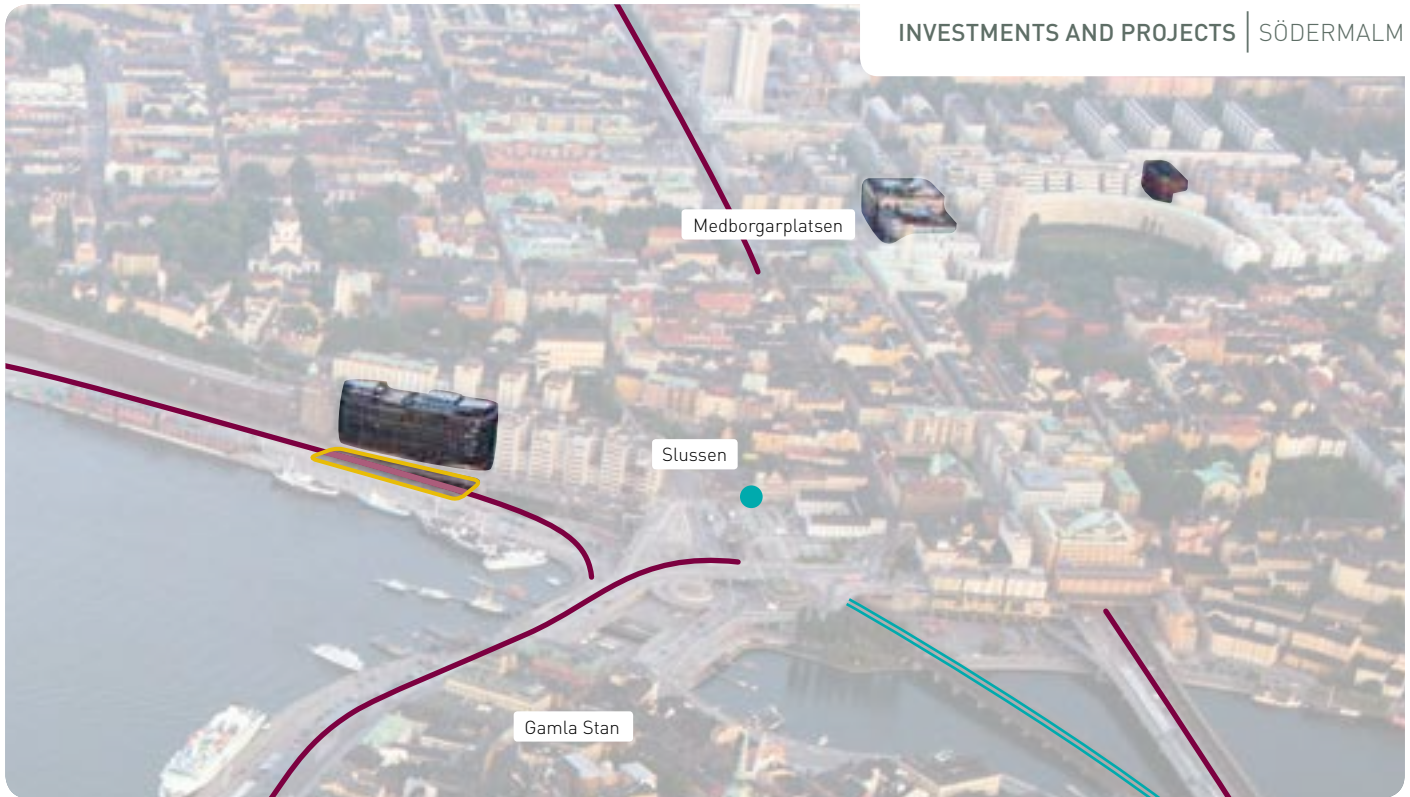
Atrium Ljungberg is an active and important player in Hagastaden, where we own and manage properties totalling just over 86,000 m² letting area. In April 2013, the City of Stockholm Development Council granted Atrium Ljungberg a land allocation with the opportunity to acquire land with a development right of 36,000 m² GFA alongside Solnavägen. The development should contribute to the vision of Hagastaden as a life science cluster. Construction is estimated to start in 2020.

Geographic location

Hagastaden is located between Vasastaden and the Karolinska Hospital in northern Stockholm. The city district will link Stockholm to Solna through the new regional hospital, New Karolinska Solna (NKS).

36,000

M² GFA POTENTIAL PROJECT
AREA IN HAGASTADEN



● Underground entrance — Underground ● Important traffic routes ○ Early land reservation

SÖDERMALM | NECESSARY IMPROVEMENTS TO SLUSSEN CAN BEGIN

We own office properties in prime locations on Södermalm at Slussen, Medborgarplatsen and on Magnus Ladulåsgatan right next to Medborgarplatsen.

LAND ALLOCATION AT SLUSSEN

The detailed development plan for the new Slussen area that has been the topic of debate for many years was approved at the end of September 2013 by the Land and Environment Court. This means the much needed improvements to the Slussen area can begin.

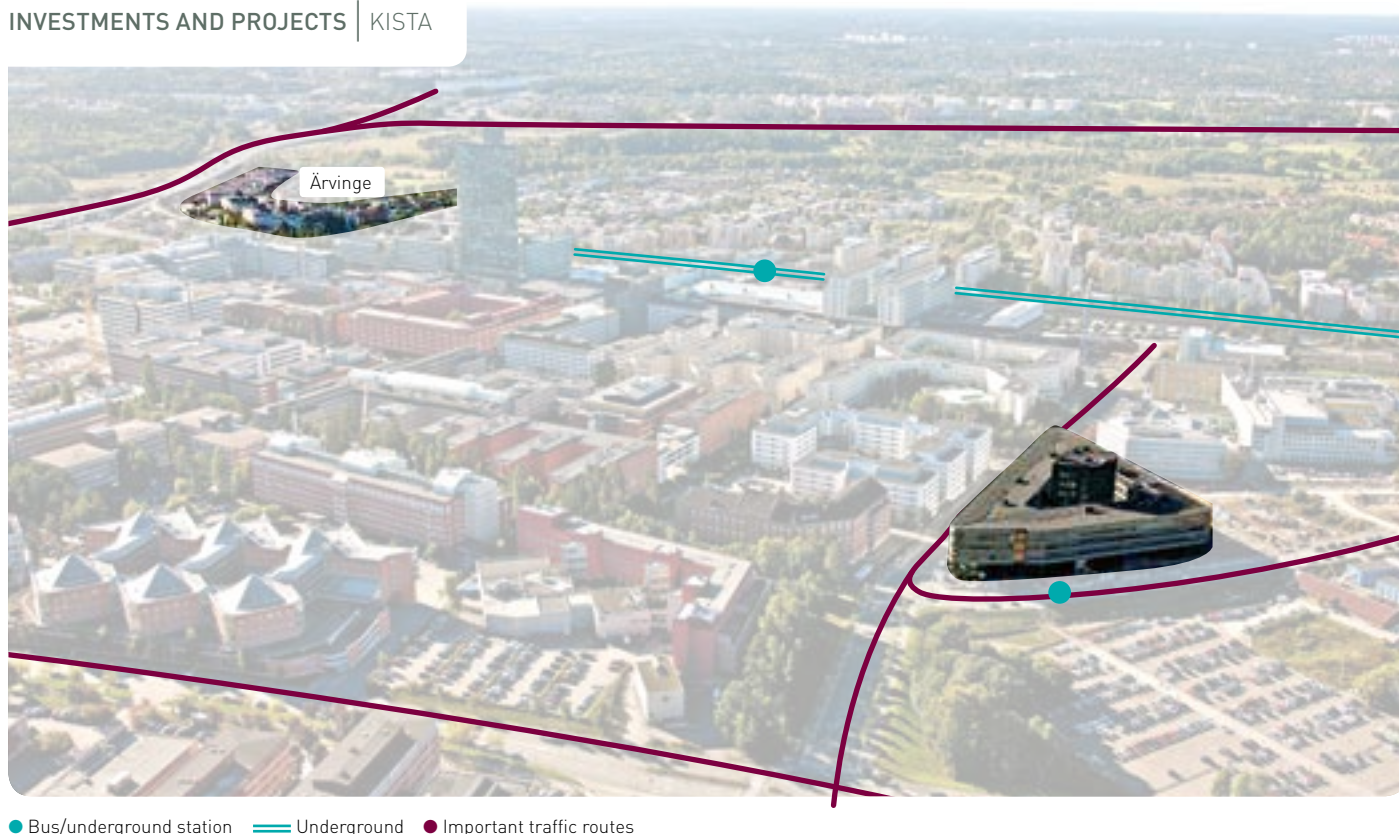
In 2013, Atrium Ljungberg obtained a land allocation, i.e. the opportunity to acquire land at market price with development rights of 16,000–18,000 m² GFA at Stadsgårdsleden in front of Glashuset. This means we have the opportunity to influence the design and volume of the development right to a certain extent, to ensure that its impact on the existing Glashuset is as positive as possible. If an agreement on acquisition and development is concluded, construction will begin during the latter phases of Slussen's transformation process, at the earliest in 2020.

Geographic location

The Södermalm city district in Stockholm city centre is bordered by Slussen in the north and Skanstull in the south.

16,000

M² GFA POTENTIAL PROJECT AREA ON SÖDERMALM



● Bus/underground station — Underground ● Important traffic routes

KISTA | ONE OF SWEDEN'S MOST EXPANSIVE REGIONS

Kista and Kista Science City are located in one of the most dynamic regions in Sweden. Kista Science City houses a world-leading cluster within information and communication technology (ICT) with over 1,100 ICT companies, 6,300 students and many internationally recognised researchers.

Over a ten-year period, the number of people working in the area has increased by 20 per cent, and development will continue through a collaboration initiative between the city, trade and industry and academia to achieve the vision of “Kista in 2020: one of the world’s most important science cities”.

FIRST NEIGHBOURHOOD IN THE NEW KISTA

Kvarteret NOD, which we are currently building, will be the first neighbourhood in an entirely new area of Kista. Around 2,500 residential units will also be built in the immediate area, and 360 of these will be in Kista Torn – Stockholm’s tallest residential building. The new development will add vibrancy and movement to the area, and it is an important element of Kista’s development into a more vibrant city.

Geographic location

Kista is located just north of Stockholm. There are excellent transport options to Stockholm, the surrounding municipalities and Arlanda Airport via the nearby E4 and E18 motorways, underground, buses and commuter train. The new cross-town light rail link which is expected to be completed in 2018 will also provide good transport options to Bromma Airport and on to Alvik.

NOD – A SITE FOR INNOVATION AND CREATIVITY

We have been working on the construction of Kvarteret NOD in Kista since 2011, and are entering the final phase. NOD will be one of Sweden's most important meeting places for innovation and creativity, where new ideas and businesses can emerge and develop. It will be an attractive location for everyone who lives, works and is active in Kista, for people and companies with different types of expertise, for trade and industry, students, researchers and entrepreneurs.

The architecture is exciting with generous ceiling heights, top-class materials and clever common functions that help generate the best possible work environment for different activities.

SHARED SPACE

NOD offers shared space – a meeting place filled with several extraordinary functions. Amongst other things, the shared space means there is a common reception area, an open atrium for expos, parties and events for up to 750 visitors, and a conference room that can be reserved when needed. Sharing functions with others allows the individual tenants to utilise their own premises more efficiently and reduce the need for having their own space.

BREEAM CERTIFICATE

NOD was built to be modern and sustainable in the long-term, as well as flexible and attractive over time – which is why it will be certified in accordance with the BREEAM environmental certification system.

The biggest tenant is the University of Stockholm and its Department of Computer and Systems Sciences (DSV). Other tenants include the Stockholm Science & Innovation School (SSIS), the Cornerstone education company, Eatry, which is a restaurant, café and seminar concept, and Kista Science City.

Occupancy will start in the second half of 2014, and inauguration is planned for the end of September.

KVARTERET NOD, KISTA

LETTING AREA	27,000 M ²
INVESTMENT	SEK 750 MILLION
RENTAL VALUE EXCL. SURCHARGE	SEK 63 MILLION
LETTING RATE	49 %
WILL BE COMPLETED	Q3 2014
ENVIRONMENTAL CERTIFICATION	BREEAM

ONGOING PROJECTS



RETAIL

3

QUESTIONS TO **MATTIAS CELINDER,** **BUSINESS AREA DIRECTOR RETAIL**

How does the growing e-trade sector impact Atrium Ljungberg?

› We are affected by changed consumption patterns in the same way as everyone else. This is why it is important to stay abreast of the changes and ensure we can adapt. Exactly how the growing e-trade sector is going to impact us is impossible to predict, but I believe it will generate both challenges and opportunities for us. I also believe that demand at strong retail hubs will remain intact.

Is there room for additional retail centres in Sweden?

› Yes, but not just anywhere. With the substantial growth in population in several of our markets, we believe there are good opportunities for our retail hubs to continue developing and growing. Sickla in Nacka is a clear example of this. Mobilia in Malmö is another one.

What does Atrium Ljungberg's new vision entail for the Retail business area?

› That we will continue our efforts to create urban environments around our retail hubs. Our areas are to be pleasant living rooms with a mixture of businesses, activities, events and people, where you can be around the clock.

URBAN ENVIRONMENTS WITH A RETAIL BASE

WE HAVE IN-DEPTH expertise, long tradition and extensive experience of owning and operating successful retail hubs. With our retail hubs as the base, we want to develop vibrant urban-like environments where retail is supplemented by other businesses and activities so we can achieve our vision of a blended city.

Atrium Ljungberg is one of the leading retail centre operators in the Swedish market. We have in-depth expertise and extensive experience of owning and operating successful retail hubs. Other retail centre operators include Unibail-Rodamco, Sten & Ström, Eurocommercial, Citycon, Hufvudstaden, AMF and Diligentia.

Our retail hubs are located in the strong growth regions of Stockholm, Uppsala and Malmö. With our retail hubs as the base, we want to develop vibrant urban-like environments where retail is supplemented by businesses and activities within service, culture and education, as well as office workplaces and residential properties. In this way, we work to achieve our vision of a blended city while at the same time reducing risk.

BETTER DEVELOPMENT THAN THE NATIONAL AVERAGE

During the year, both Mobilia in Malmö and Port 73 in Haninge had large, well-attended inaugurations of newly opened stores, including both large chains and small local businesses. Find out more about the projects in pages 48–51 and in 54–55.

The net sales at the stores at our five largest retail hubs increased in 2013 by 4.7 per cent compared to 2012. Net sales have been affected by both newly created area as well as ongoing renovation work. Sales development of all retail sales in Sweden was 1.9 per cent measured in rolling prices.

FLEXIBILITY TO COPE WITH CHANGE

To a large extent, the debate in 2013 pertained to the growing consequences of e-trade on the need stores have for premises. No one can predict exactly how and to what extent the growing e-trade sector will impact consumption patterns, and thus the retail market. We are following development closely, and also have a close dialogue with our retail customers.

We are convinced that strong retail hubs in good locations will always be in demand. For us it is important to build facilities and premises that offer flexibility as well as space that can easily be adapted to new conditions. Our locations fulfil many needs and have many different businesses right next door to each other. It is in this way that we create attractive urban environments that are sustainable in the long-term.

376,000

M² – RETAIL AREA

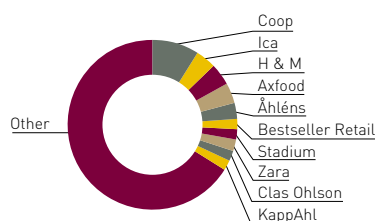
1,090

SEK M – RENTAL VALUE

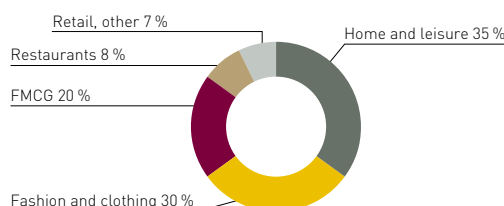
96

% – LETTING RATE

THE LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT



SECTOR BREAKDOWN, CONTRACTED ANNUAL RENT



STOCKHOLM CITY CENTRE AND THE REST OF STOCKHOLM

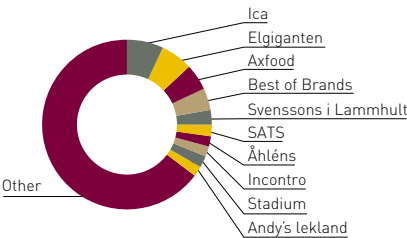


“IN OUR NEIGHBOURHOOD”

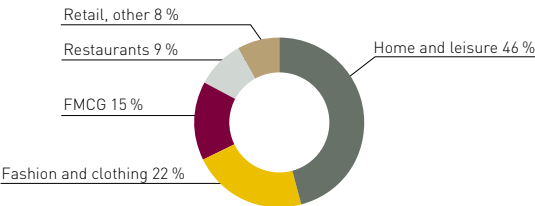
Sickla Köpkvarter is an established meeting place with a strong urban soul and a busy street life. The offering and environment here are both characterised by diversity, variety and contrast, creating one of our most complete urban environments with retail, cultural, service, workplace and educational facilities.
www.sickla.se

KEY RATIOS	
Type of retail hub	Regional retail centre
Retail letting area	78,700 m²
Stores and services	168
Stores' net sales	SEK 3,000 million
Visitors	14 million
Parking spaces	2,600
Rental value	SEK 236 million

THE LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT SICKLA KÖPKVARTER



SECTOR BREAKDOWN, CONTRACTED ANNUAL RENT SICKLA KÖPKVARTER



STOCKHOLM CITY CENTRE AND THE REST OF STOCKHOLM

Farsta
CENTRUM



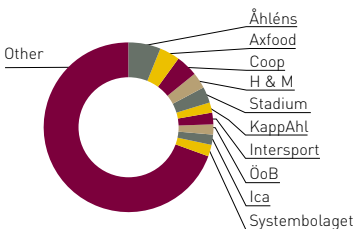
“A BIT MORE PERSONAL”

Farsta Centrum is a modern 50-year old with a unique 1960s style. With its extensive range of stores, workplaces, cultural centres, educational facilities, services and fitness and health care facilities, Farsta Centrum functions not only as one of Stockholm’s biggest retail hubs, but as a major city district centre. www.farstacentrum.se

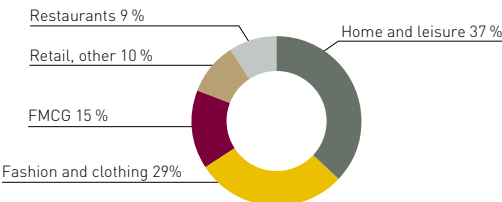
KEY RATIOS

Type of retail hub	Regional retail centre
Retail letting area	53,800 m ²
Stores and services	160
Stores’ net sales	SEK 2,200 million
Visitors	14.4 million
Parking spaces	1,700
Rental value	SEK 185 million

THE LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT
FARSTA CENTRUM



SECTOR BREAKDOWN, CONTRACTED ANNUAL RENT
FARSTA CENTRUM



STOCKHOLM CITY CENTRE AND THE REST OF STOCKHOLM

PORT 73



“PART OF YOUR DAY”

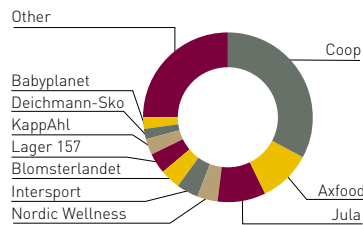
In Haninge, we are developing our fifth regional retail hub in a traditional retail area in the heart of Södertörn. There we have combined rational bulk retail with the diversity of a shopping centre, strong grocery retail and a wide range of restaurants. Port 73 was one of the finalists when the “Best Retail Centre 2013” was named.

www.port73.se

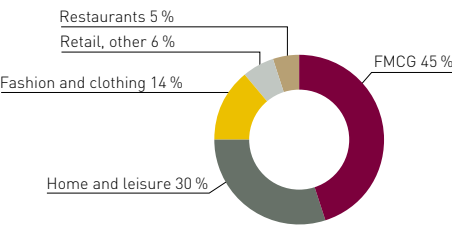
KEY RATIOS

Type of retail hub	Out-of-town
Retail letting area	35,800 m²
Stores and services	40
Stores’ net sales	SEK 750 million
Visitors	3.6 million
Parking spaces	1,100
Rental value	SEK 64 million

THE LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT
PORT 73



SECTOR BREAKDOWN, CONTRACTED ANNUAL RENT
PORT 73



STOCKHOLM CITY CENTRE AND THE REST OF STOCKHOLM



Glashuset Drottninggatan

Glashuset on Drottninggatan in central Stockholm is a modern five-storey department store. Several of the fashion market's strongest players are gathered here under one roof in one of Stockholm's best locations.

KEY RATIOS

Type of retail hub	City shopping centre
Retail letting area	6,300 m ²
Stores and services	12
Stores' net sales	SEK 200 million
Rental value	SEK 38 million



orminge centrum

Orminge Centrum in Nacka is a classic city district shopping centre with all the elements one would expect, such as goods, consumer durables and commercial and public services.

www.ormingecentrum.se

KEY RATIOS

Type of retail hub	City district shopping centre
Retail letting area	10,500 m ²
Stores and services	26
Stores' net sales	SEK 450 million
Visitors	2.2 million
Parking spaces	260
Rental value	SEK 22 million



ROTEBR HANDEL

Rotebro Handel is a strong destination for grocery retail, with Coop, Willys and Systembolaget forming the hub's base.

KEY RATIOS

Type of retail hub	Out-of-town
Retail letting area	19,800 m ²
Stores and services	11
Stores' net sales	SEK 650 million
Parking spaces	600
Rental value	SEK 31 million



Västberga Handel

Västberga Handel offers a combination of attractive grocery retail, infrequent retail and bulk retail.

KEY RATIOS

Type of retail hub	Out-of-town
Retail letting area	15,700 m ²
Stores and services	5
Stores' net sales	SEK 500 million
Parking spaces	530
Rental value	SEK 30 million

UPPSALA AND MÄLARDALEN

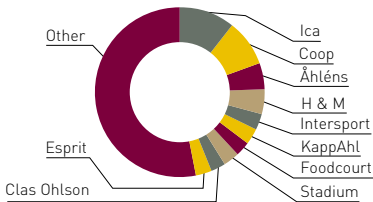


“MORE SPACE FOR SHOPPING”

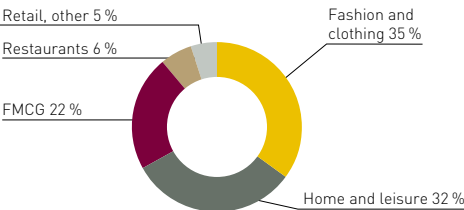
Gränby Centrum is Uppsala’s only shopping centre with everything under one roof. Accessibility, efficiency and the region’s best opening hours make Gränby Centrum the county’s leading regional retail hub.
www.granbycentrum.se

KEY RATIOS	
Type of retail hub	Regional retail centre
Retail letting area	41,000 m ²
Stores and services	95
Stores’ net sales	SEK 2,000 million
Visitors	6.5 million
Parking spaces	1,800
Rental value	SEK 139 million

THE LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT
GRÄNBY CENTRUM



SECTOR BREAKDOWN, CONTRACTED ANNUAL RENT
GRÄNBY CENTRUM



UPPSALA AND MÄLARDALEN



"WHERE UPPSALA MEETS"

Rådhuset in Uppsala, which dates back to the 17th century, has been transformed into a modern fashion department store. Strong brand names are offered here in a unique environment. Rådhuset was named "Marketer of the Year" in Uppsala in 2013.

www.radhusetuppsala.se

KEY RATIOS

Type of retail hub	City shopping centre
Retail letting area	2,500 m ²
Stores and services	5
Stores' net sales	SEK 75 million
Visitors	400,000
Rental value	SEK 9 million



FORUMGALLERIAN

"YOUR CITY, YOUR FORUM"

Forumgallerian in the heart of Uppsala is a fashion destination with a modern, colourful mixture of stores. The focus is on a young, fashion-conscious target group.

www.forumgallerian.se

KEY RATIOS

Type of retail hub	City shopping centre
Retail letting area	10,100 m ²
Stores and services	40
Stores' net sales	SEK 350 million
Visitors	6 million
Rental value	SEK 40 million



KVARTERET IGOR

"A SLICE OF THE CITY"

The entirely reconstructed Kvarteret Igor shopping centre in Västerås has linked the different parts of the city together for many years and helped strengthen Västerås' city retail. Today Igor is an inspiring destination with a strong focus on fashion.

www.kvarteretigor.se

KEY RATIOS

Type of retail hub	City shopping centre
Retail letting area	17,200 m ²
Stores and services	43
Stores' net sales	SEK 500 million
Visitors	3.5 million
Parking spaces	300
Rental value	SEK 43 million

SWEDEN, OTHER

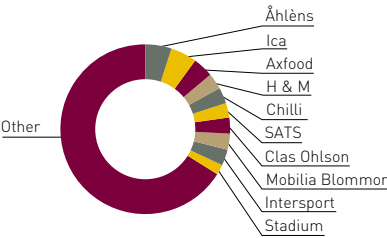


“AT THE HEART OF MALMÖ AND ITS RESIDENTS”

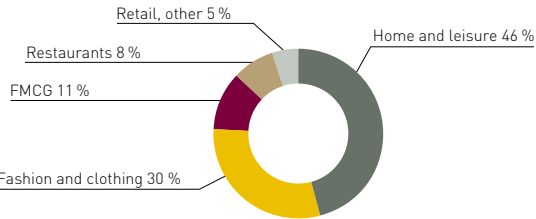
The well-known Mobilia retail centre has over the course of just a few years been transformed from a traditional retail centre into a vibrant city district in Malmö city centre. The city district’s focus on retail also includes restaurants, service and residential properties. www.mobilia.se

KEY RATIOS	
Type of retail hub	Regional retail centre
Retail letting area	60,000 m ²
Stores and services	115
Stores’ net sales	SEK 1,400 million
Visitors	9.5 million
Parking spaces	2,000
Rental value	SEK 166 million

THE LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT MOBILIA



SECTOR BREAKDOWN, CONTRACTED ANNUAL RENT MOBILIA



SWEDEN, OTHER



**"FANTASTIC SHOPPING,
SEVEN DAYS A WEEK"**

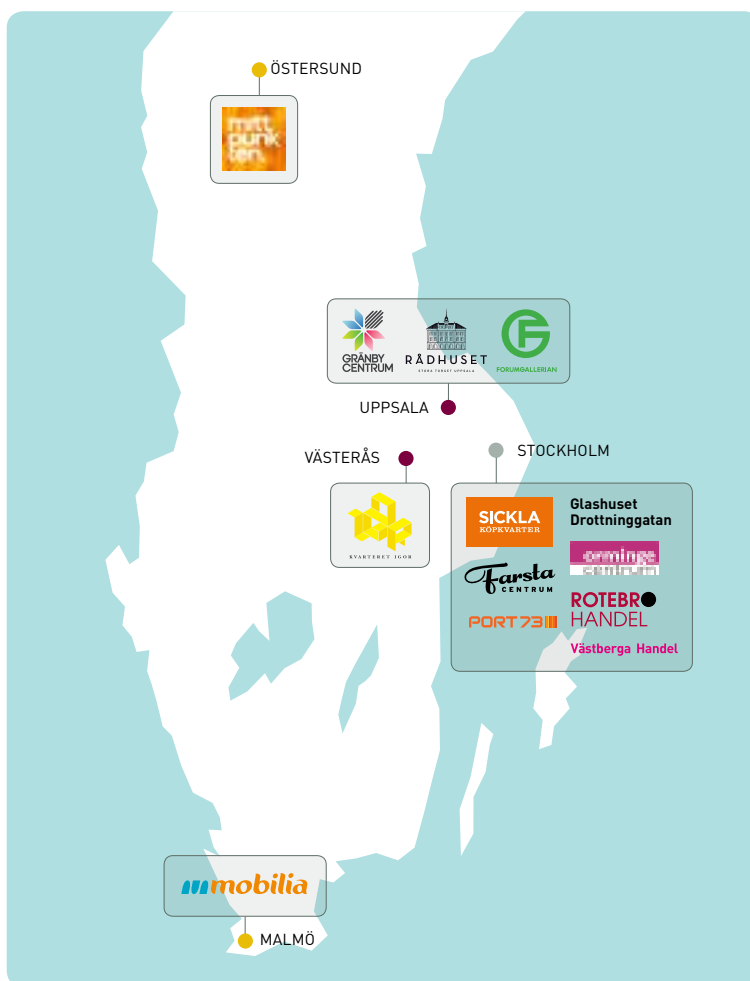
Mittpunkten, with its diverse fashion and services offering, enjoys a strong position in Östersund.

www.mittpunkten.net

KEY RATIOS

Type of retail hub	City shopping centre
Retail letting area	11,600 m ²
Stores and services	20
Stores' net sales	SEK 400 million
Visitors	3.5 million
Parking spaces	200
Rental value	SEK 25 million

OUR RETAIL HUBS



● **STOCKHOLM CITY CENTRE AND THE REST
OF STOCKHOLM**

Sickla Köpvarter
Farsta Centrum
Port 73
Glashuset Drottninggatan
Orminge Centrum
Rotebro Handel
Västberga Handel

● **UPPSALA AND MÄLARDALEN**

Gränby Centrum
Rådhuset
Forumgallerian
Kvarteret Igor

● **SWEDEN, OTHER**

Mobilia
Mittpunkten



Rådhuset, Uppsala



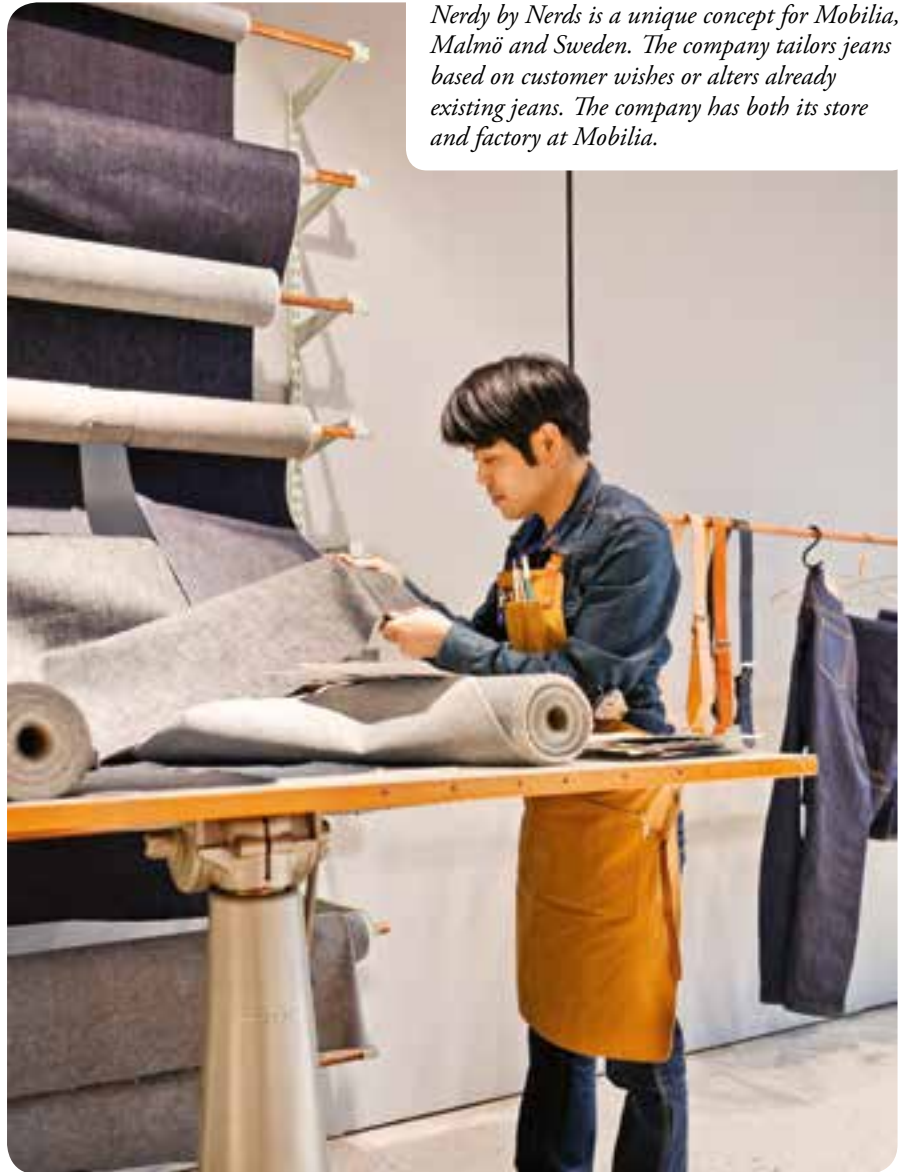
Urban Deli, Sickla



Kvarteret Igor, Västerås



Gränby Centrum, Uppsala



Nerdy by Nerds is a unique concept for Mobilia, Malmö and Sweden. The company tailors jeans based on customer wishes or alters already existing jeans. The company has both its store and factory at Mobilia.



Rådhuset, Uppsala

OFFICES

3

QUESTIONS TO JONAS TÖRNELL, BUSINESS AREA DIRECTOR, OFFICES

What trends do you recognise in the Stockholm office rental market?

› We see that an increasing number of companies are looking for attractive and space-efficient premises outside Stockholm city centre since there is a shortage of premises in the city centre. The City of Stockholm is also moving parts of its administration out of the city.

How are you handling the Sickla Front property now that AkzoNobel has rescinded the agreement?

› We will complete Sickla Front and put all of our energy into finding new exciting companies to run its operations from there. We firmly believe in its location between Hammarby Sjöstad and Sickla, and in the location's proximity to the existing service offering. Sickla Front is environmentally certified in accordance with BREEAM, which we believe is an attractive aspect to companies with a firm commitment to the environment.

What does Atrium Ljungberg's new vision entail for the Office business area?

› Mostly that we will continue offering locations where workplaces become part of a greater context; it is then that we can create positive conditions for our customers that help them develop their businesses. It is also a matter of developing premises that attract and inspire the employees at the companies. We want everyone to be happy with us – in our properties and in our areas.

OFFICES IN GROWTH AREAS

ATRIUM LJUNGBERG'S OFFICE properties are located in Stockholm's growth areas where demand for office premises is increasing. The properties are spacious and unified, which enables local management, close customer dialogue and an opportunity to influence development – outside our own portfolio as well.

Our office portfolio is primarily found in Hagastaden, Södermalm, Farsta and Kista – all of which are strong, stable and expansive markets in Stockholm and where the office portfolio is an important part of a vibrant city district with a mixture of businesses and activities. We have local management offices at all of our locations to ensure close proximity to our customers and the market, good service and the best possible insight into needs and business opportunities.

CLOSE CUSTOMER RELATIONS FOR PARTNERSHIPS

Our long-term owner perspective and close dialogue with customers create optimal conditions for true partnerships, and are two of our most important factors of success. This means we can predict customer need, and our development work can be performed with short decision pathways and quick implementation times.

Our customers often choose to stay a long time and develop together with us and our areas. Some examples include Atlas Copco, Intrum Justitia,

Oracle, Telenor, Atea, Dice and the City of Stockholm. In a customer survey that was conducted in 2013, almost 90 per cent of our office tenants said they would choose us as their landlord the next time they need new premises, and 100 per cent would recommend us as a landlord.

STRATEGIC LETS

Demand for office premises in our areas has been good over the year, and we have completed several successful renegotiations and strategic new lets. For example, we signed new agreements with Xerox in Kista, as well as with Stockholm County Council, Academic Work, Amadeus and the Swedish Childhood Cancer Foundation in Hagastaden.

At the end of 2013, the letting rate was 93 per cent. In the Stockholm city centre, Farsta and Hagastaden, our office properties are almost fully let.

271,000

M² – OFFICE SPACE

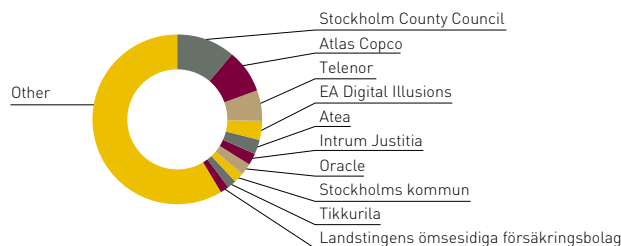
678

SEK M – RENTAL VALUE

93

% – LETTING RATE

TEN LARGEST CUSTOMERS, OFFICES, CONTRACTED ANNUAL RENT



STOCKHOLM CITY CENTRE NORTH



HAGASTADEN AND KUNGSHOLMEN

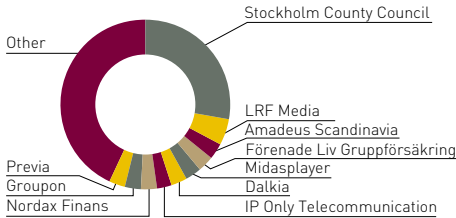
The office properties in our Stockholm city centre north market area are located in Hagastaden and on Kungsholmen. One of Stockholm’s largest development projects ever is currently underway in Hagastaden. It is expected to be complete in 2025. See page 56 for further details.

We have owned properties in Hagastaden since 1992, and have preserved and developed the beautiful industrial buildings dating back to the 1930s. The properties now comprise modern, functional office environments with high quality technical facilities. Some of the tenants include Stockholm County Council’s IT department, the Swedish Childhood Cancer Foundation and a Friskis&Svettis office and exercise facility.

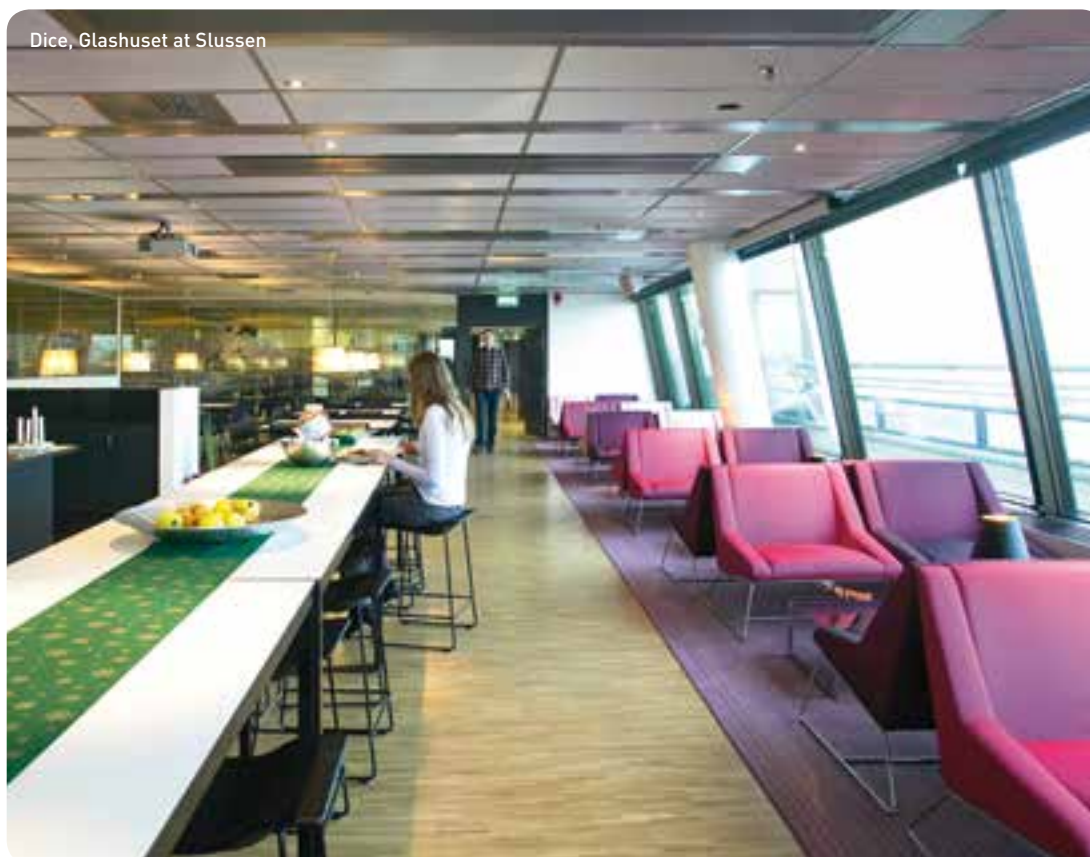
Our property on Kungsholmen is located at Fridhemsplan. It was built around the turn of the previous century, and originally housed a bicycle factory. Today it has been converted into a modern office building where the old industrial character has been preserved.

KEY RATIOS	
Letting area for office space	71,900 m²
Rental value	SEK 197 million

LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT
STOCKHOLM CITY CENTRE NORTH



STOCKHOLM CITY CENTRE SOUTH



SÖDERMALM, ETC.

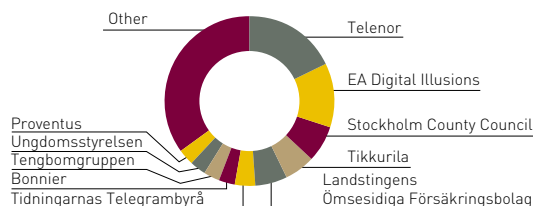
The office properties in our Stockholm city centre south market area are located in Södermalm, Hammarby Sjöstad and on Drottninggatan. We own one of Stockholm's best-known buildings, Glashuset, which is located at Slussen and which attracts many companies with strong brands. Some of our long-term tenants there include TT, Tengbomgruppen, Dice and Telenor. In Söderhallarna at Medborgarplatsen, we own modern premises right at the heart of Södermalm's vibrant mix of people, retail outlets and restaurants. We also have light, functional office environments found just a stone's throw away on Magnus Ladulåsgatan.

Hammarby Sjöstad is an internationally acknowledged and recognised city district. Our property here is strategically placed in close proximity to transport options.

We own two classic properties with both retail and offices on Drottninggatan. The exceptional central location offers close proximity to basically everything.

KEY RATIOS

Letting area for office space	57,700 m ²
Rental value	SEK 190 million

LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT
STOCKHOLM CITY CENTRE SOUTH

STOCKHOLM, OTHER



SICKLA

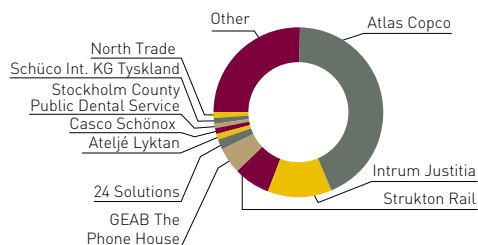
We continuously develop and invest in new buildings in Sickla in order to provide additional office workplaces in the area. The area is already home to many well-known and established companies such as Atlas Copco, Intrum Justitia and Phonehouse. Work to complete the Sickla Front office building is ongoing and planned for completion in 2015. Find out more about Sickla Front on page 43.

Over 5,000 people currently work in Sickla. This figure is expected to rise to 8,000 within a few years.

KEY RATIOS

Letting area for office space	61,000 m ²
Rental value	SEK 141 million

LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT SICKLA



STOCKHOLM, OTHER



KISTA

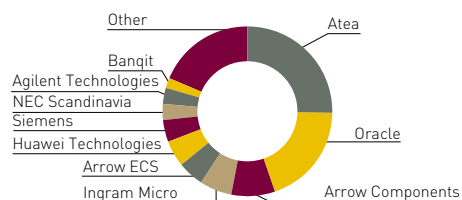
Kista is a leading cluster for information and communication technology companies (ICT), researchers and educators – a vibrant science city with strong growth.

Our properties in the Ärvinge city district include both housing and offices and are home to international companies such as Oracle, Atea, Arrow Electronics, Ingram Micro and Huawei. One of our two hotspots is also located here – a flexible office and entrepreneurs' centre for new businesses.

Construction on Kvarteret NOD at Kista Gård is in the final phase, and occupancy is expected to start in the second half of 2014. Kvarteret NOD will be a new creative and dynamic meeting place for research, education and businesses. Find out more about NOD on page 59.

KEY RATIOS

Letting area for office space	40,500 m ²
Rental value	SEK 85 million

LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT
KISTA

STOCKHOLM, OTHER



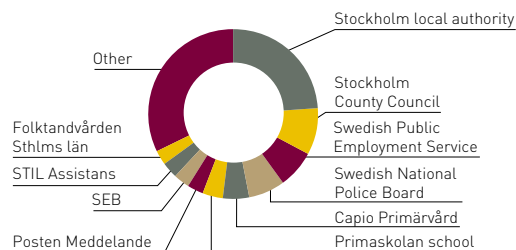
FARSTA

We own office properties offering almost 29,000 m² of space in Farsta, which has been described as one of Stockholm's most important meeting places in south-eastern Stockholm. The City of Stockholm, the Swedish National Police Board, the Swedish Public Employment Service and SEB are just some of our tenants here. Hotspot Farsta is also located here, which is centre for new businesses.

We are taking part in the development of a vibrant urban environment in Farsta with our large property portfolio that includes both offices and retail. These efforts go hand in hand with the City of Stockholm's vision and development programme, "Tyngdpunkt Farsta", the aim of which is to make Farsta an exciting and competitive retail location and meeting place.

KEY RATIOS

Letting area for office space	28,900 m ²
Rental value	SEK 52 million

LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT
FARSTA





RESIDENTIAL PROPERTIES IN DYNAMIC URBAN ENVIRONMENTS

RESIDENTIAL PROPERTIES ARE an important element of our strategy to create vibrant meeting places since they contribute to the creation of attractive and long-term sustainable environments. Our current residential properties are located in the city district of Ärvinge in Kista and the Mobilia area in Malmö. Our aim in the future is to add more residential properties close to our retail hubs.

GARDEN CITY IN ÄRVINGE

One of our existing residential areas is in Ärvinge, which is located close to the entrance to Kista in northern Stockholm. We built a small-scale garden city there back in the early 1990s. The 435 rental units are located in direct proximity to workplaces, public transport, restaurants and other local service.

Ärvinge is a vibrant city district where we have combined different businesses that mutually benefit one another.

LANDMARKS IN MALMÖ

In conjunction with developing Mobilia in Malmö from a retail centre to a city district, we have increased our investment in residential properties there. We already owned 200 rental apartments. Over the course of 2013, we built an additional two residential buildings with 16 respectively 9 floors, with 66 well-organised rental units.

The residential buildings are visible from afar, but at the same time blend in well with the rest of the surroundings. Tenants are given access to a lively and secure urban environment with a wide range of services. Occupancy started in Q4 2013.

RESIDENTIAL IN THE FUTURE

We will continue developing our areas with residential properties. Doing so is a natural step in our aim to create vibrant and mixed urban environments. Our property portfolio contains several areas that are suitable for residential properties.

Over the past few years we have acquired land in Kyrkviken, which is located in direct proximity to Sickla Köpkvarter in Nacka. A project is underway with focus on residential areas with attractive water-front apartments, good transport options and close proximity to a wide range of retail, service and cultural facilities. See page 43 for further details.

We want to continue developing Port 73 into an important hub in southern Greater Stockholm, and a project was launched in autumn 2013 to investigate, amongst other things, the possibility of building residential properties close to Port 73. See pages 54–55 for further details.

We also have plans to build residential properties close to Gränby Centrum in Uppsala. See pages 46–47 for further details.

435

APARTMENTS IN ÄRVINGE/KISTA

266

APARTMENTS MALMÖ

66

SEK M – RENTAL VALUE



QUESTIONS TO JOHAN EDLUND, CEO, TL BYGG

How do TL Bygg and Atrium Ljungberg collaborate?

➤ We cooperate in order to share expertise and experience, which results in a better product and more cost-efficient production. I would say that cooperation between Atrium Ljungberg and TL Bygg is based on respect and trust.

What are the types of assignments that TL Bygg helps Atrium Ljungberg perform?

➤ We play an important role in the early stages when we help out with costing calculations and building expertise. During the construction phase, we provide construction managers and production personnel who work with Atrium Ljungberg's project manager.

What are the benefits of cooperating?

➤ Atrium Ljungberg is a stable and long-term owner, and TL Bygg is a reliable and strong contractor; this combination is an important one for both clients and employees. The Group's collected expertise gives us the resources and vigour needed to take on large projects.

WE BUILD TOGETHER

COOPERATION IS ONE of Atrium Ljungberg's and TL Bygg's most important core values. Working together gives us greater opportunities to implement a large number of projects with an efficient, controlled and flexible process, which benefits both us and our customers.

TL Bygg AB, Atrium Ljungberg's wholly owned subsidiary, was formed in 1983; however, the building contractor has its roots in the construction and property company founded by Tage Ljungberg in the mid 1940s. The company has a strong building tradition and extensive expertise throughout the entire organisation.

TL Bygg is primarily active in Stockholm and Uppsala, where we have many existing customer relationships. TL Bygg's main clients are property companies, insurance companies, municipalities, county councils and state-owned companies.

VERSATILE OPERATIONS

TL Bygg's operations include new builds, building services, reconstruction and "ROT" improvement work on residential properties. The company works with all types turnkey contract and pure construction contract assignments. Work is always performed on the basis of the company's core values.

During the year, TL Bygg did work for Akademiska Hus, SGA Fastigheter, Nacka Municipality and Stockholmshem, amongst others.

An entirely new office building with 2,600 m² in four floors was built for Akademiska Hus' tenant ABE-skolan, and close to 3,000 m² in existing

buildings was renovated. The new and existing buildings are being joined by passages. TL Bygg has also completed several small projects in the areas around Royal Institute of Technology and Frescati in Stockholm. The assignment has been characterised by a common desire to be at the forefront in terms of quality, the environment and work environment.

SGA Fastigheter tasked TL Bygg with completing all of the sales areas and the industrial kitchen at the new Tele2 Arena in Stockholm.

Over the year, TL Bygg also performed replacement work in 250 apartments and premises for Stockholmshem. The tenants did not relocate while the work was being performed and businesses continued operating.

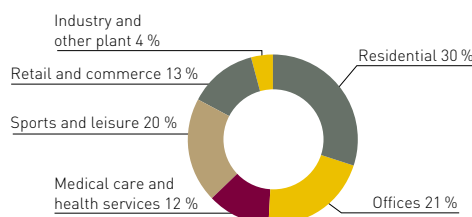
In 2013, TL Bygg performed work for Atrium Ljungberg corresponding to 23 per cent of the company's total net sales. Amongst other things, the company was involved in Atrium Ljungberg's new construction projects for Ica Kvantum in Farsta, Port 73 in Haninge and Sickla Front in Nacka.

At the end of the year, the order book contained SEK 164 million.

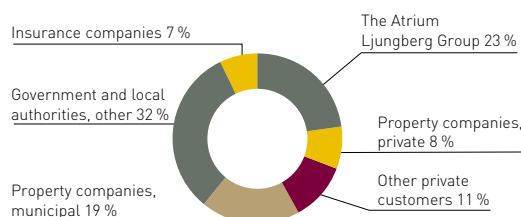
CORE VALUES RESULT IN PROFITABILITY

TL Bygg is a profitable company with strong core values. The values have been well grounded in the

NET SALES PER TYPE OF CONTRACT



NET SALES PER CLIENT CATEGORY



organisation for a long time, and are based on a proud master builder tradition. They are crucial to our efforts to build and develop both areas and cities.

- **Long-term approach** means both good relations and sustainable construction.
- **Reliability** entails taking responsibility, consistently producing top quality and keeping promises.
- **Cooperation** means creating added value for everyone involved and optimising results – by participating and being flexible.
- **Commitment** means enthusiastically approaching duties, with a constant desire to surpass both one's own and the customer's expectations..

FOCUS ON COMPETENCE, QUALITY AND THE ENVIRONMENT

Competence and quality are crucial factors of success for TL Bygg's operations. The company's employees ensure long-term commitment, high quality and a high level of expertise. Our employees have expertise in both construction and project management and in costing and purchasing, and the company continuously invests in training and skills development for all of the occupational groups at the company. Working in

this manner ensures a high level of quality in everything we do. Another important issue for TL Bygg is environmental and quality management in construction output. The company takes an active and long-term approach in order to minimise environmental impact, and employs sound planning, inspection of integrated materials and waste recycling. All employees are trained in environmental responsibility, thus involving them in the work.

TL Bygg is a member of the trade and employers' organisation, the Swedish Construction Federation, and supports its goals and visions for modern employee contracts, a sound construction industry, and safe workplaces.

Find out more at: www.tlbygg.se

IN BRIEF

CONSTRUCTION COMPANY OPERATING PRIMARILY IN THE GREATER STOCKHOLM AREA

CERTIFIED IN ACCORDANCE WITH BFK9K – A PRODUCT CERTIFICATION SYSTEM FOR THE CONSTRUCTION INDUSTRY

NUMBER OF EMPLOYEES: 135 (38 ADMINISTRATIVE EMPLOYEES, 97 SKILLED WORKERS)

NET SALES, 2013: SEK 491.8 MILLION

PROFIT AFTER NET FINANCIAL ITEMS, 2013: SEK 37.1 MILLION

ORDER BOOK AT 2013 YEAR-END: SEK 164 MILLION

CEO: JOHAN EDLUND



SUMMARY OF INCOME STATEMENTS

SEK m	2013	2012	2011	2010	2009
Net sales, external clients	378.1	225.6	292.8	304.5	299.2
Net sales, Group companies	113.7	152.9	135.7	69.4	50.2
Net sales, total	491.8	378.5	428.5	373.9	349.4
Operating profit/loss	35.2	19.5	32.3	30.9	33.5
Net financial items	1.9	1.1	0.8	0.9	0.0
Profit after net financial items	37.1	20.6	33.1	31.8	33.5
Number of employees	135	122	120	113	100

FINANCIAL REPORTS 2013



DIRECTORS' REPORT

THE BOARD OF Directors and the CEO of Atrium Ljungberg AB (publ.), company ID no. 556175-7047, hereby submit the annual accounts and the consolidated accounts for the 2013 financial year. The figures shown in parentheses refer to the preceding financial year. The Corporate Governance Statement is presented on pages 100–105.

OPERATIONS

Atrium Ljungberg is one of Sweden's largest listed property companies. We own, develop and manage properties, primarily for the retail and office sectors. The operations are conducted with a view to long-term ownership. We generate growth in value by developing and upgrading new and existing properties and development rights and by conducting active and customer-orientated property management. We manage and drive the entire commercial process in-house, which gives us an insight into and understanding of the big picture. Our development projects generate long-term returns.

FINANCIAL GOALS

Our objective is for the operating surplus to increase by 10 per cent per annum. A total of SEK 1 billion shall be invested in the Group's in-house development projects per annum and shall yield a return of 20 per cent for new builds and extensions. The operating surplus increased, year-on-year, by 6.0 per cent in 2013 and the company invested a total of SEK 1,302 million in its in-house development projects. During the year two new build and extension projects were completed (Port 73 and Mobilia, see below). The total investment of these projects amounted to SEK 1,362 million and project return was lacking due to a challenging retail market and a tough construction market, primarily in Malmö.

The financial goals for the Group also state that the equity/assets ratio shall be a minimum of 30 per cent and that the interest coverage ratio multiple shall be a minimum of 2.0. At the 2013 year-end, the equity/assets ratio was 41.1 per cent and the interest coverage ratio multiple was 3.0.

The dividend paid to shareholders shall comprise a minimum of 50 per cent of the profit before changes in value and after nominal tax. The proposed dividend for 2013 totals SEK 3.05 per share, corresponding to a dividend share of 61.4 per cent.

THE MARKET AND MANAGEMENT

The Swedish economy was weak during 2013, primarily due to the export industry being impacted negatively as a result of lower demand by external players. The Swedish National Institute of Economic Research assesses that GDP increased by a low 1 %. The consumption of households mainly contributed to the growth, which primarily depended on an increase in income of households, an unexpectedly strong increase in employment and continued low interest rates. Inflation during 2013 amounted to –0.1 per cent. The total sales for retail trade increased by 1.9 per cent compared to 2012, measured in rolling prices.

In 2013, Atrium Ljungberg's major retail hubs, namely Sickla Köpkvarter, Farsta Centrum, Port 73, Gränby Centrum and Mobilia have reported a collective year-on-year increase in net sales of 4.7 per cent compared to the previous year, where Port 73 and Sickla Köpkvarter account for the largest increase. Net sales have been affected by both newly created areas as well as ongoing renovation work.

Cost-awareness continues to be high amongst retail sector companies and long decision-making processes are still evident when it comes to signing new lease contracts. Rental levels for Atrium Ljungberg's retail premises during the year have been stable at unchanged levels compared to the previous year.

The economic climate has resulted in a general levelling off in demand for office premises in Stockholm in 2013. Demand in Stockholm was, however, still higher than in the rest of Sweden and interest in premises outside Stockholm's city centre continues to be strong. Vacancy and rental levels have been unchanged.

The interest in premises outside Stockholm's city centre benefits Atrium Ljungberg which has large property portfolios in these areas. Greater demand for office premises in our subsidiary markets was noticed during the second half of 2013 compared to the first

half, with more newly agreed lease contracts as a result during the third and fourth quarter, primarily in Hagastaden, Sickla and Kista. Rental levels within Atrium Ljungberg's office portfolio have remained stable during the year.

Net letting during the fourth quarter of 2013, i.e. newly agreed contracted annual rents during the quarter, less annual rents terminated due to clients vacating the premises, amounted to SEK 18 million.

PROJECTS

Investments in own development projects amounted to SEK 1,302 million during 2013. Two major projects were completed and inaugurated during the year; a third phase of Port 73 in Haninge and a major reconstruction and new construction of Mobilia in Malmö. The remaining investment volume for ongoing projects amounted to approximately SEK 500 million at the turn of the year. During the year major work was initiated for developing new detailed development plans for the company's future development projects, primarily for Gränby Centrum, Sickla and Port 73. The plans cover both retail and office premises as well as housing and premises for other service operations. The estimated project volume of potential but not yet determined projects amounted to approximately SEK 7 billion at the turn of the year, an increase of approximately SEK 2 billion compared to the previous year. Moreover, the acquisition of Nacka Sicklaön 83:33, situated on Nobelberget in Sickla, took place after the turn of the year, which entails further project opportunities.

In August 2013, the third phase expansion in Port 73 in Haninge was inaugurated which covers a new retail area of approximately 10,000m². Ten or so grocery stores, restaurants and fashion stores were opened. Port 73 is practically fully let and now comprises forty or so stores, restaurants and service outlets with a total area of approximately 37,000m².

At the end of September 2013, the latest phase of the large transformation of Mobilia in Malmö was inaugurated, in which extensive work has been ongoing for a long period. We

have created a city district of the traditional retail centre, in which retail outlets have been supplemented with restaurants, service facilities and housing, and a vibrant city square milieu with pavement cafés and restaurants. Mobilia's historic surroundings have been retained, and the result is an intermingling of the old and the new. The project has covered new construction of a total of 29,000m² letting area, a new garage with approximately 650 parking spaces, and two new residential blocks with 9 and 16 floors with 70 or so rental apartments. Occupancy of the apartments started in October 2013 and will continue up until May 2014.

In September 2013 the first establishment opened, a new McDonald's restaurant, in Gränby Köpstad in eastern Uppsala. The development of Gränby Köpstad will continue next by a further building being constructed with three restaurant players; Pizza Hut, Chop Chop and Subway.

During 2013, work has been ongoing on completing the office block Sickla Front, previously referred to as HK AkzoNobel, on Uddvägen in Sickla. During the autumn AkzoNobel informed that they do not intend to fulfil the 15-year lease contract which was concluded in December 2010. Atrium Ljungberg firmly believes that there is no basis for rescission of the lease contract and as communicated earlier a claim for damages will be submitted against AkzoNobel. Sickla Front is now being completed without AkzoNobel's tenant-specific adaptations and work on identifying new tenants is ongoing.

In January 2013 a project started for building a new Ica Kvantum of approximately 3,500 m² in Farsta Centrum, a project which has been ongoing throughout the year. Opening will take place at the start of May 2014.

The work on completing Kvarteret NOD in Kista north of Stockholm has been ongoing throughout the year. NOD will become a unique meeting place for innovation and creativity – an attractive place for trade and industry, students, researchers and contractors. The total letting area amounts to 27,000 m². The biggest tenant is the University of Stockholm and its Department of Computer and Systems Sciences (DSV). Other tenants are the Stockholm Science & Innovation School (SSIS), the education company Cornerstone, Eatry – a restaurant, café and seminar concept as well as Kista Science City. Occupancy will start at the turn of the half-year 2014 and inauguration is planned for the end of September.

The detailed development plan for the new

Slussen area was approved at the end of September by the Land and Environment Court. Earlier during the year Atrium Ljungberg concluded an agreement with the City of Stockholm regarding compensation for damage that will be incurred by the company as a result of the new detailed development plan. The agreement means that the leasehold fee of Glashuset at Slussen is adjusted downwards by eight years and that Atrium Ljungberg will get a land allocation, i.e. get the opportunity to acquire land with development rights at market price, of 16,000 – 18,000 m² GFA at Stadsgårdsleden in front of Glashuset. If an agreement on acquisition and development is concluded, construction will begin during the latter phases of Slussen's transformation process, at the earliest in 2020.

In April 2013, the City of Stockholm Development Council granted Atrium Ljungberg a land allocation with the opportunity of acquiring land with a development right of 36,000 m² GFA in Hagastaden alongside Solnavägen (part of the Vasastaden 1:45 property). The development should contribute to the vision of Hagastaden as a life science cluster. Construction is estimated to start in 2020.

PROPERTY TRANSACTIONS

In July Atrium Ljungberg concluded an agreement to sell the Torgvågen 7 property on Hötorget in central Stockholm, better known as the PUB department store. The property covers 16,800 m² in total. The purchaser was AxFast AB. The sale took place through a divestment of shares. The purchase price was based on a property value of SEK 980 million before deductions for deferred tax. The date of vacation was 31 January 2014.

The Farsta Paviljongen 1 property on the island of Långholmen in Stockholm was sold in October. Atrium Ljungberg has owned 50 per cent of the property. The purchase price was based on a property value of SEK 67 million for the entire property. The date of possession was 4 November 2013. Two small plots were also sold in Nynäshamn at the end of the year.

PERSONNEL

During the year Carola Lavén and Magnus Alteskog resigned from their roles as Business Development Director and Project Manager respectively. Both were members of the company's management group. They were replaced by Linus Kjellberg, Business Development Director and Angela Berg, Project Manager. In connection with the change, a new business area, Transaction and Markets

was developed, which proactively works with transaction and business issues. Micael Averborg is in charge of the new business area. He was previously the company's Business Area Director of Offices. The new Business Area Director of Offices is Jonas Törnell.

EVENTS AFTER THE CLOSING DAY

On 2 February 2014, the property Nacka Sicklaön 83:33 was acquired, which is situated on Nobelberget in Sickla in Nacka, at a purchase price of SEK 355 million. The property has a total area of approximately 35,000 m² which currently includes several office buildings which are partially rented. A detailed development plan process is in progress to create both housing and more offices on the property. The date of possession was 28 February 2014.

OUTLOOK FOR 2014

The economy is improving and indicators suggest that optimism has returned to Sweden. The confidence of companies and households has strengthened as unemployment is declining and employment continues to increase. Tax reductions, low inflation and low interest rates contribute to strengthening the purchasing power of households and consumption is thereby expected to develop positively in 2014. The Swedish National Institute of Economic Research anticipates a growth in GDP of 2.4 per cent in 2014 in comparison with the estimated figure for the previous year of 1.0 per cent. HUI Research predicts that the combined growth in the retail sector in Sweden will total 3.0 per cent in 2014, in comparison to 2013 in which it amounted to 1.9 per cent.

Atrium Ljungberg is well-positioned, however, as growth in the markets in which the company has a presence is expected to be stronger than the average for Sweden as a whole. The projects completed during the year, together with the projects that will be completed in 2014, will affect profit positively in the year ahead. The profit will also be affected by conducted property sales as well as costs of a strengthened organisation with the aim of creating new business and project opportunities for the future. The forecast has also taken into account the acquisition of the property Nacka Sicklaön 83:33, possession of which will be taken in February 2014. The forecast profit before changes in value and tax for 2014 is SEK 800 million. The forecast net profit after tax is SEK 620 million, corresponding to SEK 4.76 per share. Changes in value and any future property acquisitions and sales have not been taken into account in the forecast.

OPPORTUNITIES AND RISKS

ATRIUM LJUNGBERG'S PROPERTY portfolio is primarily focused on retail and office operations in the Swedish market. We are thereby exposed to the performance of the Swedish economy as a whole and in the markets in which we operate. The risk areas are summarised below with reference to our assessments.

PROPERTY VALUES ¹

Atrium Ljungberg reports property values at fair value and a change in value consequently affects the company's profits. The cash flow is not, however, affected until the property is sold.

The market value is calculated on the basis of the purchaser's yield requirement and the anticipated operating surplus of the individual properties. The yield requirement is determined by the risk-free interest rate and the unique risk inherent in each property. The anticipated operating surplus is the surplus that a potential purchaser is expected to be capable of achieving. The preconditions for a high operating surplus are, however, affected by the way in which Atrium Ljungberg can manage and develop the properties into attractive retail hubs and office environments that can be operated in a cost-effective manner. Our property management operations have an important part to play in this respect by

developing long-term relationships with the tenants and ensuring that the properties maintain a high technical standard.

The yield requirement and operating surplus, and hence – indirectly – the market value, are also affected by external factors such as the economic climate and variations in the supply and demand balance in the local market. Atrium Ljungberg's strategy entails maintaining a presence in growth locations where the prerequisites exist for long-term growth. When analysing these markets, Atrium Ljungberg analyses the location, population growth, employment levels, general communications, and the competitive position. The markets in which we have a presence are, in our opinion, better equipped to cope with both economic upturns and downturns than the average market in Sweden. A change in the development of an area as a result of new detailed development plans is an additional factor and one that can have both a positive

and a negative effect on market value as far as the company is concerned.

The property valuation work is carried out quarterly and we engage external valuation consultants in order to quality assure the valuation. A total of 45 per cent of the properties' values have been externally valued during 2013. Find out more about the property valuation on pages 28–30 and in Note 15.

The table below shows how the effects of different parameters impact the market value.

SENSITIVITY ANALYSIS, PROPERTY VALUATION

Value parameter	Assumption	Impact on value, SEK m
Rental level	+/- 10 %	+/- 2,500
Operating cost	+/- SEK 50/m ²	-/+ 677
Yield requirement	+/- 0.25 %	-1,044 /+1,142
Long-term vacancy level	+/- 2 %	-/+ 750

The changes in the value of properties also affect the company's key ratios and the following sensitivity analysis shows how

MAIN RISK AREAS	INFLUENCING FACTORS	REFERENCE
PROPERTY VALUES	<ul style="list-style-type: none"> – Change in yield requirements – Change in view of operating surplus – Change in supply and demand balance in the local market – Changes in detailed development plans and general communications – Environmental risks 	<p>¹</p> <p>²</p>
INVESTMENT/PROJECTS	<ul style="list-style-type: none"> – The customer's requirements and expectations are not fulfilled – Rise in prices of projects due to incorrect costing during the planning phase and greater complexity – Cost trend of labour force and material – The technical standard is inadequate – Limited project portfolio can reduce future growth 	³
MANAGEMENT	<ul style="list-style-type: none"> – Demand for premises changes and thereby the market rents – Tenants vacate – E-commerce – Greater property expenses – Unpredictable events in our properties – Tenants cannot fulfil their payment obligations as per agreement – Suppliers cannot fulfil their deliveries 	<p>⁴</p> <p>⁵</p> <p>⁶</p> <p>⁷</p> <p>⁸</p>
FINANCING	<ul style="list-style-type: none"> – Access to new financing and refinancing of existing loans 	⁹
OTHER RISKS	<ul style="list-style-type: none"> – Ability to retain and attract skilled personnel – Risks in administrative processes – Changes to tax legislation and interpretations thereof 	<p>¹⁰</p> <p>¹¹</p> <p>¹²</p>

Atrium Ljungberg's gearing ratio is affected by changes in value of +/- 10 %.

SENSITIVITY ANALYSIS, CHANGE IN VALUE

Properties	-10 %	0	+10 %
Change in value, SEK m	-2,501	0	2,501
Gearing ratio	53 %	48 %	43 %

Environment 2

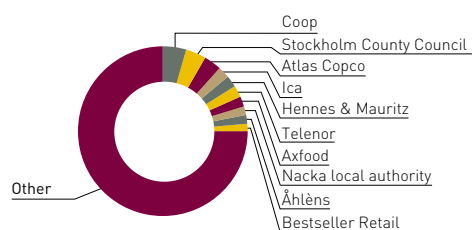
Under the provisions of the Swedish Environmental Code, the primary rule is that persons who pursue or have pursued an activity or taken a measure that is a contributory cause of the pollution activity that has contributed to a contamination incident or to a serious case of environmental damage (the operator) shall

be obliged to carry out investigations and to carry out or pay for after-treatment. The property owner can also, under certain circumstances, be secondarily liable. Atrium Ljungberg conducts surveys and screening work in conjunction with property acquisitions and ahead of new projects in order to identify any potential environmental risks. A plan is drawn up, where appropriate, detailing how these risks are to be managed and the measures that can be taken to prevent or hinder any negative impact. This process also helps to identify opportunities and characteristics that may enhance the performance of the property.

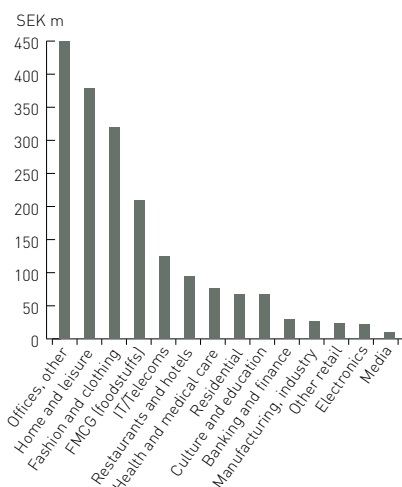
INVESTMENTS AND PROJECTS 3

Property development through investments in in-house properties and development rights is very important in terms of Atrium Ljungberg's value growth. Our goal, in conjunction with new builds and extensions, is a return on the investment of 20 per cent. A potential risk exists, in conjunction with new builds, reconstructions and extensions, that the customers' needs and expectations are not fulfilled. There is also a risk the project will become more expensive, due to incorrect costing during the planning phase, greater complexity during construction or technical standards being deficient. The economy also affects the cost trend of material and labour force.

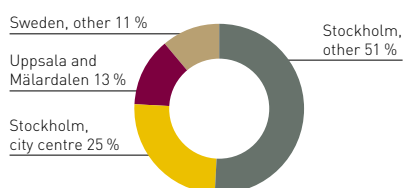
TEN LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT



CONTRACTED ANNUAL RENT BY SECTOR



CONTRACTED ANNUAL RENT PER REGION



MATURITY STRUCTURE LEASE CONTRACT AS PER 31/12/2013

Maturity year	Number of contracts	Contracted annual rent, SEK m	Contracted annual rent, %
2014	1,238	232	12
2015	433	370	20
2016	341	338	18
2017	302	359	19
2018	109	180	10
2019	44	103	5
2020 and thereafter	84	253	13
Housing	668	65	3
Total	3,219	1,900	100

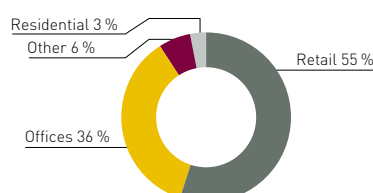
CONTRACTED ANNUAL RENTS BY CONTRACT SIZE, AS PER 31/12/2013

	Number of contracts	Contracted annual rent, SEK m	Contracted annual rent, %
0-250	2,227	120	6
251-500	237	87	5
501-1,000	291	209	11
1,001-3,000	332	570	30
>3,001	132	913	48
Total	3,219	1,900	100

BAD DEBT LOSSES

SEK m	2013	2012	2011	2010	2009
	6.1	4.3	0.8	5.2	3.4

CONTRACTED ANNUAL RENT PER PREMISES TYPE



In order to counter these risks, projects are conducted from the concept stage to completion using the company's in-house expertise, thereby ensuring that we have continuous direct contact with the customers, short decision-making pathways, a rapid and simple handover to the management team, and a big picture perspective that generates the potential for coming up with unique solutions. A steering group, comprising personnel from the business development, project management and management teams, is appointed for projects where the investment equals or exceeds SEK 20 million, and remains actively involved throughout the process. The steering group ensures that the project is conducted cost-effectively and that it meets customer demands.

The company applies its prudence concept to its investments and hence no investments are made without having secured a reasonable return by agreeing lease contracts or in combination with good conditions in the rental market.

During the year AkzoNobel rescinded its 15 year lease contract in our new office block Sickla Front. The rescission entailed a negative change of the property value by SEK 100 million. The decline in value depends on greater investment, adjusted rental level, lower letting area and a postponement of the occupancy date. In our opinion, this is a unique event and the conversion cost is particularly high as the premises were customised for the tenant.

All investment decisions where the sum to be invested exceeds SEK 20 million are taken by the Board of Directors. For sums of less than SEK 20 million, investment decisions are taken in accordance with the applicable approvals list within the company. Projects are insured during the construction period and with regard to guarantee undertakings after completion.

If long-term growth is to be maintained in the future, topping up the project portfolio as part of the ongoing search for new business opportunities is vital. SEK 500 million currently remains to be invested in already approved projects and potential investments in the portfolio for which a detailed development plan already exists or must be changed of total SEK 7 billion.

Properties are acquired primarily in order to acquire development rights and future development projects, or in order to gain strategic advantages. All acquisitions are made

with the intention of owning and developing the properties in the long-term.

See pages 92–94 for descriptions of Atrium Ljungberg's financing and financial policy.

MANAGEMENT

Changed conditions in the current management affect the development of the company's operating surplus as described below. It also impacts the property value and the company's funding in the long-term.

Rental income and tenant structure ⁴

Atrium Ljungberg's rental income is affected by the economic performance in the markets in which we operate and by how successfully we develop our retail hubs and office environments. Economic growth is assumed to result in increased demand for premises, with lower vacancies as a result – a trend which, in turn, usually leads to higher market rents. A negative economic trend is assumed to result in the opposite effect.

Atrium Ljungberg had a total of 2,551 (2,423) commercial lease contracts at the year-end, with a large spread across terms and tenant composition in order to reduce the market risk. The annual rent for the biggest single contract accounts for less than 2 per cent of the company's rental income. The ten biggest customers account for 25 (24) per cent (24 per cent) of the rental income, spread over 89 separate establishments. The average remaining lease term in the contract portfolio was 3.6 years (3.6 years) at the year-end, excluding residential.

Changes in market rents have a limited effect on rental income in the short-term because the commercial lease contracts are usually signed for a term of 3 to 5 years. The contract terms differ between retail and office properties, in that contracts for retail properties are preferably signed for shorter periods of time, approximately 3 years. This creates a good variation in and adaptation of the offering in our retail hubs.

Notice of the termination of lease contracts

can usually be given no later than nine months before the contract term expires, either for the renegotiation of contract terms or because the tenant wishes to vacate the premises. A fixed rent with a net sales clause, whereby the tenant pays a surcharge on the rent, based on its net sales, is commonplace in lease contracts for retail space. In an economic upturn, this generates the potential for increased rental income while if the situation is reversed, the risk is limited by the fact that the tenant pays a fixed minimum rent. The variable net sales surcharge totalled approximately 0.9 per cent (0.9 per cent) of the total rental income in 2013.

Letting rate ⁴

A change in the company's letting rate has a relatively rapid effect on income and the company's letting work is consequently conducted along strategic lines. The risk of high vacancy levels is reduced by maintaining a presence in strong markets and by having close contact with the tenants and meeting their premises-related requirements in a timely manner. A long-term vacancy level of between 2 and 3 per cent is deemed to be necessary in order to ensure our ability to meet customer requirements and maintain a desired flexibility. The letting rate has remained unchanged during the year at 95 per cent.

E-commerce ⁵

E-commerce has become an important sales channel. Several retail companies are establishing online stores and consumer maturity is gradually increasing. We are monitoring the trend closely and also have a close dialogue with our retail customers. At present no one can predict with certainty precisely how and to what extent the expanding e-commerce market will change consumption patterns, and thereby the retail market. For us it is important to build attractive areas and premises with flexibility and create areas which can easily be adapted based on new conditions. In recent times combining online trade and retail sale

SENSITIVITY ANALYSIS, CASH FLOWS ¹⁾

	Change, %	Effect on profit, year 1, SEK m	Effect on profit, full year, SEK m
Rental income	+/- 5 %	+/- 12	+/- 95
Property management costs	+/- 5 %	-/+ 33	-/+ 33
Letting rate	+/- 1 % unit	+/- 20	+/- 20
Atrium Ljungberg's average borrowing rate	+/- 1 % unit	-/+ 29	-/+ 124

¹⁾ The effect on the profit in year 1 relates to the effect in the immediately subsequent year with reference to fixed terms in lease contracts and loan agreements. Effect on profit is before tax.

has been successful as the consumer can feel secure with a physical store for collection and return of purchased goods.

Property expenses ⁶

Property expenses consist of service charge-related costs, cleaning, security, repairs, property tax and leasehold fees. These costs vary by season and are at their highest during Q1 and Q4 when heating costs and any snow clearance costs are at their highest. Some of the property costs are passed on to the tenant through regulation in the lease contracts and cost increases or savings consequently only have a limited impact on the company's results. Any vacancies that arise do, however, affect the result, not only in the form of lost rental income but in the form of costs that cannot be passed on to the tenants. We work purposefully, for the benefit of both our tenants and the company, to increase the efficiency of our consumption and procurement processes in order to limit both our costs increases and our environmental impact. Unforeseen damage and repairs can have a negative effect on the company's results and are prevented by means of a long-term maintenance programme in order to maintain a good standard throughout the property portfolio.

Atrium Ljungberg has ten leasehold properties. The leasehold agreements are usually renegotiated at 10 or 20 year intervals. The size of the leasehold fees for 2013 and a maturity structure are contained in note 6.

Unpredictable events in our properties ⁷

Our properties can be affected by unpredictable events in the form of fire, water damages and other damages. We continuously work with preventative measures such as, for example, our properties having updated fire alarms, sprinkler systems, entrance control systems and trained security officers. Action plans in the event of any incidents are developed together with our suppliers of security services. All of our properties are insured for their full value through Länsförsäkringar.

Credit and currency risk ⁸

The term, credit risk, refers to the risk that our suppliers and tenants will be unable to fulfil their delivery or payment obligations. The tenant's ability to pay the contracted rent is, therefore, evaluated by the respective market area, both when a new lease contract is signed and on a rolling basis throughout

the rental term. The agreements are, where appropriate, supplemented in conjunction with this evaluation with collateral pledged by the tenants in the form of deposits or bank guarantees corresponding to between 3 and 12 months' rent. The company held deposits of SEK 23 million and bank guarantees of SEK 34 million at the year-end.

Atrium Ljungberg has no income or any financing in foreign currencies. The only exception is purchases made in foreign currency, which entails a small currency risk.

FINANCING, INTEREST AND CASH FLOW ⁹

Access to financing of new investments and refinancing of existing loans at reasonable terms is an important and prioritised issue for Atrium Ljungberg. The company's low gearing ratio, strong key ratios, and good relationships with the banks all bode well for the company's potential access to new financing. In 2013 the company established both a certificate and an MTN programme under which issues were conducted.

The interest maturity structure has been spread over different terms in order to limit the risk of severe fluctuations in interest expenses. Atrium Ljungberg's 2013 financial policy states that a maximum of 50 per cent of the financing requirement may be met by a single lender, in order to limit the financing risk. At the year-end, Atrium Ljungberg had credit agreements with 5 different lenders. See the Financing section on pages 92–94 for further information.

OTHER RISKS

A number of other risk areas which impact the company are summarised below.

Expertise ¹⁰

The ability to attract and retain skilled personnel is an important prerequisite for Atrium Ljungberg's success. We consequently work in a structured way with values, building support for our objectives, monitoring performance, and development programmes for employees and managers. One of the company's stated goals is to become one of Sweden's best workplaces in accordance with "Great Place to Work®".

Administrative processes ¹¹

Risks that could result in the company incurring costs exist within the administrative

sphere. This may result from deficient routines and checking within the company's work processes. The work processes are often supported by IT systems which streamline the administration and prevent human errors and mistakes. Disruption to and incorrectly customised IT systems can entail additional costs. Atrium Ljungberg constantly works to update and develop IT systems to prevent disruptions.

The internal checks are supplemented by external ones carried out by the company's chosen auditors and other experts. See pages 106–107 for further details of our internal checks.

Taxes ¹²

Atrium Ljungberg may be affected by changes in tax legislation, such as the level of corporation tax, property tax or other amendments to tax legislation or the interpretation thereof. The company's finance and accounts department consequently works continuously with the evaluation of changes to tax legislation and interpretations thereof.

As previously communicated, Atrium Ljungberg has appealed a ruling by the Swedish Administrative Court on a tax case. The case concerns the taxation of a property transaction carried out in 2004 via a limited partnership. At the end of the year the Administrative Court of Appeal dismissed the Company's appeal, and in January 2014 the entire tax demand, including interest charges, SEK 107 million was paid to the Swedish Tax Agency. Atrium Ljungberg has contested the ruling of the Administrative Court of Appeal and has applied for leave to appeal in the Supreme Administrative Court.

Atrium Ljungberg has conducted an analysis of the Group's property transactions for the years from 2004 onwards during which no other similar transaction was identified.

Deferred tax

Current accounting regulations require deferred tax liabilities to be reported as if all property sales were taxed at 22 per cent. The effective tax burden is, however, lower as properties can be sold tax-free through the sale of shares in companies. Assuming a deferred tax rate of 10 per cent for costing purposes, the deferred tax totals SEK 1,142 million, rather than the reported value of SEK 2,516 million, which would have a positive effect on shareholders' equity of SEK 1,374 million. See page 97 for additional calculations.



3

QUESTIONS FOR ANNICA ÅNÄS, CFO

Atrium Ljungberg has entered the capital market. Why?

› Yes, the capital market is new for us this year. In order to diversify our financing we set up a commercial paper programme during the spring of 2013 and an MTN programme during the autumn. Both programmes were successful.

What are you doing to increase trade of shares?

› We have a continuous dialogue with our major shareholders and regularly meet potential owners. During the year the Stockholm Consumer Cooperative Society and the Ljungberg family together sold 4.7 million shares with the aim of improving liquidity.

Compared to other Swedish property companies you have a low gearing ratio. How do you view the gearing ratio in the future?

› Our long-term goal is to have a gearing ratio which falls below 50 per cent. We think that this is important for the company's long-term stability.

CAPITAL MARKET PROVIDES A BROADER FINANCING BASE

ATRIUM LJUNGBERG'S ASSETS are valued at SEK 26,830 million and are primarily financed by means of shareholders' equity and loan liabilities to banks. The operations are capital-intensive and access to capital and the choice of capital structure are, therefore, important in achieving the desired combination of financing cost relative to financial risk. During the year we have established a commercial paper and MTN programme and issued under both programmes.

FINANCE MARKET 2013

The Swedish economy entered 2013 with relatively gloomy prospects, which were largely met. Swedish exports incurred a weak international trend while expectations of household consumption were not met. At the end of the year the Riksbank lowered the repo rate by 0.25 percentage points to 0.75 per cent, despite its concerns of the Swedish indebtedness. The interest rate cut was considered to be necessary in order to attain the inflation target of two per cent in the long-term.

Swedish market rates were largely affected by the monetary policy of the Central Banks. Viewed over the year, the 5 year swap interest rate increased by 0.65 percentage points while the 3 month Stibor declined by 0.35 percentage points and ended up at 0.94 per cent at the turn of the year.

FINANCE MARKET 2014

Macro indicators provide an ambiguous view of the trend for 2014. For Sweden it is important that exports accelerate and that household consumption is strengthened. The recovery in

the USA is becoming clearer and is important for the global economy. It appears as though Europe has hit bottom but the Euro zone is facing large political challenges while the recovery is fragile.

There is a lot to indicate that interest rates will be low during 2014. Most commentators expect that the first interest rate rise by the Riksbank will be conducted at the end of 2014 at the earliest. The market's pricing of the 3 month Stibor is between 0.91–1.06 during 2014.

FINANCING AND FINANCIAL POLICY

Property operations are a capital-intensive sector, which often entails a range of financial risks. The primary risks are fluctuations in the profit and cash flow due to interest rate changes, along with refinancing risks and credit risks in association with contract renegotiations and investment volumes, given the company's high investment rate of approximately SEK 1 billion per year. Financial operations are regulated by our financial policy, which is reviewed at least once a year and adopted by the Board of Directors.

CAPITAL STRUCTURE AND CAPITAL MARKET

Atrium Ljungberg has shareholders' equity totalling SEK 11,021 million and liabilities totalling SEK 15,809 million, SEK 12,427 million of which refer to interest-bearing liabilities. The gearing ratio, i.e. the percentage of interest-bearing liabilities in relation to the value of the property holdings, is 48 per cent, which is a relatively low gearing ratio in comparison with those of other listed Swedish property companies. See diagram on page 94.

The banks are Atrium Ljungberg's biggest financiers, and bank loans account for 88 per cent of the total loan volume. During 2013 the financing base has been broadened by preparing a commercial paper programme and an MTN programme. The framework amounts for the programmes total SEK 2 and SEK 3 billion. Outstanding commercial papers totalled SEK 950 million at the turn of the year and bonds of SEK 500 million were issued under the MTN programme. There are credit commitments amounting to SEK 1,750 million as supplement for the commercial paper programme.

FINANCIAL POLICY 2013

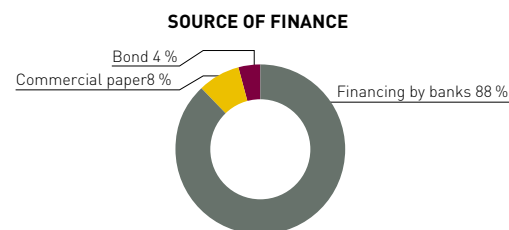
	Goal/Mandate	Result, 31/12/2013
Gearing ratio, commercial properties	max. 70 %	68 %
Gearing ratio, residential property	max. 75 %	71 %
Gearing ratio, the Group	max. 50 %	48 %
Percentage of interest falling due within 12 months	0–55 %	33 %
Percentage of loans falling due within 12 months	10–30 %	14 %
Currency risk, financing	Not permitted	None
Bank deposits	SEK 0–200 million	SEK 187 million
Unutilised overdraft facility	SEK 300–500 million	SEK 300 million
Number of financing providers, banks	3–7	5
Loan volume with a single provider	max. 50 %	38 %
Percentage of loan volume with the capital market	max. 25 %	12 %

FINANCIAL GOALS

	Goals	Result, 31/12/2013
Equity/assets ratio	Min. 30 %	41 %
Interest coverage ratio	> Multiple of 2	Multiple of 3.0

CAPITAL STRUCTURE

SEK m	2013	2012
Shareholders' equity	11,021	10,255
Interest-bearing liabilities	12,427	11,613
Non-interest-bearing liabilities	866	1,234
Deferred tax liability	2,516	2,365
Total shareholders' equity and liabilities	26,830	25,467



CAPITAL COMMITMENT AND FIXED INTEREST

Atrium Ljungberg's property ownership is a long-term commitment and long-term financing is hence required. Long-term capital commitment also reduces the refinancing risk. The remaining capital commitment period was 3.0 years in comparison to 3.1 years at the beginning of the year.

Interest expenses are the biggest single cost item in the Income Statement. They are affected primarily by changes in market rates and the credit market preconditions that influence the margin required by lenders. Interest rates are fixed for a variety of terms in order to reduce the fluctuations in interest expenses. We use tools such as interest derivatives, which offer a flexible and cost-effective way of extending the interest term of the loans, in order to achieve the desired fixed interest periods. The average fixed interest term amounted to 4.9 years at the

beginning of the year to 4.4 years at the year-end. Interest swaps have been entered into for a total value of SEK 7,461 million with terms maturing between 2014 and 2027. The average credit margin for variable interest rates is spread over the time segment during which the derivative falls due for payment.

We have an unutilised overdraft facility totalling SEK 300 million.

FINANCIAL INSTRUMENTS

Interest derivatives shall, in accordance with the accounting regulation, IAS 39, be valued at market rate, which means that an unrealised surplus or deficit value arises if the agreed interest rate deviates from the current market rate. The amount is recognised directly against the result. The unrealised change in the value of financial instruments for 2013 totalled SEK 342.6 million (SEK -182.5 m) as a result of interest rates rising in relation to the swap rates taken out. The surplus book value of the

derivatives portfolio totalled SEK 14.9 million as per 31 December 2013.

SECURITIES

Our borrowing is largely secured by mortgages on properties. Of the interest-bearing liabilities, SEK 10,977 million is secured by mortgage deeds and SEK 1,450 million is unsecured.

The Parent Company also, as a supplement to mortgages on properties, sometimes issues a guarantee undertaking for the subsidiary companies' borrowing.

COVENANTS

The covenants, i.e. the terms imposed by the bank for granting credit, are similar in the various credit agreements. The agreements primarily prescribe a minimum interest coverage margin multiple of 1.30–1.75, a maximum gearing ratio of 65–75 per cent, and a minimum equity/assets ratio of 25–30 per cent. Parent Company guarantees are also used.

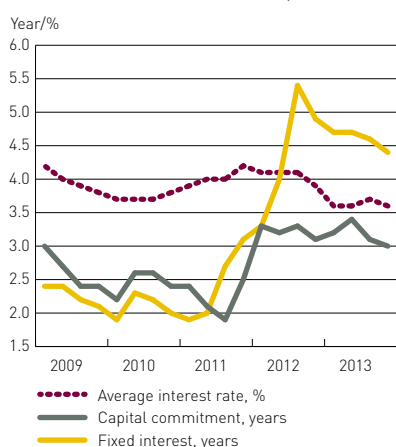
CAPITAL COMMITMENT

Maturity date	Amount, SEK m	Percentage, %
2014	1,754	14
2015	3,054	25
2016	3,385	27
2017	1,923	15
2018	1,482	12
2019 and thereafter	829	7
Total	12,427	100

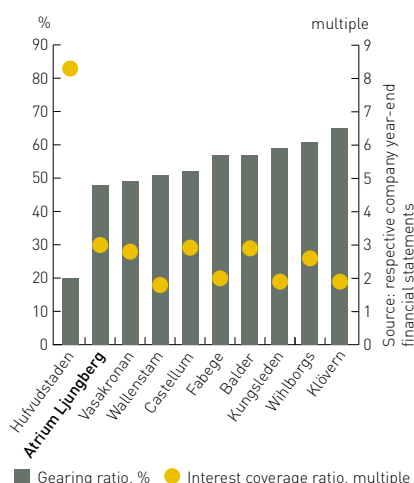
FIXED INTEREST

Fixed interest term	Amount, SEK m	Percentage, %	Average interest, %
Variable + 3 month STIBOR	2,081	17	2.5
2014	1,979	16	2.8
2015	400	3	4.6
2016	1,085	9	4.0
2017	830	7	3.8
2018	849	7	3.8
2019 and thereafter	5,202	42	4.1
Total	12,427	100	3.6

AVERAGE INTEREST RATES, CAPITAL COMMITMENT AND FIXED INTEREST TRENDS, 2009–2013



GEARING RATIO AND INTEREST COVERAGE MARGIN



FINANCIAL KEY RATIOS

	31/12/2013	31/12/2012
Interest-bearing liabilities	12,427	11,613
Gearing ratio, %	47.8	47.3
Average fixed interest term, yrs.	4.4	4.9
Average capital commitment term, yrs.	3.0	3.1
Average interest rate for interest-bearing liabilities, %	3.6	3.9
Shareholders' equity, SEK m	11,021	10,255
Equity/assets ratio, %	41.1	40.3

STABLE RETURNS AND GOOD VALUE GROWTH OVER TIME

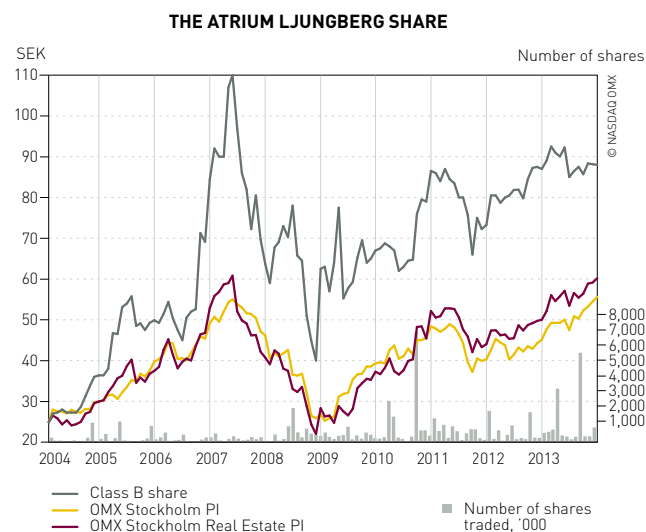
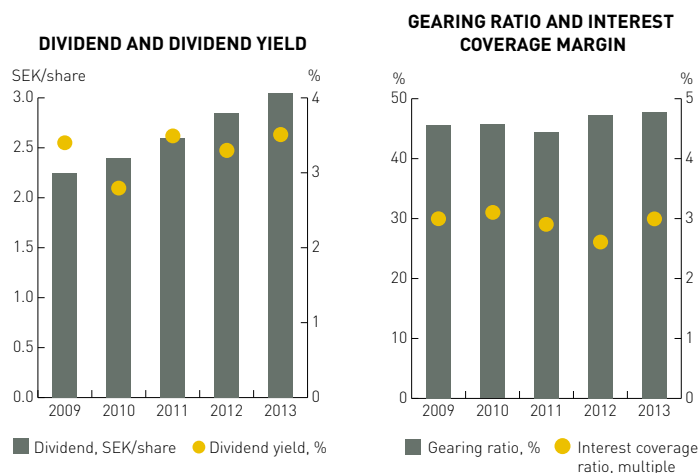
AS A SHAREHOLDER in Atrium Ljungberg, you will receive a stable dividend yield at a low risk and, at the same time, enjoy the potential for a strong total return on your investment in the light of the company's interesting project portfolio.

THREE REASONS TO OWN SHARES IN ATRIUM LJUNGBERG

1 A stable return
– The dividend yield over the last five years was 3.3 per cent. The dividends paid by the company since its flotation in 1994 have never fallen in SEK per share.

2 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 ratio.

3 Potential for good value growth
– With a planned investment rate of SEK 1 billion per year and a goal of 20 per cent project profit on new build and extension projects, the company – and hence the share – has excellent potential for good value growth over time.



"Our long-term interest in Atrium Ljungberg is a logical consequence of our historic commitment to the development of retail hubs. The company is, furthermore, well run, with an interesting project portfolio and delivers good returns."

Lars Ericson, CEO, the Stockholm Consumer Cooperative Society

"Atrium Ljungberg is a quality company which has a proven track record in operating chosen real estate areas in Sweden. For us the company has been an excellent way to have real estate exposure in Stockholm and overall Sweden."

Risto Murto, CEO of the mutual occupational pension insurance company, Varma

MARKET CAPITALISATION

Atrium Ljungberg's class B share (LJGRB) is listed on the NASDAQ OMX Stockholm exchange and is traded on the list for large companies, Large Cap. The share price at the year-end 2013/2014 was SEK 88.00 (SEK 87.00), corresponding to a market capitalisation of SEK 11,723 million. Atrium Ljungberg is, therefore, the sixth largest listed property company. The year's highest closing price amounted to SEK 97.95 and the lowest to SEK 82.45.

TRADE AND TURNOVER

Since the introduction of the EU's MiFID Directive, it is permitted for shares to be

traded in marketplaces in addition to the stock exchanges where the shares are listed. In 2013 a total of 14.6 million shares (7.9 million shares) in Atrium Ljungberg were traded, of which all are traded on NASDAQ OMX Stockholm. The turnover rate increased to 11 per cent (6 per cent) during the year.

LIQUIDITY

Atrium Ljungberg has engaged Remium as a liquidity guarantor in order to improve the share's liquidity. Remium has undertaken to set bid and ask prices on a daily basis for a volume of shares corresponding to SEK 30,000 with a maximum difference of 4 per cent on the basis of the ask price. Atrium

Ljungberg's biggest owners, the Stockholm Consumer Cooperative Society and the Ljungberg family, collectively sold 4.7 million shares in September 2013. The sale was intended to improve the share's liquidity. The shares were distributed between approximately 50 shareholders.

OWNERSHIP STRUCTURE

The number of registered shares amounted at the turn of the year to 133,220,736 shares, of which 4,000,000 are class A shares and 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. The Articles of Association include a pre-emp-

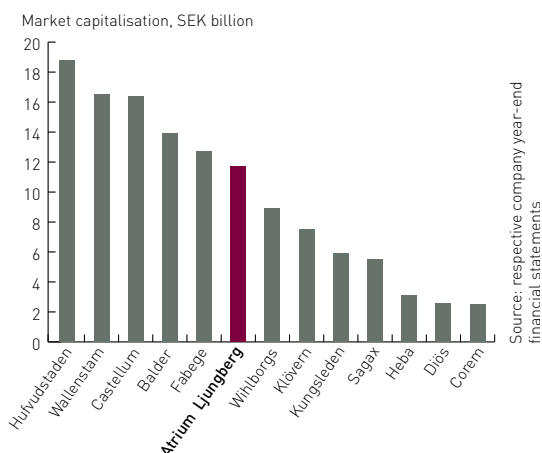
MAJOR SHAREHOLDERS, 31/12/2013

	Class A shares ('000)	Class B shares ('000)	Total capital	Total votes	Share of votes	Share of capital
The Stockholm Consumer Cooperative society	–	46,666	46,666	46,666	28.1	35.0
Ljungberg family	1,810	27,086	28,896	45,186	27.2	21.7
Holmström family	1,810	14,958	16,768	33,058	19.9	12.6
The mutual occupational pension insurance company, Varma	–	7,143	7,143	7,143	4.3	5.4
Länsförsäkringar asset management	–	4,752	4,752	4,752	2.9	3.6
AFA Försäkring	–	2,470	2,470	2,470	1.5	1.9
SHB Fonder	–	1,779	1,779	1,779	1.1	1.3
Margaretha af Ugglas	–	1,445	1,445	1,445	0.9	1.1
Skandia Liv	–	1,193	1,193	1,193	0.7	0.9
Ulf Holmlund	380	462	842	4,262	2.6	0.6
Other	–	18,203	18,203	18,203	11.0	13.7
Total outstanding shares	4,000	126,157	130,157	166,157	100.0	97.7
Shares bought back	–	3,064	3,064	–	–	2.3
Total number of shares issued	4,000	129,221	133,221	166,157	100.0	100.0

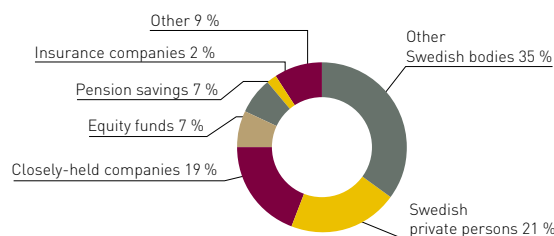
BREAKDOWN OF SHAREHOLDINGS

Shareholding, number of shares	Number of owners	Percentage, %	Number of shares, ('000)	Percentage, %
1–1,000	1,495	73	385	0
1,001–10,000	381	19	1,322	1
10,001–50,000	83	4	1,923	1
50,001–100,000	21	1	1,421	1
100,001–500,000	35	2	8,373	6
500,001–1,000,000	7	0	4,749	4
1,000,001–	18	1	115,047	86
Total	2,040	100	133,221	100

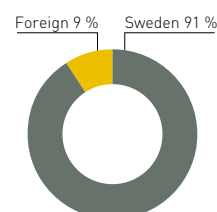
LISTED PROPERTY COMPANIES, AS PER 31-12-2013



OWNER CATEGORIES



OWNERSHIP BY COUNTRY



tion clause with regard to class A shares whereby shareholders wishing to sell their shares must first offer them to other holders of class A shares. There is also an agreement between the company's class A shareholders whereby if the pre-emption right is not exercised, the class A shares should be converted to class B shares before a transfer may occur. The number of class B shares bought back by the Group amounted to 3,063,748 at the turn of the year. Bought-back shares do not grant entitlement to dividends or to exercise voting rights. The company had 2,040 shareholders at the year-end. 91 per cent of the ownership is based in Sweden,

approximately 76 per cent of which is based in Stockholm County.

NET WORTH

As Atrium Ljungberg's properties are reported at fair value and deferred tax is reported at 22 per cent of the difference between fair value and fiscal value, the net worth can be calculated on the basis of the Balance Sheet equity. It should be borne in mind, however, that the effective tax rate is probably lower than 22 per cent because properties can be sold through the tax-free sale of shares in subsidiary companies. The scale of the effective deferred tax liability for the properties

that can be sold through the sale of shares is largely dependent on the market's pricing of the deferred tax liability in conjunction with such a corporate transaction. Deferred tax liabilities are commonly valued in the interval between 0–10 per cent.

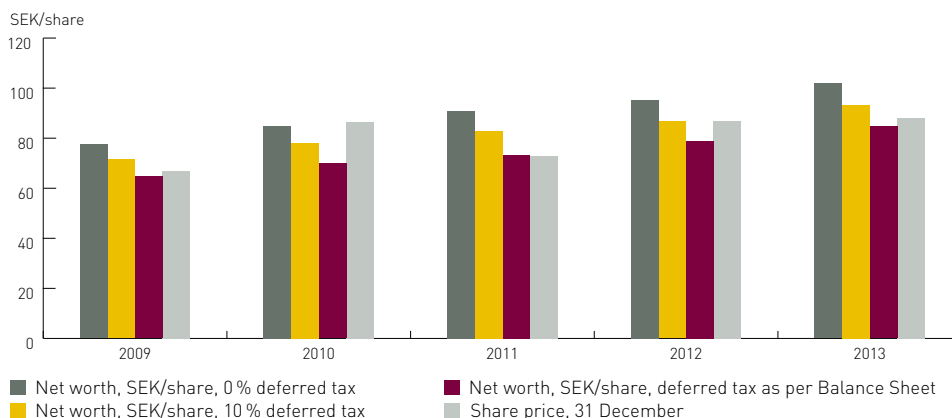
The shareholders' equity of the company amounted to SEK 11,021 million at the turn of the year, corresponding to SEK 85 (SEK 79) as equity per share. The net worth, with a calculation of deferred tax for properties of ten per cent, corresponds to SEK 93 per share at the same time.

Atrium Ljungberg has a substantial project portfolio in which the development of its own

NET WORTH

	2013	2012	2011	2010	2009
Shareholders' equity, as per Balance Sheet, SEK m	11,021	10,255	9,541	9,099	8,416
Reversal of goodwill, as per Balance Sheet, SEK m	-274	-308	-390	-390	-407
Reversal of deferred tax in respect of investment properties, SEK m	2,512	2,445	2,671	2,325	2,072
Net worth at 0 % deferred tax, SEK m	13,259	12,392	11,822	11,034	10,082
Deferred tax, 10 %, SEK m	-1,142	-1,111	-1,016	-884	-778
Net worth at 10 % deferred tax, SEK m	12,117	11,281	10,807	10,150	9,304
Net worth, SEK/share, 0 % deferred tax	102	95	91	85	77
Net worth, SEK/share, 10 % deferred tax	93	87	83	78	71
Net worth, SEK/share, deferred tax, as per Balance Sheet	85	79	73	70	65
Share price, 31 December	88	87	73	86	67

NET WORTH AND SHARE PRICE



development rights generates growth in value. The future value potential of the project portfolio has not been taken into account when reporting the company's net worth. Find out more about the project portfolio on page 41.

DIVIDEND

The dividend shall correspond to a minimum of 50 per cent of the profit before changes in value after nominal tax, unless investments or the company's financial position in general

motivates a deviation from this norm.

A dividend of SEK 3.05 per share (SEK 2.85 per share) is proposed for the 2013 financial year.

The proposed dividend corresponds to a dividend yield of 3.5 per cent (3.3 %), calculated on the basis of the share price at the year-end.

INFORMATION FOR SHAREHOLDERS

Atrium Ljungberg's primary information channel is the company's website,

www.atriumljungberg.se. All press releases and financial reports are published here. The financial reports are available in both Swedish and English. Press releases are available by email or text message in conjunction with publication. The website also contains an up-to-date description of the company's operations and ongoing projects. Regular meetings are organised for analysts, shareholders, potential investors and financiers, both in Sweden and abroad.

DATA PER SHARE

	2013	2012	2011	2010	2009
Share price, 31 December	88.00	87.00	73.25	86.50	67.00
Price trends, %	1.1	18.8	-15.3	29.1	7.2
Shareholders' equity, SEK/share	84.67	78.79	73.30	69.91	64.66
Earnings per share, SEK	8.52	7.92	6.95	7.03	1.44
Profit/loss before changes in value, less nominal tax, SEK/share	4.97	4.19	3.93	3.79	3.78
Dividend (2013 proposed), SEK/share	3.05	2.85	2.60	2.40	2.25
Share dividend yield, %	3.5	3.3	3.5	2.8	3.4
Share's total yield, %	4.7	22.7	-12.3	32.7	10.8
Number of shares issued, '000	133,221	133,221	133,221	133,221	133,221
Number of outstanding shares at end of period, '000	130,157	130,157	130,157	130,157	130,157
Average number of outstanding shares, '000	130,157	130,157	130,157	130,157	130,157

MONITORING BY ANALYSTS

ABG Sundal Collier	Fredric Cyon
Carnegie Investment Bank	Tobias Kaj
Handelsbanken Capital Markets	Albin Sandberg
Pareto Öhman	Johan Edberg
Remium	Henrik Dahlgren
SEB Enskilda	Nicolas McBeath
Swedbank Markets	Niclas Höglund

CALENDAR

2014 Annual General Meeting	07/04/2014
Interim Report, January–March 2014	15/04/2014
Interim Report, January–June 2014	10/07/2014
Interim Report, January–September 2014	22/10/2014
2014 Preliminary Financial Statements	February 2015
2014 Annual Report	March 2015

FOR FURTHER INFORMATION, PLEASE CONTACT



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OUR STRATEGY HOLDS FIRM



“Based on a long-term approach, we should only invest in areas and properties where we see project opportunities or potential.”

PEOPLE WILL ALWAYS demand areas to perform their daily errands, spend time, do business and socialise. Atrium Ljungberg shall meet these needs through retail hubs and urban environments in expanding areas. The Board of Directors has continued work during 2013 with the long-term goal in sight.

Atrium Ljungberg's mission is to develop projects, manage and own attractive retail, office and full-service environments in the long-term in strong markets. Our areas should offer everything from social services to businesses and restaurants. That is how we will become an interesting partner and that is how we create full-service environments which stand out from the rest. That is primarily when people want to spend their time in our environments. This necessitates that we choose our tenants very carefully and have long-term relationships with them. Now we also work actively and successfully with supplementing our retail hubs with housing. In addition to further strengthening the full-service environment, these investments facilitate the housing supply of municipalities.

LONG-TERM APPROACH ESSENTIAL

Our operations are based on a long-term approach. I am convinced that it helps us to cope with times of economic uncertainty and downturn in a better manner. We have also seen this during 2013. Atrium Ljungberg had a successful year despite the unconvincing economic recovery and retail experiencing a low growth rate. Therefore, the Board of Directors can propose a higher dividend to the Annual General Meeting, by seven per cent to SEK 3.05 per share.

We are continuing to invest in markets with an upward trend. Furthermore, we are doing this with a business model which lasts. There are many benefits of retail hubs, they especially save time for consumers in everyday life and are accessible through various modes of transport. These needs are particularly evident in urban areas with a fast population growth, which bears testament to the fact that the number of retail hubs have not been filled yet. In this sense the issue of over-establishment of retail hubs is irrelevant.

GROWTH THROUGH PROJECT DEVELOPMENT

In order to continue doing what we are best at, we must ensure a continuous influx of new projects. Based on a long-term approach, we should only invest in areas and properties where we see project opportunities or potential. Over the past year, we have both made changes to the management group and created the new business area Transaction and Markets in order to be able to spend more energy identifying, acquiring and developing projects. We have also strengthened our financial readiness so that we can be a part of openings which emerge in the market.

We expect the international competition to increase while Sweden is seriously considered as a nation for investment in properties. Sweden is clear and stable with proper property registers, a functioning credit market and a clear tax system. But I am convinced that Atrium Ljungberg is also strong in this competition as we have vast local awareness, understanding of the municipal political process and the demands of municipalities at large.

As the property market becomes more international, we should naturally have preparedness for meeting an expanded European market in different ways. As a company listed on the Stockholm Stock Exchange's Large Cap list, as a first step we envisage greater foreign ownership in Atrium Ljungberg.

As we now enter 2014 and the subsequent years, we do this confidently with knowledge of the fact that the demand for retail persists, and that as an office location Stockholm is strong and that Atrium Ljungberg is located in expanding areas.

Dag Klackenborg, Chairman of the Board

CORPORATE GOVERNANCE REPORT

Atrium Ljungberg is a Swedish public limited company with registered offices in Nacka. The Articles of Association prescribe the company's operations as follows: the company shall conduct construction operations, own and manage real property or leaseholds and securities, conduct trade in properties, and engage in any and all other activities compatible therewith. The Articles of Association do not contain any provisions for changes in the Articles of Association. The company's class B share (LJGRB) is listed on the NASDAQ OMX Stockholm exchange, the Large Cap. The foundation of corporate governance comprises the Articles of Association, the Swedish Companies Act, other applicable laws and ordinances, the regulatory framework of the stock exchange, the Global Reporting Initiative (GRI), internal guidelines and policies and the Swedish Code of Corporate Governance, ["the Code"]. The overriding purpose of the Code is to strengthen the confidence of Swedish quoted companies by promoting a positive development of the corporate governance. These norms are not compulsory but are based on the principle that any deviations should be specified and explained. During the year the company has not reported any deviations from the Code and has otherwise complied with good practice in the stock market. Atrium Ljungberg strives for openness for the company's decision-making pathways,

responsibilities and authority, and a range of control systems.

GOVERNANCE STRUCTURE

The structure of corporate governance within Atrium Ljungberg is presented in the image below and the following sections.

OWNERS AND SHARES

The company's share capital amounted to SEK 333,051,840 on 31 December 2013, divided among 4,000,000 class A shares (ten votes per share) and 129,220,736 class B shares (one vote per share). The company currently holds 3,063,748 own class B shares. The only restriction on voting rights applies to the company's holding of its own shares. The company's market capitalisation at the year-end totalled SEK 11,723 million. Atrium Ljungberg's target is for the dividend to correspond to at least 50 per cent of the profit before changes in value after estimated tax unless investments or the company's financial position otherwise mandate a deviation from this norm.

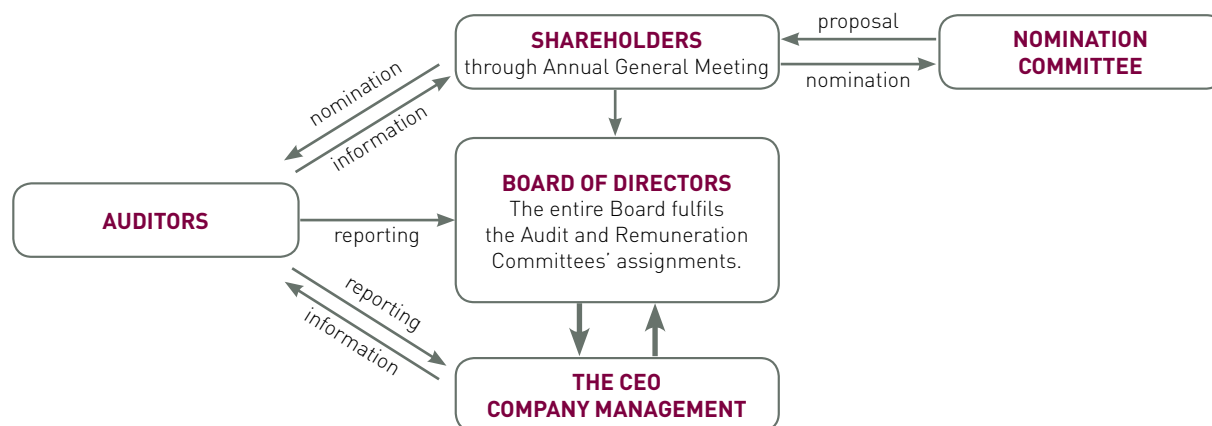
The number of shareholders amounted to 2,040 at the year-end. The following owners have direct or indirect shareholding in the company which represents at least a tenth of the number of votes for all shares in the company; the Stockholm Consumer Cooperative society (35.0 % of the capital and 28.1 %

of the votes), the Ljungberg family (21.7 % of the capital and 27.2 % of the votes) and the Holmström family (12.6 % of the capital and 19.9 % of the votes). More information on the ownership structure is contained in the table on page 96.

ANNUAL GENERAL MEETING

The shareholders' influence within the company is exercised through the General Meeting of the company's shareholders, which is the company's most senior decision-making body. The General Meeting appoints the Board of Directors and the company's auditors, and adopts principles governing remuneration to the Board of Directors, the auditors, and the company's senior executives. The General Meeting also takes decisions with regard to the Articles of Association, dividends, and any changes to the share capital. The General Meeting shall also, at the Annual General Meeting which shall be held within six months of the end of the financial year, adopt Balance Sheets and Income Statements and decide on the discharge from liability for the Board of Directors and the CEO. The date of the Annual General Meeting is announced in conjunction with the Interim Report of 30 September. Notices convening the Annual General Meeting shall be issued 4–6 weeks before the meeting and shall be issued by means of press releases, announcements in the Swedish

GOVERNANCE STRUCTURE OF ATRIUM LJUNGBERG



Internal steering instruments

Business concept, business plan, goals and strategies, the formal work plan of the Board of Directors, the CEO's instructions, policies, job descriptions, core values, delegation instructions and authorisation instructions.

External steering instruments

The Nordic Exchange rules for issues, the Swedish Code of Corporate Governance, the Swedish Companies Act, IFRS, the Swedish Annual Accounts Act, GRI and other relevant legislation.

Official Gazette, and on the company's website, www.atriumljungberg.se. The issue of the convening notice shall be announced in the Dagens Nyheter newspaper. Shareholders are entitled to have an issue discussed at the meeting if the Board is provided with notice thereof no later than seven weeks before the meeting is held. The 2013 Annual General Meeting was held on 10 April which was attended by 106 shareholders representing 82.3 per cent of the share capital and 86.2 per cent of the votes. The Annual General Meeting took decisions on, amongst other things, the following issues:

- the adoption of Income Statements and Balance Sheets for the Parent Company and the Group;
- the granting of discharge from liability for the Board of Directors and the CEO;
- the determination of the appropriation of profits entailing a dividend of SEK 2.85 per share;
- the election of the Board of Directors;
- the determination of Directors' fees totalling SEK 1,400,000, broken down as SEK 400,000 payable to the Chairman of the Board and SEK 200,000 payable to each of the Board Members;
- the determination of Auditors' fees in accordance with an approved presentation of invoice;
- the establishment of a Nomination Committee representing the five biggest shareholders by vote as of 30 April 2013;
- the adoption of guidelines for the remunera-

tion of senior executives within the Group;

- the authorisation of the Board to transfer, on one or more occasions, the company's holdings of its own class B shares in a regulated market where the shares are listed or in conjunction with the acquisition of companies, operations or properties;

Minutes of the Annual General Meeting and other meeting documents are available on the company's website.

BOARD OF DIRECTORS

The Board has comprised of six members during the year (information about the members is contained on page 104). The Code states that a majority of the Board shall be independent in relation to the company and the senior executives. At least two of the independent members must also be independent in relation to the company's major shareholders. The composition of the Board complies with the independence requirements. The Articles of Association do not contain any provisions on the appointment and dismissal of board members.

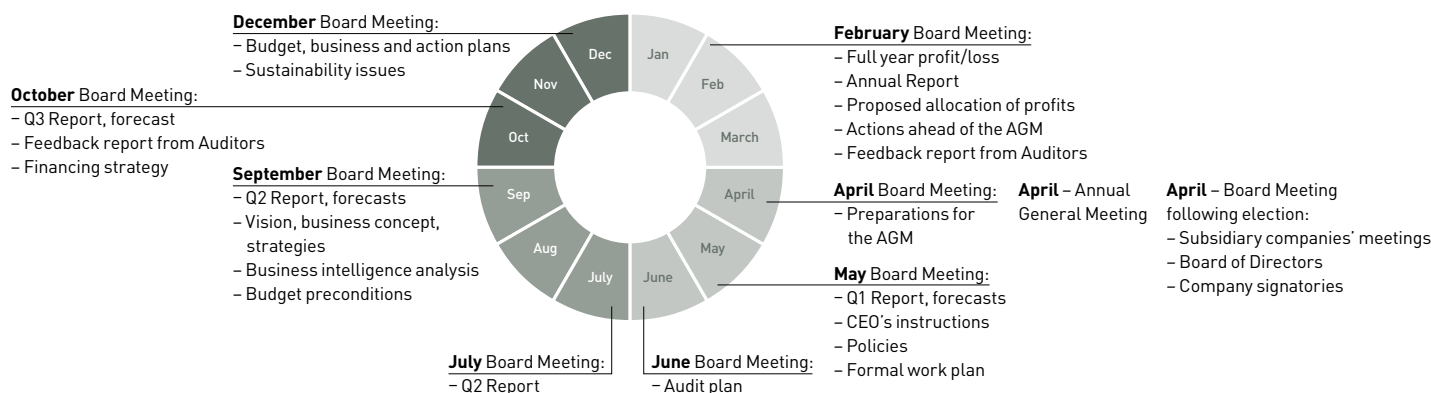
The Board has an overall responsibility for the company's organisation, the financial reporting and for ensuring that the management of the company's affairs is handled in a manner which ensures that the interests of owners for long-term good return on capital are fulfilled. The responsibility also covers efficient and appropriate systems for governance, internal control and risk management.

As a supplement for the Swedish Companies Act, the Articles of Association and the

Code, the Board annually determines a formal work plan (including the CEO's instructions, instructions for the financial reporting, business plan and budget, ethics and suppliers policy, equal opportunity and discrimination policy, sustainability policy, work environment policy, communication policy, financial policy, crisis policy and IT policy). The formal work plan regulates the Board's work structure. The Chairman of the Board organises and leads the work of the Board, ensures that the Board has the expertise and know-how required to perform its duties, that the Board receives the information and decision data required for its work, that the Board's resolutions are implemented, and that the work of the Board is evaluated every year. The Board's assignments include setting operational goals and strategies, appointing, evaluating and if necessary dismissing the CEO, ensuring that effective systems are put in place for monitoring and control of the company's operations and that there is compliance with legislative and other requirements, and deciding on transfer of properties and companies as well as investments of SEK 20 million or more. The work of the Board and CEO should be evaluated annually. The formal work plan prescribes that the Board shall, over and above the Board Meeting following election, meet at least five times per year. The Board has held ten ordinary Board Meetings of which one Board Meeting following election was held during the year.

In 2013, the Board laid down the overall goals for the company's operations and

THE BOARD OF DIRECTORS' ANNUAL PLANNING, OVER AND ABOVE STANDING ITEMS such as investment decisions, situation reports on ongoing projects, and management, liquidity and financing.



decided on the strategies needed to achieve these goals. Goals and goal fulfilment are described on pages 6–7 of the Annual report. The Board has decided on all investments in excess of SEK 20 million and on property acquisitions and sales carried out. There has been a strong focus on ongoing and future investment projects, transfer of properties and financing issues. Feedback reports from the Group management with regard to the company's economic and financial position, sustainability reporting, current market issues, and ongoing projects have been presented at the Board Meetings. Results in comparison with the budget have been reported quarterly during the year, together with revised forecasts for the 2013 financial year. The annual planning of the Board is presented in the image on the previous page.

The Board members have appropriate collected experience, expertise and breadth with respect to Atrium Ljungberg's operations, development phases and conditions in general. The formal work plan does not contain any provisions on work allocation between the members. The entire Board has comprised the Audit and Remuneration Committees, in that the Board has deemed it more appropriate to address these issues within the context of the normal work of the Board. The Remuneration Committee prepares, complies with and evaluates issues concerning terms of employment and any programmes for variable remuneration for the company management, guidelines for remuneration of senior exe-

cutive and remuneration structures and levels in the company. The Audit Committee is responsible for preparation of the Board's work on quality assurance of the company's financial reporting, regularly meets the company's auditors to learn about the focus and scope of the audit and to discuss the coordination between the external and internal audit and view of the company's risks, establishes guidelines for which services besides the audit the company may procure from the company's auditor, evaluates the audit effort and informs the company's Nomination Committee about the results of the evaluation and assists the Nomination Committee for preparing proposals for auditors and remuneration of the audit effort.

The company's auditors have reported on their work and observations to the Board on two occasions during the year, on one of these occasions without the presence of the company management. The Board has evaluated the work of the CEO, and under the direction of the Chairman of the Board and Nomination Committee, conducted an in-depth evaluation of the Board's work and members. A feedback report on the evaluation was submitted to the Board.

The company's Legal Counsel has acted as Secretary to the Board. The Chairman of the Board has had frequent ongoing contact with the CEO during the year.

THE CEO AND SENIOR EXECUTIVES

The company management comprises the CEO and seven managers responsible for the property management functions (trade and offices), business development, transaction and markets, project implementation, business support and HR functions. In addition to ongoing matters within each function in 2013, the company management has prioritised issues concerning ongoing investment projects, transfer of properties, financing issues and business development.

Ingalill Berglund (born in 1964) took over as CEO of the company in 2011. She joined Atrium Ljungberg in 2001 as the company's CFO and has almost 20 years' experience in the property industry, gained at companies such as Stadshypotek Fastigheter and Skolfastigheter i Stockholm (Sisab). Ingalill Berglund has no other significant directorships. She holds 40,000 class B shares in Atrium Ljungberg and has no shareholdings in companies with which Atrium Ljungberg has significant commercial links.

The other members of the senior management are presented on page 105 and the organisation structure on page 10.

REMUNERATION FOR SENIOR EXECUTIVES

Resolutions regarding guidelines for remuneration for senior executives were adopted at the Annual General Meeting held in 2013, which conform to the proposals for guidelines for 2014. Salaries and other terms of employment for the company management shall be market-

THE BOARD OF DIRECTORS, 2013

		Elected	Remuneration, SEK	Independent*	Independent**	Note	Board Meetings
Dag Klackenborg	Chairman	2004	400,000	Yes	Yes	1)	10 of 10
Sune Dahlqvist	Member	2006	200,000	Yes	No	2)	10 of 10
Thomas Evers	Member	2011	200,000	Yes	No		10 of 10
Anna Hallberg	Member	2009	200,000	Yes	Yes		10 of 10
Johan Ljungberg	Member	2001	200,000	Yes	No	3), 4)	10 of 10
Anders Nylander	Member	2011	200,000	No	Yes		9 of 10

* Independent in relation to the company and the company management

** Independent in relation to the company's major shareholders

¹⁾ Chairman of the Board as of the 2011 Annual General Meeting

²⁾ Chairman of the Stockholm Consumer Cooperative Society, which is one of the company's major shareholders. Deputy Member, 2006–2011

³⁾ Deputy Member of the Board, 2001–2009

⁴⁾ Directly and/or indirectly a major shareholder in the company

⁵⁾ Member of the Board up to the 2012 Annual General Meeting

based and competitive, but shall not be market leaders in terms of salary paid in relation to other comparable companies. The guidelines shall apply for the senior management team which consists of the CEO and seven Business Area Directors. The CEO's remuneration shall be proposed by the Chairman and determined by the Board of Directors. Remuneration payable to other members of the senior management team shall be proposed by the CEO and approved by the Board. Remuneration payable to the senior company management team, including the CEO, comprises a fixed salary. No variable salary or performance-related remuneration shall be payable. The CEO's retirement age is 62, while that of the other members of the company management is 65. Pension plans are defined contribution plans, and the company hence has no additional obligations after payment of the annual premiums.

The CEOs shall, if notice of termination is given by the company, be entitled to a 12 month notice period and severance pay corresponding to 12 months' salary. No other severance pay is payable. Other members of the senior management have notice periods of up to 6 months. The terms and conditions applied by the company for other Group employees, either in accordance with collective agreements or in accordance with unilateral undertakings by the company to the employees, shall otherwise apply, where applicable, to the company management. Departure from the above-mentioned guidelines by the Board of

Directors is permitted if there are specific grounds for so doing in a particular instance.

AUDITING

The accounting firm of Ernst & Young AB was elected at the 2011 Annual General Meeting to act as auditors for Atrium Ljungberg for the period up to and including the end of 2015 Annual General Meeting. Authorised Public Accountant, Jonas Svensson has been appointed as the auditor in charge who will sign the Audit Report together with Authorised Public Accountant Ingemar Rindstig.

The auditing team has ongoing contact for information purposes with the company during the year, over and above the review activities conducted. The Board meets with the auditor at least twice a year, one of which meetings is held in the absence of the company management. The company's auditors audit the annual financial statements and also carry out a review of the interim accounts as per 30 September and review the company's internal controls.

NOMINATION COMMITTEE

The Nomination Committee is the General Meeting's body for preparing the meeting's resolutions on appointment-related issues. The Nomination Committee shall propose a basis for the Meeting's handling of the following issues:

- the election of the Chairman of the Meeting, the Chairman of the Board and other

Members of the Board of Directors of the company;

- the determination of Directors' fees for the Chairman of the Board, other Board Members, and any remuneration for committee work and, where relevant, the election and remuneration of Auditors;
- decisions on principles relating to the structure of the Nomination Committee ahead of impending Annual General Meetings.

At the Annual General Meeting held on 10 April 2013, it was decided that the Nomination Committee for the 2014 Annual General Meeting shall comprise representatives of the company's five biggest shareholders by votes, as of 30 April 2013. In the light of Ulf Holmlund's waiver of his representation, Lars Ericson representing the Stockholm Consumer Cooperative Society, Gunilla Fjelde (also Chairperson of the Nomination Committee) representing the Holmström family, Eva Gottfridsdotter-Nilsson representing Länsförsäkringar, Johan Ljungberg representing the Ljungberg family, and Pirta Wentzel representing the mutual occupational pension insurance company, Varma, were elected as members of the Nomination Committee. During the year the Nomination Committee met all board members, was involved in the Board evaluation and improved the company's operations.

REMUNERATION 2013

SEK k		Basic salary/fee	Other remuneration	Other benefits	Pension costs	Share-related remuneration	Total
Senior management							
Ingalill Berglund	CEO	3,044	–	44	937	–	4,025
Other senior executives		9,034	72	291	2,171	–	11,568
Board of Directors							
Dag Klackenborg	Chairman	400	–	–	–	–	400
Anders Nylander	Member	200	–	–	–	–	200
Anna Hallberg	Member	200	–	–	–	–	200
Johan Ljungberg	Member	200	–	–	–	–	200
Sune Dahlqvist	Member	200	–	–	–	–	200
Thomas Evers	Member	200	–	–	–	–	200

BOARD OF DIRECTORS



From the left: Anders Nylander, Thomas Evers, Anna Hallberg, Sune Dahlqvist, Dag Klackenber and Johan Ljungberg.

ANDERS NYLANDER

Member of the Board. Born 1952. Graduate Engineer. CEO of Atrium Ljungberg between 2003 and 2011. Member of the Board since 2011.

Other significant directorships:

Chairman of the Board of Kista Science City AB. Member of the Boards of the Electrum Foundation, Kjell & Company, Nobelhuset AB, and seats on the Boards of companies within Investor AB's property company, the Vectura AB Group.

Atrium Ljungberg shareholding:

121,600 class B shares.

DAG KLACKENBERG

Chairman of the Board. Born 1948. Graduate Business Administrator, LL.B., CEO of the Swedish Trade Federation 2001–2013. Member of the Board since 2004.

Other significant directorships:

Chairman of the Boards of Ersta Sköndal högskola AB, Nyréns Arkitektkontor AB and AB Svensk Byggtjänst. Member of the Board of Scandbook AB.

Atrium Ljungberg shareholding:

4,000 class B shares.

THOMAS EVERS

Member of the Board. Born 1957. LL.B. from University of Lund. Senior Counsel at the Stockholm Consumer Cooperative Society. Member of the Board since 2011.

No other significant directorships.

Atrium Ljungberg shareholding:

2,000 class B shares.

JOHAN LJUNGBERG

Member of the Board. Born 1972. Graduate Engineer. CEO of Tagehus AB. Member of the Board since 2009. Deputy Member of the Board between 2001 and 2009, and Member of the Board for part of 2006.

Other significant directorships:

Member of the Boards of companies within the Tagehus Group. Chairman of the Board of Credentia AB.

Atrium Ljungberg shareholding:

1,206,400 class A shares and 4,067,600 class B shares.

ANNA HALLBERG

Member of the Board. Born 1963. Economics & Law graduate of the Gothenburg School of Economics and Business Administration. Deputy CEO of Almi Företagspartner AB. Member of the Board since 2009.

Other significant directorships:

Member of the Boards of Högskolan Väst and companies within the Almi Group.

Atrium Ljungberg shareholding:

2,000 class B shares.

SUNE DAHLQVIST

Member of the Board. Born 1948. LO's folk high school. Former Negotiations Manager for the Swedish Union of Tenants, Stockholm Region. Member of the Board since 2011. Deputy Member of the Board, 2006–2011.

Other significant directorships:

Chairman of the Board of Stockholm Consumer Cooperative Society. Member of the Boards of the Swedish Cooperative Union (KF) and Folksam Liv. Member of KF's Audit Committee.

Atrium Ljungberg shareholding:

1,000 class B shares.

COMPANY MANAGEMENT



From the left: Micael Averborg, Jonas Törnell, Mattias Celinder, Annica Ånäs, Ingalill Berglund, Linus Kjellberg, Angela Berg, Helena Martini.

MICAEL AVERBORG

Born 1965. Business Area Director, Transaction and Markets. Employed by the Atrium Ljungberg Group since 2000.

Atrium Ljungberg shareholding:
1,500 class B shares.

JONAS TÖRNELL

Born 1957. Business Area Director, Offices. Employed by the Atrium Ljungberg Group since 2013, also employed between 1988–2007.

Atrium Ljungberg shareholding:
23,528 class B shares.

MATTIAS CELINDER

Born 1972. Business Area Director, Retail. Employed by the Atrium Ljungberg Group since 2006.

Atrium Ljungberg shareholding:
300 class B shares.

ANNICA ÅNÄS

Born 1971. CFO. Employed by the Atrium Ljungberg Group since 2011, also employed between 2008–2010.

Atrium Ljungberg shareholding:
3,000 class B shares.

INGALILL BERGLUND

Born 1964. CEO. Employed by the Atrium Ljungberg Group since 2001. CEO of the company since 2011. Twenty years' experience of the property sector.

No other significant directorships outside the company.

Atrium Ljungberg shareholding:
40,000 class B shares.

LINUS KJELLBERG

Born 1972. Business Development Director. Employed by the Atrium Ljungberg Group since 2003.

No shareholding in Atrium Ljungberg.

ANGELA BERG

Born 1975. Project Manager. Employed by the Atrium Ljungberg Group since 2011.

No shareholding in Atrium Ljungberg.

HELENA MARTINI

Born 1965. HR Manager. Employed by the Atrium Ljungberg Group since 2010.

No shareholding in Atrium Ljungberg.

INTERNAL CONTROL

THE BOARD OF Directors is, subject to the provisions of the Swedish Companies Act and the Swedish Code of Corporate Governance, responsible for the company's internal control. This report has been prepared in accordance with chapter. 6, §6 of the Swedish Annual Accounts Act and is consequently limited to internal control in respect of the financial reporting. The company has, in order to describe the internal control, followed the framework established by COSO (the Committee of Sponsoring Organisations), which comprises five components, namely control environment, risk management and assessment, control activities, information and communication, and follow-up work.

CONTROL ENVIRONMENT

The Board of Directors has overall responsibility for ensuring good internal control and effective risk management. The Board adopts a formal work plan every year, laying down the Board's responsibilities and regulating the Board's internal division of labour. The Board has decided that the entire Board shall comprise both the Audit Committee and the Remuneration Committee. The Board exercises its control primarily through the annual adoption of policy documents, CEO's instructions, delegation instructions, instructions for the financial reporting, operational goals and strategies, and business plans and budgets. The company's policies are:

- Ethics and suppliers policy
- Equal opportunity and discrimination policy
- Sustainability policy
- Work environment policy
- Communication policy
- Financial policy
- IT policy
- Crisis policy

The company management is responsible for structuring, documenting, maintaining and testing the systems and processes needed to minimise risks as part of the operating activities and financial reporting. There are, in addition to policy documents, delegation instructions, authorisation instructions, and job descriptions for the respective employees containing details of the employees' responsibilities and authorities, and standardised reporting routines.

The company also has very well-supported core values that permeate every aspect of our operations, such as reliability, a long-term approach, and collaboration.

Atrium Ljungberg is also a member of the Global Compact and has consequently signed up to the ten principles in the fields of human rights, labour law, the environment and anti-corruption. The company has also, since 2008, reported in accordance with GRI (Global Reporting Initiative). A GRI index is presented on pages 147–148 of the Annual Report. For a more detailed presentation, see the company's website at www.atriumljungberg.se.

RISK MANAGEMENT AND ASSESSMENT

Risk assessment means that Atrium Ljungberg has identified the work processes and Income Statement and Balance Sheet items where there is a risk that inaccuracy, incompleteness, or improprieties could arise if the requisite control activities are not built into the routines. Risk assessment accordingly analyses whether errors could occur and, if so, how and where they could occur in the process. The risk assessment work has identified the items where the risk of significant errors is greatest, namely items where the sums involved in the transactions are substantial or where the process is highly complex and requires strong internal control. The three most important risk areas are: project operations, property valuation and financing activities.

Project operations

During 2013 the company has invested SEK 1,302 million in own development projects, of which the investment in Mobilia in Malmö and the office project NOD in Kista account for the largest share. No investments are made

until a reasonable return can be secured.

Detailed costing calculations based on extensive expertise in the field are carried out in order to minimise the risks inherent in construction projects. Procurement is conducted cost-effectively using in-house project managers by means of a so-called divided contract process whereby several operators are allowed to submit quotes for individual components of the construction project. Project reviews are conducted every quarter and attended by the Chairperson of the steering group, business developers, project managers, the CFO, and the project controller. Project reports are submitted on a rolling basis to the company management and the Board, noting any deviations from the plan.

Property valuation

Monitoring trends in the property market in order to ensure the ability to assess the properties' market values is one of the important components of the valuation process. During 2013 the company consequently conducted quarterly reconciliations with external valuation experts. The company conducts its own internal valuations but external valuations are also performed at both the turn of the full-year and half-year. For 2013, 45 per cent of the property portfolio has been externally valued. External valuation experts also quality assure assumed rents, costs, vacancies and yield requirements in conjunction with the internal valuation processes.

Financing activities

Property operations are a capital-intensive sector, which often entails a range of financial risks. The main risks involve fluctuations in

profits and cash flow as a result of changes in interest rates, and refinancing risks. These risks are regulated in the company's financial policy and are monitored continuously by the company's management and Board of Directors. The Board also monitors compliance with mandates specified in the financial policy. During 2013 the Board took a decision on a commercial paper programme and an MTN programme to widen the financing base.

The following processes have also been analysed during the year in addition to the above-mentioned risk areas:

- Account process
- Routines in conjunction with property transactions
- The payroll process
- The letting process
- Tax and VAT administration
- The purchasing process
- IT systems

See the section entitled "Opportunities and risks" on pages 88–91 with regard to other risks identified.

CONTROL ACTIVITIES

A number of control activities have been introduced in order to prevent inaccuracies occurring and with the aim of ensuring that the control goals are fulfilled. The work on risk assessment and structuring of control activities has been conducted by individuals involved in the respective processes on an ongoing basis, in cooperation with the company's controllers, Senior Controller, and CFO in order to ensure participation and an

understanding of the risks and the importance of conducting internal controls. Internally, the company also works continuously to evaluate and enhance the efficiency of its control activities. The controls are carried out both at overall level, through analyses of results and key ratios, and at a detailed level by defining a number of control points in the ongoing processes and routine descriptions. The company's results are compared with budgets and forecasts every quarter and ongoing projects are monitored in relation to Board resolutions. Detailed commentaries are submitted to the company management and Board of Directors in accordance with standardised reporting routines as part of the follow-up work.

INFORMATION AND COMMUNICATION

The Annual Report, Preliminary Financial Statement, Interim Reports and other ongoing information are prepared in accordance with Swedish legislative requirements and praxis. The information provision shall be characterised by transparency and shall be reliable. A communications policy regulating the way in which information is to be provided has been established in order to ensure that external communication with the stock market is correct. Our aim is to generate an understanding of and confidence in the operations on the part of owners, investors, analysts and other stakeholders.

The company management is responsible for informing relevant employees of their responsibilities with regard to the maintenance of good internal control. Employees are kept up to date with regulations and policies via the company's Intranet and information meetings. The creation of job descriptions for

every position within the company also ensures clarity with regard to division of responsibility.

FOLLOW-UP WORK

All process descriptions, policies and steering documents are updated as necessary, but at least once a year. An evaluation of the internal controls is also conducted every year. Both the senior management and the Board of Directors are notified of the results. Atrium Ljungberg has no internal audit department. The system for internal controls is followed up by the Group's CFO, the Senior Controller, Accounting Managers, the company's Controllers (who have specialist competence), and through self-evaluation, and feedback is provided to the Board of Directors. These controls are deemed to be necessary and sufficient to generate appropriate knowledge, feedback of experience and high quality in the ongoing accountancy work, and hence in the financial reporting. The company's auditors also conduct ongoing reviews of the company's internal controls and report their findings on the company's internal control to the company's senior management and Board. For 2013 the auditors considered the following focus areas during the review of internal control; project operations, the letting process, purchasing process, payroll process, accounts process and property valuation. The 2013 feedback report of the auditors shows that Atrium Ljungberg has very good internal control. The Board believes that the establishment of a separate internal audit function is consequently not justified.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Note	2013	2012
Rental income	5	1,956.2	1,824.8
Net sales, project and construction work		405.3	252.9
Net sales	2	2,361.5	2,077.7
Property management costs			
Service charge-related costs		-178.9	-167.1
Other operating costs		-156.1	-137.0
Management costs		-128.9	-124.9
Repairs		-41.0	-41.8
Property tax		-119.5	-97.8
Leasehold fees		-24.7	-23.5
Non-deductible VAT		-9.8	-8.7
	6,7,8,9	-658.9	-600.9
Project and construction work costs		-394.3	-242.0
Gross profit/loss		1,308.3	1,234.8
– of which gross profit property management (operating surplus)		1,297.3	1,224.0
– of which gross profit/loss from project and construction work	10	11.0	10.9
Central administration, property management		-47.1	-41.7
Central administration, project and construction work		-14.4	-16.6
	3,7,8,9	-61.5	-58.2
Financial income	12	2.8	13.9
Financial expenses	12	-420.6	-451.3
		-417.8	-437.4
Profit/loss before changes in value		829.0	739.2
CHANGES IN VALUE			
Properties, unrealised	15	142.5	367.8
Properties, realised		-1.6	32.7
Financial instruments, unrealised	29	342.6	-182.5
Goodwill write-downs	13	-33.4	-82.2
		450.1	135.8
Profit/loss before tax		1,279.1	875.0
Current tax	14	6.1	-89.8
Deferred tax	14	-176.9	245.6
		-170.8	155.8
Net profit/loss for the year		1,108.3	1,030.8
Other comprehensive income			
<i>Items which will be reclassified to the profit/loss</i>			
Cash flow hedging	29	35.9	40.9
Tax attributable to other reported income and expenses		-7.9	-18.5
Total other comprehensive income		28.0	22.4
Total comprehensive income for the year		1,136.3	1,053.2
Earnings per share, SEK		8.52	7.92

COMMENTS ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NET SALES

The Group's net sales totalled SEK 2,362 million (SEK 2,078 m). Rental income for 2013 totalled SEK 1,956.2 million (SEK 1,824.8 m), corresponding to a year-on-year increase of 7.2 per cent. The increase is explained by income in completed phases in Mobilia and Port 73 and greater letting during the year, and the full-year effect of properties acquired at the end of 2012.

The letting rate was 95 per cent (95 %), including project properties. Contracted annual rents at the year-end totalled SEK 1,900 million (SEK 1,904 m).

Net sales for project and construction activities during the year totalled SEK 405 million (SEK 253 m). TL Bygg's net sales totalled SEK 492 million (SEK 379 m), of which SEK 114 million (SEK 153 m) comprised work on behalf of Group companies.

PROPERTY EXPENSES

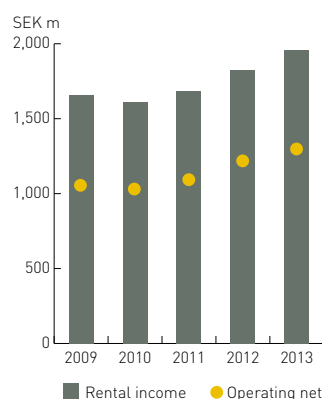
Property expenses totalled SEK -658.9 million (SEK -600.9 m), corresponding to an increase of 9.7 per cent. The cost increase is explained by, among other things, higher property tax which is the result of all properties, given the general property taxation, having received new taxation values. Service charge-related costs as well, such as electricity and district heating and other operating costs have increased during the year.

GROSS PROFIT/LOSS

The gross profit for the property management activities (the operating surplus) totalled SEK 1,297.3 million (SEK 1,224.0 m), corresponding to an increase of 6.0 per cent. The operating surplus margin was 66 per cent (67 %).

The gross profit for project and construction activities totalled SEK 11.0 million (SEK 10.9 m).

RENTAL INCOME AND OPERATING NET



Costs in connection with ongoing development projects that cannot be capitalised have been charged to the result.

CENTRAL ADMINISTRATION

Central administration comprises the costs in connection with the company management and central support functions, and other costs not associated with property administration. Central administration for project and construction work includes costs in connection with the CEO and other administrative personnel and for IT, premises-related costs, etc. The cost for the year totalled SEK -61.5 million (SEK -58.2 m), corresponding to an increase of 5.7 per cent.

FINANCIAL INCOME AND EXPENSES

Financial expenses have decreased to SEK -420.6 million (SEK -451.3 m). Net borrowing increased by SEK 814 million in 2013 and is primarily attributable to the financing of conducted investments. The previous year's expenses included an estimated interest expense of SEK -14.4 million in respect of a tax dispute. See below for additional information.

The average interest rate on interest-bearing liabilities totalled 3.6 per cent (3.9 %) at the year-end. The average fixed interest term was 4.4 years (4.9 years). Financial income totalled SEK 2.8 million (SEK 13.9 m).

CHANGES IN VALUE

Unrealised changes in the value of properties totalled SEK 142.5 million (SEK 367.8 m) and are explained in the table below.

UNREALISED CHANGES IN VALUE

SEK m	
Change in yield requirements	245
Change in rental levels	96
Change in project investments	-199
Total	142

Realised changes in the value of properties totalled SEK -1.6 million (SEK 32.7 m) and are attributable to the sale of Torgvågen 7 (PUB) and Fasta Paviljongen 1 in Stockholm.

Write-downs of goodwill totalled SEK -33.4 million (SEK -82.2 m). The Group's goodwill is attributable to the difference between nominal tax and calculated tax applied in conjunction with earlier operational acquisitions. Write-downs for the year are attributable to the year's sale of Torgvågen 7 (PUB). During the year the goodwill item was affected by

lowering of the corporation tax rate on 1 January 2013 to 22 per cent.

The derivatives portfolio comprised SEK 7,461 million in interest swaps at the year-end. These swaps are subjected to market valuation and the change is reported in the Income Statement. The unrealised change in the value of financial instruments totalled SEK 342.6 million (SEK -182.5 m) for the year as interest rates had risen on the terms of the derivatives taken out in relation to those during the year.

TAX

The current tax for the year totalled SEK 6.1 million (SEK -89.8 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.

During 2012 a provision of SEK -91.5 million was made, for a tax demand concerning taxation of a property transaction via a limited partnership which was conducted in 2004. At the end of 2013 the Administrative Court of Appeal dismissed the Company's appeal, and in January 2014 the entire tax demand, including interest charges, was paid to the Swedish Tax Agency. The ruling of the Administrative Court of Appeal has been contested and an application for leave to appeal has been submitted to the Supreme Administrative Court.

The change in deferred tax totals SEK -176.9 million (SEK 245.6 m). In the previous year the deferred tax was impacted positively by the lowered corporation tax rate of 22 per cent.

The year's effective tax expense amounts to 13 per cent and has been impacted positively by a property sale through divestment of shares.

PROFIT/LOSS

The Group posted a profit before changes in value of SEK 829.0 million (SEK 739.2 m), an increase of twelve per cent. The net profit for the year totals SEK 1,108.3 million (SEK 1,030.8 m), corresponding to SEK 8.52/share (SEK 7.92/share).

OTHER COMPREHENSIVE INCOME

Other comprehensive income reports reversal of the hedging reserve in shareholders' equity which relates to the derivatives (interest swaps) which until 31/12/2011 applied hedge accounting. As of this date Atrium Ljungberg does not apply hedge accounting to these instruments.

CONSOLIDATED BALANCE SHEETS

Amounts in SEK m	Note	31/12/2013	31/12/2012
ASSETS			
Fixed assets			
Investment properties	15, 16	25,008.5	24,576.2
Tangible fixed assets	19	16.9	19.6
Goodwill	13	274.3	307.6
Participations in associated companies	20	0.1	0.1
Deferred tax receivable	22	5.1	3.6
Derivatives	29	14.9	–
Other long-term receivables		0.9	0.4
Total fixed assets		25,320.7	24,907.5
Current assets			
Accounts receivable	23	92.6	77.5
Tax receivables		126.4	126.5
Other receivables	24	1,004.7	78.3
Prepaid costs and accrued income	25	99.3	88.6
Liquid assets	28, 29	186.6	188.5
Total current assets		1,509.6	559.4
Total assets		26,830.3	25,466.9
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		333.0	333.0
Other capital contributed		3,959.8	3,959.8
Provisions		–113.3	–141.3
Profits brought forward including net profit/loss for the year		6,841.2	6,103.8
Total shareholders' equity attributable to the Parent Company's shareholders		11,020.7	10,255.3
Long-term liabilities			
Deferred tax liability	27	2,515.7	2,364.5
Long-term interest-bearing liabilities	28, 29	10,660.2	8,810.9
Derivatives	29	–	361.8
Other long-term liabilities	30	25.1	22.7
Total long-term liabilities		13,201.0	11,559.9
Current liabilities			
Short-term provisions	33	–	105.9
Short-term interest-bearing liabilities	28, 29	1,753.6	2,802.4
Derivatives	29	–	1.9
Accounts payable		118.7	177.9
Other liabilities	32	136.3	27.8
Accrued costs and prepaid income	31	600.0	535.8
Total current liabilities		2,608.6	3,651.7
Total shareholders' equity and liabilities		26,830.3	25,466.9
MEMORANDUM ITEMS			
Collateral pledged for liabilities to credit institutions			
Property mortgages		12,250.8	11,722.2
Other collateral pledged			
Floating charges		15.0	15.0
		12,265.8	11,737.2
Guarantee engagements			
Guarantee undertakings		0.1	0.1

COMMENTS ON THE CONSOLIDATED BALANCE SHEETS

FIXED ASSETS

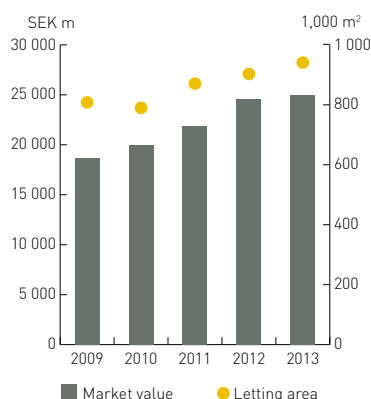
The market value of the investment properties at the turn of the year totalled SEK 25,008 million (SEK 24,576 m). Development rights and land account for SEK 290 million (SEK 219 m) of this total. Investments in Atrium Ljungberg's own properties totalled SEK 1,302 million (SEK 1,512 m). No acquisitions were made during the year.

The year's sales relate to the property Torgvågen 7 (PUB), Fasta Paviljongen 1, both in Stockholm, and two smaller undeveloped properties south of Stockholm. The total sales for the year amount to SEK 1,012 million. The year's unrealised changes in the value of the investment properties totalled SEK 142 million (SEK 368 m).

CHANGE IN THE VALUE OF THE PROPERTY PORTFOLIO

SEK m	2013	2012
Property portfolio on 1 January	24,576	21,897
Acquisitions	–	895
New builds, reconstruction and extension	1,302	1,512
Sale	–1,012	–94
UNREALISED CHANGES IN VALUE	142	368
Property portfolio on 31 December	25,008	24,576

THE PROPERTIES' MARKET VALUE AND LETTING AREA



The consolidated goodwill arose in conjunction with an operational acquisition and is completely linked to the Group's deferred tax. The reported goodwill has fallen by a total of SEK –33.4 million during the year. The reduction is attributable to the year's property sales.

A deferred tax receivable for loss carry-forwards totalling SEK 3.6 million was reported at the beginning of the year. The deferred tax receivable calculated on the basis of the remaining fiscal deficit as of 31/12/2013 totals SEK 5.1 million.

The market valuation of derivatives at the year-end totalled SEK 14.9 million (SEK –363.7 m).

CURRENT ASSETS

Liquid assets at the end of the financial year totalled SEK 186.6 million (SEK 188.5 m). Other fixed assets have increased by SEK 952.1 million, which is primarily explained by the receivable related to the sale of the property Torgvågen 7, and possession will take place in January 2014.

SHAREHOLDERS' EQUITY

Shareholders' equity on the closing day totalled SEK 11,020.7 million (SEK 10,255.3 m), corresponding to SEK 84.67/share (SEK 78.79/share). The change in the shareholders' equity is attributable to the net profit for the year of SEK 1,108.3 million and the reduction in the hedging reserve of SEK 28.0 million. The change in the hedging reserve refers to the successive reversal of the opening hedging reserve due to the fact that the Group no longer applies hedge accounting to interest swaps.

The dividend paid, which was approved at the Annual General Meeting held on 10 April 2013, totalled SEK 370.9 million. The equity/assets ratio at the year-end was 41.1 per cent (40.3 %). The net worth, calculated on the basis of 10 per cent deferred tax, totalled SEK 93.09/share (SEK 86.67/share).

DEFERRED TAX LIABILITY

Deferred tax liability is reported at 22 per cent of temporary differences between fiscal values and book values, primarily with regard to investment properties and financial instruments. The reported liability as of 31/12/2013 totalled SEK 2,515.7 million (SEK 2,364.5 m). The year-on-year change is due to unrealised changes in the value of properties and financial instruments, fiscal depreciation of buildings, and direct deductions for investments.

The effective tax rate is probably lower than 22 per cent because properties can be sold through the tax-free sale of shares in subsidiary companies. See further calculation of the company's net worth on page 97.

INTEREST-BEARING LIABILITIES

Liabilities to credit institutions totalled SEK 12,427 million (SEK 11,613 m) at the year-end. Interest-bearing liabilities have increased by SEK 814 million and primarily refer to the financing of investments in in-house development projects. The average capital commitment term was 3.0 years (3.1 years). The gearing ratio was 47.8 per cent (47.3 %).

Atrium Ljungberg's financing is described in more detail on pages 93–94.

OTHER LIABILITIES

At the start of the year a short-term provision of SEK 105.9 million was reported for a tax dispute including estimated accrued interest charges. On the closing day the amount is reported as a current liability. At the end of the year the Administrative Court of Appeal dismissed the Company's appeal, in which tax including interest charges, was paid to the Swedish Tax Agency in January 2014. The ruling of the Administrative Court of Appeal has been contested and an application for leave to appeal has been submitted to the Supreme Administrative Court.

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 2012	333.0	3,959.8	-163.7	5,411.4	9,540.5
Change in shareholders' equity, 2012					
Total comprehensive income for the period, 1 January–31 December			22.4	1,030.8	1,053.2
Dividend, SEK 2.60/share				-338.4	-338.4
Closing balance, as per 31 December 2012	333.0	3,959.8	-141.3	6,103.8	10,255.3
Change in shareholders' equity, 2013					
Total comprehensive income for the period, 1 January–31 December			28.0	1,108.3	1,136.3
Dividend, SEK 2.85/share				-370.9	-370.9
Closing balance, as per 31 December 2013	333.0	3,959.8	-113.3	6,841.2	11,020.7

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 130,156,988 [130,156,988] outstanding shares, which corresponds to the average number of outstanding shares. The company holds 3,063,748 [3,063,748] of its own class B shares. The nominal value of the share is SEK 2.50.

CONSOLIDATED STATEMENTS OF CASH FLOW

Amounts in SEK m	Note	2013	2012
OPERATING ACTIVITIES			
Profit/loss before tax		1,279.1	875.0
Reversal of depreciation and write-downs	9	6.1	6.1
Realised changes in value, investment properties		1.6	-37.4
Unrealised changes in value, investment properties	15	-142.5	-367.8
Unrealised changes in value, financial instruments		-342.6	182.5
Other items not included in the cash flow		54.2	82.2
Tax paid		-86.5	51.6
Cash flow from operating activities before changes in working capital		769.4	792.2
Increase/decrease in current receivables		79.1	0.8
Increase/decrease in current liabilities		5.7	38.9
Change in working capital		84.8	39.7
Cash flow from operating activities		854.2	831.9
INVESTMENT ACTIVITIES			
Change in other receivables		-	142.5
Purchases of machinery and equipment		-3.3	-3.8
Sale of machinery and equipment		-	7.9
Acquisition of properties	15	-	-1,236.4
Reconstruction and new construction of properties	15	-1,301.8	-1,511.8
Sale of properties		32.0	130.0
Cash flow from investment activities		-1,273.1	-2,471.6
FINANCING ACTIVITIES			
Change in other long-term liabilities		1.7	0.0
Loans raised	28	3,409.8	1,999.5
Amortisation of debts	28	-2,623.6	-107.1
Dividend paid		-370.9	-338.4
Cash flow from financing activities		417.0	1,554.0
Cash flow for the year		-1.9	-85.7
Liquid assets at the beginning of the year		188.5	274.2
Liquid assets at the end of the year		186.6	188.5
Information on interest paid			
Interest received totalled		2.5	9.1
Interest paid totalled		-422.7	-429.0
Information on liquid assets at the end of the year			
Bank deposits, excluding blocked funds		186.6	188.5

COMMENTS ON THE CONSOLIDATED STATEMENTS OF CASH FLOW

The cash flow from operating activities totalled SEK 854.2 million (SEK 831.9 m), corresponding to SEK 6.56/share (SEK 6.39/share). SEK -1,273.1 million (SEK -2,471.6 m) in investment activities has been charged to the cash flow and refers primarily to invest-

ments in Atrium Ljungberg's own properties. Sale of the property Fasta Paviljongen 1 has affected the cash flow by SEK 32 million while the sale of Torgvågen 7 has not had any impact as the possession will take place in January 2014. The cash flow within the

financing activities totals SEK 417.0 million (SEK 1,554.0 m). The Group's liquidity, including unutilised overdraft facilities totalling SEK 300 million, totalled SEK 486.6 million (SEK 488.5 m) at the year-end.

INCOME STATEMENTS PARENT COMPANY

Amounts in SEK m	Note	2013	2012
Net sales		171.6	181.0
Management and production costs	7,8,9	-177.8	-98.4
Gross profit/loss	10	-6.2	82.6
Profit/loss on property sales		-15.2	-168.8
Central administration and marketing	3,7,8,9	-46.9	-41.5
Operating profit/loss	4,5,6	-68.3	-127.7
Result of participations in Group companies	11	281.6	1,775.5
Interest income and similar profit/loss items	12	396.7	320.8
Interest expenses and similar profit/loss items	12	-432.7	-397.8
		245.6	1,698.5
Profit/loss after financial items		177.3	1,570.8
Appropriations	26	28.2	-4.4
Current tax	14	3.9	0.7
Deferred tax	14	-3.7	50.1
		0.2	50.8
Net profit/loss for the year		205.7	1,617.2
Other comprehensive income		-	-
Total comprehensive income for the year		205.7	1,617.2
Dividend per share, SEK (2013, proposed)		3.05	2.85

COMMENTS ON THE PARENT COMPANY ACCOUNTS

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

Net sales totalled SEK 171.6 million (SEK 181.0 m). The reduction in sales was due to the sale of properties by the company during the year. The operating profit/loss

totalled SEK -68.3 million (SEK -127.7 m) and has been charged with a write-down of the project property Sickla Front after AkzoNobel rescinded its lease contract. The operating profit/loss has also been affected by capital losses for the sale of properties. The profit/loss after financial items totals SEK 177.3 million (SEK 1,570.8 m) and was positively affected by dividends received from subsidiary

companies totalling SEK 200 million (SEK 1,605 m). Interest-bearing liabilities amount to SEK 7,822 million (SEK 5,932 m). These funds finance the company's property portfolio and are lent on to other Group companies. During the year the Parent company sold participations in Group companies to a subsidiary company.

BALANCE SHEETS PARENT COMPANY

Amounts in SEK m	Note	31/12/2013	31/12/2012
ASSETS			
Fixed assets			
Tangible fixed assets			
Buildings, land and land improvements	16, 17	1,140.4	1,203.9
Ongoing new construction, extension and reconstruction work	18	168.0	110.2
Machinery and equipment	19	10.1	12.8
Total tangible fixed assets		1,318.5	1,326.9
Financial fixed assets			
Participations in Group companies	21	2,223.6	6,219.8
Total financial fixed assets		2,223.6	6,219.8
Total fixed assets		3,542.1	7,546.7
Current assets			
Accounts receivable	23	1.1	1.3
Receivables from Group companies	4, 29	13,521.6	6,963.8
Tax receivables		37.9	39.6
Other receivables	24	15.3	7.2
Prepaid costs and accrued income	25	16.6	23.1
Liquid assets	29	102.5	137.1
Total current assets		13,695.0	7,172.1
Total assets		17,237.1	14,718.8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital (133,220,736 shares, nominal value: SEK 2.5)		333.0	333.0
Statutory reserve		265.4	265.4
		598.4	598.4
<i>Non-restricted shareholders' equity</i>			
Share premium reserve		3,948.4	3,948.4
Profit brought forward		2,115.8	869.6
Net profit/loss for the year		205.7	1,617.2
		6,270.0	6,435.2
Total shareholders' equity		6,868.4	7,033.6
Untaxed reserves	26	25.8	9.8
Provisions			
Deferred tax liability	27	212.8	209.2
Long-term liabilities			
Long-term interest-bearing liabilities	28, 29	6,768.8	4,631.3
Other long-term liabilities	30	22.5	16.4
Total long-term liabilities		6,791.3	4,647.7
Current liabilities			
Short-term interest-bearing liabilities	28, 29	1,053.6	1,300.4
Accounts payable		13.8	36.5
Liabilities to Group companies	4, 29	2,185.5	1,395.7
Other liabilities	32	5.9	5.6
Accrued costs and prepaid income	31	80.0	80.3
Total current liabilities		3,338.8	2,818.5
Total shareholders' equity and liabilities		17,237.1	14,718.8
MEMORANDUM ITEMS			
Collateral pledged for liabilities to credit institutions			
Property mortgages		1,324.3	1,262.7
Property mortgages made available by subsidiary companies		6,305.5	4,748.5
		7,629.8	6,011.2
Guarantee engagements			
Guarantee undertakings for subsidiary companies		575.0	1,225.0
Liabilities as limited partner in limited partnerships		151.3	107.9
		726.3	1,332.9

CHANGES IN SHAREHOLDERS' EQUITY PARENT COMPANY

Amounts in SEK m	Share capital	Statutory reserve	Share premium reserve	Profits brought forward	Total share-holders' equity
Opening balance as per 1 January 2012	333.0	265.4	3,948.4	1,208.0	5,754.8
Change in shareholders' equity, 2012					
Comprehensive income for the period, 1 January–31 December				1,617.2	1,617.2
Dividend, SEK 2.60/share				–338.4	–338.4
Closing balance, as per 31 December 2012	333.0	265.4	3,948.4	2,486.8	7,033.6
Change in shareholders' equity, 2013					
Comprehensive income for the period, 1 January–31 December				205.7	205.7
Dividend, SEK 2.85/share				–370.9	–370.9
Closing balance, as per 31 December 2013	333.0	265.4	3,948.4	2,321.6	6,868.4

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 130,156,988 (130,156,988) outstanding shares, which corresponds to the average number of outstanding shares. The company holds 3,063,748 (3,063,748) of its own class B shares. The nominal value of the share is SEK 2.50.

STATEMENTS OF CASH FLOW PARENT COMPANY

Amounts in SEK m	Note	2013	2012
OPERATING ACTIVITIES			
Profit/loss after financial items		177.3	1,570.8
Reversal of depreciation and write-downs	9	90.0	17.1
Reversal of the profit/loss on property sales		15.2	168.8
Other items not included in the cash flow		–261.3	–1,490.7
Tax paid		–8.4	37.5
Cash flow from operating activities before changes in working capital		12.9	303.5
Increase/decrease in current receivables		8.1	–7.1
Increase/decrease in current liabilities		–22.8	12.5
Change in working capital		–14.7	5.4
Cash flow from operating activities		–1.8	308.9
INVESTMENT ACTIVITIES			
Participations in Group companies		–20.1	–10.0
Purchase/sale of machinery and equipment		–0.7	–1.3
Reconstruction and new construction of properties		–150.8	–99.7
Sale of properties		54.6	395.0
Cash flow from investment activities		–117.0	284.0
FINANCING ACTIVITIES			
Change in other long-term liabilities		6.1	1.2
Change in receivables from Group companies		–2,194.2	–2,048.5
Change in liabilities to Group companies		767.0	530.5
Loans raised	28	3,959.8	1,419.5
Amortisation of debts	28	–2,083.6	–222.6
Dividend paid		–370.9	–338.4
Cash flow from financing activities		84.2	–658.3
Cash flow for the year		–34.6	–65.4
Liquid assets at the beginning of the year	29	137.1	202.5
Liquid assets at the end of the year	29	102.5	137.1
Information on interest paid			
Interest received totalled		396.7	321.1
Interest paid totalled		–432.0	–389.4
Information on liquid assets at the end of the year			
Bank deposits		102.5	137.1



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SUPPLEMENTARY INFORMATION – NOTES

NOTE 1. ACCOUNTING PRINCIPLES

GENERAL INFORMATION

Atrium Ljungberg AB (publ.), company ID no.: 556175-7047, is a limited company registered in Sweden with registered offices in Nacka and visiting address of Sickla Industriväg 19, SE-131 04 Nacka. Atrium Ljungberg's class B share has been listed on the NASDAQ OMX Stockholm Exchange since 1994. Atrium Ljungberg shall engage in the long-term ownership, development and management of retail properties, office properties and full-service environments in strong subsidiary markets, primarily in large urban regions, and shall engage in project and construction activities. The annual accounts and the consolidated accounts in respect of the 2013 financial year were approved for publication by the Board of Directors on 4 March 2014. It is proposed that the Income Statement and Balance Sheet contained in the Annual Accounts be adopted at the Annual General Meeting held on 7 April 2014.

CONSOLIDATED ACCOUNTING PRINCIPLES

The Consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as of 31 December 2013. The Consolidated accounts have also been prepared in accordance with Swedish law through the application of RFR 1, Complementary accounting regulations for corporate groups, issued by the Swedish Accounting Standards Board.

Assets and liabilities are reported at acquisition values, with the exception of investment properties and derivative instruments, which are valued and reported at fair value. The consolidated accounting principles described have been applied consistently to all periods presented in the Group's financial reports, unless otherwise indicated below. The functional currency of the Parent Company is the Swedish krona, which is also the reporting currency for the Parent Company and the Group. All amounts are shown in SEK million unless otherwise indicated.

The Parent Company applies the same accounting principles as the Group with the exceptions and additions indicated below in

the section entitled "Parent Company accounting principles." The Parent Company complies with the provisions of the Swedish Annual Accounts Act and the RFR2 recommendation, Accounting for Legal Entities, issued by the Swedish Accounting Standards Board and hence the Parent Company shall, in its annual accounts for the legal entity, apply all of the IFRS standards and pronouncements approved by the EU wherever this is possible within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and with reference to the link between accounting and taxation.

Significant assessments and assumptions in connection with the application of the Group's accounting principles

Preparing financial reports in accordance with IFRS requires the Board of Directors and the senior management to make assessments and estimates that affect the application of the accounting principles and the reported values of assets, liabilities, income and expenses. Assumptions and estimates are based on, amongst other things, historical experience and other factors deemed relevant under the circumstances currently obtaining. These assumptions and estimates are used to assess the reported values of assets, liabilities, income and expenses whose value is not otherwise clear from other sources. The actual result may deviate from these estimates and assessments.

Assumptions and estimates are analysed regularly by the Board of Directors and senior management. Changes are reflected in the accounts for the period when the change is made if the change only affects the current period. If the change affects the current period and subsequent periods, the accounts are affected in accordance therewith. The assumptions deemed most significant when preparing the financial reports are described below.

The investment properties are valued at fair value. The valuation includes assessments and assumptions that are regarded as critical to the values reported. Assumptions made, uncertainty factors and assessments are described in greater detail in Note 15.

An assessment is made, in conjunction with the acquisition of companies, of whether the acquisition shall be classified as an asset acquisition or an operational acquisition. An

asset acquisition is deemed to exist if the acquisition refers to properties but does not include any organisation or management processes required to conduct the operations. Other acquisitions are classified as operational acquisitions.

An assessment is made, in conjunction with property transactions, of when the transfer of risks and benefits occurs. This assessment acts as a guide to when the transaction is recognised.

An assessment of the potential for offsetting the deficit against future profits is made during valuation of loss carry-forwards.

Allocations to the guarantee reserve for construction work are made in the amount of 0.5 per cent of the contract sum during the guarantee period. The allocation is based on historical experience and an assessment of the risks inherent in ongoing projects. The allocations, as of 31 December 2013, exceed the costs expended for guarantee work during the year.

Consolidated accounts

The Consolidated accounts comprise the Parent Company, Atrium Ljungberg AB, and the companies over which the Parent Company has a controlling influence (subsidiary companies). The term, controlling influence, refers to the right to formulate strategies for an economic concern in order to achieve financial gain and is normally achieved when the Parent Company, either directly or indirectly, owns shares that represent more than 50 per cent of the votes. Controlling influence can also be exercised in ways other than through share ownership.

The results of subsidiary companies acquired or sold during the year are included in the Consolidated Statement of Comprehensive Income up to and including the date when the transaction occurred, i.e. when the controlling influence ceased.

If the accounting principles of the subsidiary companies deviate from those of the Group, the subsidiary companies accounting is adjusted to comply with the same principles as other Group companies.

Internal transactions between Group companies and intra-Group transactions are eliminated in conjunction with the preparation of the consolidated accounts.

Acquisitions

During an acquisition an assessment is done to ascertain whether it is an operational acquisition or an asset acquisition. An operational acquisition is defined in accordance with IFRS 3 and requires that assets and liabilities which are acquired should comprise a business/operation. When a group of assets or net assets is acquired which does not comprise a business/operation, it is classified as an asset acquisition.

For acquisition of a subsidiary, the assets of which only comprise a property and lack management organisation and administration, the acquisition is classified as an asset acquisition in most cases. The acquisition value of assets or net assets is divided among the individual identifiable assets and liabilities based on their relative fair values at the time of acquisition.

Acquisition of an independent business thus only comprises an operational acquisition and is reported using the acquisition accounting method. The acquisition value of an operational acquisition comprises the fair value on the transaction date of assets paid, of liabilities arising or assumed, and of the shareholders' equity instruments issued by the acquiring party in return for controlling influence over the acquired unit. Acquired and identifiable assets, liabilities and contingent liabilities are valued at fair value on the acquisition date. If the acquisition value of the participations acquired exceeds the sum of the fair value of acquired and identifiable assets, liabilities and contingent liabilities, the difference is reported as goodwill. If the acquisition cost is lower than the fair value calculated in the manner described above, the difference is reported directly in the Income Statement.

Minority interests are reported showing the minority owners' proportional share of the reported fair value of assets, liabilities and contingent liabilities. Any difference between the acquisition value of the participations acquired and the fair value of acquired and identified assets and liabilities in conjunction with the acquisition of minority holdings is reported directly to shareholders' equity.

Associated companies

Associated companies are companies in which the Group has a controlling influence, normally through a shareholding of minimum

20 per cent and maximum 50 per cent and is reported using the equity method. Under the equity method, participations in associated companies are reported at the acquisition value on the acquisition date and subsequently adjusted by the Group's share of the change in the associated company's net assets.

The Group's book value of the shares in the associated companies corresponds to the Group's share in the associated companies' shareholders' equity and any residual value of consolidated surplus and deficit values. Participations in associated companies are reported in Note 20.

Segment reporting

The Atrium Ljungberg Group's reportable segments comprise the Property management and Project and construction activities operating sectors. Property management is conducted within two separate business areas: one for retail and one for offices, and is divided up by geographical market, project properties and properties sold. The identification of reportable segments is based on the internal reporting to the most senior executive decision maker which, for Atrium Ljungberg, is deemed to be the CEO. The Group is managed and reported on the basis of the result measurement of gross profit divided by the identified and reportable operating segments. Three profit and loss items are not divided by segment, namely central administration costs, financial items, and taxes. Accounting principles applied in the segment reporting concur with the consolidated accounting principles and presentation formats for the Income Statement as described in Note 1.

INCOME STATEMENT

Revenue recognition

Revenue comprises rents and remuneration for external project and construction activities. All lease contracts are classified as operational leasing agreements. Rental income is distributed linearly over the term of the contract other than when the terms of the lease contract are such that a different form of distribution would better reflect the way in which the economic benefits attributable to the letting of the investment property change over time. Rental payments in advance are reported as prepaid income. The gross rent includes items in respect of costs passed on

for property tax, electricity and heating. Substantial rent discounts have been distributed over the term of the contracts. Net sales-based rent has been estimated in the closing accounts on the basis of reported net sales data. Net sales-based rent is determined in subsequent years once tenants' auditors have determined the tenants' net sales. Any difference between the determined and estimated annual rent is reported as an amended determination in the period in which the annual rent is determined.

Project and construction revenue is reported as the project progresses, i.e. in accordance with so-called successive revenue recognition. The degree of recognition – the degree of completion – is primarily determined on the basis of project costs expended in relation to the estimated total engagement expenses in conjunction with completion. If the result of a project cannot be reliably calculated, a revenue is recognised that corresponds to expenses disbursed as of the closing day. Anticipated losses are reported immediately as a cost. The difference between recognised project revenue and as yet unvoiced amounts is reported as an asset in accordance with the successive revenue recognition method. Equally, the difference between an invoiced amount and as yet unrecognised project revenue is reported as a liability.

Dividend income is reported when the shareholders' right to receive payment has been confirmed.

Interest income is reported over the interest term, applying the effective interest method. Effective interest is the interest that ensures that the current value of all future payments received and made during the fixed interest term is the same as the reported value of the receivable.

Property management costs

The concept property expenses includes both direct and indirect expenses of managing a property. Direct expenses relate to service charge-related costs, maintenance costs, leasehold fees and property tax. Service charge-related costs cover electricity, heating, cooling, water and sewage. Indirect expenses relate to costs of letting, rent administration and accounting.

Leasing

A leasing agreement is an agreement whereby a lessor grants a lessee the right, on agreed terms and conditions for a contractually agreed period of time, to make use of an asset in return for payment. Leasing is classified as either financial or operational leasing in the Consolidated accounts. A financial leasing agreement exists when the economic risks and benefits associated with ownership are transferred, in every significant respect, to the lessee. If this is not the case, then the agreement is an operational leasing agreement.

Atrium Ljungberg is the lessor in conjunction with the granting of premises to tenants and lessees for vehicles and leasehold fees. Details of these agreements are shown in Notes 5 and 6. All leasing agreements are classified as operational leasing agreements in that a significant portion of the risks and benefits associated with ownership are retained by the lessor. Income and expenses in respect of leasing agreements are distributed linearly over the leasing period. Benefits received in conjunction with the signing of a leasing agreement are reported linearly in the Income Statement over the term of the leasing agreement. Increased leasing fees are distributed over the term of the leasing agreement.

Central administration

Central administration comprises the costs in connection with the company management and central support functions, and the costs of stock market flotation, for example, and other costs not associated with property administration. Central administration for project and construction work includes costs in connection with the CEO and other support functions within the operations.

Remuneration to employees

Remuneration to employees in the form of salaries, paid leave, paid absence due to sickness, etc., and pensions, are reported as they are earned. Pensions and other remuneration after employment ceases are classified as defined contribution or defined benefit pension plans.

Defined contribution pension plans

The company pays defined fees to a separate, independent legal entity for defined contribution pension plans and has no obligation to pay any additional fees. Costs are charged to the Group's profit/loss as the benefits are earned. The Group has only one defined benefit pension plan (the Alecta plan) for which information reliable enough to report it in accordance with the rules governing defined contribution pension plans is unavailable. See Note 8 for further details.

CHANGES IN VALUE

Changes in fair value for investment properties and financial instruments are reported in the Income Statement as unrealised changes in value. Realised changes in value arise in connection with the sale of properties or subsidiaries. Write-downs of goodwill occur in connection with the sale of property which has goodwill connected to it and for changed nominal tax rate.

Taxes

Current tax is calculated on the basis of the taxable profit/loss for the period and is reported as an expense or income in the Income Statement. The taxable profit/loss differs from the reported profit/loss in the Income Statement in that it has been adjusted for non-taxable income and non-deductible expenses and for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated using the tax rates confirmed or announced as of the closing day.

Property tax and advertising tax are reported as property expenses and payroll tax as property expenses and central administration.

Deferred tax is reported on the difference between the reported and fiscal values of assets and liabilities. Changes in the reported deferred tax receivable or liability are reported as an expense or income in the Income Statement, except when the tax is related to transactions which are reported in Other comprehensive income or directly to shareholders' equity.

BALANCE SHEET

Investment properties

Investment properties, i.e. properties held in order to generate rental income and/or

increased value gains, are reported on an ongoing basis at fair value in the Balance Sheet. The valuation took place in accordance with level 3 in the IFRS valuation hierarchy and is based on estimated market values, which correspond to the value at which ownership of a property could be transferred between knowledgeable parties who are mutually independent and who have an interest in completing the transaction. Changes in fair value are reported in the Income Statement as unrealised changes in value. See Note 15 for details of property valuation.

The term, investment properties includes buildings and land, land improvement, and building and land-related equipment. Any properties that are being built or developed for future use as investment properties are also reported as investment properties.

Investments in investment properties are initially reported at acquisition value. The acquisition value includes transaction costs, legal costs and stamp duty directly related to acquisitions and any additional mortgage deed and loan costs. Borrowing costs are capitalised in conjunction with major renovation or new construction projects to the extent that they have arisen during the construction period. Interest expenses are calculated on the basis of the Group's average interest rate on all loans.

Expenses in connection with renovation work that has entailed an economic benefit for the Group and which can be calculated reliably, are capitalised. Other expenses in connection with repairs and ongoing maintenance are reported as repair costs and are included in the operating surplus. Property sales are reported in conjunction with the transfer of the risks and benefits associated with title from the vendor to the purchaser, which normally coincides with the contract date unless the specific contractual terms and conditions mandate that this occurs on some other date.

Profits or losses arising in conjunction with the sale or disposal of investment properties comprise the difference between the sale price and the reported value which is based on the most recently conducted valuation at fair value. Profits or losses from a sale of an investment property are reported as realised changes in value in the Income Statement.

If the company uses a property for its own

internal purposes, e.g. for administrative purposes, the property only constitutes an investment property if a minority of the property is used for internal purposes.

Tangible fixed assets

Tangible fixed assets are reported at the acquisition value less accumulated depreciation and write-downs. The acquisition value includes expenses directly attributable to the acquisition of the asset. Additional expenses are added to the asset's reported value or reported as a separate asset only if it is likely that future economic benefits associated with the asset will be received by the Group and when the acquisition value of the asset can be reliably calculated.

The useful lives of computer equipment and of other machinery and equipment has been calculated at three years and five years, respectively. Depreciation is effected linearly over the useful life and is reported in the Income Statement as expenses in the property management or on the line for central administration. The residual value of the assets and their useful life is reviewed on every closing day and adjusted when necessary.

Write-downs and reversals of write-downs

An impairment test of the Group's assets is conducted in conjunction with the preparation of every set of annual accounts. An asset's reported value is written down to its recoverable amount if its reported value exceeds the recoverable amount. The recoverable amount comprises whichever is the higher of the value in use and the fair value, minus selling expenses. When conducting an impairment test, assets are grouped together at the lowest levels at which there are separate, identifiable revenue streams (known as cash-generating units). If there are any indications that a previous write-down is no longer justified, either wholly or in part, the asset's reported value shall be increased. Write-downs are reported as a cost in the Income Statement.

Goodwill

Goodwill arising in conjunction with the preparation of the Consolidated accounts comprises the difference between the acquisition value and the Group's share of the fair value of an acquired subsidiary company's

identifiable net assets on the acquisition date. Goodwill reported within the Group is attributable to the difference between nominal tax and calculated tax applied in conjunction with operational acquisitions. The company's goodwill is, therefore, fully linked to the deferred tax. Goodwill is reported on the acquisition date at the acquisition value and is subsequently valued at the acquisition value after any deductions for write-downs.

When conducting impairment testing, goodwill is allocated to the cash-generating units that are expected to benefit from the synergies arising in conjunction with the acquisition. Goodwill impairment testing shall be carried out annually, or more frequently if there is any indication that the reported value may not be recoverable. If the recovery value of a cash-generating unit is determined to be lower than the reported value, the write-down amount shall be allocated, starting with a reduction in the value of goodwill attributed to the cash-generating unit, followed by a reduction in the reported value of goodwill attributable to other assets within a unit. Any reported write-downs of goodwill may not be reversed in a subsequent period.

The remaining reported value of goodwill is taken into account when calculating the capital gain or loss in conjunction with the sale of a subsidiary company or associated company.

Financial instruments

A financial instrument is each form of agreement which gives rise to a financial asset or financial liability. Financial assets in the Balance Sheet refer to loans receivable, derivatives, rents receivable, accounts receivable, other receivables and liquid resources. Financial liabilities refer to loans payable, derivatives, other current liabilities and accounts payable. Reporting of financial instruments in the Balance Sheet takes place when the company becomes a party to the instrument's contractual terms and conditions. An asset is eliminated from the Balance Sheet when the rights contained in the agreement are realised, fall due, or when the company loses control over it. A liability is eliminated from the Balance Sheet when the undertaking in the agreement is fulfilled or otherwise ceases to obtain. Trading date accounting is applied for derivative instruments

and settlement date accounting for on demand purchases or sales of financial assets. The company conducts impairment testing on every closing day to determine whether there are objective indications that events indicate a requirement to write down a financial asset or group of financial assets.

The financial instruments of the Group are classified in accordance with the following and specified in Note 29.

- Financial assets are valued at fair value via the Income Statement
- Loan receivables and accounts receivable
- Financial liabilities valued at fair value via the Income Statement
- Other financial liabilities

Financial assets/liabilities valued at fair value via the Income Statement

The Group's derivative instruments are included in this category. These are valued at their fair value in the Balance sheet and reported as an asset if the fair value is positive for Atrium Ljungberg and as a liability if the fair value is negative. Changes in fair value are reported in the Income Statement as unrealised changes in value of financial instruments. The purpose of derivative instruments is to achieve the desired fixed interest term for its interest-bearing liabilities. The risk hedged is the risk of changes in future interest payments resulting from changes in market interest rates for a given portion of the company's liabilities to credit institutions.

Before 2012 the Group applied hedge accounting to the derivative instruments. The hedging reserve in respect of derivatives to which hedge accounting was previously applied is reversed linearly to Other comprehensive income for the terms of the respective derivatives.

Determining fair value for financial instruments

The fair value of derivatives (interest swap agreements) is determined by discounting estimated cash flows. The discounting is based on observable yield curves. Yield curves are based on current market interest rates on the closing day. The fair value is, therefore, determined in accordance with level 2 of IFRS 13. Atrium Ljungberg currently

has no financial assets or liabilities where the valuation is based on level 1 or 3. The reported value for all financial assets and liabilities, unless otherwise stated in a Note to the Accounts, is deemed to constitute a good approximation of the fair value.

Loan receivables and accounts receivable

This category includes loan receivables, rents receivable, accounts receivable, other receivables and liquid resources. Receivables are valued at accrued acquisition value. Loan receivables and accounts receivable with a short term are valued at nominal acquisition value without discounting less receivables deemed to be doubtful. Write-downs of accounts receivable are reported in expenses for property management activities.

Liquid assets/cash and bank balances

Liquid assets comprise investments with a term of three months or less that can easily and with an insignificant risk of changes in value be converted to cash. Atrium Ljungberg's financial policy states that investments are only permitted in cash, treasury bills or fixed income funds and must be convertible to liquid assets within 3 days.

Other financial liabilities

Other financial liabilities refer to loans payable, other current liabilities and accounts payable. Loans payable are reported at accrued acquisition value, which means that expenses in connection with borrowing are distributed over the term of the loan. Other current liabilities and accounts payable with a short term are reported at nominal acquisition value.

Long-term liabilities have an anticipated term in excess of one year while current liabilities have an anticipated term of less than one year. Current liabilities which are covered by unutilised long-term credit agreements are considered to be long-term.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and reported in a net amount in the Balance Sheet when a legal right to offset exists and when an intention to regulate the items with a net amount or to simultaneously realise the asset and settle the debt exists. The derivative agreements (ISDA agreements) include an

option to net obligations in respect of the same counterparty and the Group's derivatives are thereby offset.

Provisions

Provisions are reported in the Balance Sheet when an undertaking exists and it is likely that the undertaking must be fulfilled and that the amount can be reliably calculated but the date when the undertaking must be fulfilled is unknown or unclear. Provisions are reported in the Consolidated Balance Sheet as long-term or current liabilities.

Deferred tax

Deferred tax is reported on the difference between the reported value of assets and liabilities in the financial reports and the fiscal value used when calculating the taxable result. Deferred tax is reported using the so-called Balance Sheet method. Deferred tax liabilities are reported for, in principle, all taxable temporary differences, and deferred tax receivables are reported for, in principle, all deductible temporary differences to the extent that it is likely that the amounts can be used to offset future taxable surpluses. Deferred tax liabilities and tax receivables are not reported if the temporary difference is attributable to goodwill or if they arise as a result of a transaction that constitutes the first reporting of an asset or liability (which is not a corporate acquisition) and which, at the time of the transaction, affects neither the reported nor the fiscal profit/loss.

The reported value of deferred tax receivables is reviewed in conjunction with the preparation of every set of financial statements and reduced to the extent that it is no longer likely that sufficient taxable surpluses will be available for offsetting, either wholly or in part, against the deferred tax receivable.

Deferred tax is calculated using the tax rates expected to apply for the period during which the asset is recovered or the debt settled, based on the tax rates (and tax legislation) confirmed or announced as of the closing day. Deferred tax receivables and tax liabilities are offset when they are attributable to income tax levied by the same authority and when the Group intends to settle the tax demand using a net amount.

Contingent liabilities

A contingent liability is reported when a possible undertaking exists as a result of a transpired event or any future uncertainty that is not reported as a liability or provision, in that an outflow of resources is unlikely.

Statements of cash flow

Statements of cash flow are prepared using the indirect method, in accordance with IAS 7, and the profit/loss is consequently adjusted for transactions that have not entailed payments received or made and for income and expenses that can be attributed to investment and/or financial activities.

PARENT COMPANY ACCOUNTING PRINCIPLES

The Parent Company applies the same accounting principles as the Group with the exceptions and additions regulated in the RFR 2, Reporting for legal entities recommendation issued by the Swedish Financial Reporting Board. The Parent Company Annual Accounts have been prepared in accordance with the provisions of the Swedish Annual Accounts Act (ÅRL), RFR 2, Reporting for legal entities, and UFR guideline statements issued by the Swedish Financial Reporting Board.

Buildings, land and land improvements

Properties are valued at the acquisition value less accumulated depreciation and write-downs and come under the heading of Buildings, land and land improvements in the Parent Company's Balance Sheet. Expenses which entail future financial benefits and where the expense can be calculated in a reliable manner have been added to the acquisition value. Ongoing maintenance which is not covered by the afore-mentioned description has been carried as an expense.

Depreciation according to plan is charged to the operating profit/loss of the Parent Company. Depreciation according to plan is effected in the amount of 1 per cent of the acquisition value for buildings, land improvements and building equipment. The buildings are fiscally depreciated in the amount of between 2 and 4 per cent of the acquisition value, while land improvements are depreciated in the amount of 5 per cent. Building equipment is fiscally depreciated in the amount of 20–30 per cent of the acquisition value. The differ-

ence between depreciation according to plan and fiscal depreciation is reported under appropriations. Deferred tax on the difference between booked and fiscal depreciation of buildings and land improvements is reported as deferred tax in the Income Statement and as a deferred tax liability in the Balance Sheet.

Participations in subsidiary companies

Participations in subsidiary companies are reported using the acquisition value method. Acquisition-related costs for subsidiary companies, which are carried as expenses in the Consolidated accounts, are included in the acquisition value for participations in subsidiary companies. Impairment testing of the reported value of participations in subsidiary companies is carried out when there are indications that a write-down requirement exist.

Provisions and financial guarantee agreements

Provisions are reported under a separate heading in the Parent Company's Balance Sheet. The Parent Company applies the relaxation rule in RFR 2 with regard to the reporting of financial guarantee agreements to the benefit of subsidiary companies and associated companies, which means that IAS 39 is not applied to such guarantee agreements. Rather, the Parent Company reports a provision in respect of financial guarantee agreements when the company has an undertaking for which an outflow of resources will probably be required in order to settle the obligation.

Untaxed reserves

The amount allocated to untaxed reserves in the Parent Company comprises taxable temporary differences. The deferred tax liability attributable to the untaxed reserves in the Parent Company is not reported separately due to the link between accounting and taxation. Untaxed reserves are, however, broken down within the Group, with 78 per cent reported as shareholders' equity and 22 per cent as deferred tax liabilities.

Reporting of Group contributions

Group contributions received and made are reported as appropriations.

NEW ACCOUNTING PRINCIPLES

The new and amended standards and interpretations which have been applied as of 1 January 2013 have had no significant effect on Atrium Ljungberg's financial reports, but have impacted the submitted disclosures.

- IFRS 13 Fair Value Measurement. The standard contains uniform regulations governing the calculation of and disclosures of fair values. The new standard has not impacted the valuation of Balance Sheet items, but additional disclosures in Note 15 have been made.
- Amendment to IAS 1 Presentation of Financial Statements. Headlining and division of items in other comprehensive income has been conducted.
- Amendment to IAS 19 Employee benefits. Amendments primarily in respect of reporting and disclosure of defined benefit pension plans. Atrium Ljungberg has had no pension plans that are reported as defined benefit plans and the effects of the financial reports of the new standard are limited.
- Amendment to IAS 36 Impairments. Amendment to IAS 36 entails that the requirement to inform about the recoverable amount of all cash-generating units to which goodwill is allocated, which was introduced in connection with the implementation of IFRS 13 Fair Value Measurement, has been removed. Instead, additional disclosure requirements of fair value when the recoverable amount of a written-down asset is based on fair value minus selling expenses are being introduced. The amendment should apply as of 1 January 2014 but Atrium Ljungberg has chosen to apply the amendment prematurely in 2013.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET COME INTO FORCE

The International Accounting Standards Board (IASB) has issued the following new and amended standards that have not yet come into force.

Standards that Atrium Ljungberg will apply as of 1 January 2014:

- IFRS 10 Consolidated Financial Statements. The standard contains uniform regulations

governing which units shall be consolidated, and will replace IAS 27 Consolidated and Separate Financial Statements, and SIC 12, which addresses so-called Special Purpose Entities. The standard is not expected to have any material effect on the financial reports.

- IFRS 11 Joint Arrangements. The standard addresses the reporting of so-called joint arrangements and will replace IAS 31 Interests in joint ventures. Atrium Ljungberg currently has no units to which the new standard will apply.
- IFRS 12 Disclosure of Interests in Other Entities. Augmented disclosure requirements for subsidiary companies, joint arrangements and associated companies have been grouped together within a single standard and are expected to result in a limited increase in disclosures.
- Amendment to IAS 32 Financial instruments Classification with respect to offsetting financial assets and liabilities.
- IFRIC 21 Levies (Expected to be approved by the EU in Q2 of 2014). The interpretation clarifies when a liability for levies should be reported. Levies are charges/taxes which state or equivalent bodies impose on companies in accordance with laws/ordinances with the exception of income taxes, penalties and fines. Atrium Ljungberg will enter property tax as a liability for the properties we own upon entering a calendar year.

Standards that Atrium Ljungberg will apply as of 1 January 2015 or thereafter:

- IFRS 9 Financial instruments. The standard is being published in stages and will replace IAS 39 Financial Instruments: Recognition and Measurement. The date of entry into force has not been determined yet and Atrium Ljungberg has not assessed the effects of the new standard.

NOTE 2. SEGMENT REPORTING

Atrium Ljungberg's reportable segments comprise the property management and project and construction activities business segments. Property management is divided up by geographical

market, properties sold and project properties. See Note 1 Accounting principles for a more detailed description of the principles behind segment reporting.

2013	Stockholm city centre	Stockholm, other	Uppsala and Mälardalen	Sweden, other	Project prop- erties	Properties sold	Property management, total	Project and construction work	Non-allocated items	The Group
Amounts in SEK m										
Rental income	491.6	973.2	248.5	138.8	34.1	69.9	1,956.2			1,956.2
Net sales, project and construction work								405.3		405.3
Net sales	491.6	973.2	248.5	138.8	34.1	69.9	1,956.2	405.3		2,361.5
Property management costs	-133.8	-331.9	-76.7	-61.2	-19.0	-36.2	-658.9			-658.9
Project and construction work costs								-394.3		-394.3
Gross profit/loss	357.8	641.3	171.8	77.6	15.1	33.7	1,297.3	11.0		1,308.3
– of which gross profit/loss from property management	357.8	641.3	171.8	77.6	15.1	33.7	1,297.3			1,297.3
– of which gross profit/loss from project and construction work								11.0		11.0
Central administration, property management							-47.1			-47.1
Central administration, project and construction work								-14.4		-14.4
Financial income									2.8	2.8
Financial expenses									-420.6	-420.6
									-417.8	-417.8
Profit/loss before changes in value	357.8	641.3	171.8	77.6	15.1	33.7	1,250.2	-3.4	-417.8	829.0
Unrealised changes in value, properties	138.6	141.8	55.9	-24.1	-169.7		142.5			142.5
Realised changes in value, properties						-1.6	-1.6			-1.6
Unrealised changes in value, financial instruments									342.6	342.6
Goodwill write-downs						-33.4	-33.4			-33.4
	138.6	141.8	55.9	-24.1	-169.7	-35.0	107.5		342.6	450.1
Current tax									6.1	6.1
Deferred tax									-176.9	-176.9
Net profit/loss for the year	496.4	783.1	227.7	53.5	-154.6	-1.3	1,357.7	-3.4	-246.0	1,108.3
Investments, acquisitions, disposals per business segment										
Investments, investment properties	56.8	115.4	9.1	27.1	1,093.4		1,301.8			1,301.8
Investments, project and construction work								1.0		1.0
Acquisitions, investment properties										
	56.8	115.4	9.1	27.1	1,093.4		1,301.8	1.0		1,302.8
Assets per business segment, period end										
Investment properties	6,794.0	11,298.0	3,034.0	1,614.0	2,268.5		25,008.5			25,008.5
Project and construction work								73.4		73.4
Non-allocated assets in common									1,748.4	1,748.4
Total assets	6,794.0	11,298.0	3,034.0	1,614.0	2,268.5		25,008.5	73.4	1,748.4	26,830.3

100 per cent of the income was generated in Sweden, i.e. in the country in which Atrium Ljungberg has its registered office. The intra-group sales in respect of project and construction activities within the Group totalled SEK 114 million (SEK 153 m) and have been eliminated in the Group's net sales.

Engagement expenses in respect of ongoing engagements in accordance with construction agreements totalled SEK 266 million

(SEK 214 m) and the reported profit totalled SEK 16.5 million (SEK 18.5 m). Sums received from the client for ongoing engagements total SEK 1.5 million (SEK 0.9 m). The allocation of assets per segment is made for investment properties on the basis of geographic affiliation and project properties. Project and construction work assets comprise fixed assets and current assets, excluding liquid assets. No one customer accounts for more than 10 per cent of the company's total revenue.

2012	Stockholm city centre	Stockholm, other	Uppsala and Mälardalen	Sweden, other	Project prop- erties	Properties sold	Property management, total	Project and construction work	Non-allocated items	The Group
Amounts in SEK m										
Rental income	442.9	916.5	229.6	135.0	24.7	76.1	1,824.8			1,824.8
Net sales, project and construction work								252.9		252.9
Net sales	442.9	916.5	229.6	135.0	24.7	76.1	1,824.8	252.9		2,077.7
Property management costs	-120.6	-309.3	-66.8	-51.0	-9.6	-43.4	-600.9			-600.9
Project and construction work costs								-242.0		-242.0
Gross profit/loss	322.3	607.2	162.8	84.0	15.0	32.7	1,224.0	10.9		1,234.8
– of which gross profit/loss from property management	322.3	607.2	162.8	84.0	15.0	32.7	1,224.0			1,224.0
– of which gross profit/loss from project and construction work								10.9		10.9
Central administration, property management							-41.7			-41.7
Central administration, project and construction work								-16.6		-16.6
Financial income									13.9	13.9
Financial expenses									-451.3	-451.3
									-437.4	-437.4
Profit/loss before changes in value	322.3	607.2	162.8	84.0	15.0	32.7	1,182.4	-5.7	-437.4	739.2
Unrealised changes in value, properties	192.1	176.9	23.8	-59.3	34.2		367.8			367.8
Realised changes in value, properties						32.7	32.7			32.7
Unrealised changes in value, financial instruments									-182.5	-182.5
Goodwill write-downs						-7.3	-7.3		-74.9	-82.2
	192.1	176.9	23.8	-59.3	34.2	25.4	393.2		-257.4	135.8
Current tax									-89.8	-89.8
Deferred tax									245.6	245.6
Net profit/loss for the year	514.4	784.2	186.6	24.8	49.2	58.1	1,575.5	-5.7	-539.0	1,030.8
Investments, acquisitions, disposals per business segment										
Investments, investment properties	74.4	132.2	50.2	25.6	1,223.7	5.7	1,511.8			1,511.8
Investments, project and construction work								1.7		1.7
Acquisitions, investment properties	858.0	37.0					895.0			895.0
	932.4	169.2	50.2	25.6	1,223.7	5.7	2,406.8	1.7		2,408.5
Assets per business segment, period end										
Investment properties	6,598.6	10,663.8	2,722.0	1,611.0	1,968.8	1,012.0	24,576.2			24,576.2
Project and construction work								97.3		97.3
Non-allocated assets in common									793.4	793.4
Total assets	6,598.6	10,663.8	2,722.0	1,611.0	1,968.8	1,012.0	24,576.2	97.3	793.4	25,466.9

The segment reporting for the period from 1 January– 31 December 2012 has been adjusted for properties sold in 2013.

NOTES

NOTE 3. CENTRAL ADMINISTRATION

Central administration comprises the costs in connection with the Board of Directors, the CEO, and other senior executives, and of audit and corporate costs in respect of, inter alia, the provision of information for shareholders, the costs of maintaining the stock market listing, and the production of the annual accounts, together with depreciation of machinery and equipment associated with the administration. See Note 9.

	The Group		Parent Company	
Fees and expenses paid to auditors	2013	2012	2013	2012
Audit engagement:				
Ernst & Young AB	1.2	1.4	1.2	1.4
Accounting engagements over and above audit engagements:				
Ernst & Young AB	0.2	0.2	0.2	0.2
Tax consultancy:				
Ernst & Young AB	0.1	0.1	0.1	0.1
Total	1.5	1.7	1.5	1.7

NOTE 4. DISCLOSURE OF RELATED PARTIES

SEK 113.7 million (SEK 152.8 m) of the TL Bygg AB subsidiary company's net sales comprised work carried out on behalf of the Group companies, corresponding to 23 per cent (40 %) of the net sales for TL Bygg AB. SEK 0.5 million (SEK 0.8 m) of the Parent Company's net sales comprised sales to subsidiary companies, corresponding to 0.3 per cent (0.5 %) of the Parent Company's net sales. Intra-Group transactions are effected at cost price with no profit surcharge. The Parent Company has a related party relationship with its subsidiary companies. See Note 21.

	Parent Company	
	2013	2012
Receivables from related parties (Group companies)	13,521.6	6,963.8
Liabilities to related parties (Group companies)	2,185.5	1,395.7

Other transactions with related parties occur on a minor scale and are conducted on market terms. Remuneration to the CEO and senior executives is shown in Note 8.

NOTE 5. LEASE CONTRACTS

The reported annual rent for agreed lease contracts totalled SEK 1,900 million (SEK 1,904 m) in the first quarter of 2014 within the Group, SEK 158 million (SEK 193 m) of which was within the Parent Company.

Premises, contract maturity structure	The Group		Parent Company	
	Rent, SEK m	Percentage, %	Rent, SEK m	Percentage, %
2014	232	12	21	13
2015	370	20	36	23
2016	338	18	14	9
2017	359	19	12	7
2018	180	10	1	1
2019	103	5	27	17
2020 and thereafter	253	13	1	1
Housing	65	3	47	29
Total	1,900	100	158	100

	Rental value, SEK m	Contracted annual rent, SEK m	Letting rate, %
Letting rate, Q1 2014¹⁾			
Stockholm city centre	492	475	97
Stockholm, other	1,028	965	94
Uppsala and Mälardalen	253	244	96
Sweden, other	142	132	93
	1,914	1,816	95
Project properties ²⁾	94	83	90
Total	2,008	1,900	95

Contracted annual rent trend, SEK m	2013 Result	2014 Q 1 ³⁾	2014 Q 2 ³⁾	2014 Q 3 ³⁾	2014 Q 4 ³⁾
Stockholm city centre	492	475	472	465	468
Stockholm, other	973	965	961	959	959
Uppsala and Mälardalen	249	244	244	244	244
Sweden, other	139	132	127	130	130
Project properties ²⁾	34	83	101	127	127
Properties sold	70	–	–	–	–
Total	1,956	1,900	1,905	1,925	1928

¹⁾ Reported letting rates are based on the immediately subsequent quarter after the closing day.

²⁾ The term, project properties, refers to an individual property or a clearly delimited part of a property that has been vacated in order to permit the renovation and upgrading of the property, irrespective of whether construction work has begun. The term, project property, also refers to buildings under construction and to undeveloped land and building rights. Reclassification from project property to completed property occurs on 1 January of the year after completion.

³⁾ Contracted annual rent including known contract changes.

Lease contracts for retail space contain contractual terms that mandate a minimum rent and a net sales clause. One per cent of the contracted yearly rent excluding surcharge comprises the net sales surcharge in addition to the minimum rent.

NOTE 6. LEASEHOLD AGREEMENTS AND OTHER LEASING AGREEMENTS

The year's leasehold fees totalled SEK 24.7 million (SEK 23.5 m), SEK 6.8 million (SEK 4.8 m) of which refers to the Parent Company.

Leasehold agreements maturity structure	The Group		Parent Company	
	Rent, SEK m	Percentage, %	Rent, SEK m	Percentage, %
2014	7.8	27	–	–
2015	–	–	–	–
2016	–	–	–	–
2017	–	–	–	–
2018 and thereafter	21.4	73	6.6	100
Total	29.2	100	6.6	100

Rent with year of maturity 2014 refers to agreements that have matured in previous years but for which negotiations were not completed at the end of 2013.

Leasing agreements

Agreed leasing agreements refer primarily to vehicles and copying machines and have a maturity date of less than 3 years. The year's leasing costs in this category totalled SEK 3.7 million (SEK 3.2 m), while remaining costs totalled SEK 8.8 million (SEK 5.8 m).

NOTE 7. PERSONNEL

	The Group		Parent Company	
Average number of employees	2013	2012	2013	2012
Men	225	206	94	88
Women	60	59	56	55
	285	265	150	143
Gender breakdown – Board of Directors and management				
Men, Board	5	5	–	–
Women, Board	1	1	–	–
Men, company management	4	3	–	–
Women, company management	4	4	–	–

NOTE 8. SALARIES, OTHER REMUNERATION AND PAYROLL OVERHEADS

	The Group		Parent Company	
SEK k	2013	2012	2013	2012
Board of Directors and senior executives				
Salaries	13,885	12,217	13,885	12,217
Payroll overheads	4,776	4,478	4,776	4,478
Pension costs	3,108	2,714	3,108	2,714
Other				
Salaries	128,468	115,817	70,992	65,891
Payroll overheads	42,475	37,480	23,705	21,851
Pension costs	11,966	12,123	8,416	8,399
Total	204,678	184,829	124,882	115,550

Senior executives' terms and remuneration

Salaries and other terms of employment for the company management shall be market-based and competitive, but shall not be market leaders in terms of salary paid in relation to other comparable companies. The guidelines shall apply for the senior management team which consists of the CEO and seven Business Area Directors. The CEO's remuneration shall be proposed by the Chairman and determined by the Board of Directors. Remuneration payable to other members of the senior management team shall be proposed by the CEO and approved by the Board. Remuneration payable to the senior company management team, including the CEO, comprises a fixed salary. No variable salary or performance-related remuneration shall be payable. The CEO's retirement age is 62, while that of the other members of the company management is 65. Pension plans are defined contribution plans, and the company hence has no additional obligations after payment of the annual premiums.

The CEOs shall, if notice of termination is given by the company, be entitled to a 12 month notice period and severance pay corresponding to 12 months' salary. No other severance pay is payable. Other members of the senior management have notice periods of up to 6 months. The terms and conditions applied by the company for other Group employees, either in accordance with collective agreements or in accordance with unilateral undertakings by the company to the employees, shall otherwise apply, where applicable, to the company management. Departure from the above-mentioned guidelines by the Board of Directors is permitted if there are specific grounds for so doing in a particular instance.

The company management team is presented on page 105.

2013 SEK k	Basic salary/ Directors' fees	Other remuneration	Other benefits	Pension costs	Share-related remuneration	Total
Chairman of the Board						
Dag Klackenberg	400	–	–	–	–	400
Other board members						
Anna Hallberg	200	–	–	–	–	200
Thomas Evers	200	–	–	–	–	200
Anders Nylander	200	–	–	–	–	200
Sune Dahlqvist	200	–	–	–	–	200
Johan Ljungberg	200	–	–	–	–	200
	1,400	–	–	–	–	1,400
MD, Ingall Berglund	3,044	–	44	937	–	4,025
Other senior executives	9,034	72	291	2,171	–	11,568
	12,078	72	335	3,108	–	15,593
Total	13,478	72	335	3,108	–	16,993

2012 SEK k	Basic salary/ Directors' fees	Other remuneration	Other benefits	Pension costs	Share-related remuneration	Total
Chairman of the Board						
Dag Klackenberg	400	–	–	–	–	400
Other board members						
Anna Hallberg	200	–	–	–	–	200
Thomas Evers	200	–	–	–	–	200
Anders Nylander	200	–	–	–	–	200
Sune Dahlqvist	200	–	–	–	–	200
Johan Ljungberg	200	–	–	–	–	200
	1,400	–	–	–	–	1,400
MD, Ingall Berglund	2,443	–	45	930	–	3,418
Other senior executives	8,049	325	296	1,785	–	10,455
	10,492	325	341	2,714	–	13,872
Total	11,892	325	341	2,714	–	15,272

Pensions

Undertakings for old age pensions and family pensions for salaried workers in Sweden are secured through an insurance policy with Alecta. According to a statement issued by the Swedish Financial Reporting Board, UFR 3, this is a defined benefit plan that comprises several employers. A pension plan in accordance with ITP (supplementary pensions for salaried employees) that is secured through an insurance policy with Alecta shall, for those financial years for which the company has not had access to information that enables this plan to be reported as a defined benefit plan, be reported as a defined contribution plan. The year's pension insurance fees in accordance with ITP for the policy with Alecta total SEK 5.6 million (SEK 5.9 m). Alecta's surplus may be allocated to the policyholders and/or those insured. At the end of 2013, Alecta's surplus in the form of the collective consolidation level totalled 148 per cent (129 %).

NOTES

Note 8, cont.

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance undertakings calculated in accordance with Alecta's actuarial calculation assumptions, which do not correspond to IAS 19.

The CEO of the Parent Company may retire from the age of 62. The premium is a defined contribution one, and the company consequently has no additional undertaking once the annual premium has been paid. The pensionable age for senior executives other than the CEO is 65. All pensions are, with the exception of the defined benefit ITP plan in accordance with collective agreements, defined benefit pension plans.

NOTE 9. DEPRECIATION AND WRITE-DOWNS

	The Group		Parent Company	
	2013	2012	2013	2012
Depreciation in management and production				
Buildings	–	–	13.1	13.0
Buildings, equipment	–	–	0.1	0.1
Land improvements	–	–	0.4	0.4
Machinery and equipment	2.9	2.7	0.2	0.2
	2.9	2.7	13.8	13.7
Write-downs in management and production				
Ongoing work	–	–	73.0	–
Depreciation in central administration				
Machinery and equipment	3.2	3.4	3.2	3.4
Total	6.1	6.1	90.0	17.1

NOTE 10. GROSS PROFIT/LOSS PROJECT AND CONSTRUCTION WORK

	The Group		Parent Company	
	2013	2012	2013	2012
Gross profit/loss, TL Bygg AB	49.6	36.1	–	–
Development project costs that cannot be capitalised	–38.6	–25.2	–24.4	–17.0
Total	11.0	10.9	–24.4	–17.0

NOTE 11. RESULT OF PARTICIPATIONS IN GROUP COMPANIES

	Parent Company	
	2013	2012
Dividends from subsidiaries	200.0	1,605.0
Result of participations in Sickla Industri-fastigheter KB, 916616-1720	81.6	170.5
Total	281.6	1,775.5

NOTE 12. FINANCIAL INCOME AND EXPENSES

	The Group		Parent Company	
	2013	2012	2013	2012
Financial income				
Interest income	1.5	6.9	1.5	2.0
Other interest income	0.4	0.4	0.1	0.1
Interest income, tax-free	0.6	0.5	0.3	0.3
Other financial income	0.3	6.1	0.0	0.0
Group interest income	–	–	394.7	318.4
Total	2.8	13.9	396.7	320.8
Financial expenses				
Interest expenses	–417.1	–435.1	–301.4	–246.8
Other interest expenses	–1.2	–0.6	–1.2	–0.1
Non-deductible interest expenses	–1.3	–14.6	0.0	–0.1
Other financial expenses	–1.0	–1.0	–1.0	–0.7
Group interest expenses	–	–	–129.1	–150.1
Total	–420.6	–451.3	–432.7	–397.8

Of which interest income and expenses of financial assets/liabilities which are valued at accrued acquisition value:

Interest income	1.9	7.3	396.3	320.5
Interest expenses	–418.3	–435.7	–431.8	–397.0

During the year, SEK 39.5 million (SEK 26.4 m) of interest expenses which relate to investments in the Group's own properties has been capitalised. The average interest rate which has been used during the calculation amounts to 3.7 per cent (4.1 per cent). Interest expenses for investments in own properties have been carried as an expense in the Parent Company.

NOTE 13. GOODWILL

On 17 October 2006, LjungbergGruppen AB acquired all of the shares in Atrium Fastigheter AB through payment in the form of newly issued shares. The closing rate on 16 October 2006 has been used to calculate the acquisition value and shareholders' equity. Goodwill arose in conjunction with the acquisition that was attributable to the difference between nominal tax and the estimated tax for costing purposes applied in conjunction with the acquisition. Goodwill is consequently entirely connected with deferred tax.

	The Group	
	2013	2012
Opening acquisition value	403.7	411.4
Sale of property	–41.9	–7.7
Closing accumulated acquisition value	361.8	403.7
Opening write-downs	–96.1	–21.6
Sale of property	8.5	0.3
Write-down as a result of change to rate of taxation	–	–74.8
Closing accumulated write-downs	–87.6	–96.1
Closing balance	274.3	307.6

NOTE 14. TAX

Tax calculation		Current tax		Deferred tax	
The Group		2013	2012	2013	2012
Reported profit/loss before tax		1,279.1	875.0	–	–
Fiscally deductible	depreciation	–613.3	–375.0	613.3	375.0
	investments	–128.8	–115.3	128.8	115.3
Non-taxable/non-deductible	changes in the value of properties, unrealised	–142.5	–367.8	142.5	367.8
	changes in the value of properties, realised	1.6	–32.7	–526.4	–65.1
	changes in the value of financial instruments, unrealised	–342.6	182.5	342.6	–182.5
	consolidated capitalisation of borrowing costs	–46.9	–26.4	46.9	26.4
	goodwill write-downs	33.4	82.2	–	–
	tax-related interest	0.7	14.0	–	–
other income and expenses		4.7	1.2	–3.0	–
Other fiscal adjustments		–1.4	0.4	–7.3	–21.1
Fiscal profit/loss before loss carry-forwards		44.1	238.2	737.3	615.8
Loss carry-forwards from previous tax assessments		–16.3	–100.8	16.3	100.8
Fiscally deductible investments, adjustment from previous years		–48.9	–70.7	48.9	70.7
Disposal adjustments, adjustment from previous years		–	–81.2	–	81.2
Other adjustments of loss carry-forwards from previous tax assessments		–2.0	–1.8	–	–
Loss carry-forwards, closing balance		23.1	16.3	–23.1	–16.3
Taxable profit/loss		–	–	779.4	852.2
Of which 22 %/26.3 % tax ¹⁾		–	–	–171.5	–224.1
Adjustment of tax in relation to previous years					
fiscally deductible investments/disposal, buildings		7.6	1.5	–7.6	–1.5
provision for tax demand in respect of previous tax assessment		–	–91.5	–	–
other adjustments		–1.5	0.2	2.1	–1.9
Recalculation of deferred tax to 22 % rate of taxation		–	–	–	473.1
Reported tax expense/income		6.1	–89.8	–176.9	245.6
Tax calculation		Current tax		Deferred tax	
Parent Company		2013	2012	2013	2012
Reported profit/loss before tax		205.5	1,566.4	–	–
Change in difference between book and fiscal values of properties		–21.0	–124.4	21.0	124.4
Dividend from trade-related participations		–200.0	–1,605.0	–	–
Disposal of properties		15.2	164.1	–13.0	–163.3
Other fiscal adjustments		0.3	–1.1	–8.5	1.2
Taxable profit/loss		0.0	0.0	–0.6	–37.7
Of which 22 %/26.3 % ¹⁾		–	–	0.1	9.9
Adjustment of tax in relation to previous years		3.9	0.7	–3.8	–0.7
Recalculation of deferred tax to 22 % rate of taxation		–	–	–	40.9
Reported tax expense/income		3.9	0.7	–3.7	50.1
Reconciliation of tax expenses		The Group		Parent Company	
		2013	2012	2013	2012
Profit/loss before tax		1,279.1	875.0	205.5	1,566.4
Nominal tax rate, 22 %/26.3 % ¹⁾		–281.4	–230.1	–45.2	–412.0
Fiscal effect of	changes in the value of properties, realised	115.5	25.7	–0.5	–0.2
	goodwill write-downs	–7.3	–21.6	–	–
	other non-deductible expenses/non-taxable income	–0.5	–4.0	44.0	422.1
	provision for tax demand in respect of previous tax assessment	–	–91.5	–	–
	Recalculation of deferred tax to 22 % rate of taxation	–	473.1	–	40.9
	other fiscal adjustments	3.1	4.2	1.9	0.0
Reported tax expense/income		–170.8	155.8	0.3	50.8
of which current tax		6.1	–89.8	3.9	0.7
of which deferred tax		–176.9	245.6	–3.7	50.1

¹⁾ On 1 January 2013 the corporation tax rate changed from 26.3 % to 22 %.

NOTE 15. INVESTMENT PROPERTIES**CHANGE IN THE VALUE OF THE PROPERTY PORTFOLIO**

	The Group	
	31/12/2013	31/12/2012
Opening balance	24,576.2	21,896.7
Acquisitions	–	894.5
New builds, reconstruction and extension	1,301.8	1,511.6
Sales	–1,012.0	–94.3
UNREALISED CHANGES IN VALUE	142.5	367.8
Closing balance	25,008.5	24,576.2

The closing balance includes development rights and undeveloped land of SEK 290.0 million (SEK 218.6 m).

The reported value of the property portfolio as of 31 December 2013 totalled SEK 25,008 million (SEK 24,576 m). The average yield requirement in the valuation is 5.7 per cent (5.7 %). Investments in Atrium Ljungberg's own properties during the period totalled SEK 1,302 million (SEK 1,512 m). During the year the properties Torgvågen 7 and Fasta Paviljongen 1 in Stockholm have been sold at a book value of SEK 1,012.0 million. The unrealised change in value totalled SEK 142 million (SEK 368 m). The change in value is explained by lowered yield requirements, primarily in Stockholm city centre and in a few properties rental levels have increased. The valuation has also been affected by greater investment costs in the project portfolio, among other things due to AkzoNobel's rescission of the lease contract in Sickla Front. In addition to greater investment in Sickla Front, the property's value has also been affected by an adjustment of the rental level, reduced letting areas, and a postponement of the occupancy date.

Definition and classification

Investment properties are properties held by the owner with the aim of generating rental income, or an increase in value, or a combination of the same. Atrium Ljungberg had, at the year-end, classified all of its properties as investment properties and they shall consequently be valued at fair value. The fair value of the investment properties is the price at which the property could be transferred between knowledgeable parties who are mutually independent and who have an interest in completing the transaction. The fair value of the investment property shall reflect the market conditions on the closing day. The properties in which Atrium Ljungberg also has offices in which to conduct its own administration and management have been classified as investment properties in that the percentage of the building used by the company for its own purposes is marginal.

Valuation method

The property valuation is primarily conducted via an internal valuation that is based on an estimated yield requirement for each property. The yield requirement is determined using the location price method, which means that information is gathered from equivalent value transactions completed in equivalent value markets. The yield requirement is used to determine the value through a current value calculation during the so-called calculation period and through a current value calculation of the residual value at the end of the calculation period. The calculation period is normally between 5 and 10 years but may, in certain cases, be longer due to the contractual situation. The earning capacity of

each property is assessed individually during the valuation. Income during the calculation period comprises agreed rental levels until such time as these lease contracts come to an end or are due for renegotiation. Rental income for the subsequent period is calculated at the market rent currently applicable. Operating and maintenance costs have been assessed based on the company's actual costs and are adjusted in line with the property's age and condition.

Development rights have been valued on the basis of an estimated market value per m² 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 property valuation is based on observable and unobservable input data. Observable data which has greatest impact on the value is primarily current rent, property expenses, inflation, investments and current vacancy level. Yield requirement and expectations of rental level include the input data which in some cases can be seen as unobservable. Yield requirement is derived from actual transactions. The number of comparison items which are sold can sometimes be few, which makes it difficult to derive changes in the yield requirement during certain periods. In addition, deriving the yield requirement from a transaction also requires knowledge of more conditions besides the purchase price. Expectations of future rental increases affect the value and can be modelled in the cash flow or be included in the yield requirement, and consequently an analysis of a transaction can never derive both factors separately, but only a combination. The sensitivity of the property value to changes in the yield requirement is presented in a separate table below Opportunities and risks.

Independent valuation experts have conducted an external valuation of a normalised portfolio corresponding to 45 per cent of the total value, 25 per cent of which was valued at the end of 2013, as part of Atrium Ljungberg's efforts to ensure that the valuation is accurate. The valuations have been conducted by Forum Fastighetsekonomi and Savills. The assumptions regarding rental levels and yield requirements used in the internal valuation have, furthermore, been quality assured by Forum Fastighetsekonomi.

UNREALISED CHANGES IN VALUE

SEK m	
Change in yield requirements	245
Change in rental levels	96
Change in project investments	–199
Total	142

Yield requirement per premises type

Premises type, %	Interval	Average
Offices	4.7–8.0	5.8
Stores	4.7–8.0	5.8
Housing	4.0–4.8	4.2
Other	4.7–8.0	6.2
Total	4.0–8.0	5.7

Note 15, cont.

Yield requirement per segment

Region, %	Interval	Average
Stockholm city centre	4.7–5.8	5.2
Stockholm, other	4.0–8.0	5.9
Uppsala and Mälardalen	5.8–6.4	5.9
Sweden, other	5.5–7.3	5.9
Project properties	5.5–7.0	6.2
Total	4.0–8.0	5.7

Sensitivity analysis, property valuation

Value parameter	Assumption	Impact on value, SEK m
Rental level	+/- 10 %	+/-2,500
Operating cost	+/- SEK 50/m ²	-/+ 677
Yield requirement	+/- 0.25 %	-1,044 /+1,142
Long-term vacancy level	+/- 2 %	-/+ 750

The market value is described in the table on the right on the basis of normalised operating net, adjusted for, inter alia, initial effects, remaining investments and development rights.

Value based on normalised operating net

SEK m	Management	Projects	Total
Rental value	1,902	214	2,116
Long-term vacancy level (-3.5 %)	-65	-10	-74
Rental income	1,838	204	2,042
Property expenses	-541	-50	-591
Normalised operating net	1,297	154	1,451
Yield requirement	5.7 %	6.2 %	5.7 %
Yield value before adjustments	22,753	2,478	25,231
Adjustments			
Current value of remaining investments	-271	-502	-773
Initial vacancies	-38	-64	-102
Other adjustments	368	74	442
Land and development rights	0	290	290
Registration of title deeds costs	-72	-8	-80
Fair value	22,740	2,269	25,008

Property portfolio, 31/12/2013

Property portfolio by segment	Number of properties	Letting area, '000 m ²	Fair value, SEK m	Fair value, SEK/m ²	Rental value, SEK m ²	Rental value, SEK/m ²	Economic letting rate, %	January–December 2013 ¹⁾			Yield ¹⁾ %
								Rental income, SEK m	Property costs, SEK m	Operating surplus, SEK m	
Stockholm city centre	10	178	6,794	38,091	492	2,758	97	492	-134	358	5.3
Stockholm, other	25	521	11,298	21,688	1,028	1,973	94	973	-332	641	5.7
Uppsala and Mälardalen	4	93	3,034	32,768	253	2,728	96	249	-77	172	5.7
Sweden, other	3	82	1,614	19,625	142	1,722	93	139	-61	78	4.8
Total	42	874	22,740	26,015	1,914	2,190	95	1,853	-604	1,249	5.5
Project properties	3	67	1,979	E/T ³⁾	94	1,396	90	34	-19	15	0.8
Land and development rights	2	-	290	-	-	-	-	-	-	-	-
Total	47	941	25,008	E/T ³⁾	2,008	2,133	95	1,887	-623	1,264	5.1
Properties sold								70	-36	34	
Total Group								1,956	-659	1,297	

¹⁾ Refers to actual result during the year.

²⁾ Reported rental value is based on the immediately subsequent quarter.

³⁾ Letting area for new production is not reported until the project is completed and the figures hence do not accurately represent the actual situation.

NOTE 16. RATEABLE VALUES

	The Group		Parent Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Buildings	8,468.4	7,803.6	910.5	902.9
Land	3,240.5	3,256.5	244.4	208.4
Total	11,708.9	11,060.1	1,154.9	1,111.4
Of which business premises in TL Bygg AB	1.8	2.0	-	-

NOTE 17. BUILDINGS, LAND AND LAND IMPROVEMENTS

	Parent Company	
	31/12/2013	31/12/2012
Buildings		
Opening acquisition values	1,312.9	1,826.7
Sales	-62.1	-589.0
Reclassification from ongoing new builds, extension and reconstruction work	19.9	75.2
Closing accumulated acquisition values	1,270.7	1,312.9
Opening depreciation	-191.1	-258.6
Sales	8.4	80.5
Depreciation for the year	-13.1	-13.0
Closing accumulated depreciation	-195.8	-191.1
Closing residual value according to plan	1,074.9	1,121.8

Buildings, equipment

Opening acquisition values	7.3	20.5
Sales	-0.1	-13.2
Closing accumulated acquisition values	7.2	7.3
Opening depreciation	-0.8	-2.1
Sales	0.0	1.4
Depreciation for the year	-0.1	-0.1
Closing accumulated depreciation	-0.8	-0.8
Closing residual value according to plan	6.4	6.6

Land improvements

Opening acquisition values	43.3	43.3
Sales	-0.5	0.0
Closing accumulated acquisition values	42.8	43.3
Opening depreciation	-7.6	-7.1
Sales	0.0	0.0
Depreciation for the year	-0.5	-0.4
Closing accumulated depreciation	-8.0	-7.6
Closing residual value according to plan	34.8	35.7

Land

Opening acquisition values	39.9	83.1
Sales	-15.6	-43.3
Closing accumulated acquisition values	24.3	39.9
Total closing residual value according to plan	1,140.4	1,203.9

NOTE 18 ONGOING NEW BUILDS, EXTENSION AND RECONSTRUCTION WORK

	Parent Company	
	31/12/2013	31/12/2012
Opening acquisition values	110.2	85.7
Investments	150.7	99.7
Reclassification as buildings, land and land improvements	-19.9	-75.2
Write-downs	-73.0	-
Closing balance	168.0	110.2

NOTE 19. TANGIBLE FIXED ASSETS

	The Group		Parent Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Opening acquisition values	56.0	54.8	38.5	37.5
Purchases	3.4	3.8	0.6	1.3
Sales/disposals	-0.2	-2.6	-	-0.3
Closing accumulated acquisition values	59.2	56.0	39.1	38.5
Opening depreciation	-36.4	-31.0	-25.7	-22.4
Sales/disposals	0.2	0.7	-	0.3
Depreciation for the year	-6.1	-6.1	-3.3	-3.6
Closing accumulated depreciation	-42.3	-36.4	-29.0	-25.7
Closing residual value according to plan	16.9	19.6	10.1	12.8

NOTE 20. PARTICIPATIONS IN ASSOCIATED COMPANIES

	Number	Share in equity	Book value, SEK k	
	31/12/2013	31/12/2013	31/12/2013	31/12/2012
AB FB-sjön, general partner, Corp. ID. no. 556605-5181 Registered office in Stockholm	500	50 %	50	50
KB Fatburssjön 5, Corp. ID. no. 969670-3439 Registered office in Stockholm	4,999	50 %	-	-
Gränby Miljö & Retur AB, Corp. ID. no. 556222-2199 Registered office in Uppsala	300	30 %	30	30
Closing balance			80	80

NOTE 21. PARTICIPATIONS IN GROUP COMPANIES

	Parent Company	
	31/12/2013	31/12/2012
Opening acquisition values	9,303.4	9,112.9
Acquisitions	0.1	-
Capital contribution	42.1	20.0
Change in share of equity in limited partnership	81.6	170.5
Sales	-4,120.1	-
Closing accumulated acquisition values	5,307.1	9,303.4
Opening write-downs	-3,083.5	-3,083.5
Closing accumulated write-downs	-3,083.5	-3,083.5
Closing balance	2,223.6	6,219.8

Note 21, cont.

Directly owned subsidiary companies	Corporate ID no.	Registered office	Number of participations	Share in equity, %	Book value, SEK k	
			31/12/2013	31/12/2013	31/12/2013	31/12/2012
TL Bygg AB	556225-4440	Nacka	10,000	100	66.0	36.0
Impluvium Tio AB	556063-1128	Nacka	10,000	100	4.8	4.8
Fastighets AB Blästern	556282-8052	Nacka	10,000	100	0.1	0.1
Årstalunden AB	556357-8094	Nacka	1,000	100	0.1	0.1
PUB AB	556720-3111	Nacka	100,000	100	0.1	0.1
Sickla Industrifastigheter KB ^{1) 2)}	916616-1720	Nacka	999	99.9	1,794.9	1,713.3
Suhob Fastighets AB	556739-7772	Nacka	1,000	100	0.3	0.3
LjungbergGruppen Holding AB	556669-3221	Nacka	1,000	100	189.9	189.9
Fastighets AB Celtica	556350-9727	Nacka	2,781,000	100	167.3	155.2
Atrium Ljungberg Holding 1 AB	556781-3059	Nacka	1,000	100	0.1	4,120.1
Closing balance					2,223.6	6,219.8
Indirectly owned subsidiary companies	Corporate ID no.	Registered office	Number of participations		Share in equity, %	
			31/12/2013	31/12/2013	31/12/2013	31/12/2013
AB Farsta Centrum	556065-3023	Nacka		1,000		100
Atrium Ljungberg Gränby Köpstad AB	556731-8265	Nacka		1,000		100
Atrium Ljungberg Gävlegatan 22 AB	556745-4870	Nacka		1,000		100
Atrium Ljungberg Hälsingegatan AB	556877-5687	Nacka		500		100
Atrium Ljungberg Igor AB	556791-7140	Nacka		1,000		100
Atrium Ljungberg Kista NOD AB	556745-5182	Nacka		1,000		100
Atrium Ljungberg Kyrkviken AB	556781-3083	Nacka		1,000		100
Atrium Ljungberg Orminge AB	556948-4511	Nacka		1,000		100
Atrium Ljungberg Planiavägen AB	556815-7852	Nacka		50,000		100
Atrium Ljungberg Resan AB	556948-4529	Nacka		1,000		100
Atrium Ljungberg S:t Eriksgatan AB	556914-0782	Nacka		50,000		100
Atrium Ljungberg Skotten AB	556948-4537	Nacka		1,000		100
Atrium Ljungberg Tomtmark AB	556948-4545	Nacka		1,000		100
Atrium Ljungberg Uddvägen AB	556781-3067	Nacka		1,000		100
Atrium Ljungberg Östersund AB	556791-8510	Nacka		1,000		100
Atrium Ljungberg Rotundan AB	556791-7124	Nacka		1,000		100
Atrium Uppsala AB	556691-3603	Nacka		1,000		100
Farsta Centrum HB	916404-1361	Nacka		1,000		100
Farsta Centrumledning AB	556321-0896	Nacka		1,000		100
Fastighets AB Brogatan	556060-5536	Nacka		1,000		100
Fastighets AB Stadsgården	556029-0602	Nacka		31,993,074		100
Fastighets AB Österbotten	556019-4408	Nacka		1,250		100
Fatburstrappan Väst AB	556622-5966	Nacka		1,000		100
Gränby Centrum AB	556409-6708	Nacka		100		100
Högbergsgatan 62 AB	556624-3225	Nacka		1,000		100
Impluvium Fjorton AB	556781-3117	Nacka		1,000		100
Impluvium Nio AB	556040-4229	Nacka		1,000		100
Impluvium Tolv AB	556781-3091	Nacka		1,000		100
Impluvium Tretton AB	556781-3109	Nacka		1,000		100
Impluvium Åtta AB	556781-3075	Nacka		1,000		100
Jupiter Fastighets AB	556015-4030	Nacka		400		100
KB Arbetstolen 3	969651-2350	Nacka		1,000		100
KB T-Bodarne	969646-1392	Nacka		1,000		100
KB Wårbyriggen	969651-2251	Nacka		1,000		100
LjungbergGruppen Aktiebolag	556731-7283	Nacka		1,000		100
LjungbergGruppen Fastighets AB TX31	556688-4283	Nacka		1,000		100
LjungbergGruppen Svindersvik AB	556674-6045	Nacka		1,000		100
Mobilia Nord AB	556745-4888	Nacka		1,000		100
Mobilia Shopping Centre AB	556412-5242	Nacka		100		100
Paul U Bergströms AB	556021-7506	Nacka		1,500		100
Svenska Kvarter AB	556717-8305	Nacka		1,000		100
Torgvägen AB	556948-4552	Nacka		1,000		100
Walls Fastighets AB	556004-9909	Nacka		6,000		100

¹⁾ The book value of participations in Sickla Industrifastigheter KB has increased by the year's profit of SEK 81.6 million (SEK 170.5 m).

²⁾ The remaining participations are owned by other Group companies.

NOTE 22. DEFERRED TAX RECEIVABLE

	The Group	
	31/12/2013	31/12/2012
Capitalised loss carry-forward		
Opening balance	3.6	26.4
Additional loss carry-forwards	11.2	40.5
Loss carry-forwards utilised	-9.7	-62.6
Closing balance before change in rate of taxation	5.1	4.3
Change in rate of taxation	-	-0.7
Closing balance	5.1	3.6

The Group's accumulated fiscal deficit is estimated at SEK 23.2 million (SEK 16.3 m) as per 31 December 2013. The deferred tax receivable has been calculated on the basis of the entire deficit.

NOTE 23. ACCOUNTS RECEIVABLE

	The Group		Parent Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Rental and accounts receivable	123.9	106.0	2.5	2.5
Doubtful rental and accounts receivable	-31.4	-28.5	-1.4	-1.2
Closing balance	92.6	77.5	1.1	1.3

	The Group		Parent Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Doubtful receivables				
Opening doubtful receivables	-28.5	-20.4	-1.2	-0.9
The period's provisions for doubtful receivables	-17.3	-14.2	-0.3	-0.6
The period's reversed provisions	3.6	2.6	0.1	0.2
The period's confirmed bad debt losses	10.8	3.5	-	0.1
Closing doubtful receivables	-31.4	-28.5	-1.4	-1.2

	The Group		Parent Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Age breakdown due accounts receivable for which no provision has been made				
1-10 days	0.3	2.7	-	1.4
11-30 days	13.8	4.6	0.6	0.1
31-60 days	2.3	3.0	0.1	-
>60 days	15.1	11.9	0.4	0.7
Total	31.6	22.2	1.1	2.2

NOTE 24. OTHER RECEIVABLES

	The Group		Parent Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Receivable for property sale	945.0	-	-	-
VAT receivable	19.8	43.0	4.5	2.0
Other receivables	39.9	35.3	10.8	5.2
Closing balance	1,004.7	78.3	15.3	7.2

NOTE 25. PREPAID COSTS AND ACCRUED INCOME

	The Group		Parent Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Receivables from clients for ongoing engagements as per construction agreement	6.6	5.9	-	-
Other prepaid costs	16.7	32.5	6.0	14.7
Distributed rent discounts	38.4	35.8	4.3	6.1
Accrued rent	14.2	3.5	-	0.6
Other accrued income	23.4	10.9	6.3	1.7
Closing balance	99.3	88.6	16.6	23.1

NOTE 26. UNTAXED RESERVES

	Parent Company	
	31/12/2013	31/12/2012
Untaxed reserves		
Accumulated excess depreciation	25.8	9.8
Closing balance	25.8	9.8
Appropriations		
Excess depreciation, buildings	-16.0	11.6
Group contributions received/made	44.2	-16.0
Total	28.2	-4.4

NOTE 27. DEFERRED TAX LIABILITY

	The Group		Parent Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Deferred tax liability				
Investment properties	2,432.6	2,394.1	212.8	209.2
Untaxed reserves	79.8	50.4	-	-
Interest derivatives	3.3	-80.0	-	-
Closing balance	2,515.7	2,364.5	212.8	209.2

Note 27, cont.

	The Group			Parent Company	
	Investment properties	Untaxed reserves	Interest derivatives	Total	Investment properties
Deferred tax liability					
Opening balance, as per 01/01/2012	2,613.8	57.2	-58.4	2,612.5	259.3
Change reported via the Income Statement	251.3	3.1	-48.0	206.4	-9.2
Change reported via Comprehensive income	-	-	10.8	10.8	-
Closing balance before change in rate of taxation	2,865.1	60.3	-95.6	2,829.8	250.1
Change in rate of taxation reported via the Income Statement	-471.0	-9.9	7.8	-473.1	-40.9
Change in rate of taxation reported via Comprehensive income	-	-	7.8	7.8	-
Closing balance, as per 31/12/2012	2,394.1	50.4	-80.0	2,364.5	209.2
Opening balance, as per 01/01/2013	2,394.1	50.4	-80.0	2,364.5	209.2
Change reported via the Income Statement	73.5	29.4	75.4	178.3	3.7
Change not reported via the Income Statement	-35.0	-	-	-35.0	-
Change reported via Comprehensive income	-	-	7.9	7.9	-
Closing balance, as per 31/12/2013	2,432.6	79.8	3.3	2,515.7	212.8

No deferred tax has been calculated on asset acquisitions in accordance with applicable accounting recommendations.

NOTE 28. ASSET MANAGEMENT

The Group endeavours to ensure a good profit performance, financial sustainability and a strong financial position. The economic and financial goals are set in order to provide a combination of a high return on shareholders' equity, high growth capacity, and financial stability.

The Group's financial goals are as follows:

- The equity/assets shall be a minimum of 30 per cent.
- The interest coverage ratio shall be a minimum of 2.0.
- Dividend payments shall correspond to at least 50 per cent of the profit before changes in value, after estimated tax, unless investments or the company's financial position otherwise justify a deviation from this policy.

The terms to which the Group is subject in relation to external lenders apply to the equity/assets ratio, the interest coverage ratio, and the gearing ratio. The terms are subordinate to the Group's financial goals. The Group's capital structure comprises interest-bearing net borrowing and shareholders' equity attributable to the Parent Company's shareholders. This comprises share capital, other capital contributed and profits brought forward, including the net profit/loss for the year. The financing operations are described in greater detail in Note 29, Financial instruments and risk management.

Atrium Ljungberg's borrowing is primarily secured by means of mortgages on the Group's properties and, in some cases, guarantee undertakings issued by the Parent Company with regard to the subsidiaries' borrowing.

Capital structure	31/12/2013		31/12/2012	
	Reported value	Fair value	Reported value	Fair value
The Group				
Long-term liabilities				
Liabilities to credit institutions	9,219.7	9,305.0	8,810.9	8,916.2
Bonds	500.0	501.9	-	-
Certificates ¹¹	940.5	941.7	-	-
Current liabilities				
Liabilities to credit institutions	1,753.6	1,762.7	2,802.4	2,813.1
Total loans	12,413.8	12,511.3	11,613.3	11,729.3
Interest-bearing receivables				
Liquid assets	-186.6		-188.5	
Net debt	12,227.2		11,424.8	
Shareholders' equity	11,020.7		10,255.3	
Total capital	23,247.9		21,680.1	

Parent Company	31/12/2013		31/12/2012	
	Reported value	Fair value	Reported value	Fair value
Long-term liabilities				
Liabilities to credit institutions	5,328.3	5,377.6	4,631.3	4,686.6
Bonds	500.0	501.9	-	-
Certificates ¹¹	940.5	941.7	-	-
Current liabilities				
Liabilities to credit institutions	1,053.6	1,059.1	1,300.4	1,305.4
Liabilities to Group companies	2,185.5		1,395.7	
Total loans	10,007.9		7,327.4	

¹¹ Certificates which are covered by unutilised long-term credit agreements are considered to be long-term liabilities.

Interest-bearing liabilities are reported at the accrued acquisition value which is the reported value in the above table. The calculation of the fair value of liabilities to credit institutions is based on discounted estimated future cash flows. The discounting is effected on the basis of current market rates plus current borrowing margins. The valuation of derivatives is described in Note 29.

NOTE 29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**Principles governing financing and financial risk management**

Financing and financial risks are managed in accordance with guidelines laid down by Atrium Ljungberg's Board of Directors. The Group's treasury function, which is responsible for financing, liquidity and

financial risks, is concentrated within the Parent Company. The various categories of financial instrument held by the Group are shown in the table below.

Categorisation of financial instruments The Group	Loan receivables and accounts receivable		Financial assets/liabilities valued at fair value via the Income Statement		Other financial liabilities	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Accounts receivable	92.6	77.5	–	–	–	–
Other long-term receivables	1.1	0.4	–	–	–	–
Derivatives	–	–	14.9	–	–	–
Other receivables	945.0	–	–	–	–	–
Liquid assets	186.6	188.5	–	–	–	–
Total	1,225.3	266.4	14.9	–	–	–
Interest-bearing liabilities	–	–	–	–	12,413.8	11,613.3
Derivatives	–	–	–	363.7	–	–
Other liabilities	–	–	–	–	9.2	9.2
Accounts payable	–	–	–	–	118.7	177.9
Total	–	–	–	363.7	12,541.7	11,800.4

Derivatives (interest swap agreements) are valued at fair value in the Balance Sheet and the fair value of derivatives has, in accordance with the IFRS valuation hierarchy, been valued in accordance with level 2. This level means that the valuation is based on input data other than the listed prices used in level 1, 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. The reported net value for derivatives of SEK 14.9 million comprises a positive value of SEK 115.7 million and a negative value of SEK 100.8 million. Other financial instruments are not affected by the fair value hierarchy in that they are reported at the accrued acquisition value in the Balance Sheet.

Categorisation of financial instruments

Parent Company	Loan receivables and accounts receivable		Other financial liabilities	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Accounts receivable	1.1	1.3	–	–
Receivables from Group companies	13,521.6	6,963.8	–	–
Liquid assets	102.5	137.1	–	–
Total	13,625.2	7,102.2	–	–
Interest-bearing liabilities	–	–	7,822.4	5,931.7
Liabilities to Group companies	–	–	2,185.5	1,395.7
Accounts payable	–	–	13.8	36.5
Total	–	–	10,021.7	7,363.9

Liquidity risk

The term, liquidity risk refers to the company's risk that there will be insufficient liquid assets of credit for the company to be able to fulfil its payment undertakings. In order to ensure that the liquidity risk can be managed, a maximum of 30 per cent of the loan portfolio may fall due within one year and a maximum of 50 per cent of the loan financing may be obtained from a single creditor. The liquidity shall, further-

more, at all times total a minimum of SEK 300 million and a maximum of SEK 700 million, including liquidity reserves totalling a maximum of SEK 500 million and which may comprise current account overdrafts or loan guarantees. The Group's liquidity as of 31/12/2013, including unutilised current overdraft facilities totalling SEK 300 million, totalled SEK 487 million (SEK 489 m). Current surplus liquidity shall be invested in short-term government, local authority and bank securities, or the equivalent issued by companies with the highest possible rating. It must be possible to convert the investment into cash within three days. At the turn of the year there were also revolving credit facilities of SEK 1,750 million. SEK 1,150 million of the credit facility was unutilised at the year-end. The table below shows the capital commitment structure of the loan portfolio. The average loan maturity term, as of 31/12/2013, was 3.0 years (3.1 years).

Capital commitment

Fixed interest term	The Group		Parent Company	
	Amount	Percent-age, %	Amount	Percent-age, %
2014	1,754	14	1,054	13
2015	3,054	25	1,454	19
2016	3,385	27	1,505	19
2017	1,923	15	1,723	22
2018	1,482	12	1,270	16
2019 and thereafter	829	7	829	11
Total	12,427	100	7,836	100
Prepaid financing costs	–13		–13	
Interest-bearing liabilities in accordance with the Balance Sheet	12,414		7,822	

Market and interest risk

The term, market risk, refers to the risk of an impact on the profit/loss as a consequence of changes in the outside world. The market risk is primarily attributable to the trend in interest levels for short and long-term borrowing and for market rent levels. In order to limit the interest

Note 29, cont.

risk, the interest payable is spread among 15 years. A maximum of 30 per cent of the loans may fall due for renegotiation of the terms within 1 year and a maximum of 55 per cent of the interest payable may take place within 1 year. The fixed interest term table below itemises the due dates for the Group's interest-bearing liabilities. The average fixed interest term as of 31/12/2013 was 4.4 years (4.9 years). Atrium Ljungberg has extended the fixed interest term for a total of SEK 7,461 million (SEK 7,661 m) of the total loan portfolio of SEK 12,427 m (SEK 11,613 m) by means of so-called interest swap agreements. The interest swap agreements are primarily used as a means of changing the fixed interest structure without changing the capital commitment in the loan portfolio. The fair value of these interest swap agreements on the closing day totalled SEK 14.9 million (SEK -363.7 m). Atrium Ljungberg has ceased, as of 1 January 2012, to apply hedge accounting to the interest swaps that hedge the interest flows on external loans. Unrealised changes in the value of derivatives are consequently reported directly to the profit/loss. The hedging reserve, which totalled SEK -163.7 million on 31 December 2011, is being reversed linearly to Other comprehensive income over the terms of the respective derivatives. The remaining amount to be redeemed as of 31/12/2013 totals SEK 113.3 million (SEK 141.3 m) after adjustments for deferred tax calculated at a nominal rate of taxation of 22 per cent.

Interest on the loans falls due for payment quarterly up until 2020. These payments have an ongoing effect on the Income Statement during the terms of the loans in question in that accrued interest is reported.

Atrium Ljungberg has also endeavoured to spread the renegotiation dates for existing lease contracts as part of its efforts to reduce the annual market risk. For details of the percentage of income renegotiated during the year ahead, see Note 5. The weighted average remaining term for the lease contracts is 3.6 years (3.6 years).

Fixed interest term

	The Group		
	Loan amount	Percent-age, %	Average interest, %
Fixed interest term ¹⁾			
Variable + 3 month Stibor	2,081	17	2.5
2014	1,979	16	2.8
2015	400	3	4.6
2016	1,085	9	4.0
2017	830	7	3.8
2018	849	7	3.8
2019 and thereafter	5,202	42	4.1
Total	12,427	100	3.6
Prepaid financing costs	-13		

Interest-bearing liabilities in accordance with the Balance Sheet

12,414

¹⁾ The average credit margin for variable interest rates is spread over the time segment during which the derivative falls due for payment.

Maturity structure, derivative instruments

Maturity year	Nominal amount, SEK m	Unrealised change in value, SEK m	Average interest, %
2014	-	-	-
2015	300.0	-9.9	3.3
2016	280.0	-4.2	2.0
2017	830.0	-16.4	2.3
2018	849.0	-8.4	2.3
2019 and thereafter	5,202.4	24.0	2.6
Total	7,461.4	-14.9	2.6

Credit risk

The term, credit risk, refers to the risk of a counterparty being unable to fulfil delivery or payment undertakings. Atrium Ljungberg's credit risks lie in the possibility that the tenants may be unable to fulfil their payment undertakings in accordance with applicable lease contracts. This risk is assessed when contracts are signed and the agreements are supplemented, where appropriate, with collateral pledged by the tenants in the form of deposits or bank guarantees corresponding to between 3–12 months' rent. Deposits and bank guarantees received totalled SEK 22.6 million (SEK 20.8 m) and SEK 33.8 million (SEK 30.4 m), respectively, at the end of the year.

Currency risk

A currency risk arises when payment is made in a currency other than that in which the vendor's costs or the purchaser's income arises. Any such currency effect is reported in the Income Statement. Atrium Ljungberg only makes purchases in foreign currencies on an occasional basis and the currency risk is consequently small. A currency effect corresponding to SEK -0.01 million has arisen during the year in conjunction with a payment made in a foreign currency. Atrium Ljungberg has no income or external financial in foreign currencies.

Sensitivity analysis, cash flows¹⁾

	Change, %	Effect on profit, year 1, SEK m	Effect on profit, full-year, SEK m
Rental income	+/- 5 %	+/- 12	+/- 95
Property management costs	+/- 5 %	-/+ 33	-/+ 33
Letting rate	+/- 1 % unit	+/- 20	+/- 20
Atrium Ljungberg's average borrowing rate	+/- 1 % unit	-/+ 29	-/+ 124

¹⁾ The effect on the profit in year 1 relates to the effect in the immediately subsequent year with reference to fixed terms in lease contracts and loan agreements. Effect on profit is before tax.

Note 29, cont.

Maturity structure for financial instruments

The table below shows future undiscounted cash flows for the payment undertakings associated with the company's financial receivables and liabilities.

The Group		31/12/2013					31/12/2012				
Assets	2014	2015	2016	2017	2018 and thereafter	2013	2014	2015	2016	2017 and thereafter	
Rent receivables	1,900.0	1,602.0	1,233.0	895.0	536.0	1,904.0	1,563.0	1,276.0	892.0	661.0	
Accounts receivable	92.6	–	–	–	–	77.5	–	–	–	–	
Liquid assets	186.6	–	–	–	–	188.5	–	–	–	–	
Total	2,179.2	1,602.0	1,233.0	895.0	536.0	2,170.0	1,563.0	1,276.0	892.0	661.0	
Liabilities	2014	2015	2016	2017	2018 and thereafter	2013	2014	2015	2016	2017 and thereafter	
Interest-bearing liabilities incl. interest	–2,025.2	–3,263.1	–3,527.7	–2,002.5	–2,492.5	–2,500.6	–2,194.6	–3,232.0	–2,729.7	–2,230.6	
Derivatives	–116.0	–112.4	–107.3	–100.1	–357.5	–93.0	–88.8	–77.5	–71.0	–61.7	
Other current liabilities	–9.2	–	–	–	–	–9.2	–	–	–	–	
Accounts payable	–118.7	–	–	–	–	–177.9	–	–	–	–	
Total	–2,269.1	–3,375.5	–3,635.0	–2,102.6	–2,850.0	–2,780.7	–2,283.4	–3,309.5	–2,800.7	–2,292.3	
Parent Company		31/12/2013					31/12/2012				
Assets	2014	2015	2016	2017	2018 and thereafter	2013	2014	2015	2016	2017 and thereafter	
Rent receivables	158.0	90.0	54.0	41.0	29.0	192.0	126.0	95.0	54.0	34.0	
Accounts receivable	1.1	–	–	–	–	1.3	–	–	–	–	
Receivables from Group companies	13,521.6	–	–	–	–	6,963.8	–	–	–	–	
Liquid assets	102.5	–	–	–	–	137.1	–	–	–	–	
Total	13,783.2	90.0	54.0	41.0	29.0	7,294.2	126.0	95.0	54.0	34.0	
Liabilities	2014	2015	2016	2017	2018 and thereafter	2013	2014	2015	2016	2017 and thereafter	
Interest-bearing liabilities incl. interest	–834.7	–1,362.7	–1,550.2	–827.5	–1,945.2	–840.1	–1,369.9	–1,532.7	–809.4	–2,230.6	
Derivatives	–116.0	–112.4	–107.3	–100.1	–357.4	–93.0	–88.8	–77.5	–71.0	–61.7	
Liabilities to Group companies	–2,185.5	–	–	–	–	–1,395.7	–	–	–	–	
Accounts payable	–13.8	–	–	–	–	–36.5	–	–	–	–	
Total	–3,150.0	–1,475.1	–1,657.5	–927.6	–2,302.6	–2,365.3	–1,458.7	–1,610.2	–880.4	–2,292.3	

NOTE 30. OTHER LONG-TERM LIABILITIES

	The Group		Parent Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Deposits received from tenants	22.6	20.8	22.5	16.4
Guarantee reserve	2.5	1.9	–	–
Closing balance	25.1	22.7	22.5	16.4

NOTE 31. ACCRUED COSTS AND PREPAID INCOME

	The Group		Parent Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Holiday pay liability and payroll overheads	26.3	26.1	14.3	17.1
Liabilities to clients for ongoing engagements in accordance with construction agreements	13.5	9.6	–	–
Accrued interest expenses	23.9	26.9	15.8	16.0
Accrued property tax	120.7	103.3	8.9	14.0
Other accrued costs	62.1	65.6	13.5	17.0
Prepaid rent	315.4	293.2	27.5	16.2
Other prepaid income	38.1	11.1	–	–
Closing balance	600.0	535.8	80.0	80.3

NOTE 32. OTHER LIABILITIES

	The Group		Parent Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Tax liability for tax dispute	107.2	–	–	–
Personnel-related liabilities	7.1	6.3	5.9	5.2
Other liabilities	22.0	21.5	–	0.4
Closing balance	136.3	27.8	5.9	5.6

NOTE 33. SHORT-TERM PROVISIONS

Atrium Ljungberg has previously announced that the company has appealed the tax case in which the Swedish Administrative Court essentially granted the Swedish Tax Agency's suit, under the provisions of the Swedish Tax Avoidance Act, to increase the tax assessment of a company within the Atrium Ljungberg Group for a property transaction carried out in 2004 via a limited partnership. The Administrative Court ruled that the company's tax assessment shall be increased by SEK 326.7 million, excluding interest. No demand for the imposition of a tax surcharge has been made.

In 2012, the Supreme Administrative Court pronounced judgement in the so-called "Cyprus case", ruling that the Swedish Tax Avoidance Act was applicable. There are numerous differences between the Cyprus case and the transaction carried out by Atrium Ljungberg, but provision has, nonetheless, been made for the entire tax demand million and the estimated interest charges in the Q2 accounts of 2012.

At the end of 2013 the Administrative Court of Appeal dismissed the company's appeal. The entire tax demand of SEK 91.5 million and interest amounting to SEK 15.7 million was paid to the Swedish Tax Agency in January 2014 and is reported as a current liability in the annual accounts. The company has appealed the ruling and has applied for leave to appeal in the Supreme Administrative Court. Atrium Ljungberg is firmly of the opinion that the company has complied with the legislation and practice applicable at the time of the transaction and that the amount calculated by the Swedish Tax Agency is too high.

Atrium Ljungberg has conducted an analysis of the Group's property transactions for the years from 2004 onwards. No other similar transaction has been identified.

NOTE 34. EVENTS AFTER THE CLOSING DAY

On 2 February, the property Nacka Sicklaön 83:33 was acquired, which is situated on Nobelberget in Sickla in Nacka, at a purchase price of SEK 355 million. The property has a total area of approximately 35,000 m² which currently includes several office buildings which are partially rented. A detailed development plan process is in progress to create both offices and housing on the property.

The date of possession was 28 February 2014.

PROPOSED TREATMENT OF UNAPPROPRIATED EARNINGS

The following sum in the Parent Company is available for disposal by the Annual General Meeting:

Profit brought forward	SEK 6,064,205,286
Net profit for the year	SEK 205,713,771
Total	SEK 6,269,919,057

The Board of Directors proposes that the unappropriated earnings be allocated as follows:

That a dividend of SEK 3.05/share be paid to the shareholders	SEK 396,978,813
Carried forward	SEK 5,872,940,244
Total	SEK 6,269,919,057

BOARD STATEMENT CONCERNING THE PROPOSED DIVIDEND

The Board of Directors hereby issues the following statement in accordance with chapter 18, §4 of the Swedish Companies Act (2005:551). The Board's declaration that the proposed dividend is compatible with the provisions of chapter 17, §3, sections 2 and 3 of the Swedish Companies Act is the following.

The nature and scope of the operations and the risks associated therewith

The nature and scope of the operations are specified in the Articles of Association and the published annual accounts. The operations conducted by the company do not entail risks over and above either those that arise or which may be expected to arise within the sector or those generally associated with commercial operations and the conduct thereof.

The financial position of the company and the Group

The financial position of the company and the Group on 31 December 2013 is shown in the 2013 annual accounts. The principles applied to the valuation of assets, provisions and liabilities are shown in Note 1 Accounting Principles, in the section of the Annual Report entitled Notes to the Accounts.

It is apparent from the treatment of unappropriated earnings proposal that the Board proposes payment of a dividend of SEK 3.05 per share, corresponding to a total sum of approximately SEK 397 million. The proposed dividend comprises 5.8 per cent of the Parent Company's shareholders' equity and 3.6 per cent of the Group's shareholders' equity. Funds available for payment as dividends within the Parent

Company at the end of the 2013 financial year totalled SEK 6,269.9 million. The record date for distribution of profits proposed by the Board of Directors is 10 April 2014.

It is apparent, inter alia, from the annual accounts that the Group's equity/assets ratio is 41.1 per cent. The proposed dividend does not jeopardise fulfilment of the investments deemed necessary. The company's financial position does not give occasion to assume anything other than that the company will be able to continue its operations and that the company can be expected to fulfil its undertakings in both the short and the long term.

The defensibility of the dividend proposal

The Board of Directors is of the opinion, with reference to the above and to other information obtained by the Board, that the financial position of the company and the Group are such that the dividend proposal is defensible with reference to chapter 17, §3, sections 2 and 3 of the Swedish Companies Act, i.e. with reference to the requirements that the nature and scope of the operations and the risks it entails impose on the size of the company's and the Group's shareholders' equity and the consolidation requirements, liquidity and position in general of the company and the Group

Nacka, 4 March 2014

Atrium Ljungberg AB (publ)
BOARD OF DIRECTORS

ANNUAL ACCOUNTS SIGNATURES

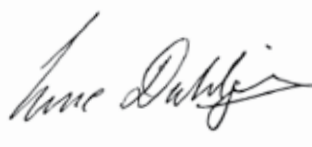
The Board of Directors and the CEO hereby attest that the Consolidated accounts and the annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and with generally accepted auditing principles, and that they provide a true and fair view of the Group's and the company's respective positions and results and that the Directors' Report for the Group and

the Directors' Report for the company are faithful representations of the development of the performance by the Group's and the company's operations, and of their respective positions and results, and that they describe significant risks and uncertainty factors faced by the companies that make up the Group.


Nacka, 4 March 2014



Dag Klackenborg
Chairman of the Board



Sune Dahlqvist
Member of the Board



Thomas Evers
Member of the Board



Anna Hallberg
Member of the Board



Johan Ljungberg
Member of the Board



Anders Nylander
Member of the Board



Ingalill Berglund
CEO

Our Audit Report was submitted on 4 March 2014.

Ernst & Young AB



Jonas Svensson
Authorised Public Accountant



Ingemar Rindstig
Authorised Public Accountant

AUDITORS' REPORT

To the annual meeting of the shareholders of Atrium Ljungberg AB (publ), corporate identity number 556175-7047

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Atrium Ljungberg AB (publ) for the year 2013, except for the corporate governance statement on pages 100–105. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 85–141.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts

The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in

order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 100–105. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the Income Statement and Balance Sheet for the Parent Company and the Group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Atrium Ljungberg AB (publ) for the year 2013. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. The Board of Directors and the CEO are responsible for administration under the Companies Act and that the corporate governance statement on pages 100–105 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence which we have obtained is sufficient and appropriate in order to provide a basis for our opinions.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the Group we believe that we have obtained a sufficient basis for our opinion. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and the consolidated accounts.

Stockholm 4 March 2013

Ernst & Young AB



Jonas Svensson
Authorised Public Accountant



Ingemar Rindstig
Authorised Public Accountant

FIVE-YEAR OVERVIEW

Amounts in SEK m	2013	2012	2011	2010	2009
INCOME STATEMENTS					
Rental income	1,956.2	1,824.8	1,686.3	1,613.5	1,655.7
Net sales, project and construction work	405.3	252.9	331.8	322.9	323.9
Net sales	2,361.5	2,077.7	2,018.1	1,936.4	1,979.6
Property management costs	-658.9	-600.9	-591.3	-584.0	-603.7
Project and construction work costs	-394.3	-242.0	-317.0	-313.5	-316.5
Gross profit/loss	1,308.3	1,234.8	1,109.8	1,038.9	1,059.4
– of which gross profit/loss from property management	1,297.3	1,224.0	1,095.0	1,029.5	1,052.0
– of which gross profit/loss from project and construction work	11.0	10.9	14.8	9.4	7.4
Central administration, property management	-47.1	-41.7	-44.1	-45.4	-49.2
Central administration, project and construction work	-14.4	-16.6	-12.2	-11.9	-10.7
	-61.5	-58.2	-56.3	-57.3	-59.9
Financial income	2.8	13.9	10.6	7.7	6.6
Financial expenses	-420.6	-451.3	-369.7	-320.6	-338.7
	-417.8	-437.4	-359.1	-313.0	-332.1
Profit/loss before changes in value	829.0	739.2	694.4	668.6	667.4
Unrealised changes in value, properties	142.5	367.8	528.3	525.1	-523.0
Realised changes in value, properties	-1.6	32.7	2.0	14.2	0.1
Unrealised changes in value, financial instruments	342.6	-182.5	–	–	–
Goodwill write-downs	-33.4	-82.2	–	-16.9	-51.7
	450.1	135.8	530.3	522.4	-574.6
Profit/loss before tax	1,279.1	875.0	1,224.7	1,191.0	92.8
Current tax	6.1	-89.8	-1.5	-23.5	-77.4
Deferred tax	-176.9	245.6	-318.7	-252.1	171.5
Net profit/loss for the year	1,108.3	1,030.8	904.5	915.5	186.9
BALANCE SHEETS					
Investment properties	25,008.5	24,576.2	21,896.7	19,939.7	18,616.6
Goodwill	274.3	307.6	389.8	389.8	406.7
Other fixed assets	37.9	23.7	51.0	165.3	152.3
Current assets	1,323.0	370.9	564.1	275.5	424.0
Liquid assets	186.6	188.5	274.2	439.3	232.6
Total assets	26,830.3	25,466.9	23,175.8	21,209.6	19,832.2
Shareholders' equity	11,020.7	10,255.3	9,540.5	9,099.2	8,415.6
Deferred tax liability	2,515.7	2,364.5	2,612.5	2,320.4	2,046.1
Long-term interest-bearing liabilities	10,660.2	8,810.9	7,839.6	7,373.6	6,444.1
Other long-term liabilities	25.1	384.5	243.9	49.8	99.3
Short-term provisions	–	105.9	–	–	–
Short-term interest-bearing liabilities	1,753.6	2,802.4	1,881.3	1,736.9	2,047.7
Other current liabilities	855.0	743.4	1,058.0	629.8	779.4
Total shareholders' equity and liabilities	26,830.3	25,466.9	23,175.8	21,209.6	19,832.2

Amounts in SEK m	2013	2012	2011	2010	2009
CASH FLOW STATEMENTS					
Cash flow from operating activities	854.2	831.9	639.7	671.1	607.6
Cash flow from investment activities	-1,273.1	-2,471.6	-1,104.4	-794.2	-433.5
Cash flow from financing activities	417.0	1,554.0	299.6	329.8	-119.9
Cash flow for the year	-1.9	-85.7	-165.1	206.7	54.2
KEY RATIOS					
<i>Property-related key ratios</i>					
Letting rate, %	95	95	94	94	93
Operating surplus margin, %	66	67	65	64	64
Letting area, '000 m ²	941	903	871	790	808
Investments in properties, SEK m	1,302	1,512	1,050	1,047	1,087
Number of properties	47	57	54	49	47
<i>Financial key ratios</i>					
Equity/assets ratio, %	41.1	40.3	41.2	42.9	42.4
Debt/equity ratio, multiple	1.1	1.1	1.0	1.0	1.0
Gearing ratio, %	47.8	47.3	45.1	45.7	45.6
Interest coverage ratio, multiple	3.0	2.6	2.9	3.1	3.0
Average rate of interest on interest-bearing liabilities (at period end), %	3.6	3.9	4.2	3.8	3.8
Return on shareholders' equity, %	10.4	10.4	9.7	10.5	2.2
Return on shareholders' equity, excluding changes in value, %	6.0	5.6	5.6	5.6	5.7
Return on total assets, %	6.5	5.5	7.2	7.4	2.2
Return on total assets excluding changes in value, %	4.7	4.9	4.8	4.8	5.0
<i>Data per share</i>					
Earnings per share, SEK	8.52	7.92	6.95	7.03	1.44
Profit/loss before changes in value less applicable nominal tax, SEK	4.97	4.19	3.93	3.79	3.78
Dividend (2013 proposed), SEK	3.05	2.85	2.60	2.40	2.25
Dividend pay-out ratio, %	61.4	68.0	66.2	63.4	59.5
Share dividend yield, %	3.5	3.3	3.5	2.8	3.4
Cash flow, SEK	6.56	6.39	4.91	5.16	4.67
Shareholders' equity, SEK	84.67	78.79	73.30	69.91	64.66
Net worth per share, 10 % deferred tax, SEK	93.09	86.67	83.03	77.98	71.48
Share price on 31 December, SEK	88.00	87.00	73.25	86.50	67.00
Average number of outstanding shares, '000	130,157	130,157	130,157	130,157	130,157
Number of outstanding shares at end of period, thousand	130,157	130,157	130,157	130,157	130,157
<i>Employees</i>					
Average number of employees	285	265	260	251	242

DEFINITIONS

FINANCIAL DEFINITIONS

Share dividend yield, %

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

Share's total yield, %

The year's change in the share price plus the dividend as a percentage of the share price at the previous balance sheet date.

Average number of outstanding shares

Number of registered shares at the end of the period less bought-back shares, which do not provide entitlement to dividend or voting rights.

Return on shareholders' equity, %

Net profit/loss for the year as a percentage of average shareholders' equity.

Return on total assets, %

Profit/loss before tax plus interest expenses as a percentage of the average balance sheet total.

Rounding off

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

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.

Equity per share, SEK

Reported equity divided by the number of outstanding shares at the period end.

Cash flow per share, SEK

Cash flow from operating activities divided by the number of outstanding shares at the period end.

Interest coverage ratio, multiple

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

P/E ratio

Market price at the period end divided by the profit/loss after tax per share for the previous 12-month period.

Earnings per share, SEK

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

Profit before changes in value per share, SEK

Profit/loss before changes in value, less applicable nominal tax, divided by the number of outstanding shares.

Interest coverage ratio, multiple

Profit/loss before changes in value, plus interest expenses divided by interest expenses.

Debt/equity ratio, multiple

Interest-bearing liabilities divided by reported shareholders' equity.

Equity/assets ratio, %

Reported shareholders' equity as a percentage of the balance sheet total at the period end.

Net worth per share, 10 % deferred tax, SEK

Equity per share calculated using a deferred tax rate of 10 per cent for investment properties.

Dividend pay-out ratio, %

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

PROPERTY-RELATED DEFINITIONS

BREEAM

Is an environmental certification system for built environments in Europe. BREEAM takes a big picture approach to environmental performance. The areas addressed by BREEAM are energy and water consumption, health, transport, materials, waste, land usage, emissions, ecology and management.

GFA, m²

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

Operating surplus

Rental income less property management costs.

Rental value

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

Net letting

Total contracted annual rent for new lets less annual rents terminated due to clients vacating the premises for the period.

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.

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.

Operating surplus margin, %

Gross profit/loss from property management as a percentage of the reported rental income.

GRI INDEX

Atrium Ljungberg's sustainability work has been reported for a number of years as a part of the Annual Report, and from 2008 Atrium Ljungberg reports in accordance with Global reporting initiative's (GRI's) guidelines 3.0. Atrium Ljungberg believes that the report fulfils the information requirement for level C reporting, but the information has not been reviewed by a third party. Atrium Ljungberg is a signatory of the UN Global Compact and the annual report with related GRI complementary information comprises Atrium Ljungberg's Communication on Progress Report 2013.

The work on defining and developing the content of the report is based on the issues determined internally and in dialogue with the company's stakeholders to be important and involve critical aspects during planning, construction and management of sustainable environments for customers and visitors, and the company's role as a responsible employer. Data and

information in the report have been gathered during the 2013 calendar year and cover all properties owned by Atrium Ljungberg, adjusted for sales and acquisitions during the year. Environmental data and employee information includes the wholly-owned subsidiary company, TL Bygg. Any exceptions or limitations in respect to the data are indicated. The table below shows the degree to which the reporting fulfils the information required. The table includes GRI's all core indicators and additional indicators and indicators from the sector supplement for the Construction and Real Estate Sector (CRESS) that Atrium Ljungberg has deemed to be relevant.

On Atrium Ljungberg's website there is GRI complementary information with complete GRI tables and complementary information on sustainability work. It contains comments which explain any deviations and the bases used for calculation.

GRI compl. means that information/more information is submitted in Atrium Ljungberg's GRI complementary information on www.atriumljungberg.se

STANDARD INFORMATION/INDICATORS	REFERENCE 2013	REPORT-ING LEVEL
1. STRATEGY AND ANALYSIS		
1.1 CEO's Statement	4	
1.2 Impact of, and risks and opportunities related to sustainable development	Cover inside flap, 6–9, 18–26, 87–89	
2. ORGANISATION		
2.1 Name of the organisation	86	
2.2 Primary brands, products, and/or services	Front cover inside flap, 8–10, 21, 23, 28–31, 39, 61, 73, 81, 83–84	
2.3 Operational structure of the organisation	10	
2.4 Location of the organisation's headquarters	Back cover	
2.5 Countries where the organisation operates and which of these are particularly important for sustainability issues	Front cover inside flap, 12–16	
2.6 Nature of ownership and legal form	10, 86	
2.7 Markets served	Front cover inside flap, 12–16, 28–31, 34–37, 61, 73–78, 81	
2.8 Scale of the reporting organisation	Front cover inside flap, 6–7, 15, 26, 28–31, 39, 61, 73, 81, 84, 108, 110	
2.9 Significant changes during the reporting period	Front cover inside flap, GRI compl.	
2.10 Awards received during the reporting period	64, 67	
3. REPORT PARAMETERS		
Report profile		
3.1 Reporting period	147	
3.2 Date of most recent report	147, GRI compl.	
3.3 Reporting cycle	147	
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Scope and boundaries of the reporting		
3.5 Process for defining report content	147	
3.6 Boundary of the report	118, 147	
3.7 Specific limitations on the scope or boundary of the report	118, 147, GRI compl.	
3.8 Accounting principles for jointly owned companies	118, 123, 147, GRI compl.	
3.9 Bases and assumptions of the calculations	GRI compl.	
3.10 Explanation for corrections from earlier reports	GRI compl.	
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods	GRI compl.	
Assurance		
3.12 GRI content index	147–148, GRI compl.	
3.13 Policy and practice for external assurance	147	

4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT

Governance

4.1 Governance structure of the organisation	100
4.2 Indicate whether Chair of the highest governance body is also an executive officer	100–103
4.3 Number of members of the highest governance body that are independent and/or non-executive members	103
4.4 Mechanisms for shareholders and employees to provide recommendations or directions to the highest governance body	25–26, 100–101, GRI compl.
4.5 Linkage between compensation for members of the highest governance body, Senior managers, and executives and the organisation's performance (incl. social and environmental results)	102–103, GRI compl.
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	100–103, 106–107, GRI compl.
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental and social topics	101–102, GRI compl.
4.8 Internally developed statements of mission or values, codes of conducts and principles	Front cover inside, 5–8, 18–23, 25, 84, 101, GRI compl.
4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance	23, 101, 106
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	106–107, GRI compl.
4.11 Explanation of whether and how the precautionary approach or principle is addressed	18–19, 21–23, GRI compl.
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	21–23, 84, 100
4.13 Memberships in associations	20, 84, GRI compl.

Stakeholder engagement

4.14 List of stakeholder groups engaged by the organisation	Front cover inside flap, 9, 19–23, 25, 73, GRI compl.
4.15 Basis for identification and selection of stakeholders with whom to engage	18–23, 25, 147, GRI compl.
4.16 Approaches to stakeholder engagement	9, 19–23, 25, 73, GRI compl.
4.17 Key topics and concerns that have been raised through stakeholder engagement	Front cover inside flap, 19–23, 25, GRI compl.

STANDARD INFORMATION/INDICATORS	REFERENCE 2013	REPORT- ING LEVEL
5. INDICATORS		
ECONOMIC PERFORMANCE INDICATORS		
EC1 Direct economic value	GRI compl.	R
EC2 Financial impact of, and risks and opportunities related to the climate change	21–23, 101, GRI compl.	RD
EC3 Coverage of the organisation's defined benefit plan obligations	127–128	R
EC4 Significant financial assistance received from government	GRI compl.	R
EC6 Policy, practices and proportion of spending on locally based suppliers	GRI compl.	ER
EC7 Procedures for local hiring	GRI compl.	ER
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit	20, GRI compl.	RD
ENVIRONMENTAL PERFORMANCE INDICATORS		
EN1 Materials used by weight or volume	GRI compl.	RE
EN2 Percentage of materials used that are recycled input materials	GRI compl.	RE
Energy		
EN3 Direct energy consumption by primary energy source	23, GRI compl.	R
EN4 Indirect energy consumption by primary source	23, GRI compl.	R
EN5 Energy saved due to conservation and efficiency improvements	21–23, GRI compl.	R
EN6 Initiatives to provide energy-efficient or renewable energy based products and services	6–7, 19, 21–23, GRI compl.	R
EN7 Initiatives to reduce energy consumption and reductions achieved	6–7, 19, 21–23, GRI compl.	R
EN8 Total water withdrawal by source	23 GRI compl.	R
Biodiversity		
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value	GRI compl.	RD
EN12 Description of significant impacts of activities, products, and services on biodiversity	GRI compl.	RE
Emissions and waste		
EN16 Total direct and indirect greenhouse gas emissions by weight	22–23, GRI compl.	R
EN17 Other relevant indirect greenhouse gas emissions by weight	GRI compl.	RD
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	6–7, 19, 21–23, GRI compl.	R
EN19 Emissions of ozone-depleting substances by weight	GRI compl.	RE
EN20 NO ₂ , SO and other significant air emissions by type and weight	GRI compl.	RE
EN21 Total water discharge by quality and destination	GRI compl.	RE
EN22 Total weight of waste by type and disposal method	GRI compl.	RE
EN23 Total number and volume of significant spills	GRI compl.	RE
Products and services		
EN26 Initiatives to mitigate environmental impacts of products and services	6–7, 18–23, 84, GRI compl.	R
EN27 Percentage of products sold and their packaging materials that are reclaimed by category	GRI compl.	RE
Other		
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	GRI compl.	R
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	GRI compl.	RD
SOCIAL PERFORMANCE INDICATORS		
Labour practices and working conditions		
LA1 Total workforce by employment type, employment contract, and region	26, 127	R
LA2 Total number and rate of employee turnover by age group, gender and region	26	RD
Relationship between employees and management		
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees	102, 120, 127–128	RD

EXPLANATION OF ABBREVIATIONS – DEGREE OF GRI COMPLIANCE

(R) Reported
(PR) Partially reported
(NR) Not reported
(I) Irrelevant given the type of business and where it operates

LA4 Percentage of employees covered by collective bargaining agreements	26	R
LA5 Minimum notice period(s) regarding operational changes	GRI compl.	R
Health and safety		
LA7 Rates of injury, occupational diseases, lost days, and absenteeism	GRI compl.	R
LA8 Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	GRI compl.	RD
Training		
LA10 Average hours of training per year per employee by employee category	26, GRI compl.	RD
LA11 Programmes for skill management	26, GRI compl.	RD
LA12 Percentage of employees receiving regular performance and career development reviews	GRI compl.	R
Diversity and equal opportunities		
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	26, 104–105, 127, GRI compl.	R
LA14 Ratio of basic salary of men to women by employee category	GRI compl.	RE
Human rights		
HR1 Percentage and total number of significant investment agreements that include human rights clauses	23, GRI compl.	R
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights	23, 84, GRI compl.	RD
Non-discrimination		
HR4 Total number of incidents of discrimination and actions taken	GRI compl.	R
Freedom of association and collective agreement rights		
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	GRI compl.	ER
HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	GRI compl.	ER
HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	GRI compl.	ER
Society		
SO1 Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities	9, 18–23, GRI compl.	R
SO2 Percentage and total number of business units analysed for risks related to corruption	106	RD
Corruption		
SO3 Percentage of employees trained in organisation's anti-corruption policies and procedures	GRI compl.	RE
SO4 Actions taken in response to incidents of corruption	GRI compl.	R
Politics		
SO5 Public policy positions and participation in public policy development and lobbying	GRI compl.	R
Compliance		
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	GRI compl.	R
Customer health and safety		
PR 1 Lifecycle stages in which health and safety impacts of products and services are assessed for improvement	18–23, GRI compl.	RD
Labelling of products and services		
PR 3 Type of product and service information required by procedures	19, 21, GRI compl.	R
Product development		
PR 5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	73, GRI compl.	RD
Market communication		
PR 6 Programmes for adherence to laws, standards, and voluntary codes related to marketing communications	GRI compl.	RE
PR 9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	GRI compl.	R
Supplement from the Construction and Real Estate Sector (CRESS)		
CRE 8 Type and number of sustainability/environmental certifications, labelling or processes applied for implementation of projects or construction of properties/facilities	6–7, 18–23	R

ABBREVIATIONS – OTHER

GRI compl. stands for Atrium Ljungberg's GRI complementary information which is available on Atrium Ljungberg's website under Sustainable Enterprise
(C) Indicates a core indicator
(A) Indicates an additional indicator
CRE Indicates indicators developed for the construction and real estate sector

INFORMATION FROM ATRIUM LJUNGBERG

THE INFORMATION we release to the market concerning Atrium Ljungberg's operations shall be transparent, clear and correct in order to build market confidence in our company and our brand.

AS A LISTED COMPANY Atrium Ljungberg is subject to the rules of the listing agreement with the NASDAQ OMX Stockholm exchange. Significant events, interim reports and preliminary financial statements are published immediately via press releases and the information is also available on the company's website: www.atriumljungberg.se.

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

OUR ANNUAL REPORT and our Interim Reports are available on our website and are also distributed in printed format by post to shareholders who have actively requested them. Interim reports and preliminary financial statements are translated into English and all 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 January–March 2014	15 April 2014
Interim Report January–June 2014	10 July 2014
Interim Report January–September 2014	22 October 2014
Preliminary Financial Statement, 2014	February 2015
2014 Annual Report	March 2015

ANNUAL GENERAL MEETING

We cordially invite shareholders for the Annual General Meeting which will be held on 7 April 2014 at 17.00 (CET) in the Filmstaden building, at Marcusplatsen 19 in Sickla. Notices convening the Meeting will be sent by letters in the post to shareholders and the Meeting will also be advertised in Post- och Inrikes Tidningar (the Official Swedish Gazette). A statement that the Meeting has been convened will be published in the Dagens Nyheter daily newspaper.



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