



ATRIUM LJUNGBERG

10

ANNUAL REPORT

ATRIUM LJUNGBERG

Atrium Ljungberg is one of Sweden's largest listed property companies. Our business concept is to own, develop and manage properties, principally in the retail and office sectors.

Our ambition is to develop our areas into full service environments that are sustainable in the long-term and that remain attractive over time. We create full service environments by combining retail areas and office workplaces with residential units and various service and social functions. Our property portfolio consequently also includes housing and activities within the cultural, service and educational sectors.

The Group includes the wholly-owned subsidiary company, TL Bygg – a profitable building contractor specialising in all types of renovation, extension, new construction and building services work.

Atrium Ljungberg AB has been listed on the Nasdaq OMX Stockholm exchange since 1994.

FACTS

NUMBER OF PROPERTIES	49
VALUE OF PROPERTY	SEK 19.9 BILLION
TOTAL LETTING AREA	790,000 M ²
CONTRACTED ANNUAL RENT	SEK 1.6 BILLION
LETTING RATE	94 PER CENT

OUR BUSINESS

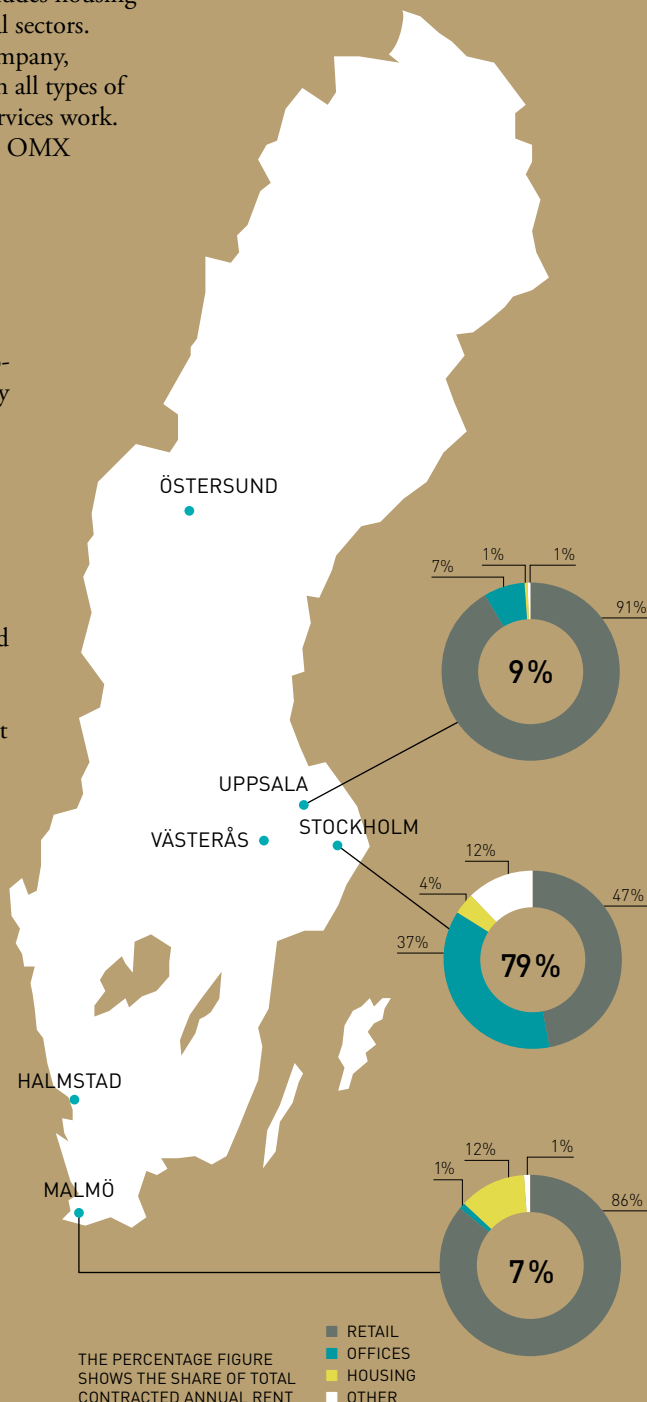
Atrium Ljungberg adopts a long-term perspective to property ownership. We create value growth in the company by developing and improving both new and existing properties and development rights. We are planning, within the next five-year period, to invest SEK 5 billion in new construction, extension and renovation work in our own development projects.

We direct and run the whole business process – from acquisition, the creative process and concept development, through planning and construction, to leasing and management of the property. This contributes to high profitability and creates added value for our customers. Our development projects provide a long-term yield that is higher than the acquisition alternatives.

OUR LOCATIONS

Atrium Ljungberg is present in growth towns in Sweden, principally in Stockholm, Malmö and Uppsala. We have retail hubs in all of these regions, while our office properties are primarily concentrated on strong subsidiary markets in Stockholm. Our residential properties are integrated in the city district of Ärvinge in Kista and in the Mobilia area in Malmö.

Our property holding also includes a number of development rights and these are an important constituent part of the portfolio.



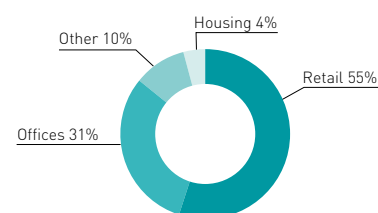
THE RESULTS IN BRIEF

- › The company's net sales totalled SEK 1,936 million (SEK 1,980 m), of which rental income totalled SEK 1,614 million (SEK 1,656 m). Income from project and construction activities totalled SEK 323 million (SEK 324 m), and primarily comprised income from the wholly owned subsidiary company, TL Bygg AB.
- › The operating surplus totalled SEK 1,029.5 million (SEK 1,052.0 m). The reduction in the operating surplus was due to the sale of properties by the company in 2009 and 2010. If properties sold are excluded, the operating surplus increased by SEK 38 million, corresponding to an increase of 4 per cent.
- › The profit before changes in value totalled SEK 668.6 million (SEK 667.4 m), exceeding the most recent forecast of SEK 640 million.
- › Changes in value totalled SEK 522.4 million (SEK -574.6 m). The reported value of the property holding was SEK 19,940 million (SEK 18,617 m), and the valuation's average yield requirement is 5.8 per cent (5.9%).
- › The rate of development has continued to be high, with just over SEK 1,047 million (SEK 1,087 m) invested in the Group's own properties.
- › The profit after tax totalled SEK 915.5 million (SEK 186.9 m), corresponding to SEK 7.03/share (SEK 1.44/share). The Board of Directors proposes a dividend of SEK 2.40/share (SEK 2.25/share).

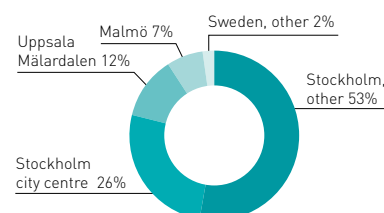
KEY RATIOS

	2010	2009
Net sales, SEK m	1,936	1,980
Profit before changes in value, SEK m	669	667
Net profit/loss for the year, SEK m	916	187
Investments, SEK m	1,047	1,087
Cash flow from operating activities, SEK m	671	608
Letting rate, %	94	93
Equity/assets ratio, %	42.9	42.4
Gearing ratio, %	45.7	45.6
Average interest rate at period end, %	3.8	3.8
Interest coverage ratio, %	3.1	3.0
Net profit for the year, SEK/share	7.03	1.44
Profit/loss before changes in value less applicable nominal tax, SEK/share	3.79	3.78
Dividend, SEK/share [proposed for 2010]	2.40	2.25
Share price as per 31st December, SEK/share	86.50	67.00
Shareholders' equity, SEK/share	69.91	64.66

CONTRACTED ANNUAL RENT PER PREMISES TYPE



CONTRACTED ANNUAL RENT PER REGION



SIGNIFICANT EVENTS DURING THE YEAR

Q1

- Several consumer electronics and white goods stores open in the 6,000 m² of new and extended retail space in Mobilia, Malmö.
- Expansion of Mobilia's southern section, comprising just over 2,000 m² of new retail space and garage space begins.
- Willys and a re-profiled Coop store open in Rotebro Handel.

Q2

- The R.O.O.M. interior design store opens, occupying the entire 3rd floor of PUB.
- The detailed development plan for the NOD project in Kista gains legal force.
- Inauguration of the Digital Art Center (DAC) pilot project in Ärvinge, Kista.
- Construction begins on Gränby Centrum's next expansion phase, comprising approximately 9,000 m² of new retail space.
- Sale of the Rinken 2 property at Vasa Handelsplats in Södertälje.

Q3

- Acquisition of two properties in Sickla totalling 3,500 m² of floor space.
- Lease contract with Telenor in the Glashuset building at Slussen extended and the area let is increased to a total of approximately 11,000 m².
- Kvarteret Igor in Västerås is inaugurated after extensive rebuilding work. Forty or so retail stores open.
- Inauguration of the newly build and rebuilt sections of Farsta Centrum, in which ten or so retail stores open. The inauguration coincides with Farsta Centrum's celebrations of 50 years as a retail hub.
- Lease contract signed with Intrum Justitia in Sickla, enabling construction work to start on a new office block in Sickla.

Q4

- A number of lease contracts are signed in Gränby Centrum, enabling, amongst other things, the creation of a service centre as part of future expansion work.
- Inauguration of Port73, a new and transformed retail hub in Haninge. Twenty five or so retail stores open.
- New lets are agreed for a number of office premises and several are renegotiated, e.g. for Atea in Ärvinge, Kista and Skanska Healthcare in Norra Station.
- Lease contract signed with Rusta for approximately 2,400 m² retail space in Västberga Handel.
- New detailed development plan completed for Mobilia in Malmö that will enable the development in future of an additional 35,000 m² or so of space for retail and service facilities, residential accommodation, and approximately 650 additional parking spaces.
- The Managing Director, Anders Nylander, announces that he will be resigning his position as MD in 2011.
- Lease contract signed with AkzoNobel for the construction of a new operations centre in Sickla.



"We create living meeting places for people,
for the retail sector, and for businesses"

CONTENTS

INTRODUCTION

- 2 MANAGING DIRECTOR'S STATEMENT
- 4 STRATEGIES AND BUSINESS CONCEPT
- 5 GOALS AND GOAL FULFILMENT
- 6 BUSINESS MODEL
- 7 FACTORS FOR SUCCESS

MARKET DESCRIPTIONS

- 8 MARKET POSITION
- 11 INVESTOR MARKET
- 12 RETAIL MARKET
- 15 OFFICE MARKET IN STOCKHOLM

OPERATIONS

- 18 PROPERTY PORTFOLIO
- 22 INVESTMENTS
- 24 PROJECTS COMPLETED IN 2010
- 26 ONGOING/APPROVED PROJECTS
- 31 POTENTIAL PROJECTS
- 38 BUSINESS AREA RETAIL
- 52 BUSINESS AREA OFFICES
- 59 HOUSING
- 60 TL BYGG
- 62 CORPORATE SOCIAL RESPONSIBILITY
- 66 EMPLOYEES
- 69 OPPORTUNITIES AND RISKS
- 72 SHARE INFORMATION AND SHAREHOLDERS
- 76 BOARD OF DIRECTORS
- 77 SENIOR MANAGEMENT, 2010
- 78 REMUNERATION
- 79 KEY RATIOS
- 80 FIVE-YEAR OVERVIEW
- 82 DEFINITIONS

ANNUAL ACCOUNTS

- 84 DIRECTORS' REPORT
- 87 CONSOLIDATED ACCOUNTS
- 92 PARENT COMPANY ACCOUNTS
- 97 SUPPLEMENTARY INFORMATION - NOTES
- 118 CORPORATE GOVERNANCE REPORT
- 123 AUDITORS' REPORT

OTHER

- 124 PROPERTY PORTFOLIO LIST
- 128 GRI INDEX

Our core values are crucial to our success

2010 has been an eventful and successful year. The strong projects we have completed and the new ones we have launched have, without question, laid the foundations for future success.

The year saw a vigorous turnaround in Sweden's macro economy that transformed a recession and financial crisis into strong growth, and there are good grounds to anticipate continued strong growth in the Swedish economy in 2011. The trend towards big city-based growth is becoming even clearer and Sweden's three major cities are the engines driving Sweden's growth, affording us considerable potential for developing our retail, workplace and full-service environments.

THE RENTAL AND PROPERTY MARKET

The office rental market has improved as the economy has strengthened, as reflected in increased demand, lower vacancy level and reduced rental discounts. Rents have risen slightly in some subsidiary markets, such as the central city locations in Stockholm, and if the positive economic trend continues, rents will rise in other subsidiary markets, too – primarily in good locations in big city regions.

Consumption has recovered – a trend that is clearest in the big cities. Continued strong growth will see strong retail hubs in our subsidiary markets experiencing positive development and increased rental levels. The property market has picked up once again, resulting in more normal transaction volumes and slightly lower yield requirements, with the biggest fall, to date, seen in central locations in Stockholm.



THE PAST YEAR

The most important thing for Atrium Ljungberg is to take care of our customers and support their business – and I believe we have succeeded in this respect, as can be seen, for example, in the extensive renegotiations with customers such as Area and Telenor, and the fact that we have been entrusted with building a new office for Intrum Justitia. Sickla's progress towards becoming Stockholm's biggest combined retail hub is another.

We said, before 2010, that we would continue to invest, step by step, in in-house projects and we have, without a shadow of a doubt, done precisely that, with investments totalling over SEK 1 billion. We have brought two sleeping retail hubs back to life: Kvarteret Igor in Västerås was opened during the autumn and is already Västerås city's leading shopping centre, while Port73 in Haninge has been renovated and expanded and now forms the basis of a regional retail hub with a total, to date, of twenty five or so stores.

We have also both celebrated Farsta Centrum's 50th anniversary and, at the same time, inaugurated the final part of a massive remodelling process there. The range of stores and restaurants has been sharpened up and the centre has been refitted. The foundations have now been laid for developing Farsta, in cooperation with the City of Stockholm, into one of Stockholm's focal points that will also house residential accommodation, workplaces, and sporting and cultural facilities.

Atlas Copco will be moving into its new office block and meeting place in Sickla in the spring. This is truly a building of which both Atrium Ljungberg and Atlas Copco can be proud in a great many ways. The building more than meets the Green Building requirements and is a good example of the ways in which sustainability is an integral part of our operations. We will continue to progress our sustainability work in the future, e.g. by environmentally certifying all of our new constructions.

We have also secured continued long-term, positive growth in our subsidiary markets, e.g. by generating the

necessary preconditions for "Sickla affärskvarter" [Sickla Business quarter] by inaugurating Atlas Copco's office block and building new head offices for both AkzoNobel and Intrum Justitia. We have also begun work on a substantial expansion of Mobilia Malmö – our single biggest construction project. Mobilia will be a city block in the heart of Malmö that is not only home to retail outlets, but to cultural and healthy lifestyle facilities and to residential accommodation.

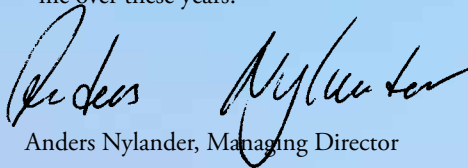
OUTLOOK FOR THE FUTURE

Atrium Ljungberg has a solid base for continued strong growth. Sweden's economy is developing strongly and we have a presence in the regions in which tomorrow's growth will occur. We have a broad customer base of successful companies and close relationships with our customers. Our properties are in good locations, in good condition, and with good fundamental characteristics. And we have strong projects. Doing good business demands, however, that we remain on our toes at all times, that we respect the changes taking place in the outside world, and that we ensure our ability to change direction. This we have done.

I believe that our core values will mean we succeed. We build long-term partnerships and we keep our word. And we have the courage to think outside the box.

And finally, I'd like to say thanks for twenty-three fantastic years with the company, eight of them as its MD. I am now looking forward to contributing to the company's growth by being an active member of Atrium Ljungberg's Board of Directors.

Many, many thanks to all of you; customers, partners, colleagues and owners for the confidence you have shown in me and the support you have given me over these years.


Anders Nylander, Managing Director

Farsta
CENTRUM

Our strategies

RETAIL – OFFICE – FULL-SERVICE

Atrium Ljungberg shall focus on developing environments for retail and office purposes. In this way, we will build competence and be competitive within these sectors. This combination will also allow us to spread risk, which will make us stronger across business cycles. We shall, wherever possible, complement our retail and office environments with residential, service, cultural and educational elements. By so doing, we will create vibrant, attractive and sustainable full-service environments.

STRONG SUBSIDIARY MARKETS IN GROWTH TOWNS IN SWEDEN

We shall establish a presence in strong subsidiary markets in growth towns in Sweden where the pre-conditions exist for long-term value growth. This is required in order to achieve long-term profitability for us and our customers.

IMPROVEMENT AND DEVELOPMENT OF PROPERTIES AND DEVELOPMENT RIGHTS

We shall create value growth within the company by providing added value for our customers. We will do this by developing and improving both new and existing properties and development rights. Our development projects shall provide a yield that is higher than the acquisition alternative.

MAJOR PLAYER

We shall be a significant player with large-scale and rational units in the respective subsidiary markets so that we can lead and influence development and create working, sustainable full-service environments. Rational units also enable us to carry on

customer-orientated property management using our own on-site personnel. This gives us knowledge of the local conditions and creates business opportunities.

LONG-TERM PARTNERSHIPS

We shall have close, regular and long-term partnerships with our customers, local authorities and partners so that we can meet their requirements and create long-term sustainable and attractive environments for them on an ongoing basis.

IN-HOUSE COMPETENCE

We shall carry on and manage the whole business process in-house and using internal competence. Our customers and partners will then be met by high levels of commitment and willingness to assume responsibility in all phases of the process, from acquisition, through the creative work and concept development, to planning, construction, leasing and management. In this way, we enhance the likelihood of satisfying both our customers' and the company's requirements.

INTEGRAL SUSTAINABILITY

Sustainability issues and corporate social responsibility are an integral part of our business strategy and an important component of our offering. Atrium Ljungberg has defined three strategic cornerstones for its sustainability work: sustainable urban development, responsible management and care of our properties, and sustainable conditions for our customers. These cornerstones are an integral part of the strategies described above.

”We create living meeting places for people, for the retail sector, and for businesses.”

Our business concept

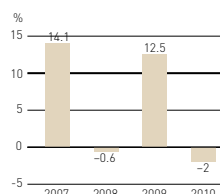
Long-term ownership, development and management shall be the tools we use to offer our customers attractive retail, office and full-service environments in strong subsidiary markets. Our own in-house expertise and an holistic approach, shall be the tools we use to generate added value for our customers and partners and create value growth within the company.

Goals

Goal fulfilment

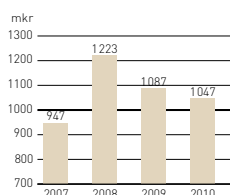
■ We shall TAKE BETTER CARE OF our customers, employees and properties than any other property company. ■

THE OPERATING SURPLUS SHALL INCREASE BY 10 PER CENT PER YEAR.



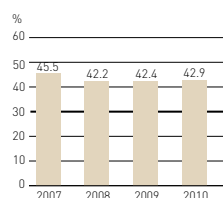
The operating surplus fell by 2 per cent as a result of property sales. Excluding properties sold, the net operating profit increased by 4 per cent.

WE SHALL INVEST A TOTAL OF SEK 1 BILLION IN OUR OWN PROJECTS PER YEAR.



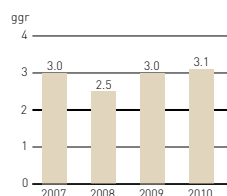
Investments in our own properties totalled SEK 1,047 million and were primarily attributable to Atlas Copco's office block in Sickla, Mobilia in Malmö, Port73 in Haninge, Gränby Centrum in Uppsala, Igor in Västerås and Farsta Centrum. Acquisitions were made for a total of SEK 35 million during the year.

THE EQUITY/ASSETS RATIO SHALL BE AT LEAST 30 PER CENT.



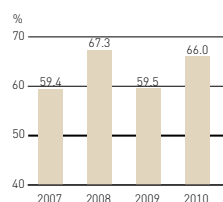
The equity/assets ratio continues to be high and was 42.9 per cent at the end of 2010.

THE INTEREST COVERAGE RATIO SHALL BE AT LEAST 2.0.



The interest coverage ratio increased to 3.1 during the year. Net borrowing during the year totalled SEK 600 million. The average interest rate remained unchanged at 3.8 per cent.

THE DIVIDEND SHALL CORRESPOND TO AT LEAST 50 PER CENT OF THE PROFIT BEFORE CHANGES IN VALUE AFTER 26.8 PER CENT TAX.



The Board proposes a dividend of SEK 2.40 per share, which equates to a dividend of 66 per cent of the profit figure on which dividend calculations can be based.

ALL NEW BUILDINGS SHALL BE ENVIRONMENTALLY CERTIFIED, AS OF 2011.

Environmental certification will be carried out in accordance with the UK standard, BREEAM. The new construction work carried out in 2009 and 2010 has, in our opinion, exceeded the Green Building requirements.

WE SHALL BE ONE OF SWEDEN'S BEST WORKPLACES IN 2012.

We have decided to take part in the 2012 Sweden's Best Workplaces survey via the Great Place to Work® Institute Sweden. The goal is to place in their list of the very best workplaces in Sweden. The survey results will be presented in the spring of 2012.

Our business model

ATRIUM LJUNGBERG'S BUSINESS MODEL is focused on creating profitability and value growth in the company through the continuous improvement and management of properties. Business and project development are a significant part of our business process and often involve complex projects such as remodelling, new construction and expansion work. We manage and conduct every element of the business process in-house through internal cooperation between our employees within the business development, project implementation and management divisions. Our methodology is also based on close cooperation with customers, local authorities and other stakeholders.

ACQUISITIONS

Atrium Ljungberg acquires new properties if we can achieve strategic benefits or obtain a very good yield by developing the property. Acquisitions will primarily comprise properties in strong locations with high development. The acquisition process is managed internally and the Board makes the decision to acquire a property.

CONCEPT AND VISION

A vision of the project's content and design is formulated early in the project-planning phase. The vision is based on thorough analyses of the commercial aspects of the property and its surrounding environment. Our in-house staff manages the concept and vision work in close cooperation with customers and partners.

DEVELOPMENT

The vision is concretised in partnership with architects and the design and content is established with customers and partners.

IMPLEMENTATION

Implementation of the project commences after the Board has taken the decision to invest. An investment decision presupposes a good yield and that the major part of the property is let in advance. Our in-house project managers manage the entire implementation of the construction process in cooperation with staff from the management division.

MANAGEMENT

Responsibility for the customers and the property is transferred to our management organisation once the property is completed and the customers have moved in.





Our factors for success

ATRIUM LJUNGBERG HAS many factors for success. We have a strong financial platform and a well-balanced project portfolio. We also have a committed and skilled workforce who has a clear customer focus – which is vital in terms of our success.

STRONG FINANCIAL PLATFORM

Atrium Ljungberg has strong key ratios and a strong financial base, which includes low gearing, a high equity/assets ratio, and a good interest coverage margin. This provides us with the platform for making favourable deals in different market situations.

LARGE PROJECT PORTFOLIO

Our project portfolio is large and contains many existing and potential development rights. This means that we are able to grow organically at the rate that market conditions allow and with significantly better profitability than that offered by the acquisition alternative.

EXPERIENCE AND EXPERTISE

We have substantial experience and knowledge of how to create and manage attractive retail and office workplaces and of how to combine different types of operation in order to create full-service environments that work well. We also have extensive expertise in the field of project development. This enables us to manage development projects in-house, which yields a wide range of advantages. A local presence provides us with valuable knowledge of the unique conditions of the local market and of the needs of customers and consumers.

Our subsidiary construction company, TL Bygg, is also a valuable asset in many complex projects.

CUSTOMER FOCUS AND COOPERATION

Working in partnership with our customers and the end consumers is the basis for everything we do. Close, long-term, stable and personal relationships permeate all aspects of the company's operations. This applies to our relationships with both our customers and suppliers, and with local authorities and other stakeholders. Cooperating with these groups at an early stage in the development process ensures that the end product is optimised for both our customers and for us.

EMPLOYEES WITH A PASSION

We have a committed workforce and we have a passion for what we do. The most important thing for us is to look after our customers, our properties and our areas in a long-term and committed manner so that together, we can develop our properties for the future in the best possible way.

WELL-ESTABLISHED CORE VALUES

Our core values of adopting a long-term approach, cooperation, reliability and innovative thinking are well-established with all of our employees. These values steer our day-to-day work and our decisions and permeate every aspect of the company and its operations.

Market position

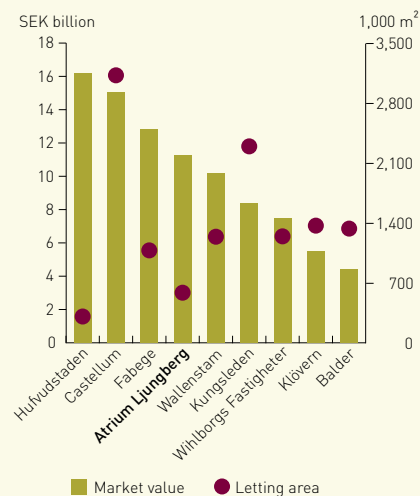
Text and diagram: Leimdörfer

ATRIUM LJUNGBERG IS one of Sweden's biggest listed property companies. The company is strongly positioned within the retail property sector in selected growth towns and in the office property sector in the Stockholm region. Atrium Ljungberg is also distinguished by its relatively low financial risk.

Atrium Ljungberg – one of Sweden's biggest listed property companies

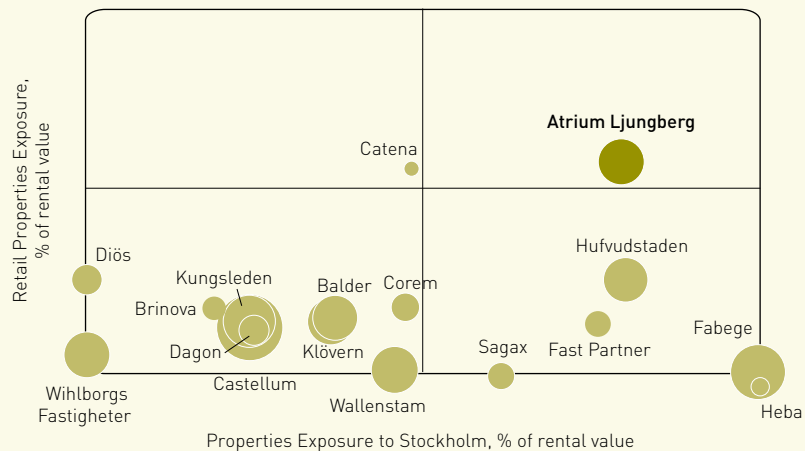
At the end of 2010, there were 17 Swedish property companies listed on the Nasdaq OMX Stockholm exchange. The listed property companies had a combined market value of approximately SEK 108 billion, with Atrium Ljungberg accounting for just over 10 per cent of this total. In terms of market value, Atrium Ljungberg is the fourth latest listed Swedish property company, after Hufvudstaden, 1400 Castellum and Fabège. At the year-end, Atrium Ljungberg owned 48 properties with a combined letting area of approximately 790,000 m². The property portfolio primarily comprises retail properties in selected growth towns and office properties in the Stockholm area.

MARKET VALUE AND LETTING AREA ¹⁾

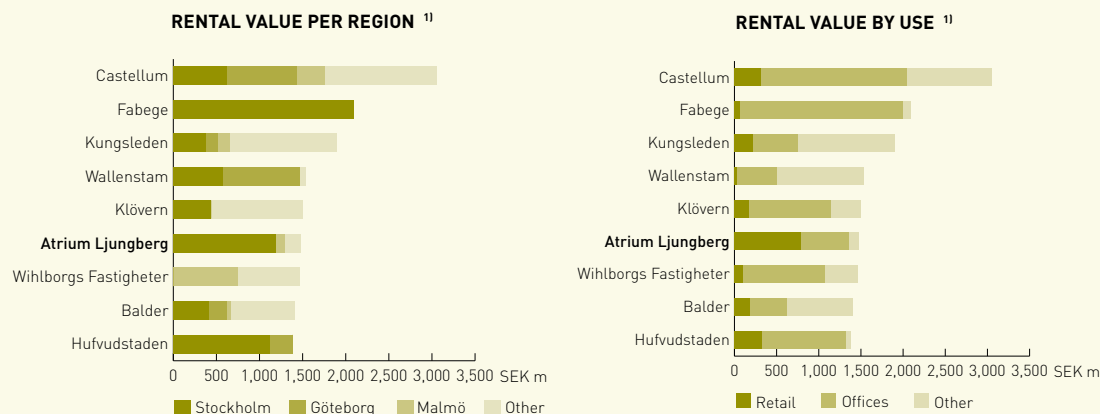


EXPOSURE TO RETAIL PROPERTIES AND PROPERTIES IN STOCKHOLM ¹⁾

Property companies with a high degree of exposure to the retail property sector are shown in the upper half of the matrix while companies with a high degree of exposure to properties in Stockholm are shown to the right of the matrix. Each company is represented by a circle whose size is proportional to the rental value of the property holding.



¹⁾ As of 31-12-2010. Refers to investment properties. Breakdown by region and use in accordance with Leimdörfer's valuation model.

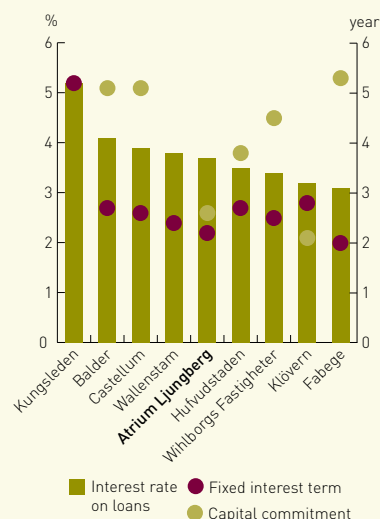


¹⁾ As of 31-12-2010. Refers to investment properties. Breakdown by region and use in accordance with Leimdorfer's valuation model.

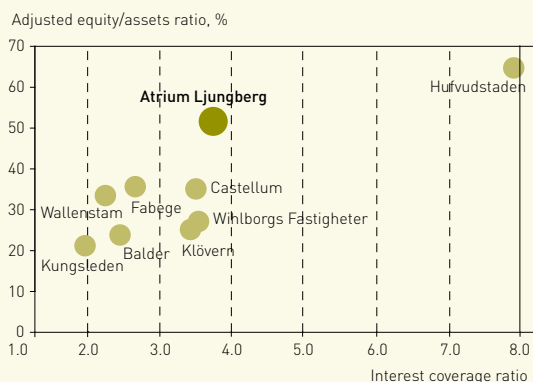
Gearing structure

Atrium Ljungberg has a strong financial position and a loan portfolio with a relatively limited risk in comparison with other listed Swedish companies. As of 30th September 2010, Atrium Ljungberg had an interest-bearing loan portfolio of approximately SEK 8.8 billion and an adjusted equity/assets ratio of approximately 50 per cent in accordance with Leimdorfer's valuation model. Of all the listed Swedish property companies, only Hufvudstaden had a higher adjusted equity/assets ratio. The interest coverage ratio, calculated in accordance with Leimdorfer's valuation model, is a multiple of 3.5, which is higher than the average multiple of 2.8 for listed companies. Atrium Ljungberg has an average rate of interest on loans for its loan portfolio of 3.7 per cent, which is in line with the sector as a whole.

INTEREST RATE ON LOANS, FIXED INTEREST TERM AND CAPITAL COMMITMENT ^{1) 2)}



ADJUSTED EQUITY/ASSETS RATIO AND INTEREST COVERAGE RATIO ¹⁾



¹⁾ as of 30-09-2010

¹⁾ As of 30-09-2010

²⁾ Capital commitment details are unavailable for certain companies

Retail property owners in Sweden

At the year-end, Atrium Ljungberg owned retail properties with a letting area of approximately 348,000 m². Catena is the only one of the listed property companies to focus to the same extent on retail properties, but Catena has a considerably smaller holding and has a different tenant profile, with substantial exposure to Bilia. The purchase by the listed property company, Balder, of 25 retail properties from Catena was announced in December 2010. Possession was taken in February 2011.

A number of foreign retail property owners are active in Sweden, the largest of which is the French-Dutch retail centre company, Unibail-Rodamco, with approximately 382,000 m² of retail space. The retail centre company, Steen & Ström (which is owned by the French company, Klepierre, and the Dutch company, APG), and which has 277,000 m² of retail space, is another.

ICA Fastigheter is the biggest domestic owner of retail properties, with 561,000 m² of retail space. This space includes the company's 50 per cent holding in Ancore – a jointly owned property company founded by ICA Fastigheter and the occupational pension company, Alecta, in October 2010. ICA Fastigheter, and KF Fastigheter which has 320,000 m² of retail space (including jointly owned properties) largely own properties that are used internally within the respective corporate groups.

Other companies with large amounts of retail area in Sweden included the listed property companies, Kungsliden and Castellum, and Vasakronan, which is owned by the First, Second, Third and Fourth AP funds, and Diligentia, which is owned by Skandia Liv.

Office property owners in the Stockholm region

Text and diagram: CB Richard Ellis

Atrium Ljungberg is a major owner of office properties in the Stockholm region with 212,000 m² of office letting area. The company is one of the biggest players in the Southern local suburbs, Kista and Stockholm city centre – excluding CBD (Central Business District) – subsidiary markets. The biggest office market players in the Stockholm region as a whole are Vasakronan, Fabege and AMF Fastigheter.

Ownership within Stockholm CBD is dominated by pension companies and large property companies, with Vasakronan and AMF Fastigheter the biggest. Vasakronan is also the biggest player in the Stockholm city centre market (excluding CBD), with properties in all parts of town. Fabege is another major property owner here. The biggest owner in the Southern local suburbs is Vasakronan, the majority of whose holding is located in Nacka Strand. Atrium Ljungberg is also a major player in this subsidiary market, with substantial holdings in Sickla. The Balder, Fabege and Valad property companies are also major owners. Ownership in the Northern local suburbs is dominated by Fabege, which has several properties in Solna and Sundbyberg. The Klövern property company is by far the biggest property owner in Kista. Vasakronan, Castellum and Humlegården are major owners here, followed by Atrium Ljungberg whose holding is located in Ärvinge in Kista. Ownership in the outer areas of Stockholm is characterised by a mixture of large and small property owners, developers, Swedish and foreign investors, pension funds, and owner-users. The dominant players are GE Real Estate, Valad, Castellum and Kungsliden.

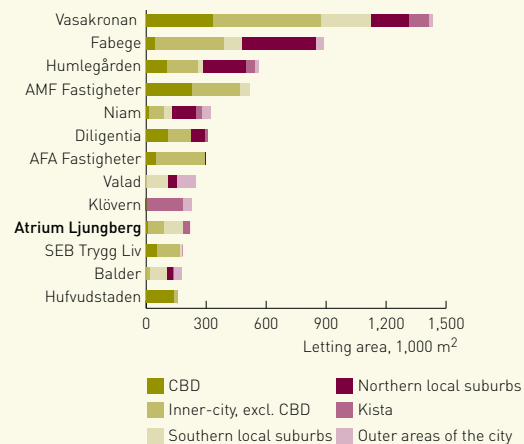
RETAIL LETTING AREA IN SWEDEN ¹¹



¹¹ As of 31-12-2010

* Refers to 30-06-2010 ** Refers to 31-12-2009 *** Leimdörfer's estimate

OFFICE LETTING AREA IN STOCKHOLM ²¹



²¹ Estimated area according to CBRE

Investor market

Text and diagram: Leimdörfer

THE SWEDISH PROPERTY MARKET recovered strongly in 2010 and the total transaction volume was approximately SEK 110 billion. Interest in investing in properties increased amongst many investors, resulting in rising prices for both office and retail properties.

Higher net sales and focus on bigger transactions

The recovery detectable in the Swedish property market as early as late 2009 continued and became even more apparent in 2010. The total transaction volume was approximately SEK 110 billion, corresponding to an increase of over 100 per cent in comparison with 2009. The higher level of transaction activity was due to a number of factors, including better access to bank financing, a stronger rental market, and greater unanimity between buyers and sellers with regard to correct pricing levels. Institutional investors, private property companies and property investment funds were the most active purchaser categories during the year.

Interest in investing in retail properties increased markedly in 2010. Net sales of retail properties during the year totalled approximately SEK 13 billion, in comparison with a mere SEK 3 billion in 2009. The biggest retail property deal in 2010 involved ICA Fastigheter's and Alecta's joint investment in the newly formed retail property company, Ancore, with a starting portfolio valued at approximately SEK 2 billion. Net sales of office properties also increased markedly in 2010, totalling just over SEK 30 billion in comparison with SEK 15 billion in 2009. The two biggest office property deals during the year were Vasakronan's acquisition of Klara Zenit for SEK 4.35 billion and AMF Pension's acquisition of CityCronan for approximately

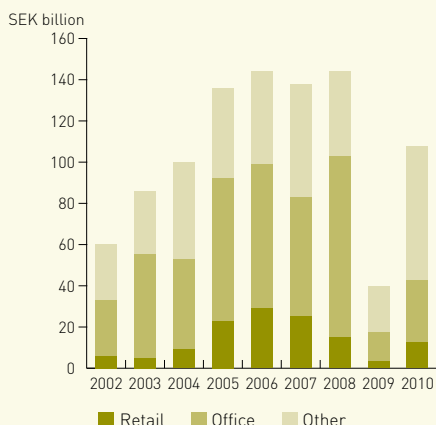
SEK 2.8 billion. Both properties are located in the Stockholm CBD (Central Business District) and the sellers were German property investment funds. The remainder of the transaction volume largely comprised housing transactions, such as the sale by the Norwegian syndicator, Acta, of approximately 11,000 apartments to a newly formed company, Willhelm AB, which is 100 per cent owned by the First AP Fund, and Vasakronan's sale of approximately 8,999 apartments to the Fourth AP Fund. These two transactions collectively totalled approximately SEK 12.4 billion.

Rising property prices

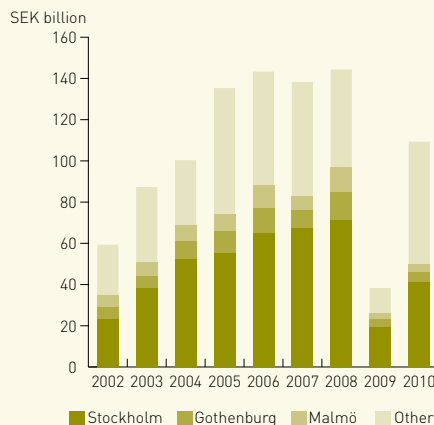
The increased interest in property investments has resulted in rising property prices in Sweden in 2010. The rising prices are the result both of falling yield requirements and of higher rental levels, principally in central locations. The yield requirements in Stockholm CBD are currently just under 5 per cent for the best retail and office properties, corresponding to a fall of 25-50 points in comparison with 2009. The price difference between modern properties in good locations and poorer properties in secondary locations is, however, relatively large. Market interest rates rose slightly in 2010 but are still low from an historical perspective and there is a positive "yield gap" for property investments.

¹⁾ Yield-gap = dividend yield – interest

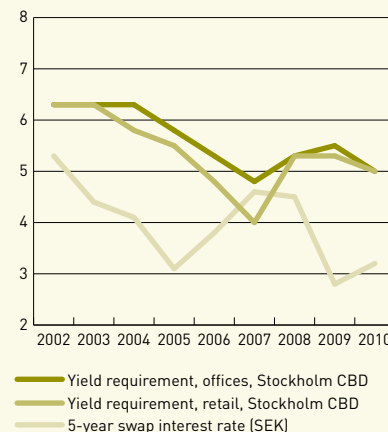
TRANSACTION VOLUME PER PROPERTY TYPE



TRANSACTION VOLUME BY GEOGRAPHY



YIELD REQUIREMENT FOR RETAIL AND OFFICE PROPERTIES AND SWAP INTEREST RATE



Retail market

Text and diagram: The Swedish Retail Institute (HUI)

THE SWEDISH RETAIL TRADE continues to show signs of strength and yet another record year will go down in the history books. There are, however, several question marks on the horizon in the form of another long and cold winter with rising electricity costs as a result, and rising interest rates. The future for the Swedish retail trade does, however, look bright.

Stable retail trade

The retail trade sector has an impressive period behind it with 15 years of uninterrupted growth. When the financial crisis hit in 2008, analysts predicted that harder times lay ahead, and indeed, several sectors and companies performed weakly, particularly in 2009.

The retail trade as a whole, however, has grown strongly throughout the crisis. The retail trade's growth is particularly strong when compared with the performance by the rest of the economy: GNP, for example, fell in both 2008 and 2009, and the strong growth in GNP in 2010 notwithstanding, which is forecast to reach a massive 5 per cent, the economy is still below the level seen in 2007. The rest of the economy has, in other words, just started to peek over the lip of the deep crevice of the recession and is not expected to climb out of it completely until some point in 2011. The retail sector, meanwhile, has posted an almost inconceivable stable growth during this period, at 3.4 per cent in 2008, 3.6 per cent in 2009, and 3.7 per

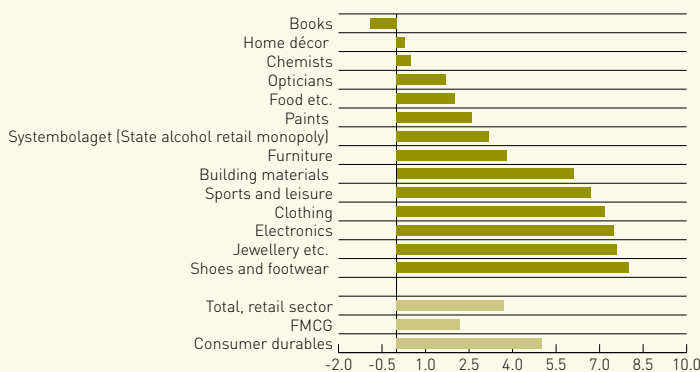
cent in 2010. The fact that the retail sector's growth in 2010 is below the level of growth in GNP, for example, is, in other words, simply an effect of the vigorous recovery in adjacent sectors as they clamber up from the abyss. The retail sector never fell into it.

The strong growth in the retail sector is underpinned by strong stimuli from the household economic sector, in the form of reduced tax levels and cuts in interest rates that have freed up large sums for consumption during the years of the financial crisis. This has enabled households to maintain and even increase their consumption of the retail sector's products.

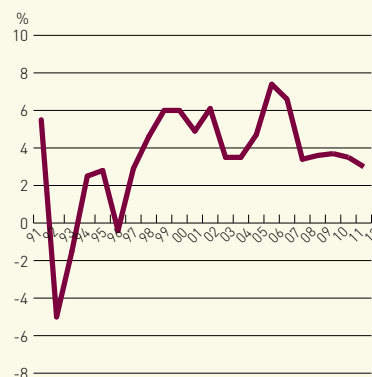
Shoes and electronics this year's victors

A number of sectors performed strongly in 2010. Sections of the consumer durables sector have, in particular, recovered strongly after a weak 2009. There seems, for example, to have been a pent-up need for electronic goods which, after several years of weak growth, generated an increase in net sales

THE RETAIL SECTOR'S PERFORMANCE IN 2010
IN COMPARISON WITH 2009 (ROLLING PRICES)



THE RETAIL SECTOR'S PERFORMANCE AND FORECAST,
1991-2010 (ROLLING PRICES)



of almost 8 per cent in 2010. Growth also increased by approximately 8 per cent in the clothing sector, with the growth driven, in particular, by a year that included a long, cold winter. The snow lay well into April in large parts of the country, having started way back in mid-November, kick-starting the on-demand part of sales. The trend has also been driven by a fashion that favoured larger and tougher footwear, such as full-length and ankle boots. The sports and leisure goods sector also performed very strongly in 2010.

An end to stimulus?

The things that saved the retail sector during the recession – principally, the low interest rates – now constitute a threat. The substantial cuts in interest rates have freed up large amounts of capital that have enabled households to maintain their consumption levels, but they have also led to increased household borrowing. There are now concerns about rises in interest rates that will transfer money from retail consumption, amongst other things, to interest payments. Households will, furthermore, have to pay more every time the interest rate is raised, because they have borrowed large amounts. There are also concerns about a potential property bubble. Swedish property prices have not dipped in the same way as in many other countries. If we were to experience a housing bubble and it were to burst, it is likely that the retail trade would find itself facing a number of difficult years. Just as in the outside world, it is primarily the capital-intensive industries that would suffer from such a downturn.

The recession has left its mark

Despite having survived well overall, the recession has left a clear mark on the retail trade. Household budgets have by and large remained unchanged, or even strengthened, but the recession has sent some form of discount price signal to Swedes. Households have cut back on multiple purchases in the capital-intensive sectors, for example, while in the FMCG sector the use of discount coupons is becoming increasingly widespread. The last few years have been increasingly shaky for the FMCG sector. Net sales rose in 2008 as a result of price increases

resulting from the raw materials crisis. In 2009, the raw materials crisis was replaced by the financial crisis, but sales remained high, thanks to stimulus packages and the fact that consumers cut back on eating out, electing to buy alcohol and food for home consumption instead. In 2010, the FMCG sector has gone downhill, probably as a result of the recovery in restaurant sector net sales that occurred as people once again began eating out, but the high electricity costs in 2010 that resulted from severe cold weather during the first quarter of the year has probably also affected sales.

Continued stable trend

The outlook for 2011 and 2012 is good. Households are very optimistic, the Swedish economy has recovered strongly, and unemployment levels have begun to fall. A fifth earned income tax credit, with positive effects on households' consumption potential, can probably also be expected during the forecast horizon. Growth rates of 8.5 per cent and 8.0 per cent are predicted for 2011 and 2012, respectively.

Focusing on the experience

As the development of new retail hubs continues and the market expands, the competition is becoming ever tougher. This is particularly apparent in the major urban areas, where the majority of the investments take place and retail trade is based. This is resulting in the need for property owners to make their retail centres stand out from others and to become larger, which means, in turn, that dimensions other than product range and price are becoming critical. Product range and price will probably always be the most important draws, but it is quite clear that softer variables, such as brand name, concept, marketing and the experience dimensions of the retail sector are becoming increasingly important. It is already clear that the retail sector in general, and perhaps the retail centres in particular, have moved from being retail hubs to being meeting places. The range of cafés and restaurants and of other types of operation that are not exclusively retail-orientated is growing fast and could be said to be indicative of this trend.

The development of retail trade concepts and their consequences for the property owner

Text: CB Richard Ellis

Development trends

A revolution has taken place over the last ten years. Store concepts that didn't even exist in the 1990s conquered consumers and investors alike in the first decade of the new millennium. Big-box stores entered the market and virtually all investments in retail properties during the early and middle years of the past decade were made in so-called retail parks. A growth rate over a five-year period corresponding to three or four Täby Centrum was the potential growth predicted for traditional retail centres in Stockholm in the middle of the last decade. At the same time, the effects of the new expansion were becoming apparent. Sales in the large retail centres plateaued or fell. The planners and forecasters were slow to notice that the potential was already mortgaged by the entry of the new concepts.

The way products were sold had changed. In the early 1990s, out of town selling was associated exclusively with discount prices and was positioned accordingly, in order to strengthen that identity, with simple premises and products stacked on pallets. The concept polarised consumers – for and against. But by the late 1990s, the discount stores had begun to change the way they sold. They moved away from the emphasis on price and focused on the customer's more general purchasing requirements. The interiors were now designed and the products displayed in a way that emphasised quality, despite the low price.

The market expanded. Discount stores became big-box stores and were used by all customer groups. The consequence was a larger conceptually adapted establishment base for the large retail centre shops as well, and towards the end of the first decade of the new millennium, the large tenants in the traditional retail centres consequently began to establish a presence in retail parks. The big-box store concept also began moving into retail centres and city centres. The differences between different types of retail hubs were erased. The environment was no longer polarising.

Concepts vs. strong retail hubs

Optimising within a traditional concept, which had previously been the solution for stagnating or falling sales, was now an outmoded approach. It could, in a worst case scenario, result in a further shrinking in the customer base, in an unintentional strengthening of the concept's exclusive characteristics. An optimisation that moves beyond the traditional retail centre concept in order to expand the customer base has proven to be more successful. It is not sufficient simply to strengthen the centre as a concept: one must focus on the centre as a retail hub for all.

The entire 1990s and 2000 trend can be exemplified by Sickla Köp kvarter. Changes at the retail outlet stage during the planning work have created one of Sweden's biggest and strongest retail hubs. Sickla Köp kvarter previously lacked any retail attraction whatsoever. The area was established as a traditional discount centre in the early 1990s, but by the mid-1990s, the first change was apparent with the relocation of OnOff's new superstore. Gone were the old pallets loaded with products, and in came a new store that was more elegant than an H&M. Sickla's aesthetic profile was too low for the fashion companies, even if they had taken note of Sickla as a retail hub. The next stage was the construction of a shopping centre solution for the fashion concept, and with that, Sickla was established, not only as a retail centre for certain store concepts, but as a strong retail hub for all types of purchasing requirement.

Rental levels and vacancies

The importance of a strong retail hub can be seen in rental trends and vacancy levels during the recession of recent years. In strong retail hubs, the rental level remained unchanged and vacancy levels were virtually non-existent. Rising vacancy levels and falling rents were, by contrast, apparent in the more single-dimensioned retail centres and retail parks. An elimination was almost apparent in some places, with retail chains consolidating their operations after previous rapid expansions. The strength of the retail hub has increased the difference between rents, the similarity of concepts notwithstanding.

The office market in Stockholm

Text and diagram: CB Richard Ellis

STOCKHOLM'S RENTAL MARKET stabilised in 2010 and is showing signs of an ongoing upwards trend in primary areas. Tenants' demand for modern and space-efficient office premises is increasing at the same time as the availability of such premises is declining in central Stockholm.

Stockholm CBD

Demand for office premises has increased during the year, primarily as a result of companies' increased faith in the economic recovery. Tenants are mainly seeking modern, space-efficient premises in areas with good public transport and communications. The office projects completed in late 2009 and 2010 have been in demand and should now be regarded as fully let. The low availability of modern, space-efficient office premises in CBD has contributed to companies postponing any relocation to new premises. The conversion of older, inefficient office properties to other spheres of use, such as housing and hotels, has become increasingly common. Stockholm's CBD has seen a positive rental trend in 2010, and it has coincided with a reduction in rental discounts. The average rental charge for prime office premises during the fourth quarter of 2010 was SEK 4,300/m²/year.

The increased demand for office premises has resulted in a fall in vacancy levels in Stockholm's CBD, where the vacancy level during the fourth quarter of 2010 was 6.4 per cent.

Some of Stockholm's subsidiary areas

Rental trends in Stockholm's city centre, excluding the CBD, have remained unchanged during the year. Rental discounts and vacancy levels for modern office premises in prime locations have, by contrast, fallen.

Södermalm

The Södermalm office market has developed in recent years and the majority of large office buildings have undergone extensive renovations. A 1960s building in the vicinity of Medborgarplatsen on Södermalm has, for example, been totally renovated and is now almost fully let. The areas around Slussen and Medborgarplatsen are Södermalm's most attractive subsidiary markets, with the attractiveness resulting not only from the geographical location, offering proximity to the City of Stockholm, but from the easy access to public transport and the

range of modern, space-efficient office premises.

The rental level in prime locations on Södermalm is around SEK 3,000/m²/year, although higher office rental charges have been noted in the Slussen area.

Norra Station area/Hagastaden

Hagastaden is the new name of the urban development area around Norra Station. The investment aims to make the area into a world leading one for research and enterprise in the life sciences sector. The project will generate a total of approximately 5,000 new homes and around 36,000 workplaces.

Construction on the Tors Torn landmark building, which will house 40,000 m² of gross floor area offices specialising in life sciences and hotels, is expected to start in 2013. Two construction projects comprising 34,000 m² and 33,000 m² gross floor area retail and office operations, are planned for the area adjacent to Tors Torn and construction work is scheduled to begin in 2011 and 2014, respectively. Office contracts in the Norra Station area for modern, efficient offices are expected to be concluded in the interval between SEK 2,100 and SEK 2,600/m²/year.

The nearest underground stations to the area are, at present, Odenplan and S:t Eriksplan. SL (Stockholm Public Transport) is currently investigating the possibility of laying new tracks and is planning to increase the number of bus routes to the area.

Kista

Kista is a world-leading ICT cluster with over 30,000 workplaces in central Kista. There are a number of development rights in the area and major renovation work and new construction work has been carried out in 2010, such as Victoria Towers. Rental and vacancy levels vary widely in Kista, mainly due to the differences in the quality of the properties with regard to technology, flexibility and space efficiency. Office rents vary from around SEK 1,100 to SEK 2,500/m²/year. The interaction between the city, trade and industry and academia results in synergy effects and is generating continued growth in Kista.

Local suburbs

The office areas in Stockholm's outer regions are characterised, in many cases, by integrated corporate and residential accommodation. The mixture of property types in outer areas such as Sickla and Farsta creates a vibrant community and increases their attractiveness to residents and companies alike. Sickla's office market has benefited from a strong retail market in the area, and from good access to both Stockholm's city centre and the Värmdöleden highway. Atlas Copco is relocating all of its units to Atrium Ljungberg's office project in Sickla. The office project, which comprises approximately 14,000 m², is scheduled for completion during the second quarter of 2011. Atrium Ljungberg is also developing an office project for Intrum Justitia and a further one for AkzoNobel. The new tenants are scheduled to move in in 2012 and 2014, respectively.

The office rental levels in Stockholm's outer areas have remained unchanged during the year. Rental levels of SEK 1,500-SEK 1,800/m²/year are the norm in central locations in Sickla and Hammarby Sjöstad, while for new production, levels of SEK 2,000-SEK 2,400/m²/year are being seen. In less attractive locations in Nacka, office rents start at around SEK 900/m²/year. In the best locations in Farsta (Farsta Centrum), contracts are being signed with office rents in the interval from SEK 1,200 to SEK 1,800/m²/year, while the average rent for the area is around SEK 1,000/m²/year.

Trends from a customer perspective

The demand for modern, space-efficient office premises has grown even stronger in 2010. The trend we have seen in recent years has become the norm: office premises must offer flexible floor layouts and offer a lower square meterage per workplace quota. The previously well-established rental metric of SEK/m² is increasingly being replaced by SEK/employee, further strengthening the position of modern office buildings.

The last two to three years have not been good ones for speculative construction projects and, as a result, there is now a shortage of vacant, modern premises. The next stage will see rents being negotiated upwards as it takes at least one to two years before new, speculative construction objects come up on the office market.

Companies are continuing to appreciate synergy effects through sector affiliation/clustering effects, and are actively seeking out these areas, such as Kista.

Property owners' environmental awareness has increased over the past year and is expected to continue rising. Environmentally certified premises, green

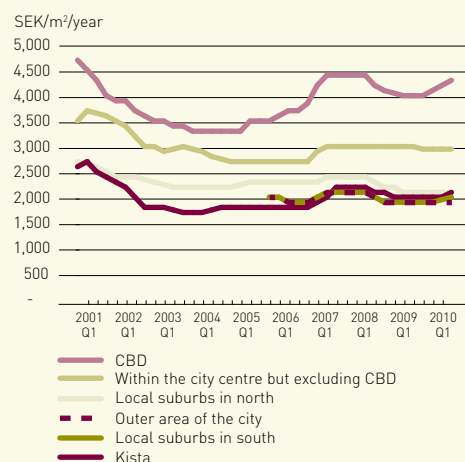
rental contracts and joint endeavours on the part of property owners and tenants to reduce their environmental impact are now increasingly commonplace. Awareness on the part of international companies/tenants came first, and their environmental values have set good examples. Swedish companies' environmental awareness has matured and is expected to have a major impact on the choices they make in future with regard to premises.

Forecast, 2011 – 2012

The office stock has been upgraded in several areas in 2010 in line with tenant demand. Projects that had previously been mothballed in response to the financial crisis are expected to restart as the economic situation stabilises. The majority of these construction projects are not expected to begin until the majority of the space they contain has been let. The conversion of older, inefficient office premises to other spheres of use, such as housing, is expected to continue.

Areas close to the city with high levels of accessibility and which offer a range of modern office premises are expected to see a positive rental trend over the next year. On Södermalm, Hornstull, the upgrading of the Slussen area, and the infrastructural changes being carried out, etc., are expected to make a positive contribution. The massive transformation of the Norra Station area into Hagastaden, and the infrastructural changes this will entail, make this an interesting area to follow. Västra Kungsholmen is continuing to develop positively, with the integration of various different property types. Kista's position as the centre for information and communication technology is expected to strengthen and the upgrading of the office stock there is expected to continue.

RENTAL TREND* IN STOCKHOLM



*Average rate for very good premises in the best location



Kolding 3, Kista.

Our property portfolio

ATRIUM LJUNGBERG'S PROPERTY PORTFOLIO comprises 49 properties with a total letting area of 790,000 m². The greater part of the portfolio is located in three regions: Stockholm, Uppsala and Malmö. The market value of the portfolio at year-end was SEK 19.9 billion, and which time the contracted yearly rents totalled SEK 1.6 billion and the economic letting level was 94 per cent.

PROPERTY PORTFOLIO

Our property portfolio comprises 49 properties with a letting area of 790,000 m². The greater part of the portfolio is located in three regions: Stockholm, Uppsala and Malmö, with the Stockholm region as the biggest of these, accounting for 79 per cent of income. The company also owns properties in Östersund, Västerås and Halmstad. The portfolio comprises modern and attractive properties in good locations.

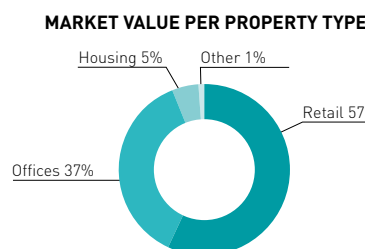
Property value

The book value of the property holding totalled SEK 19,940 million (SEK 18,617 million) at the year end, corresponding to a value of SEK 25,134/m² (SEK 23,045/m²). The average yield requirement in the property valuation is 5.8 per cent (5.9%).

Development rights and land account for SEK 259 million of the total value. There are a total of 155,000 m² gross area of development rights with an average value of SEK 1,700/m². Project plans have also been drawn up for creating a further 70,000 m² of development rights.

The unrealised change in value for the properties during the year totalled SEK 525 million (SEK

-523 m), corresponding to an increase in value of 3 per cent. SEK 330 million of the increase in value can be attributed to an adjustment of the yield requirement by 0.1 per cent. The rest of the change is primarily attributable to improved operating nets of both project properties and investment properties.



CHANGE IN PROPERTY PORTFOLIO

	SEK m	Number
Property portfolio 01-01-2010	18,617	48
+ Acquisitions	35	2
+ New construction, renovation and extension	1,047	-
- Sales	-284	-1
+/- Unrealised changes in value	525	-
Property portfolio 31-12-2010	19,940	49

PROPERTY PORTFOLIO, AS PER 31-12-2010

Property holding by segment	No. of properties	Letting area, 1,000 m ²	Fair value, SEK million	Fair value, SEK per m ²	Rental value, SEK million	Rental value, SEK per m ²	Economic letting rate, %	JANUARY-DECEMBER 2010 ¹⁾			YIELD ¹⁾
								Rental income, SEK m	Property costs, SEK m	Operating surplus, SEK m	
Stockholm city centre	12	151	5,848	38,842	444	2,949	96	418	-135	283	4.8
Stockholm, other	25	396	8,022	20,259	783	1,977	93	750	-271	480	6.0
Uppsala Mälardalen	2	50	1,763	35,197	154	3,075	99	150	-51	99	5.6
Sweden, other	4	76	1,446	19,014	148	1,946	97	132	-46	86	5.9
Total	43	673	17,078	25,390	1,529	2,273	95	1,449	-502	947	5.5
Project properties ²⁾	4	121	2,603	21,562	202	1,674	85	144	-74	70	2.7
Land and development rights	2		259								
Total	49	793	19,940	25,134	1,731	2,182	94	1,593	-576	1,017	5.1
Properties sold								20	-8	13	
Total for the Group								1,614	-584	1,030	

¹⁾ Refers to the actual result for the year.

²⁾ The term, project properties, refers to an individual property or 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. Properties are reclassified from project property to finished property on the 1st January of the year after completion.

Valuation method

Atrium Ljungberg classifies all of its properties as investment properties and reports the properties at fair value. The portfolio is valued every quarter. The property valuation is primarily conducted by means of internal valuations based on a cash flow calculation with individually estimated yield requirements for each property. The yield requirement is determined in accordance with the location price method whereby information is gathered from equivalent transactions completed in the property market. Properties corresponding to approximately 30 per cent of the value during the year have been valued externally, in order to ensure that the valuation is correct. The calculation period is normally between 5 and 10 years but may, in certain cases, be longer due to the contractual situation.

When estimating the value of the properties, assumptions are made with regard to and analyses are conducted of the underlying factors that influence the value. These include:

- an analysis of transactions completed in comparable markets;
- an estimation of the technical and commercial condition of the properties;
- an analysis of existing rental levels and market rents for the respective properties, and an analysis of the long-term nature of existing tenants;
- an estimation of future vacancies;
- an analysis of operating and maintenance costs in the short and long term, based on the company's actual costs;
- an analysis of renovation, extension and new construction work and other investment requirements.

YIELD REQUIREMENT PER PREMISES TYPE, %

Premises type	Interval	Average
Office	5.0–8.0	6.0
Retail	4.9–7.5	5.9
Housing	4.5–4.8	4.6
Other	6.5–8.0	6.2
Total	4.5–8.0	5.8

Development rights and land have been valued on the basis of an estimated market value per metre square gross area and only includes approved development rights. Project properties are valued on the basis of projects completed, less remaining investments. A risk surcharge is added to the yield requirement on the basis of the current phase of the project.

Properties where the project is in an early phase, where the decision to invest has not as yet been taken, are valued on the basis of existing buildings plus development costs incurred.

The market value is described below 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	Segment	Project	Total
Rental value	1,516	397	1,913
Long-term vacancy (–3.4%)	–52	–13	–65
Rental income	1,464	384	1,848
Property costs	–456	–92	–548
Normalised operating net	1,008	292	1,300
Yield requirement	5.7%	6.4%	5.8%
Yield value for adjustments	17,684	4,533	22,218
Adjustments			
Remaining investments	–439	–1,711	–2,150
Initial vacancies	–25	–200	–225
Other adjustments	98	–6	92
Land and development rights	–	259	259
Certificate of title cost	–240	–13	–253
Fair value	17,078	2,862	19,940

YIELD REQUIREMENT PER SEGMENT, %

Segment	Interval	Average
Stockholm city centre	4.9–7.3	5.4
Stockholm, other	4.5–8.0	5.9
Uppsala Mälardalen	5.8–6.1	5.9
Sweden, other	5.5–7.3	6.2
Project properties	5.6–7.5	6.4
Total	4.5–8.0	5.8

RENTAL INCOME

The rental income breaks down into 55 per cent derived from retail properties, 31 per cent from office, 4 per cent from housing, and 10 per cent from other types of property, such as educational, cultural, service and parking facilities. 95 per cent of the commercial rental agreements have index clauses linked to inflation. Retail property rental agreements often include a net sales clause which means they are based on the tenant's net sales, but minimum rental provisions ensure that rental levels are maintained, and 1 per cent of the total current rental income comprises the results of net sales surcharges.

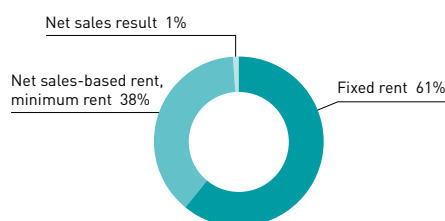
The contracted annual rent at the year-end totalled SEK 1,625 million (SEK 1,559 m). The rental value on the Balance Sheet at the year-end was SEK 1,731 million (SEK 1,665 m). The economic letting level was 94 per cent (93%), including project properties. The letting level, if project properties are excluded, was 95 per cent (95%). The increase in the letting level is primarily due to increased demand for office and retail premises and to the completion of several projects. The average remaining contractual term in Atrium Ljungberg's contract portfolio at the year-end was 2.9 years, excluding housing. 12 per cent of the rental agreements will potentially come up for renegotiation in 2011.

Details of the largest tenants are shown under the Business Area Retail and Business Area Offices sections on pages 32 and 58, respectively, and in the section entitled Opportunities and Risks on page 69.

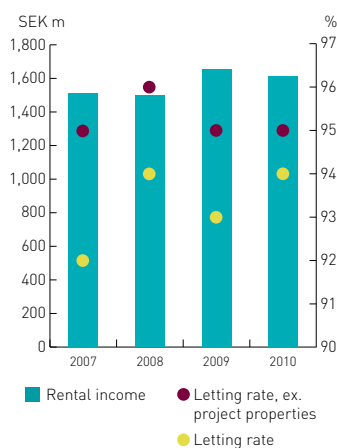
PROPERTY COSTS

Property costs in 2010 totalled SEK 584 million (SEK 604 m). Adjusted for properties sold, which have been deducted, and for acquisitions and new construction work that has been adjusted to their full-year value, property costs totalled SEK 731/m², corresponding to an increase of 3 per cent in comparison with last year. The increase is primarily due to increased property taxes and to costs in connection with snow-clearance, with the latter more than tripling during the year to SEK 19 million. The cost of operating retail properties in general and retail centres in particular is generally higher than for other types of properties, and this is reflected in the company's cost level. The costs are, to some extent, covered by passing them on to the tenants in the form of rental surcharges.

BREAKDOWN OF RENTAL INCOME



RENTAL INCOME AND LETTING RATE



RENTAL INCOME TREND

	2010 result	2011 Q1 ¹⁾	2011 Q2 ¹⁾	2011 Q3 ¹⁾	2011 Q4 ¹⁾
Stockholm city centre	418	426	419	421	421
Stockholm, other	750	731	717	722	719
Uppsala Mälardalen	150	153	153	150	153
Sweden, other	132	143	144	144	144
Project properties	144	172	225	251	251
Properties sold	20	-	-	-	-
Total	1,614	1,625	1,659	1,687	1,689

¹⁾ Contracted rental income.

PROPERTY COSTS ¹⁾

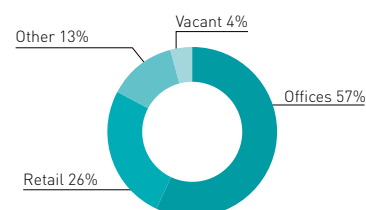
SEK/m ²	2010	2009
Service charge-relate costs	-227	-230
Other operating costs	-155	-145
Management costs	-144	-139
Repairs	-44	-50
Property tax	-116	-105
Ground rent	-35	-35
Non-deductible tax	-11	-10
Total	-731	-713

¹⁾ Adjusted by means of excluding sold properties and adjusting new acquisitions and new construction to their full year values.

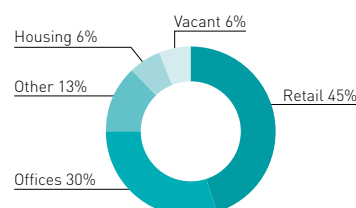
SEGMENT OVERVIEW

SEGMENT	KEY RATIO	RENTAL VALUE PER SEGMENT AND PREMISES TYPE
STOCKHOLM CITY CENTRE	Rental value, SEK m	444
	Percentage of total rental value, %	26
	Contracted annual rent, SEK m	426
	Letting rate, %	96
	Market value per m ² , SEK k	39
	Percentage of total market value, %	29
	Yield requirement in valuation, %	5.4
STOCKHOLM, OTHER	Rental value, SEK m	783
	Percentage of total rental value, %	45
	Contracted annual rent, SEK m	731
	Letting rate, %	93
	Market value per m ² , SEK k	20
	Percentage of total market value, %	40
	Yield requirement in valuation, %	5.9
UPPSALA MÄLARDALEN	Rental value, SEK m	154
	Percentage of total rental value, %	9
	Contracted annual rent, SEK m	153
	Letting rate, %	99
	Market value per m ² , SEK k	35
	Percentage of total market value, %	9
	Yield requirement in valuation, %	5.9
SWEDEN, OTHER	Rental value, SEK m	148
	Percentage of total rental value, %	8
	Contracted annual rent, SEK m	143
	Letting rate, %	97
	Market value per m ² , SEK k	19
	Percentage of total market value, %	7
	Yield requirement in valuation, %	6.2
PROJECT PROPERTIES	Rental value, SEK m	202
	Percentage of total rental value, %	12
	Contracted annual rent, SEK m	172
	Letting rate, %	85
	Market value per m ² , SEK k	22
	Percentage of total market value	14
	Yield requirement in valuation, %	6.4
TOTAL	Rental value, SEK m	1,731
	Contracted annual rent, SEK m	1,625
	Letting rate, %	94
	Market value per m ² , SEK k	25
	Yield requirement in valuation, %	5.8

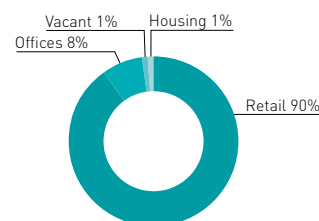
26%
of the total rental value on the Balance Sheet is located in the Stockholm city centre area



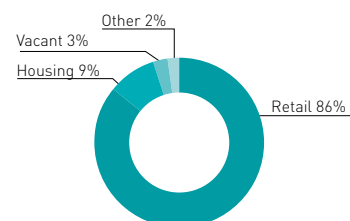
45%
of the total rental value on the Balance Sheet is located in the Stockholm, other area



9%
of the total rental value on the Balance Sheet is located in the Uppsala Mälardalen area

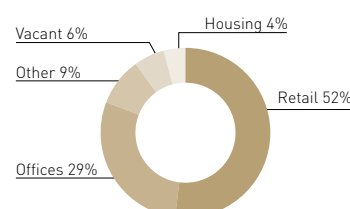
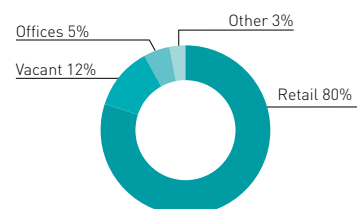


8%
of the total rental value on the Balance Sheet is located in the Sweden, other area



PROJECT PROPERTIES

12%
of the total rental value on the Balance Sheet is located in project properties



Investments in own properties

ATRIUM LJUNGBERGS PROJECT portfolio enables the Group to invest the equivalent of approximately SEK 6 billion in the future. Our goal is to invest SEK 1 billion every year in in-house development projects at a rate of return that substantially exceeds the market's yield requirements. SEK 1,047 million was invested in in-house development projects in 2010.

One of Atrium Ljungberg's most important strategies for growth in value entails property development via the exploitation of the Group's own development rights. The project portfolio enables us to invest approximately SEK 6 billion in the future. Our goal is for new construction projects to yield a return that exceeds that of acquisition alternatives by at least two percentage points. For every krona we invest in a project, this yields an increase in value of approximately 30 per cent.

The rate at which the projects can be completed depends on the market location and the progress made in the detailed planning one. A project is usually not started until a minimum return level has been secured in the form of confirmed lease contracts. Atrium Ljungberg's goal is to invest SEK 1 billion per year in in-house development projects.

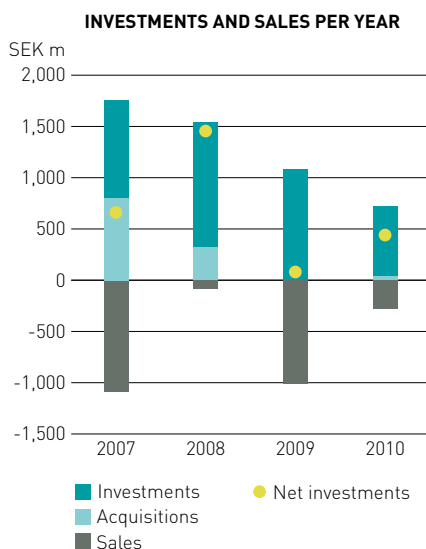
Projects under construction are valued in accordance with applicable accounting rules (IFRS) at their market value as soon as a decision to invest has been taken and work on the project has begun. The market value is calculated by determining future operating nets and the market's applicable yield requirements. The market value is reduced on a rolling basis during the project phase by the

remaining investment until such time as the project has been completed and all investment costs have been reported. The application of IFRS regulations means that a large part of the results of the improvement work are reported at an early stage in the project implementation, although some risk provisions may, depending on the scope and nature of the project, be made at an early stage.

SEK 1,047 million has been invested in Atrium Ljungberg's own properties during 2010 and four major development projects have been completed. They are described in greater detail on pages 24–25.

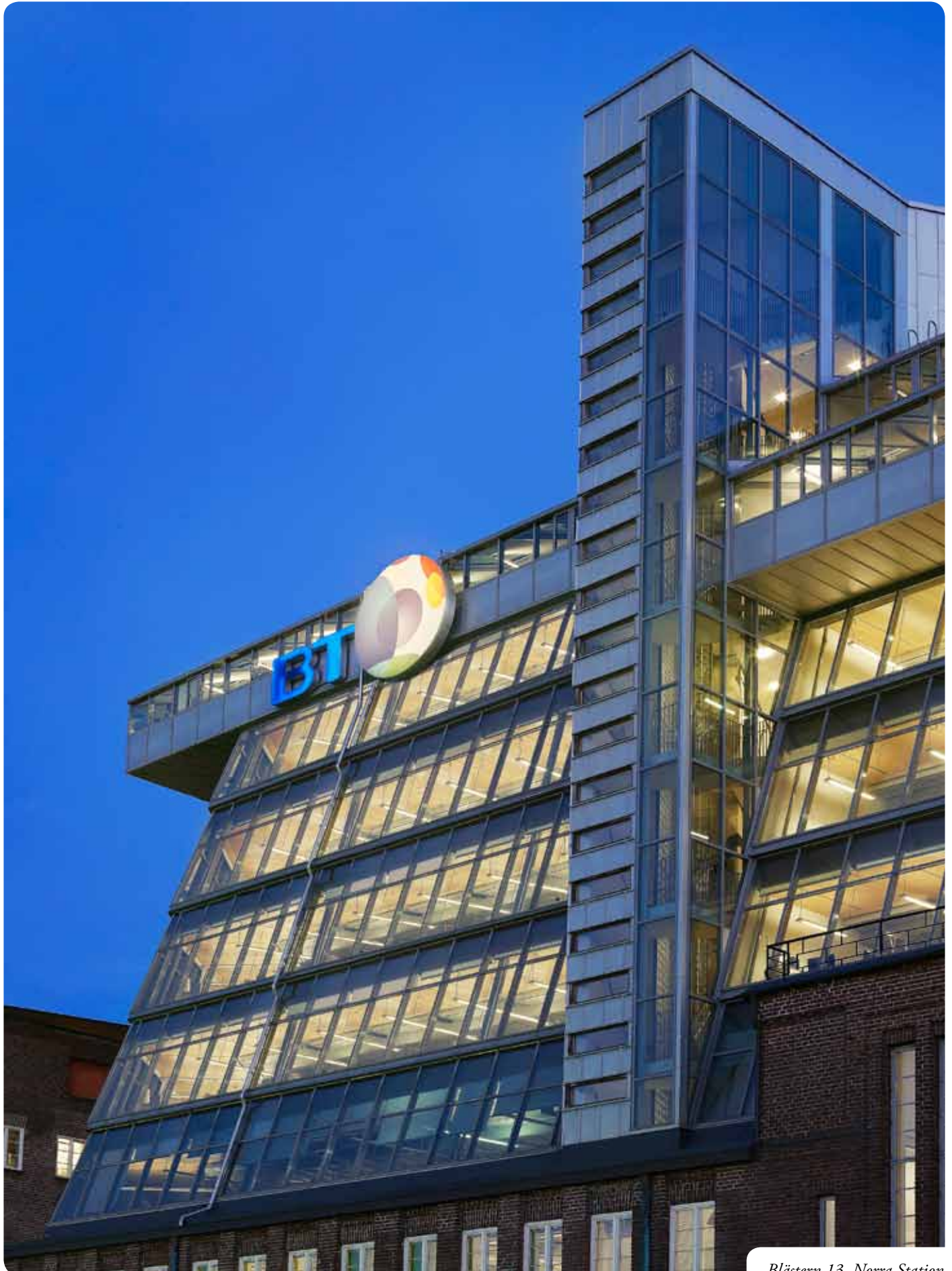
Properties are acquired primarily in order to further strengthen the value potential of existing properties, or in order to acquire development rights and future development projects. Two smaller properties were acquired in Sickla during the year and will enable new development rights and further strengthen the developmental potential of adjacent properties already owned by Atrium Ljungberg.

Sales are made as a means of streamlining the holding in accordance with our strategies of being a major player in the prioritised subsidiary markets. One property, Rinken 2 in Södertälje, was sold during the year.



PURCHASES AND SALES, 2010

Property list	Municipality	Letting area, m ²	Date of taking possession	Date of vacation
Rinken 2	Södertälje	22,404		01-09-2010
Sicklaön 117:1	Nacka	3,357	26-11-2010	
Sicklaön 117:2	Nacka	176	26-11-2010	



Blästern 13, Norra Station.

Projects completed in 2010

FOUR MAJOR DEVELOPMENT PROJECTS were completed in 2010, namely the new retail concept in Malmö, Mobilia Home, an expansion and renovation of Farsta Centrum, the renovation of the Igor shopping centre in Västerås, and the new Port73 retail hub in Haninge.

PROJECTS COMPLETED IN 2010

Project/Property/Phase	Municipality	Retail, LOA	Action, new build/ renovation ¹⁾	Investment, SEK m	Completed	Letting rate
Mobilia, phase 1	Malmö	6,000	renovation	100	Q1 2010	96
Farsta Centrum, phase 2	Stockholm	17,000	renovation	300	Q4 2010	93
Kvarteret Igor	Västerås	14,000	renovation	300	Q4 2010	100
Port73	Haninge	13,000	new build/renovation	250	Q4 2010	98
Total		50,000		950		

¹⁾ New build and/or renovation.



Mobilia Home

MOBILIA HOME – MALMÖ

The new Mobilia Home retail concept was inaugurated in February 2010 on the ground floor of the Bohus 7 property in Mobilia. The property, which was acquired by Atrium Ljungberg in 2007, is directly adjacent to the Mobilia retail hub. The premises, which were vacant at the time of acquisition, have been rebuilt as modern retail outlets and house 6,000 m² of home electronics and white goods stores.

A new garage has been built next to the existing parking facilities – which have been renovated – in order to further strengthen the parking situation ahead of Mobilia's impending expansion.

The project comprises phase 1 of the ongoing development of Mobilia.

See pages 26 and 34 for further details of the plans for Mobilia's development.

FARSTA CENTRUM – STOCKHOLM

The final phase of a total remodelling process that began in 2008 was completed in conjunction with Farsta Centrum's celebrations of 50 years as a retail hub in September 2010. The Centrum has been expanded, renovated and rebuilt. Office space has, for example, been converted into retail space and internal shopping

centre walkways have been created to link buildings together. The rebuilding process has not only increased the range of retail outlets, it has improved the flow between the stores and made it easier for visitors to move between the different sections of Farsta Centrum.

The renovation and expansion project has comprised a total of 17,000 m², 200 new parking spaces and approximately 20 new stores. See page 35 for further details of Farsta Centrum's development potential.

KVARTERET IGOR – VÄSTERÅS

Kvarteret Igor in central Västerås was inaugurated in September 2010. Atrium Ljungberg has implemented a total transformation of what was previously the Arosian retail block. The retail hub had lost its attractiveness and it was important that the city centre's retail operations were both expanded and revitalised, and the property renovated. Atrium Ljungberg saw that the shopping centre's strategic location on the Stora Torget square and the predicted increased purchasing power in the region meant that this project had real potential.

Changes have been made both internally and externally. The number of retail floors has been increased from two to four and the retail letting area has increased from 10,000 m² to 14,000 m². The shopping centre's façade has been renovated, new main entrances built, and a garage upgraded. All of the retail space has been let and Igor now houses forty or so stores, primarily in the fashion, food and drink sectors.

Igor is a high profile shopping centre in Västerås, offering an inspirational shopping environment that has helped boost city centre retail operations in Västerås.

PORT73 – HANINGE

The decision was taken, in February 2009, to implement a phased remodelling and development of Atrium Ljungberg's retail area in Haninge. The first phase was completed in October 2010 and the new retail hub, Port73, was inaugurated with very successful results. The first phase comprises approximately 13,000 m² of new and rebuilt retail space and Port73 is now home to twenty five or so stores with around 25,000 m² of retail space. This transformation has resulted in a wider retail offering in the area which has, for some time now, been one of Sweden's strongest areas in the FMCG sector. The parking facilities and external environmental of Port73 have also been transformed and rejuvenated. Port73 now offers a combination of shopping centre retail and bulk goods retail, where the customer can organise their shopping errands in a rational way in a pleasant environment.

See pages 28 and 36 for further details of the development plans for Port73.

Kvarteret Igor



Port73



Ongoing/approved projects

SEVERAL OF ATRIUM LJUNGBERG'S ongoing development projects will be completed in 2011 and 2012. All of the major development projects on which work has begun and where the investment decision has been taken are shown below.

ONGOING/APPROVED DEVELOPMENT PROJECTS

Project/Property	Municipality	Retail, LOA	Office, LOA	Parking, gross area	Action, new/ren ¹⁾	Investment, SEK m	Of which remaining, 31-12-2010	Completion date	Letting rate, %
Mobilia, etapp 2	Malmö	2,100		14,900	new	200	60	Q1 2011	100
HK Atlas Copco, Sickla	Nacka		13,800	4,800	new	400	100	Q2 2011	97
Gränby Centrum, etapp 2	Uppsala	9,000			new	250	160	Q3 2011	95
Rådhuset, Uppsala ²⁾	Uppsala	3,100			new/ren	100	100	Q4 2011	40
Port73, etapp 2	Haninge	3,300			new	50	50	Q2 2012	67
HK Intrum Justitia, Sickla	Nacka		7,100		new	150	150	Q4 2012	62
Kontorshus 502, Sickla ²⁾	Nacka		5,600		new/ren	150	150	Q4 2012	0
Mobilia, etapp 3	Malmö	26,600		24,400	new	900	890	Q3 2013	34
HK AkzoNobel, Sickla	Nacka		10,300		new	300	300	Q1 2014	84
Total		44,100	36,800	44,100		2,500	1,960		

¹⁾ New build and/or renovation.

²⁾ Includes extensive renovation of existing premises.



ONGOING PROJECTS PHASE 2, MOBILIA

PROJECT AREA, LOA	2,100 M ²
INVESTMENT	SEK 200 M
LETTING RATE	100%
COMPLETION	Q1 2011

ONGOING PROJECTS PHASE 3, MOBILIA

PROJECT AREA, LOA	26,600 M ²
INVESTMENT	SEK 900 M
LETTING RATE	34%
COMPLETION	Q3 2012 Q3 2013

MOBILIA – MALMÖ

Phase 2 of Atrium Ljungberg's major development project at Mobilia began in January 2010 with the expansion of the southern section of Mobilia. The expansion involves the construction of a new area comprising approximately 2,100 m² of retail space and a garage with 375 parking spaces. The building, which is being environmentally certified in accordance with BREEAM, will be completed in early 2011, at which point Systembolaget (the state alcohol retail monopoly), the Apotek Hjärtat pharmacy, and a number of restaurants and cafés will open their doors.

A new detailed development plan for the remaining sections of the Mobilia area gained legal force in December 2010. The detailed development plan enables the development, in future, of slightly over a further 25,000 m² of space for retail outlets, service facilities and housing, together with 650 additional parking spaces. The new detailed development plan means that our efforts to transform Mobilia into a vibrant city block and to incorporate it into Malmö's growing city centre can continue.

The third expansion phase – a project that comprises the new construction of a total of approximately 26,600 m² LOA of retail, cultural, health care and service facilities and around 650 new parking spaces in a garage and multi-storey car park – will begin in the spring of 2011. This is our single biggest construction project and constitutes an aggressive investment in the growth town of Malmö.

Lease contracts have been signed with, amongst others, Intersport, SATS, Gina Tricot, Clas Ohlson, Åhléns and Willys. Phase 3 will be completed in the third quarters of 2012 and 2013.

ATLAS COPCO OFFICE BLOCK – SICKLA

Work on constructing Atlas Copco's new head offices alongside the Sickla off-ramp began in the spring of 2009 and is now in its final phase. Atlas Copco intends to bring together all of its operations, currently dispersed across several different buildings in Sickla, under a single roof here. Atlas Copco's lease contract comprises 10,800 m² of the building's total letting area of 13,800 m². Atrium Ljungberg is relocating its own head offices to the remaining space. The two firms will move into the building in March and April 2011.

Atrium Ljungberg's ambition, when building the new office block, has been to create a productive and inspirational work environment for the 800 or so people who will be working there, and for their customers. Efficiency and cooperation have been important leitmotifs during the construction process. What we have created here is a professional meeting place with excellent potential for strengthening relationships with customers and other stakeholders. Strict demands have been made on the building in terms of sustainability and it exceeds, by a good margin, the requirements for Green Building certification. The new office block without question gives Sickla both a new gateway and a new landmark and has also, at the same time, helped enhance Sickla's standing as a place to work.

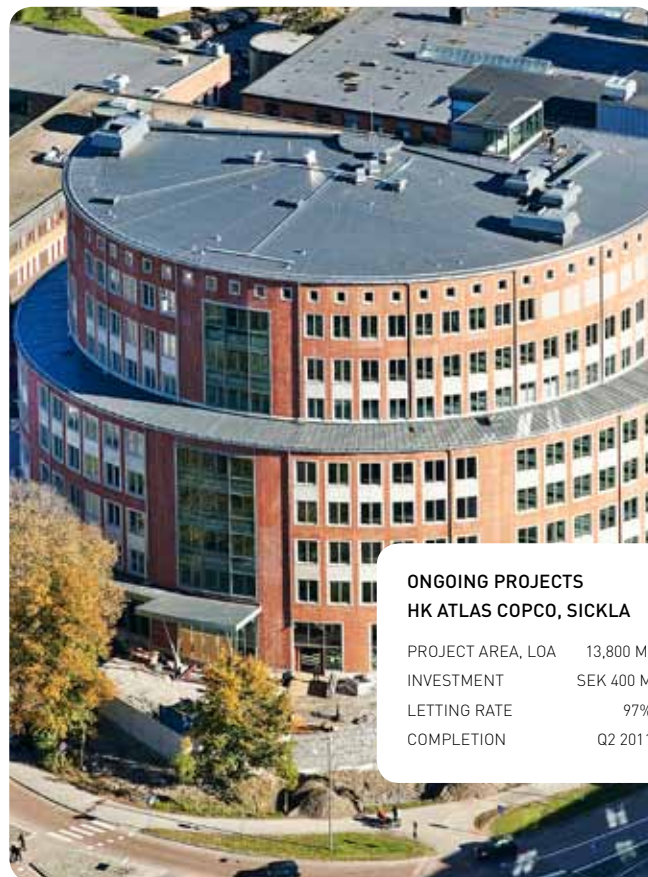
GRÄNBY CENTRUM – UPPSALA

A number of rebuilding and new construction projects have taken place in recent years in Uppsala's Gränby Centrum, which successfully developed into the county's leading retail hub in a very short space of time.

An expansion phase comprising a further 9,000 m² or so of new retail letting space has been in progress since the spring of 2010, comprising a four-storey entrance building on the eastern side of the shopping centre.

A service centre, containing a gym, and medical and dental practice, amongst others, will, in addition to stores and restaurants, be created in the new section as part of the development of Gränby Centrum as both a regional retail hub and a full-service city district centre. Approximately 15 new stores, along with restaurants and service units, will open in conjunction with the inauguration in August 2011. The biggest tenants will be Clas Ohlson, Intersport (relocation), Esprit, Leklust, Kraftkällan and Cubus.

Renovation work and certain internal changes will be carried out in the existing section, after the inauguration, in order to link the original building to the extension. The project as a whole is scheduled for completion in the final quarter of 2011.



ONGOING PROJECTS HK ATLAS COPCO, SICKLA

PROJECT AREA, LOA	13,800 M ²
INVESTMENT	SEK 400 M
LETTING RATE	97%
COMPLETION	Q2 2011



ONGOING PROJECTS PHASE 2, GRÄNBY CENTRUM

PROJECT AREA, LOA	9,000 M ²
INVESTMENT	SEK 250 M
LETTING RATE	95%
COMPLETION	Q3 2011

ONGOING PROJECTS
RÅDHUSET, UPPSALA

PROJECT AREA, LOA	3,100 M ²
INVESTMENT	SEK 100 M
LETTING RATE	40%
COMPLETION	Q4 2011



RÅDHUSET – UPPSALA

Rådhuset (the old city hall building), which is situated on the Stora Torget square in Uppsala, is one of the city's best-known, high profile buildings. The oldest parts of the building date back to 1645 and it has been a municipal administration building for 300 years. In more recent times, the building is best known for its beautiful profile and the fantastic Rådhusalen chamber.

Atrium Ljungberg acquired Rådhuset from the Uppsala municipality in 2006 with the aim of exploiting the building's central location and unique environment, primarily for retail purposes. The building offers huge potential for developing city centre retail facilities, in that the core of the city has few retail spaces in relation to its size.

A rebuilding and extension project that will transform Rådhuset into a modern fashion department store, with strong commercial brand names for a richly nuanced shopping environment, is now in progress. The plan is to build just over 2,000 m² of retail space on two floors and almost 1,000 m² of space for offices or other types of operation on a further two floors. A transparent extension in a modern architectural style will link the two retail floors together and create a passageway from the business street, Dragarbrunnsgatan, to Stora Torget via Rådhuset.

The character-rich exterior and interior environment, with retail outlets, restaurants and cafés along Uppsala's leading shopping street will make Rådhuset a natural meeting place in Uppsala.

ONGOING PROJECTS
PORT73, HANINGE

PROJECT AREA, LOA	3,300 M ²
INVESTMENT	SEK 50 M
LETTING RATE	67%
COMPLETION	Q2 2012



PORT73 – HANINGE

We are planning to begin a phased expansion of Port73 in the spring of 2011. The expansion will strengthen the newly inaugurated retail hub's range of retail and service offerings and will comprise a total of 3,300 m² of retail space occupied by a few large tenants.

The letting work is now in progress and preliminary agreements have been reached equivalent to a letting rate of 67 per cent. The expansion is scheduled for completion in the second quarter of 2012.

INTRUM JUSTITIA OFFICE BLOCK – SICKLA

The area around Sickla Industriväg, beside the off-ramp from the Värmdöleden highway, will be strengthened by our building of a new office block for Intrum Justitia. Intrum Justitia will relocate its head office to the new building, along with other parts of its Swedish operations, occupying 5,000 m² of the building's total 7,100 m² of letting area. The new lease contract replaces an existing contract for a comparable amount of space.

Intrum Justitia's head office has been located in Sickla since 2000 and a total of approximately 320 people currently work there. The new office block ensures the continued long-term development of Intrum Justitia's operations base in Sickla.

The remaining space in the new office block is scheduled for use by office-based businesses and public sector administration.

Construction work will begin in April 2011 and the building is scheduled to be ready for occupation in October 2012.

The building will be environmentally certified in accordance with BREEAM.



ONGOING PROJECTS HK INTRUM JUSTITIA, SICKLA

PROJECT AREA, LOA	7,100 M ²
INVESTMENT	SEK 150 M
LETTING RATE	62%
COMPLETION	Q4 2012

“Sickla’s attractiveness is apparent in the fact that large, international companies are opting to site their head offices there.”

ONGOING PROJECTS
BLOCK 502, SICKLA

PROJECT AREA, LOA 5,600 M²
INVESTMENT SEK 150 M
LETTING RATE 0%
COMPLETION Q4 2012



BLOCK 502 – SICKLA

The renovation and extension of Block 502 in Sickla will begin in May 2011. The property was built in the late 1950s for Atlas Copco, who will be leaving the premises in April 2011 when the company relocates to its newly built office block in Sickla.

Block 502 has a strategic location alongside the off-ramp to Sickla, in the immediate vicinity of the planned Intrum Justitia office block. It currently comprises several separate buildings with a total area of 3,300 m² on several floors.

The renovated and extended office block will, together with the planned new office block for Intrum Justitia, offer a full-service solution comprising a unified and dynamic business district for modern office environments in the northern part of Sickla.

The property will be comprehensively renovated and rebuilt in order to achieve high quality offices and mark a clear entrance to the business district. Existing development rights will be utilised for a terrace building and to extend the original building. The work is scheduled for completion in the fourth quarter of 2012.

ONGOING PROJECTS
AKZONOBEL OPERATIONS CENTRE, SICKLA

PROJECT AREA, LOA 10,300 M²
INVESTMENT SEK 300 M
LETTING RATE 84%
COMPLETION Q1 2014



AKZONOBEL OPERATIONS CENTRE – SICKLA

In December 2010, Atrium Ljungberg signed a 15-year contract with the chemicals group, AkzoNobel, to build a new operations centre for them on Uddvägen, alongside the western off-ramp from the highway into Sickla.

The new building will be a functional meeting place and is being built to support AkzoNobel's core operations and strengthen the cooperation between their various business areas. The building will house laboratory, development and office operations.

AkzoNobel will lease 7,500 m² of the building's total letting area of 10,300 m². Office premises for other tenants are planned for the remaining floor space.

The decision by yet another large international company to develop its operations in Sickla means a great deal in terms of Atrium Ljungberg's ambition to position Sickla as a strong and attractive area in which to work.

The new operations centre will be on the cutting edge in terms of sustainability and will be environmentally certified in accordance with BREEAM.

Construction work is scheduled to start at the end of 2011 and the building is scheduled to be ready for occupation by 1st January 2014.

Potential projects

ATRIUM LJUNGBERG'S PROJECT PORTFOLIO includes a number of development projects offering the potential for implementation in the longer term. Detailed development plans have been drawn up for some of the projects, while for others, changes to the detailed development plans are required before construction can start. All of the larger potential development projects are shown in the list below, followed by a description of the subsidiary markets in which Atrium Ljungberg plans to expand.

POTENTIAL DEVELOPMENT PROJECTS

Project/Property	Municipality	Premises type ¹⁾	Project area, m ² , gross area	Investment, SEK m	Detailed development plan
Simba/Siroccovägen, Sickla	Nacka	Retail	10,000		Exists
Sickla Bro, Sickla	Nacka	Office	12,000		Exists
Marcusplatsen, Sickla	Nacka	Office	5,000		Exists
Planiavägen, Sickla	Nacka	Retail	2,000		Exists
Uddvägen, Sickla	Nacka	Office	5,000		Change required
Planiavägen, Sickla	Nacka	Retail	10,000		Change required
Svindersvik, Sickla	Nacka	Housing	5,000		Change required
Atlasvägen, Sickla	Nacka	Housing	2,000		Change required
Gränby, Brillinge	Uppsala	Retail	60,000		Exists
Gränby Centrum	Uppsala	Retail	25,000		Change required
Mobilä	Malmö	Housing	7,000		Exists
Mobilä	Malmö	Retail	15,000		Exists
Port73	Haninge	Retail	8,000		Exists
Farsta Centrum	Stockholm	Retail	7,000		Exists
Rotebro Handel	Sollentuna	Retail	10,000		Change required
Halmstad	Halmstad	Retail	12,000		Change required
Kista, land allocation agreement	Kista	Office	30,000		Exists
Total			225,000	4,000	

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

"We will grow in Sweden's strongest growth markets."

DEVELOPMENT POTENTIAL IN SICKLA

Sickla, in the municipality of Nacka to the south of Stockholm, has a very good location in a region that is experiencing a strong population growth. A number of new residential areas will be built over the next few years in the immediate vicinity of Sickla, e.g. in Hammarby Sjöstad, Kvarnholmen and other adjacent areas in Nacka. A number of small- and large-scale investments are also planned in order to promote sustainable urban development, increasing public transport provision and improving roads, cycle routes and footpaths, and making them safer.

A PLACE TO WORK

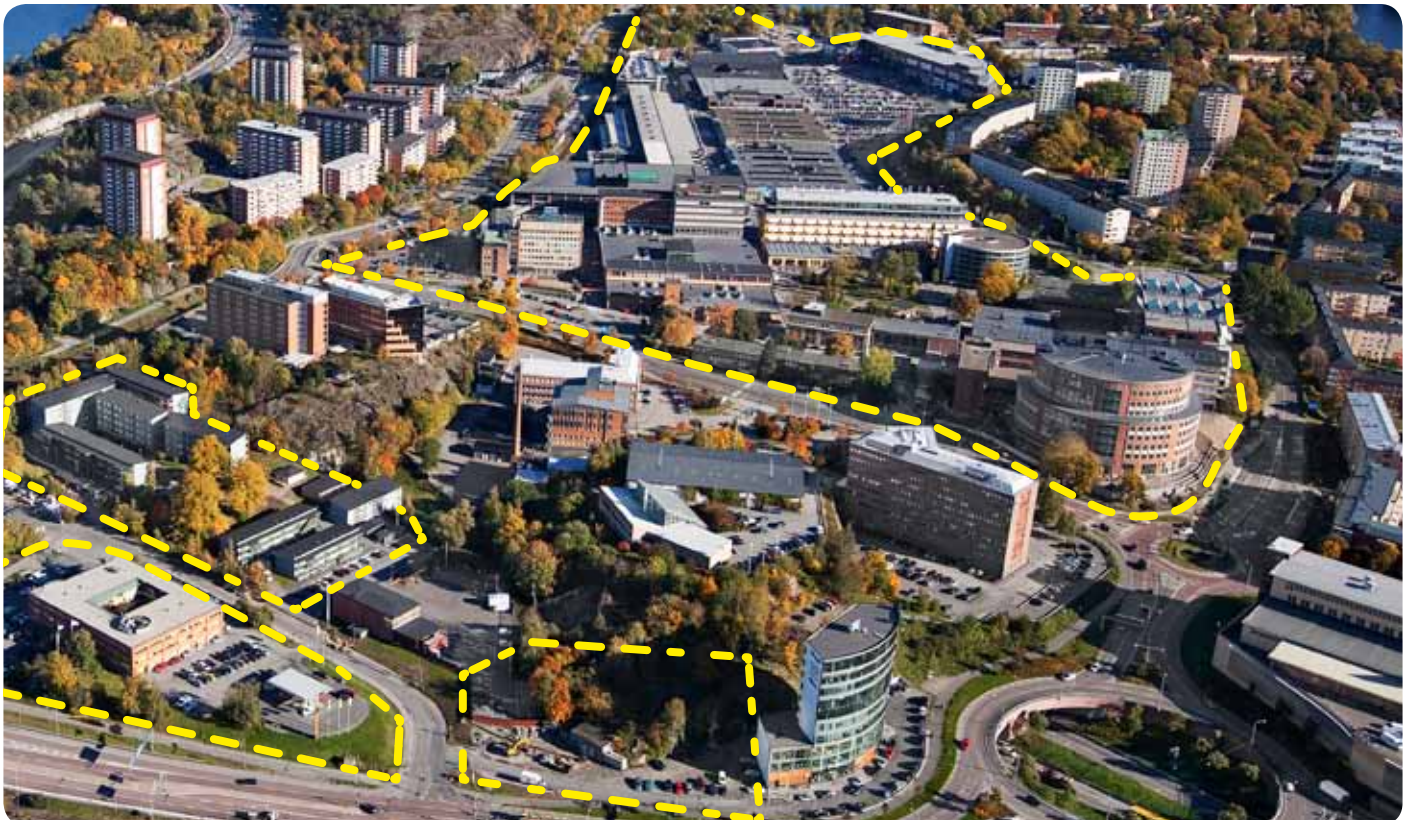
Nacka municipality's aggressive investment and the strong growth in the region collectively create an excellent opportunity for Atrium Ljungberg to continue its development of Sickla. The immediate plan is to generate additional office workplaces and service operations, and to develop the communications in and around Sickla. The aim is to increase the number of workplaces in Sickla from the current total of 4,500 to around 8,000 within a five-year

period. The new office block for Atlas Copco and the office blocks begun for Intrum Justitia and AkzoNobel are important stages in this development. Sickla's attractiveness is apparent in the fact that large, international companies are opting to site their head offices there.

The potential for additional expansions totalling approximately 50,000 m² also exists, over and above the major office block construction projects presented on pages 29 and 30.

GROW AS A FULL-SERVICE ENVIRONMENT

The long-term goal is for Sickla to continue developing as a full-service environment with a hugely diverse range of not only retail and office facilities, but service, cultural and educational ones, too. Atrium Ljungberg's strategic acquisition in 2010 of a further two properties in Sickla also offers the potential for gaining a comprehensive hold on the eastern end of the area and, in the longer term, generating substantial opportunities for new construction. Atrium Ljungberg is also considering generating new housing in the Sickla area.





DEVELOPMENT POTENTIAL IN UPPSALA

Uppsala is Sweden's fourth biggest city and one of the country's most expansive locations where rates of population and workplace growth are well above the national average. The county has a population of just over 330,000, excellent communications with the rest of the Mälardalen region, and a corporate climate that is simmering nicely.

CHANGES IN THE LOCAL AREA

Uppsala municipality is planning a number of large projects, some of which will entail significant changes in the Gränby Centrum area. Preparations are, amongst other things, being made to build approximately 3,000 new homes in the local area and to expand the bus terminus that has already been built at Gränby Centrum, making it into a travel centre and hub for different types of public transport. There are also plans to build a number of sporting facilities in the adjacent Gränby park and an events arena linked to Gränby Centrum.

The need for additional retail operations and various types of service facilities in the area will increase over the next few years, generating plenty of potential for Gränby Centrum to continue developing as a regional retail hub, a sustainable

city district shopping centre, and an important hub in the municipality.

EXPANDED RETAIL AND SERVICE FACILITIES

Our aim, over and above the expansion that will be completed in the autumn of 2011, is to successively expand the shopping centre by a further 25,000 m² or so for retail, service and other operational outlets and, potentially, to create new parking spaces as well. The expansion is dependent on a new detailed development plan and also includes an events area that may be linked with Gränby Centrum. The arena will be built by an independent company with no links to Atrium Ljungberg.

To the north of Gränby Centrum, strategically located alongside the northern off-ramp from the E4 highway, lies a 10.5 hectare plot of land that was acquired by Atrium Ljungberg in 2007 with the aim of expanding Gränby Centrum with complementary bulk retail outlets. The area's infrastructure is well-established and a valid detailed development plan that permits two-storey buildings with a total area of around 60,000 m² already exists. The area will be built up in phases as letting occurs.

DEVELOPMENT POTENTIAL IN MALMÖ

The Öresund region, with its population of 3.6 million, is a very strong growth region with regard not only to infrastructure, but to workplaces and housing. The population of Malmö, which is Sweden's third biggest city, is growing for the 25th-year in succession and the population is expected to approach 330,000 by 2016. Malmö has gone, over the last few decades, from being an industrial city to a knowledge-based economy. More and more companies have been attracted to the region and established head offices there, and the positive population and retail sector growth has generated a positive purchasing power trend.

Mobilia enjoys a fantastic location in the centre of the rapidly growing city of Malmö. Approximately 130,000 people live and over 40,000 people work within 5–10 minutes' walking and cycling distance and these figures can only increase as the area becomes more densely populated with new residential areas and the medical research park, Medeon, and the hospital area, UMAS, develop.

FROM RETAIL HUB TO CITY BLOCK

Mobilia is a forty-year old retail success that is now in need of rejuvenation. We have begun work, in partnership with the City of Malmö, on successively upgrading, remodelling and expanding the existing retail hub to create a vibrant city block in which retail, culture, services and housing combine in an exciting mix. Old meets new here, through the combination of classical industrial architecture with newly added modern elements, and comfortable indoor environments blend with attractive outdoor ones in the form of squares and pedestrianised streets.

The plans for Mobilia are closely integrated with the City of Malmö's ideas for increasing the area's density in the form of housing and new workplaces, and of improving the sustainable infrastructure for pedestrians, cyclists and those using public transport. The aim is to preserve and develop Mobilia as Malmö's leading meeting place.

Mobilia will gain approximately 30,000 m² of retail space, 10,000 m² of services and culture, and 60–100 new homes in phases between now and 2015. The number of parking spaces is expected to increase from 825 to 1,700 and the number of cycle parking spaces from 200 to 600.





DEVELOPMENT POTENTIAL IN FARSTA

Farsta Centrum has, historically speaking, been a very strong retail hub and an important meeting place for people who live and work in the area. Way back in the 1950s, Farsta Centrum became one of the first so-called ABC communities, a Swedish acronym denoting a place where work, housing and central facilities were gathered together in a single place. The area is still a very important hub and a natural meeting place in southern Stockholm; a place where the regional catchment area extends over five municipalities and covers a large part of southern Greater Stockholm.

ONE OF STOCKHOLM'S FOCAL POINTS

Farsta has been highlighted in the City of Stockholm overview plan as one of the city's focal points and most important meeting places, with a clear goal of further strengthening Farsta's role as a hub in south-eastern Stockholm. The infrastructure here is already well-established, with underground and commuter train stations, bus traffic and links to

the Nynäsvägen highway. The City of Stockholm is now planning to increase the area's density, with additional housing, improved infrastructure and a massive investment in culture and sports.

These conditions create an ideal climate for Atrium Ljungberg's continued development of Farsta Centrum as a city district shopping centre, regional retail hub and sustainable full-service environment. Atrium Ljungberg is, therefore, working actively with the City of Stockholm and other stakeholders to promote the further development of Farsta and Farsta Centrum with the aim of expanding the range of attractive retail and office environments, complemented with services and cultural facilities. There are also plans to enhance the external environment through new avenues and meeting places, and to develop footpaths and cycle paths in and around Farsta Centrum. The development work is designed to strengthen and spotlight Farsta Centrum's qualities, broad offering and history, and to bring new and exciting content to the area.

DEVELOPMENT POTENTIAL IN HANINGE

The site of Atrium Ljungberg's newly inaugurated retail hub, Port73, is a hub in the southern Greater Stockholm area, at the intersection between Route 73 and the Gudöbroleden highway – the cross-town link that joins together Huddinge, Haninge, Tyresö and Nacka. The site has been one of Sweden's leading food retail destinations since the mid-70s and can now offer a wider range of retail outlets, thanks to the opening of the first phase of Port73.

AGGRESSIVE INVESTMENT IN THE REGION

Haninge is a growth municipality where substantial investments in infrastructure are being planned. The regional development plan for Stockholm County points to Haninge as a regional city core with ambitions to develop into a secure environment with city-like qualities. Substantial investments are being made in the region, including the extension of the motorway to Nynäshamn (Route 73), the expansion of commuter train traffic to Haninge, and a new commuter train station at Vega within walking distance of Port73. The changes will mean substantial improvements in the communication to and from Stockholm. Major urban development projects are also planned, such as the creation of Vegastaden, with approximately

10,000 residents, and several other housing projects in the vicinity of Haninge.

The major investments in infrastructure, coupled with the area's proximity to the archipelago, forests and open countryside bode well for population growth in the area in the next few years. There is also every indication that majority of the Port of Stockholm operations will, in future, be relocating to Nynäshamn, which would have a substantial impact on the region's trade and industry.

Atrium Ljungberg is planning to continue its development of Port73 in phases, focusing primarily on strengthening its range of retail and service facilities.

ADDITIONAL DEVELOPMENT RIGHTS

An expansion phase comprising approximately 3,300 m² and scheduled for completion in the spring of 2012 has been approved – see page 28 for further details. The potential also exists for a further expansion of approximately 8,000 m². The aim is to grow Port73 into a long-term, attractive destination – a regional retail hub with a comprehensive range of retail and service facilities.

The concept will continue to focus on food in a shopping centre that enables families to carry out their errands in a rational, straightforward way.





DEVELOPMENT POTENTIAL IN KISTA

Kista is a world-leading growth region and a cluster for companies, researchers and educators in the fields of information and communication technology, known as ICT companies. There are currently around 30,000 workplaces here and Kista Science City is the number one prioritised development area in the City of Stockholm's vision for 2030.

NOD – A UNIQUE MEETING PLACE IN KISTA

Atrium Ljungberg has a land allocation agreement at Kista Gård, with the opportunity to construct a total of approximately 30,000 m² of office buildings. Our ambition here is to create a unique and sustainable meeting place, the NOD block, which will be a combined office, educational and cultural centre and a public arena. NOD will be centrally located between the existing and the new, emergent Kista, and will comprise educational, and public sector activities, together with large and small companies. NOD will, furthermore, offer attractions such as cafés, restaurants and cultural activities. The aim of NOD is to act as a bridge between and

catalyst for those who live, work and operate in Kista and to bring new businesses to Kista, giving them the chance to develop into tomorrow's world-leading companies.

The Digital Art Center (DAC) pilot project, located in Atrium Ljungberg's premises in Ärvinge, is an actual meeting place and a starting point for a long-term investment in what will, over the next few years, become a full-scale digital experience centre and will form part of the new NOD block.

IMPROVED SITUATION IN ÄRVIINGE

The planned rerouting of the E18 highway and the new cross-town rail link with a station in Ärvinge will substantially improve Ärvinge's situation from a traffic viewpoint.

We will also be making substantial adaptations to our existing premises along Kymplingelänken in Ärvinge, Kista, over the next few years, in order to meet the demands of the successful and growing ICT companies in the area.

Business Area Retail

ATRIUM LJUNGBERG IS one of Sweden's leading companies in the shopping centre sector, with many years' experience of developing and operating shopping centres and retail hubs. Our four regional shopping centres are ranked amongst the top 15 in the country in terms of net sales.

Retail accounts for 55 per cent of Atrium Ljungberg's total contracted annual rent. Our retail hubs have a combined retail letting area of approximately 350,000 m² with a total of over 600 stores and restaurants.

RETAIL IN STRONG LOCATIONS

Our four regional shopping centres are Sickla Köp kvarter, Farsta Centrum, Gränby Centrum and Mobilia. They are located in Sweden's strongest growth markets – in Stockholm, Uppsala and Malmö – and are ranked amongst Sweden's top 15 shopping centres in terms of net sales. They are all well-established retail and meeting places with a long history. The goal is, to varying degrees, to develop the regional shopping centres into full-service environments with elements of other activities as a complement to the retail operations.

Our city-based retail hubs are located in Stockholm, Uppsala, Västerås and Östersund. The best-known is the PUB department store in Stockholm's city centre.

Our out-of-town retail hubs are strategically located along major traffic routes, primarily in the Stockholm area, where Coop Forum has been the largest store and a key customer for many years. We are rejuvenating and improving the space efficiency of these retail hubs, as Coop Forum reduces its retail space, and complementing the range of stores and services in line with changing requirements.

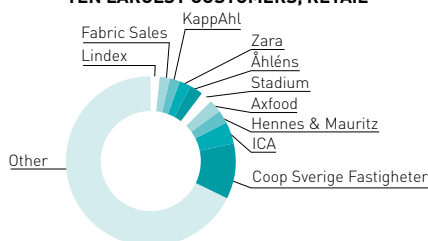
IMPORTANT DIALOGUES WITH THE CUSTOMER

Atrium Ljungberg shall create Sweden's most interesting retail destinations with regard not only to concept and attractiveness, but to profitability and investment yield. One of the prerequisites of success in our endeavours is that we maintain an honest and ongoing dialogue with our customers – both the smaller companies and the larger retail chains. The dialogues, which are conducted on several levels, provide us with knowledge that is very valuable at an early stage of the development chain and within our day-to-day operations. The dialogues also often result in the development of the customer's own operations and concept.

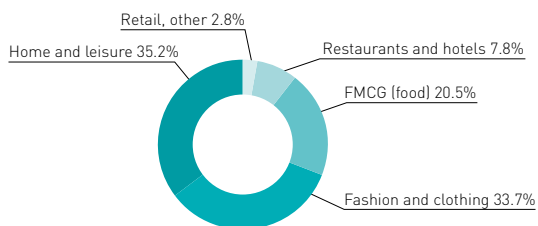
CLOSE TO THE CUSTOMERS

We have local offices in our retail hubs in order to be close to our customers and their operations. Our in-house decision-making staff are based here and work with all types of shopping centre-related management and administration issues, such as property maintenance, management and profiling of the retail hubs. Our employees have day-to-day contact with our customers – something that we regard as very important in establishing long-term partnerships. This close relationship and regular contact ensures that we can meet our customers' requirements in both the short and the long term, and generate the optimum preconditions for their commercial success.

TEN LARGEST CUSTOMERS, RETAIL



SECTOR BREAKDOWN, RETAIL





FACTS BUSINESS AREA RETAIL

RETAIL LETTING AREA	348,000 M ²
RENTAL VALUE	SEK 928 M
LETTING RATE	95%

Christmas shopping in Farsta Centrum.

SICKLA KÖPKVARTER

SICKLA KÖPKVARTER COMBINES the city's opportunities with the city district's local feel. It is home to workplaces, housing, and to service, cultural and educational facilities which, together with the retail sector, form the full-service environment that has become one of Atrium Ljungberg's strengths.

Sickla Köpkvarter is located in south-eastern Stockholm and is an established meeting place with a vibrant big city buzz and a busy street life. The strategic location alongside the Södra Länken, Värmdöleden and Järlaleden highways, directly adjacent to the Saltsjöbanan and Tvärbanan commuter train and light railway stations, make Sickla easily accessible by both motorists and public transport users.

DIVERSITY AND VARIETY

Sickla Köpkvarter is home to a range of 145 stores and restaurants that is characterised by diversity and variety. Chain company outlets can be found next door to independent retailers, megastores are gathered together in Magasinet while small boutique stores line a smaller pedestrianised street, and the shopping centre section, inaugurated in 2009, has seen Sickla Köpkvarter become a significant fashion destination too, with strong brand names.

The substantial contrasts in both environment and offering give Sickla Köpkvarter a unique and personalised profile that offers visitors the option not only to shop, but to visit restaurants and attend cultural events.

Dieselveckstaden, formerly a workshop manufacturing and assembling diesel engines and now one of Sweden's most popular cultural centres, lies at the heart of Sickla. Dieselveckstaden is abuzz with cultural activities, including arts and crafts workshops, a library and a cinema.

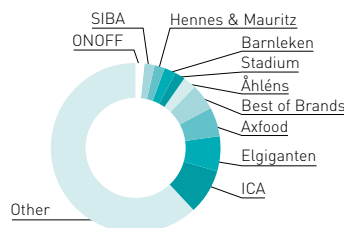
September 2010 saw Sickla Köpkvarter celebrate the fifth anniversary of its inauguration – an event celebrated with a wide range of activities for Sickla's customers and visitors.

ACCESSIBILITY IMPROVED

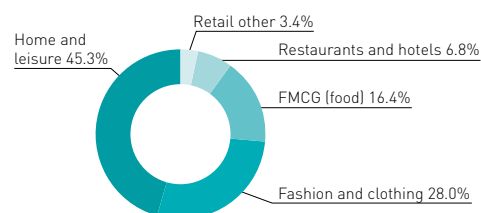
We are working with SL (Stockholm Public Transport) and Nacka municipality to make Sickla Köpkvarter's accessibility even better for pedestrians, cyclists and people using public transport. We are, amongst other things, reviewing roads, footpaths and cycle paths, and are examining new parking solutions.

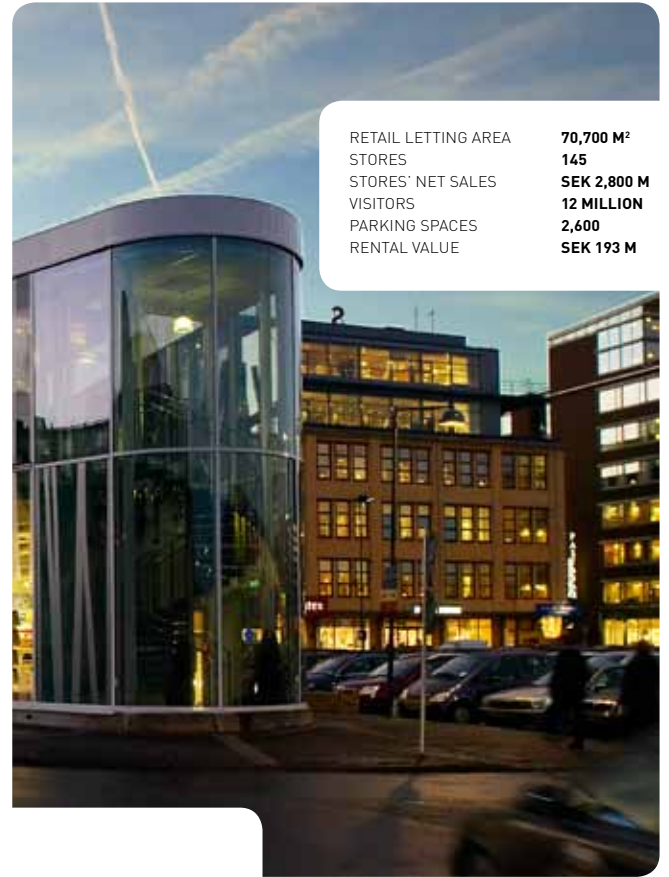
A further two properties in the area were acquired during the year, strengthening our position and generating new opportunities to develop the full-service environment that is such a large part of Sickla's success.

TEN LARGEST RETAIL CUSTOMERS – SICKLA KÖPKVARTER



SECTOR BREAKDOWN, RETAIL – SICKLA KÖPKVARTER





SICKLA KÖPKVARTER



RETAIL LETTING AREA **54,700 M²**
 STORES **160**
 STORES' NET SALES **SEK 2,000 M**
 VISITORS **13.7 MILLION**
 PARKING SPACES **1,700**
 RENTAL VALUE **SEK 185 M**



Farsta
CENTRUM



FARSTA CENTRUM

FARSTA CENTRUM IS UNIQUE. People have been living, working and shopping here for 50 years now, and the natural meeting place has a pleasant and welcoming atmosphere.

Farsta Centrum is located in southern Stockholm and is one of Stockholm's biggest shopping centres, with 160 stores and approximately 14 million visitors per year.

Farsta Centrum is not only a popular shopping centre; it is also a workplace for many in that a large number of companies have established a presence directly adjacent to the shopping centre. With its wide range of shops, workplaces, and cultural, service and health care and lifestyle facilities, Farsta Centrum functions not only as a retail hub but as a large city district centre. The square, with its vibrant market stalls in the heart of the centre unifies the area and creates a genuine city-style environment. The customer group is mixed and colourful and the store mix has been put together in the same way in line with visitors' requirements.

TWO YEARS – TWO PHASE INAUGURATIONS

A 4,000 m² new section of the shopping centre opened in the autumn of 2009. One year later, in September 2010, another phase was inaugurated when ten or so new stores opened their doors. Over the course of just two years, part of the centre has been extended and large parts have been

renovated and rebuilt. The result of these two rebuilding projects is twenty or so new stores, 200 new parking spaces, and – not least – a more open, consistent shopping centre.

The tenants who have moved into the new section include Panduro Hobby, Lekia, Cervera, Esprit, Lindex and Amazing Seven. The Voltaire sisters have also elected to follow up the success of Café Voltaire with an interior design store – a completely new concept that has previously only been found in Farsta. A second interior design store will open in the PUB department store in early 2011.

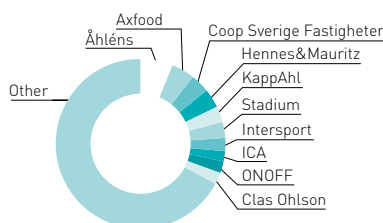
HIGH PROFILE 50TH ANNIVERSARY

Farsta Centrum laid on a huge 50th anniversary party in conjunction with the opening of the new shopping centre. The celebrations lasted for three days and attracted a lot of attention from visitors and the media alike.

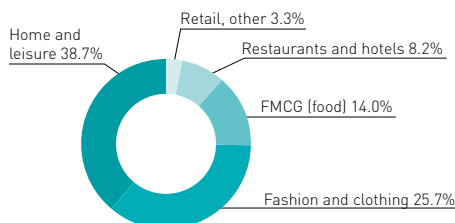
ACTIVE DEVELOPMENT

Atrium Ljungberg is working actively with the City of Stockholm to develop the Farsta area and its role as a hub in southern Stockholm with the joint goal of making Farsta Centrum into one of Stockholm's most important meeting places.

TEN LARGEST RETAIL CENTRES – FARSTA CENTRUM



SECTOR BREAKDOWN, RETAIL – FARSTA CENTRUM



GRÄNBY CENTRUM

GRÄNBY CENTRUM HAS many strengths. A wide range of stores, generous opening hours and, not least, good accessibility, make Gränby Centrum the leading regional retail hub in the county.

Gränby Centrum is located two kilometres to the east of central Uppsala and is easily accessible from the newly built E4 motorway that runs to the east of the city. The Bärbyleden highway – a newly opened traffic link between the E4 motorway and the exit from Uppsala towards Sala and Enköping is also nearby.

55,000 people live in the immediate area within walking and cycling distance of Gränby Centrum and this number will rise in future, thanks to plans to build several residential areas in the vicinity of Gränby Centrum.

VISITOR NUMBERS INCREASING

Gränby Centrum now has a total of 67 stores and restaurants thanks to the rapid development over the last ten years, during which time the retail hub has increased substantially in terms both of area and number of stores. Uppsala's residents have truly taken to the new Gränby Centrum: there is substantial interest in what is happening in the area and the number of visitors increased still further in the past year.

RESTAURANT SIDE BOOSTED

Gränby Centrum's restaurant side has received a boost in 2010: Wok & Sushi moved in in May and Konditori Fågelsången opened a café and restaurant in the autumn.

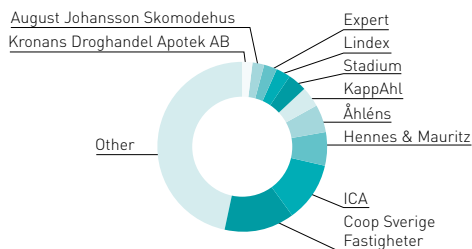
FURTHER GROWTH

Work on a 9,000 m² extension comprising retail and services space over four floors began in May. The range of stores will be widened in the form of, amongst others, Clas Ohlson, and new service functions, such as gyms and health care facilities will be added. The range of restaurants will also increase. The new extension will be inaugurated in August 2011 in conjunction with Gränby Centrum's 40th anniversary.

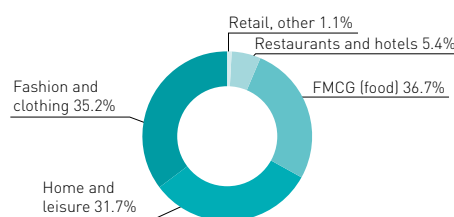
Gränby Centrum's environmental work began at an early stage in its development and the new extension will comply with the requirements for certification as a Green Building.

See pages 27 and 33 to find out more about on-going development projects in Gränby Centrum.

TEN LARGEST RETAIL CUSTOMERS – GRÄNBY CENTRUM



SECTOR BREAKDOWN, RETAIL – GRÄNBY CENTRUM







RETAIL LETTING AREA 37,300 M²
 STORES 70
 STORES' NET SALES SEK 1,500 M
 VISITORS 8 MILLION
 PARKING SPACES 1,250
 RENTAL VALUE SEK 102 M

mobilia



MOBILIA

MOBILIA HAS BEEN Malmö's most content-rich shopping centre, where customers are offered a wide and diverse range of outlets, for many years now. Mobilia is also home to numerous restaurants and cafes where customers can relax and socialise.

Mobilia, with its 70 stores and restaurants, lies in the heart of Malmö. The biggest factors in Mobilia's success are its accessibility, generous opening hours, the diverse range of stores, and a unique history with a strong Malmö tradition. Mobilia has over 90 per cent brand name familiarity in the market area and is a place where the whole of Malmö shops and meets, whatever the size of their wallet. It is a place for everyone, a place of relaxation, and a place where everyone is welcome.

NEW STORES AND HOUSING

Mobilia is already a strong retail hub and it is well en route to becoming even stronger. February saw the opening of Mobilia Home, a focal point for stores selling products for the home. We also own 200 apartments adjacent to Mobilia Home that are an important component of a vibrant Mobilia.

The original brick façades have been revealed, after being hidden for 40 years, thanks to a comprehensive renovation programme. The old and

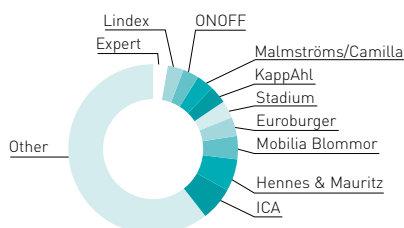
the genuine hence live on, side by side with the new environment that we are successively creating. These steps are all designed to lead towards the creation of the new full-service environment that is being created around Mobilia. And the number of visitors has increased during the year, the renovation work notwithstanding.

ACCESSIBLE MOBILIA

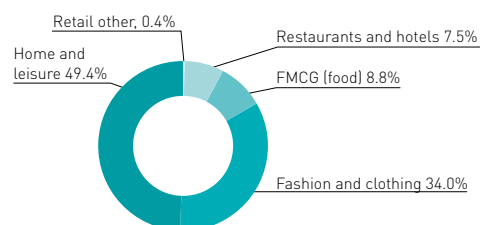
Mobilia's location in the heart of Malmö's urban area, coupled with the extensive investments in accessibility for pedestrians, cyclists and public transport users now being planned, will ensure it is accessible and to hand for everyone. The massive programme of development work that Atrium Ljungberg has begun will make Mobilia into a modern, urban retail block with a mixture of shopping, culture, entertainment, health and housing – a populated shopping city in the heart of the city.

See page 26 to find out more about ongoing development projects in Mobilia.

TEN LARGEST RETAIL CUSTOMERS – MOBILIA



SECTOR BREAKDOWN, RETAIL – MOBILIA



PORT73, HANINGE

October 2010 saw the opening of Port73 in Haninge – a totally remodelled retail hub that previously comprised nothing more than a Coop Forum establishment. Port73 has good visibility, located as it is alongside the Nynäsvägen highway, route 73, at the junction that links Haninge, Huddinge, Tyresö and Nacka. This strategic location ensures that it is easily accessible by a great many people: the primary catchment area in Haninge and Tyresö has a permanent population of around 135,000 and thousands of summer home owners. Approximately 48,000 vehicles pass by this point every day.

FOCUSING ON SHOPPING

Port73's main group is families and summer home owners who need to be able to rationalise their shopping errands and, at the same time, shop in a pleasant and welcoming environment. Port73 combines bulk retail with diversity in an open-plan

shopping centre. Food, family, time and shopping are its value words and simplicity is its motto.

Port73 has 28 shops, mainly in the ready to wear clothing, electronics, sports and leisure sectors. The range of stores comprises a mixture of established chain companies, such as KappAhl and Expert, smaller stores run by local players, and a number of megastores, such as Jula and Intersport. Coop Forum accounts for the largest percentage of FMCG (food) retail in the store mix.

PORT73 WILL GROW

Atrium Ljungberg plans to continue its development of the area in phases, and work in the next phase is scheduled to start in the spring of 2011. The long-term goal is for Port73 to grow into a regional retail hub offering a comprehensive range of retail outlets and services.

See pages 28 and 36 to find out more about the development plans for Port73.

PORT73



RETAIL LETTING AREA	29,400 M ²
STORES	28
PARKING SPACES	1,000
RENTAL VALUE	SEK 49 M

DROTTNINGGATAN, STOCKHOLM

The area around Drottninggatan, Hötorget and Kungsgatan in central Stockholm is one of Sweden's most attractive and well-visited retail districts. Atrium Ljungberg's portfolio in this area comprises the PUB department store, Glashuset, and another retail property in which the fashion store, Zara, is the biggest tenant. The area immediately surrounding the district is home of Stockholm's biggest range of hotels, entertainment and cultural offerings, and is also a workplace for large numbers of people. In the order of 100,000 people pass through this area on a normal weekday.

PUB

The PUB department store is one of Sweden's best-known retail hubs and has been owned by us since 1935. The department store has undergone a transformation, in the years since 2005, from a traditional department store to a modern one, adapted in line with contemporary requirements, in which we have combined a long-term approach with innovation. The remodelling has enabled PUB to carve out a niche for itself as the best-stocked department store for Swedish fashion and design with a wide range of orientations and modes of

expression. The well-known interior design store, R.O.O.M., moved in in April and offers virtually everything in the way of interior décor, textiles and design, spread over an entire floor of the building. Other floors house other interior design outlets and a wide range of the leading fashion brand names. PUB also offers a range of sporting and cosmetics outlets and services. Its unique location on Hötorget affords PUB the opportunity to be a department store that meets its visitors' needs in every area, from fashion to interior design and gifts.

GLASHUSET

Glashuset on Drottninggatan is a modern, four-storey fashion house. It is home to Stockholm's biggest Weekday store, occupying 1,500 m² of retail space. There is also a large Bestseller store, and an MQ and an Esprit outlet.

DROTTNINGGATAN 68

Drottninggatan 68 is a classic shopping address that now houses a Zara store spread over 2,500 m² and three floors. The property is also home to a range of other stores and a restaurant. The top floor houses approximately 3,500 m² of office space.

PUB



RETAIL LETTING AREA	8,300 M ²
STORES	29
STORES' NET SALES	SEK 275 M
VISITORS	3.2 MILLION
RENTAL VALUE	SEK 52 M



KVARTERET IGOR

RETAIL LETTING AREA **15,200 M²**
 STORES **44**
 PARKING SPACES **300**
 RENTAL VALUE **SEK 40 M**



KVARTERET IGOR, VÄSTERÅS

Kvarteret Igor is a completely rebuilt shopping centre on Stora Torget in the heart of central Västerås. It was previously home to the Arosian retail block that Atrium Ljungberg has been renovating, extending and rebuilding since 2009.

The inauguration of Igor in September 2010 was a success that has been fantastically well received by the people of Västerås. The building now houses a very popular shopping centre which, with its diverse range of stores, cafés and restaurants, creates an inspirational shopping environment with natural meeting places.

Igor has forty or so stores, the majority of which are completely new to Västerås. Large, well-known concepts have been combined with smaller, unique stores. Fashion is the best-represented sector, but Kvarteret Igor also houses media, food and drink outlets.

One of the bigger stores in the shopping centre is Clas Ohlson, whose main entrance is direct from the parking facility on the upper deck. Coop, which sets the tone for the FMCG players, is

located close to other stores with links to food and drink.

MEETING PLACES

Igor also has plenty of welcoming meeting places, primarily in the form of cafés and restaurants, in addition to its wide range of stores.

Igor is a distinctive shopping centre and has helped boost retail activities in central Västerås and to link together different parts of the city.

NOMINATED FOR INNOVATION AND QUALITY

Kvarteret Igor received a flattering nomination for the Retail Awards' 2010 Retail Centre/Shopping Centre of the Year, awarded by the Swedish Trade Federation and the Dagens Handel retail trade publication. The prize is awarded to encourage innovation and quality in the retail sector, to increase the focus on retail companies and their suppliers, and to spotlight the retail sector as a sector of the future.



FORUMGALLERIAN

RETAIL LETTING AREA	9,800 M ²
STORES	40
STORES' NET SALES	SEK 365 M
VISITORS	6.6 MILLION
RENTAL VALUE	SEK 8 M



Mittpunkten

RETAIL LETTING AREA	11,500 M ²
STORES	21
STORES' NET SALES	SEK 436 M
VISITORS	3.5 MILLION
PARKING SPACES	200
RENTAL VALUE	SEK 24 M

ROTEBRO HANDEL

RETAIL LETTING AREA	22,400 M ²
STORES	6
PARKING SPACES	650
RENTAL VALUE	SEK 31 M

ORMINGE CENTRUM

RETAIL LETTING AREA	9,800 M ²
STORES	27
STORES' NET SALES	SEK 445 M
VISITORS	1.8 MILLION
PARKING SPACES	270
RENTAL VALUE	SEK 19 M

Västberga Handel

RETAIL LETTING AREA	15,400 M ²
STORES	4
PARKING SPACES	525
RENTAL VALUE	SEK 29 M

HALMSTAD

RETAIL LETTING AREA	10,400 M ²
STORES	1
PARKING SPACES	1,500
RENTAL VALUE	SEK 11 M

FORUMGALLERIAN, UPPSALA

Forumgallerian is located right in the centre of Uppsala and is a fashion destination with a youthful, modern profile. The shopping centre houses 40 stores and restaurants that attract just over 6 million visitors every year.

The focus is on fashion for a young, fashion-conscious target group. Stores unique to Uppsala set the tone, as does Uppsala's biggest bookshop.

The property also houses office premises and a smaller number of residential units.

MITTPUNKTEN, ÖSTERSUND

Mittpunkten in central Östersund has undergone a comprehensive facelift, transforming it from a Domus department store into today's modern shopping centre. It now houses around 20 stores.

Many of Östersund's inhabitants have discovered their natural meeting place since Mittpunkten reopened in September 2009, and with a very popular café and several fashion-orientated stores, Mittpunkten enjoys a strong position in Östersund.

ROTEBRO HANDEL

This out-of-town retail hub, where Coop established a presence way back in 1965 is located alongside the E4 motorway in Rotebro, to the north of Stockholm.

Coop Forum has rebuilt its store and changed its concept during the year, and is now a Coop Extra store specialising in fresh produce. The store reopened in March – the same month that a Willys store also opened.

A Systembolaget (the State alcohol retail monopoly) outlet, an Apoteket pharmacy, a McDonalds, and a café have opened up adjacent to these two FMCG players. Djurmagasinet will be moving in in February 2011, and a strong retail destination will thereby have been created.

ORMINGE CENTRUM

Orminge Centrum, which is a city district centre with almost 30 stores is located in the Nacka municipality and houses, amongst others, Sweden's biggest Coop Extra store, which has undergone a successful renovation process during the year.

Most of the stores in Orminge Centrum are run by local traders who focus heavily on personal contact and high quality service, making Orminge a popular centre with local residents.

VÄSTBERGA HANDEL

The old industrial property immediately to the south of Hornstull in Stockholm was transformed into Västberga Handel in September 2008. It now houses Coop Forum, Sporthuset, Cykloteket and Budo & Fitness.

A lease contract was signed during the autumn with Rusta for approximately 2,000 m² and the tenant is scheduled to move in in March 2011.

Västberga Handel is located next to Telefonplan which is currently in the midst of a very expansive phase and approximately 2,000 new housing units are scheduled to be built in the area by 2016.

HALMSTAD

Atrium Ljungberg owns a single property in Halmstad, where Coop Forum is the sole tenant. The property is part of Eurostop in Halmstad.

Business Area Offices

WE ARE ONE OF THE LEADING PLAYERS in the office and operations centre market in Stockholm, with a portfolio of modern properties in the Norra Station and Södermalm districts of Stockholm's city centre, and in Sickla, Kista and Farsta.

31 per cent of the company's total contract annual rents derive from office premises. Atrium Ljungberg's office properties are concentrated on carefully selected subsidiary markets with long-term strength in the Stockholm area. The combined letting area of the office properties is 227,000 m², 93 per cent of which is located in the Stockholm area. We are one of the leading players in the office and operations centre market in Stockholm, with a portfolio of modern properties in the Norra Station and Södermalm districts of Stockholm's city centre, and in Sickla, Kista and Farsta. We are the proud owners of, amongst other things, the profile properties, Glashuset at Slussen, and the former Apotekarnes Mineralvattenfabrik building at Norra Station. The old mineral water plant is jointly owned with Länsförsäkringar.

ATTRACTIVE LANDLORD

We have large and unified units, which gives us the opportunity to influence development locally, even outside our own holdings. We have a local management office in every subsidiary market, staffed with its own decision-making personnel, which enables us to have close contact and regular dialogues with our customers.

This proximity and our long-term approach are two of our biggest success factors, enabling us, as they do, to predict our customers' requirements and to conduct development work in cooperation with our customers over an extended period of time, but with short decision-making pathways and rapid implementation. While others build or buy in order to subsequently sell, our commitment

extends over a much longer period of time. Long-term ownership means that extra care is taken of both buildings and relationships alike.

ICT AND LIFE SCIENCES ARE STRONG CLUSTERS

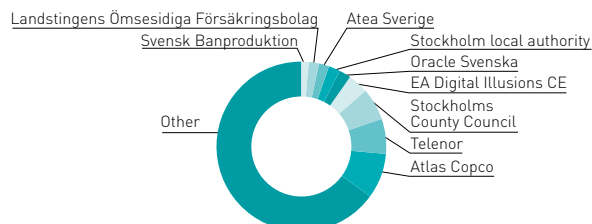
The trend towards a desire to establish and maintain a presence in vibrant full-service environments and cluster formations is continuing, and is particularly apparent in Stockholm. Kista has, for many years now, been a cluster for companies in the information and communication technology sphere and we are seeing the same tendencies within another strong sector in Sweden, namely life sciences, which are clustering around Norra Station in the new Hagastaden district. Atrium Ljungberg owns and manages extensive holdings in both of these subsidiary markets.

FOCUS ON MORE WORKPLACES

The office rental market climate in Stockholm is showing clearly signs of improvement and we are seeing an increased demand for office premises in all of our subsidiary markets. This is, in part, why we are now increasingly focusing on creating sustainable new workplaces and on concluding green lease contracts within Business Area Offices.

In Sickla, for example, we announced the start of construction work on two completely new operations centres for Intrum Justitia and AkzoNobel, amongst others, during the latter half of the year. Both of these buildings will be environmentally certified in accordance with BREEAM.

TEN LARGEST CUSTOMERS – OFFICES





**FACTS BUSINESS AREA
OFFICES**

OFFICE SPACE	227,000 M ²
RENTAL VALUE	SEK 530 M
LETTING RATE	91%

NORRA STATION – HAGASTADEN

Our Blästern 6, 11 and 13 properties at Norra Station are strategically located along Hälsingegatan, Norra Stationsgatan and Gävlegatan and make up the majority of the Blästern city block. Blästern 6 and 13 are owned jointly with other properties but are managed exclusively by Atrium Ljungberg. The total letting area is approximately 85,000 m².

The block includes the characterful former Apotekarnes Mineralvattenfabrik building, Glas-huset and Entré Nord – all beautiful industrial buildings from the 1930s that have been rebuilt and extended to create modern offices that retain their industrial style.

HAGASTADEN'S DEVELOPMENT

Atrium Ljungberg has been active in the Norra Station area since 1992 and, as one of the biggest property owners in the area, we can influence the final outcome in an area that is currently undergoing an enormous physical transformation, namely Hagastaden. The development of Hagastaden is planned up to 2025 and includes a mixture of

educational establishments, companies, research institutions, hospitals, cafés and restaurants, cultural and service facilities, and beautiful parks.

STOCKHOLM LIFE FASTIGHETSÄGARE

2010 saw Atrium Ljungberg in cooperation with other property owners formalise the Stockholm Life Fastighetsägare [Property Owners] partnership, which is a joint and collaborative endeavour aimed at realising the vision of a world-class life sciences area.

MORE LIFE SCIENCES TENANTS

Our letting work is focusing on increasing the number of life sciences sector tenants. The area is already home to PPD, Vironova and Karolinska University Hospital, amongst others, and the biggest single let this year was agreed with Skanska Healthcare, who have established premises in Blästern 13. Skanska Healthcare has used the approximately 3,500 m² to set up their project office for the construction of the Nya Karolinska Solna University Hospital.



SÖDERMALM

Södermalm has established itself in recent years as a strong market for office establishment. We are strongly positioned on Södermalm, with office properties in the best locations at Slussen and Medborgarplatsen.

GLASHUSET SLUSSEN

One of Stockholm's best-known buildings, Glashuset, is located at Slussen. Glashuset is a classic element of the cityscape, despite having been built as recently as 1974. The building houses tenants such as Telenor, EA Digital Illusions and TT. The property, Tranbodarne 12, offers just over 26,000 m² that are ideally suited to contemporary mobile ways of working and what is, perhaps, the city's most inspirational views.

We are delighted to have been able to meet our expansive tenants' requirements in Glashuset during the year. The renegotiations with Telenor, for example, have resulted in both an extension and an expansion of the lease contract. We are now keen to further develop the Glashuset brand name in partnership with our customers by reviewing ways in which we could exploit each other's strong brand names.

MEDBORGARPLATSEN

The area around Medborgarplatsen is an attractive one for office establishment, thanks to a diverse range of services and proximity to the city, underground and commuter train services. In Medborgarplatsen, we own the Fatburen 1 property – the part of Söderhallarna that contains the greatest number of offices. We have improved the range of services on the ground floor during the year with the opening of Panini and Sushi Yama, amongst others. Systembolaget (the State alcohol retail monopoly) has expanded its floor space during the year and the store reopened during the autumn.

On the office letting front, we have agreed a new lease contract with Ungdomsstyrelsen (the Swedish National Board for Youth Affairs), amongst others, who will be moving into the premises we, ourselves, will be leaving in the spring of 2011 when we relocate to our head office in Sickla. We have also extended the lease contract with RFSU (the Swedish Association for Sexuality Education).

Our office property, Fatburssjön 8, lies a stone's throw from Medborgarplatsen on Magnus Ladulåsgatan. A new let to FTI, Förpacknings- och tidningsinsamlingen (the Packaging and Newspaper Collection Service) has been agreed in this property.



SICKLA

Sickla is becoming increasingly well-established as an office area, particularly in the autumn of 2010 when we were able to announce the signing of new lease contacts with Intrum Justitia and AkzoNobel that will see construction work start on two completely new operations centres in Sickla. Sickla's attractiveness is apparent in the fact that large, international companies are opting to site their head offices there.

8,000 WORKPLACES

The number of office workplaces has continuously increased since the acquisition of the properties in 1997 and our vision has remained the same: to create a hub in south-eastern Stockholm that offers a full-service environment in which retail, work, culture, services and learning are combined. We will continue along this established path in Sickla and our goal is to increase the number of workplaces from the current figure of 4,500 to 8,000. Sickla is now home to the head offices of Atlas Copco, Intrum Justitia, The Phone House and Strukton Rail, amongst others.

NEW OFFICE BLOCK FOR INTRUM JUSTITIA

An agreement with Intrum Justitia whereby they will lease approximately 5,000 m² has enabled us to start on the construction of a new office block at the northern off-ramp to Sickla in the spring of 2011. Intrum Justitia is scheduled to move into their new premises in the autumn of 2012. See page 29 to find out more about this ongoing project.

NEW OFFICE BLOCK FOR AKZONOBEL

A fifteen-year contract with Akzo Nobel AB, part of the Swedish-Dutch chemicals group, AkzoNobel, enables construction work to begin on yet another project in Sickla.

AkzoNobel will be the biggest tenant in the new block, which will be built next to the western entry to Sickla and will comprise approximately 10,300 m². See page 30 to find out more about this ongoing project.



KISTA

Kista is a world-leading growth region and a cluster for companies, research and educational establishments in the information and communication technology – so-called ICT companies – and this is the expansive and innovative environment in which Atrium Ljungberg owns two properties in Ärvinge, namely Kolding 3 and 4 properties. Ärvinge is a unique meeting place for successful companies and one that offers excellent profiling opportunities facing, as it does, the major highways at the entrance to Kista. The planned re-routing of the E18 motorway and a new cross-town rail link with a station in Ärvinge will further improve Ärvinge's already good traffic position.

ÄRVIINGE 16.0

A new concept, Ärvinge 16.0, was developed during the year for the premises left by Tieto during the autumn of 2010. The concept will entail the creation by Atrium Ljungberg of a new type of meeting place for successful ICT companies in Ärvinge. The concept is requirement-based and entails complementing traditional office premises on six floors with a number of shared, new functions, such as cafés and

conference facilities. This will reduce the need for conference rooms in existing office space, yielding increased space efficiency. We believe that this type of multi-functionality and shared space solution will be increasingly in demand in the future.

ATEA EXPANDS AND EXTENDS

A new long-term contract was signed during the year with Atea, who will be moving to new, larger premises in the area in the spring of 2011. The new office premises are part of Ärvinge 16.0 and Atea will be grouping all of its Stockholm-based units in this single premises.

DIGITAL ART CENTER

The Digital Art Center i Ärvinge – DAC – pilot was launched in May. New research and visualised technology have provided the inspiration for a physical meeting place for interactive art experiences, creative thinking and entrepreneurship. The full-scale DAC will eventually be housed in, and be part of, NOD, the block and meeting place that will be developed and built by Atrium Ljungberg at Kista Gård. See page 37 to find out more about the potential project NOD.



FARSTA

The City of Stockholm is keen to create 30,000 new workplaces in the city's southern suburbs by 2030. Atrium Ljungberg's goal is for Farsta to become a competitive destination for office establishment to the south of town. We are keen to ensure that the demand for workplaces in Farsta increases and that, within five years' time, it is sufficiently strong that the basis and preconditions exist for building a new office block there.

ENTREPRENEUR CENTRE

We are already seeing an increased interest in office premises, particularly from small entrepreneurial companies, and will be opening a type of entrepreneur centre in our office property in Farsta in order to meet this demand. We will create a creative and open environment that invites cooperation and an exchange of knowledge between the companies.

FARSTA – STOCKHOLM'S SOUTHERN HUB

The City of Stockholm's vision of a world-class Stockholm forms the basis for the overview plan, which focuses on developing hubs in the outer suburbs. The common denominator for regional city cores and the City of Stockholm's hubs is the goal of creating attractive, dense urban environments. Farsta is spotlighted as one of these hubs where there is both a need for and huge potential for increased density. This will, in the long-term result in a positive developmental trend, with improved infrastructure, housing growth, and expanded services.



Our housing

HOUSING IS AN IMPORTANT ELEMENT of Atrium Ljungberg's strategy of creating full-service environments. A vibrant environment is created by people and an area that is populated by both day and night has every chance of being just that – vibrant.

Our two housing areas are located in the Ärvinge district of Kista, which is a small-scale, low-density garden city, and in Malmö, adjacent to Mobilia, which is currently being transformed from a retail centre to a city block.

ÄRVINGE

In Ärvinge, which is a separate city district at the entrance to Kista, Atrium Ljungberg has created a unique area in which the 435 tenancies have been integrated with workplaces, restaurants and local services.

A small scale approach, coupled with open spaces, are the key words when it comes to creating a sense of security in a residential area – some-

thing that was taken into account back during the construction phase in the early 1990s. The positive experiences gained from Ärvinge form part of the basis for the Bo Tryggt 05 (Secure Living 05) booklet, a manual on secure living published by the Stockholm County police authority.

MALMÖ

We have built 40 new apartments with a new inner courtyard and a new garage in Mobilia in Malmö in 2009. There are now almost 200 apartments in Mobilia, all of which are let, and whose residents represent every age group. All of the older apartments are now being renovated on a rolling basis.



FACTS HOUSING KISTA

435 APARTMENTS
1-5 ROOMS

FACTS HOUSING MALMÖ

194 APARTMENTS
1-3 ROOMS

TL Bygg

Atrium Ljungberg's wholly-owned subsidiary company, TL Bygg, is a building contractor specialising in all types of rebuilding, extension and building services work. Its biggest operating sphere is rebuilding, which includes all types of "ROT" housing improvement work.

Both TL Bygg and some parts of the parent company have their origin in the building and property operations that Master Builder, Tage Ljungberg, founded in 1946. The basic values that permeated the company then are the same as those that characterise the operations today: appropriate conditions are created for long-term and rewarding business relations through a high level of commitment and care. TL Bygg is an important asset on complex projects within Atrium Ljungberg and during early project phases.

CHOOSING THE CUSTOMER, RATHER THAN THE PROJECT

We place great value on repeat business and long-term, close partnerships. Which is why TL Bygg, in many cases, chooses the customer, rather than the project. TL Bygg's main clients are the State, municipalities, county councils, insurance

companies, property companies and tenant-owner associations. Its biggest customers in 2010 were Atrium Ljungberg, Familjebostäder, Stockholmshem and Storstockholms Lokaltrafik (Stockholm Public Transport). Work on behalf of the Atrium Ljungberg group accounted for 19 per cent of TL Bygg's total net sales in 2010, but its customer base is constantly being expanded and the firm gains a number of new clients every year.

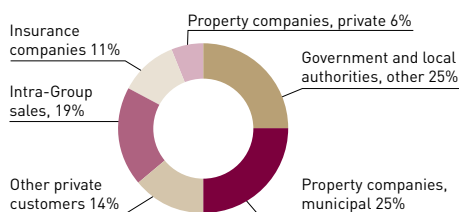
The order book at the 2010 year-end totalled SEK 253.1 million.

AMBITION TO GROW

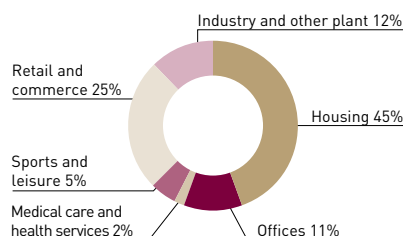
TL Bygg is a profitable building contractor that continues to post healthy results across business cycles. The company's ambition is to continue to grow in a controlled way and to recruit skilled personnel for the long-term. As with its parent company, TL Bygg endeavours, whenever possible, to conduct its operations using in-house expertise and has its own skilled craftsmen in the construction sphere and experts in costing, purchasing and project management.

TL Bygg increased its workforce by 13 per cent in 2010, adding reinforcements on both the construction skills and administrative sides.

NET SALES PER CLIENT CATEGORY



NET SALES PER TYPE OF CONTRACT



SUMMARY OF INCOME STATEMENTS

SEK m	2010	2009	2008	2007	2006
Net sales, external clients	304.5	299.2	291.4	245.3	297.3
Net sales, Group companies	69.4	50.2	67.4	73.4	33.5
Net sales, total	373.9	349.4	358.8	318.7	330.8
Operating profit	30.9	33.5	31.4	30.7	28.6
Net financial items	0.9	0.0	1.1	0.6	0.4
Profit after net financial items	31.8	33.5	32.5	31.3	29.0
Number of employees	113	100	100	99	97

TL BYGG IN BRIEF

- BUILDING CONTRACTORS WITH CONTRACTS PRIMARILY IN GREATER STOCKHOLM AND UPPSALA
- CERTIFIED IN ACCORDANCE WITH BF9K, A PRODUCT CERTIFICATION SYSTEM FOR THE CONSTRUCTION INDUSTRY
- NUMBER OF EMPLOYEES: 113 (28 ADMINISTRATIVE, 85 SKILLED CONSTRUCTION WORKERS)
- NET SALES IN 2010: SEK 373.9 MILLION
- PROFIT AFTER NET FINANCIAL ITEMS IN 2010: SEK 31.8 MILLION
- ORDER BOOK AT 2010 YEAR-END: SEK 253.1 MILLION
- FIND OUT MORE AT WWW.TLBYGG.SE



TL Bygg on site in Rådhuset, Uppsala which is being restored into a modern fashion department store.

Corporate social responsibility

SUSTAINABLE URBAN DEVELOPMENT is a phrase that summarises the way in which Atrium Ljungberg creates economic, environmental and social value. By taking responsibility for people and the environment as part of our operations, we contribute to positive social development and healthy profitability, and boost both customers' and other stakeholders' confidence in the company.

SUSTAINABILITY AN INTEGRAL PART OF THE BUSINESS CONCEPT

Atrium Ljungberg's endeavours in the field of corporate social responsibility are linked to our visions and our business concept. Creating vibrant meeting places for people and companies requires us to see the bigger picture, to create environments that interact with their surroundings and which are sustainable over time, at the same time as they provide benefits for those who spend time in them. As a long-term owner, seeing the bigger picture is vital, both when we are developing new projects and when we are managing existing properties.

We have defined three strategic areas that summarise the most important aspects of corporate social responsibility for Atrium Ljungberg in relation to our operations:

- sustainable urban development
- responsible management and property care
- creating sustainable preconditions for customers.

These strategies guide us and contribute to positive development by communities and local trade and industry and help to minimise our direct environmental impact, but they also generate the preconditions that allow us to support our customers in their own sustainability work. This approach, when combined with our efforts to offer a developmental and good working environment for our employees, helps not only to build good relationships with other stakeholders in society but to ensure a profitable investment for our owners.

VALUES PROVIDE GUIDANCE

Our values are firmly rooted in Atrium Ljungberg's culture. They affect every single one of our employees and are our most important and most fundamental tool for steering decisions. The customer and the individual business deal are the focal point of everything we do, and our values guide us in our dealings with each other and in our relationships with others in order to achieve our goal of doing good business.

Our values, together with our policies, guidelines and concrete sustainability goals are designed to promote a customer-orientated methodology

amongst Atrium Ljungberg's employees. They are also intended to ensure that we conduct ourselves in a commercially ethical way, that we maintain a good and safe work environment, and that we reduce our environmental impact.

We have defined a number of objectives for our sustainability work in 2011. They are:

- environmental certification of all new buildings
- increasing the number of Green lease contracts and voluntary sustainability agreements drawn up
- increasing the percentage of visitors who use means other than private cars to travel to our retail hubs.

ONGOING DIALOGUE WITH STAKEHOLDERS

Ongoing dialogues with a range of stakeholders is an important part of our work, and sustainability issues are increasingly forming part of these dialogues. We value accessibility and are open to the discussion of issues that arise in connection with our projects and properties.

Every project within Atrium Ljungberg has different phases that affect different stakeholders, such as municipalities, tenants, contractors, technical experts and surrounding communities. We work with a model that entails actively inviting dialogue during the phases that affect stakeholders, or over which stakeholders can exert influence. See our GRI complement on Atrium Ljungberg's website for further information.

HOLISTIC PERSPECTIVE VITAL TO SUSTAINABLE URBAN DEVELOPMENT

The ability to visualise the big picture and to understand the functions that must be met is a prerequisite of creating environments that last over time and which contribute to sustainable urban development. Atrium Ljungberg has a long-term perspective when it comes to owning and managing properties, and

GROUP VALUES

- › A LONG-TERM APPROACH
- › COOPERATION
- › RELIABILITY
- › INNOVATIVE THINKING

the detailed planning work is always preceded by a development process conducted in cooperation with a number of stakeholders and which takes into account the content, the combination of operations and the surrounding environment.

We work continuously with architects and planners to identify the optimum solutions for environments in which to work and to be, for the operating and maintenance economy, for the infrastructure, and for social qualities. Increasing accessibility for public transport users, pedestrians and cyclists is particularly important. We prioritise making access easy and ensuring there are climate-friendly alternatives for customers and visitors to use when travelling to our retail hubs and workplaces.

We continuously examine building techniques and review our material choices in order to minimise our buildings' environmental impact, and all of Atrium Ljungberg's new construction work complies with the Green Building requirements. We also decided, during 2010, to certify our new buildings in accordance with the UK standard, BREEAM International and the aim of two construction projects begun during the year is to meet the BREEAM "Very good" criterion.

RESPONSIBLE PROPERTY MANAGEMENT

As a long-term owner, Atrium Ljungberg works continuously to extend the lifecycle of our properties.

The prudence concept guides both our project development work and the day-to-day operations and maintenance work, as well as the dialogues with customers and suppliers. This means that we are constantly seeking out new methods, materials or other solutions that perform better from a sustainability perspective. In concrete terms, this approach has, amongst other things, enabled us to enhance the efficiency of our energy consumption and waste facilities, and has promoted solutions that increase accessibility.

The properties' environmental impact

Our operations have a direct environmental impact associated with our properties, but also have an indirect one that is largely associated with travel to and from our properties.

The properties' environmental impact depends on the specific characteristics of the properties – such as their age, size, function, location, environmental process, and access to municipal energy, waste and traffic supply systems. Emissions are generated, first and foremost, by energy consumption in conjunction with the operation of customers' premises and during travel. We take all of these factors into account when developing projects and we support our customers in their efforts to reduce their environmental impact, based on these preconditions.

Atrium Ljungberg consumes relatively limited amounts of energy, chemicals, water and fuel in



"I'd like to encourage other companies to copy the way in which Atrium Ljungberg works. They always start with the big picture, the content and the function. They think about simple, climate-smart ways in which customers can get to their areas. And last, but not least, they have a lifecycle perspective."

Ulla Hamilton, Commissioner with responsibility for trade and industry, traffic and labour market issues (formerly Commissioner for the Environmental Department), City of Stockholm.



"One of this year's environmentally-orientated development projects at PUB involved identifying energy- and cost-efficient LED lighting that works well in display windows. We believe that we can halve this type of energy consumption in only a couple of years, using LED technology."

Stefan Fransson, Technical Manager at PUB.

connection with its property operations. We also consume a certain amount of materials and land during our construction work.

SUSTAINABLE CONDITIONS FOR CUSTOMERS

More and more customers are prioritising sustainability issues and Atrium Ljungberg is consequently on the cutting edge when it comes to offering customers sustainable solutions.

We have also been providing voluntary agreements since 2009, involving mutual commitments with regard to sustainability, e.g. in the field of energy consumption. Atrium Ljungberg supplies electricity with a guarantee of origin that it is generated by hydroelectric power, which means that it is 100 per cent carbon dioxide-free, and provides eco-labelled electricity or wind-power generated electricity as an optional extra. We also suggest ways in which customers' energy efficiency could be improved, e.g. through lighting, heating and cooling solutions in retail and office environments.

We help customers to make more efficient use of resources and to identify new opportunities, such as

ways in which they can grow or shrink within their premises while using the minimum possible amount of materials.

Accessibility, security and safety

We provide our customers with support on issues relating to access to alternative modes of transport and optimised journey planning, in order to increase the accessibility of our retail hubs and workplaces. Accessibility is also about creating an environment that welcomes people – something for which Atrium Ljungberg won an award in connection with Farsta Centrum. The experience gained there is now being used in other environments.

Atrium Ljungberg also works proactively with safety and security in the environments that surround our properties. We have, for example, worked with the police, local authority, trade and industry and property owners in relation to our office properties to create a safer, more secure Medborgarplatsen. Sickla Köpkvarter, where we work in partnership with security companies and the police to prevent and avoid robberies, threatening behaviour and theft, is an example from the retail sector.

"Atrium Ljungberg understands how important it is to offer one's customers solutions that are sustainable in the long-term. They have helped us identify ways of reducing electricity consumption in our premises in Ärvinge, in Kista. Close cooperation has ensured that we now have both time-controlled lighting and lighting that reacts to movement and sound. This has reduced our electricity consumption, which is a prioritised area for Oracle's internal environmental work."

Kjell Malmberg, Facilities Manager, Oracle Sweden



ENVIRONMENTAL IMPACT

The majority of Atrium Ljungberg's environmental impact derives from energy-related processes in and around the properties. The variables that essentially determine the scope of these processes are the properties' and customers' heating, cooling and electricity requirements, and with consumers' travel and transportation patterns. Other variables, for which the values in the following table have been corrected, include the average daily temperature and changes in the property portfolio.

STATISTICS

Area	Unit	2010	2009	2008
District heating ^{normal}	kWh/m ²	81	83	82
District cooling	kWh/m ²	22	23	19
Electricity	kWh/m ²	147	163	161
Carbon dioxide, total	g CO ₂ /kWh	33.0	25.7	26.1
Water	m ³ /m ²	0.48	0.57	0.61

See www.atriumljungberg.se for further information

District heating is used in all of Atrium Ljungberg's properties. The normal year-corrected value in the table above shows that the relative consumption fell by 2 kWh/m² (-2.5 per cent). This is adjudged to derive from energy efficiency-improving measures in the existing holding.

District cooling is used in just over 50 per cent of Atrium Ljungberg's property holding. The value in the table shows that district cooling fell by 1 kWh/m² (-4 per cent). This is primarily due to fine-tuning of district cooling plants.

Electricity – all of the electricity that Atrium Ljungberg consumes and supplies is "Hydroelectric power with a guarantee of origin". This year's value, as shown in the table above, shows that the relative consumption fell by 16 kWh/m² (-10 per cent). Part of this change has to do with the younger nature of the current portfolio and generate efficiency improving measures, and part from the transfer of electricity contracts directly to customers.

Carbon dioxide is generated during the production of district heating and district cooling, and during travel and transportation. The relative carbon dioxide generation increased by 28 per cent in 2010. This is due to the fact that changes in our property holding have made us dependent on a larger percentage of non-renewable district heating production than before.

Water used in Atrium Ljungberg's properties is supplied by the relevant local authority. Total water consumption fell during the year.

SUSTAINABILITY MANAGEMENT

Responsibility and sustainability issues are rooted in our values and our culture, but they are also a key component of our policies, action plans and day-to-day routines. Atrium Ljungberg has the following policies: an environmental policy, an ethics policy, a work environment policy, and an equal opportunities policy. The internal frameworks are in line with international norms and we support

the UN Global Compact's ten principles with regard to human rights, labour law, the environment and anti-corruption. Atrium Ljungberg has been a member of UN's Global Compact since 2009.

Our work on strategic sustainability issues is monitored on a six-monthly basis and our policies and guidelines are evaluated annually by the company management and Board of Directors, and audited as appropriate. The Managing Director has ultimate responsibility for the operational work, but all employees are expected to contribute to the integration of sustainability issues into the day-to-day work and to take responsibility for them in the context thereof.

Atrium Ljungberg is keen to provide its owners and other stakeholders with transparent information on the way we work, and in 2008, we began reporting our sustainability work in accordance with level C of the International Global Reporting Initiative (GRI) standard.

Atrium Ljungberg also makes demands of its suppliers and partners, over and above the values and policies that constitute our fundamental steering tools. We constantly communicate our values and expectations to our partners in order both to provide information and to ensure that they are taking responsibility for people and the environment.

INITIATIVES, REVIEWS AND SPONSORSHIP

Atrium Ljungberg was actively involved in and supported the following organisations in 2010 with the aim of contributing to positive development, even outside our direct sphere of influence:

- The UN Global Compact
- The Climate Pact of the City of Stockholm
- The Nordic Council of Shopping Centres' "Green Group"

Our work is also reviewed by several owners and investors, e.g. in the form of our reports to the international Carbon Disclosure Project (CDP) initiative that shows how we handle risks and opportunities linked to climate change.

In a report entitled, "Responsible Enterprise", the Folksam insurance company adjudged Atrium Ljungberg to have the best level of preparedness with regard to human rights of any of the property companies that took part in the study.

Atrium Ljungberg also supports non-profit organisations in the local subsidiary markets in which we operate. We are also a committed partner of the UNICEF "Companies for Malawi" project.



Our employees

OUR EMPLOYEES ARE THE KEY to our success. Atrium Ljungberg shall be an employer that encourages creative thinking, acceptance of responsibility, and an entrepreneurial spirit.

We are, and shall be an exciting and innovative company that stands for quality, opportunity and faith in the future. Atrium Ljungberg shall promote a work environment that makes the most of creative thinking, acceptance of responsibility and the entrepreneurial spirit, in order to ensure that our employees are stimulated and motivated in their day-to-day work.

Our values form the basis for our success and for our employees. The values are a constant presence throughout our working day and it is of the utmost importance that our employees are fully familiar with these values and understand that they characterise the way we work.

Our organisation is designed to focus on the customer and the individual business deal, to be near to our customers, and to enable decisions to be taken quickly. We endeavour to ensure a high degree of individual autonomy and achieve this by a management style that delegates the authority to influence and act, and which supports and encourages learning and development. We believe that clear responsibility, freedom and stimulating assignments and tasks increases our employees' motivation and commitment.

DIVERSITY

A workplace culture is built jointly by the company and the employees. Here at Atrium Ljungberg, we believe that people with different backgrounds, experiences, skills and personalities help generate an innovative climate and creativity. We value each other's' differences. The workforce shall reflect our customer makeup in order for us to learn about and gain an understanding of their requirements. This is vital to our success.

OUR WORKPLACE

Construction of our new head office in Sickla will be completed in April 2011. Our collective aim at Atrium Ljungberg is to create a very popular and innovative workplace, where there is a passion for new and exciting solutions and a high degree of commitment on the part of our employees and customers. We want to create that "extra something", the thing that distinguishes us from other workplaces and which clearly reflects our values and our business concept – an exciting meeting place for people, the retail sector and businesses.

GENDER BREAKDOWN 2010

	Men	Women	Total
Board of Directors	6	1	7
Senior management	3	4	7
Middle management	6	6	12
Other	187	45	232
Total	202	56	258
Senior management	3	4	7
Support functions	9	18	27
Property management	60	25	85
Business development	5	2	7
Projects	10	2	12
TL Bygg	109	4	113
Total	196	55	251

KEY RATIOS

	31-12-2010	31-12-2009
Number of employees	251	242
Staff turnover, %	9.3	7.0
Percentage collective agreements, %	100	100
Average age, years	42.0	42.3
Gender breakdown, %	22 W/78 M	24 W/76 M
Years employed, years	8.4	8.9
Absence due to sickness, %	3.3	3.2



Tuesdays in Farsta start, as normal, with a morning meeting in the local office. The entire centre management team is present.

Staffed local offices mean short response times. Here, Operating Technician, Stefan Karlsson, is on a callout to Akademibokhandeln.



Daily contact with tenants is important. Here, Helene Andersson, chats to store personnel at Design Only.

Our Market Area Manager, Thomas Levander, meets with a tenant to discuss operational development.



EMPLOYEE DATA

At the 2010 year-end, Atrium Ljungberg had 251 (242) employees. The average age of the employees was 42.0 (42.3).

The gender distribution, excluding the TL Bygg subsidiary company, is equal at senior and company management level, with 53 per cent women and 47 per cent men (50/50). At Group level, where TL Bygg is included, the gender breakdown is 22 per cent women (24%) and 78 per cent men (76%).

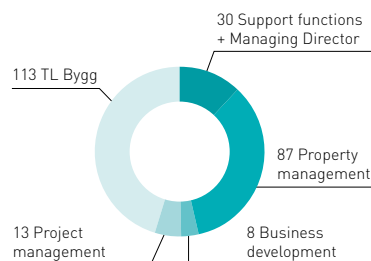
FOCUS AREAS FOR 2011

Our managers' skills when it comes to leading and motivating their employees is vital both to the company's success and to the employees' wellbeing and development, which is why we are planning to reinforce our managers' skills in 2011 by means of a leadership development programme that will run throughout the year.

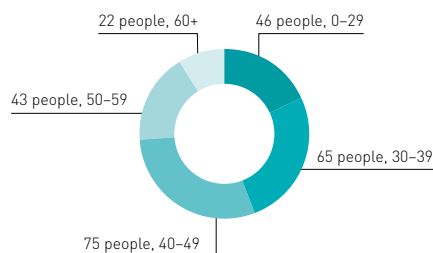
We are keen to boost awareness of healthy lifestyles and of the importance of maintaining a healthy balance between work and private life. One step in this direction involves the launch of a new healthy lifestyle portal in the spring of 2011. The portal is designed to provide employees with information on opportunities and the latest offers that will help enhance their daily lives and make them healthier.

We shall be an excellent workplace that attracts and motivates our current and future employees and we have consequently decided, in order to boost our efforts to this end, to take part in the 2010 Sweden's Best Workplaces survey via the Great Place to Work® Institute Sweden. Our goal is to be achieve a ranking in their list of the very best workplaces in Sweden.

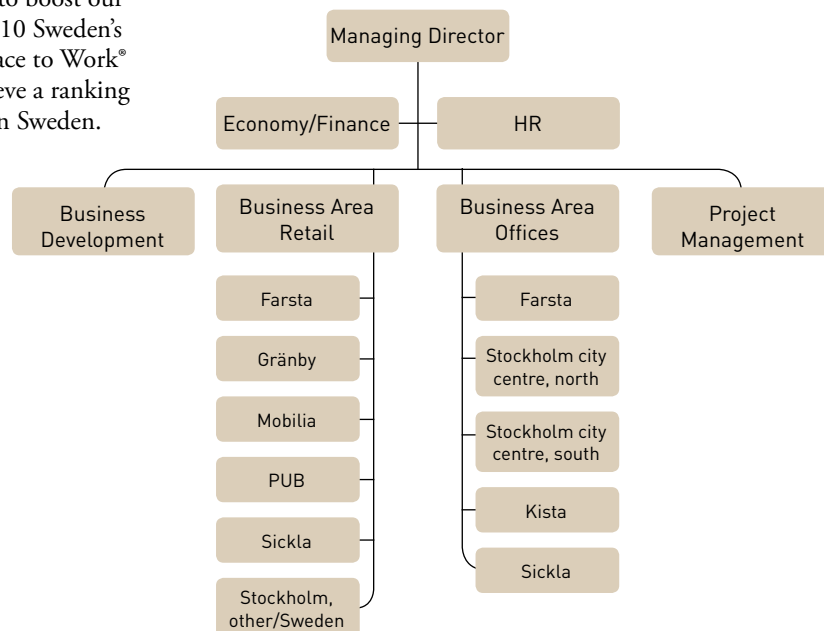
NUMBER OF EMPLOYEES



AGE BREAKDOWN



ORGANISATION



Opportunities and risks

PROPERTY PORTFOLIO AND MARKETS

Atrium Ljungberg's property portfolio is primarily located in growth towns and is concentrated on the subsidiary markets that are considered to have long-term strength with regard to location, population growth, employment, general communications and the competitive situation. The company works strategically to ensure continued growth in strong subsidiary markets that are expected to cope better with both economic upturns and recessions.

The property portfolio contains various types of commercial premises, such as retail and office premises and housing. The combination of different types of premises creates attractive full-service environments for our customers and also spreads risks and commercial opportunities across business cycles.

PROPERTY VALUES AND INVESTMENTS

Factors affecting the value of the property portfolio include the properties' operating surplus, supply and demand in the property market, and access to capital. Property values have increased in 2010 due, amongst other things, to the fall in yield requirements that resulted from the stabilisation of the Swedish market economy. The change in value has no impact on the cash flow until the property is

sold. The company works to develop its properties in a range of different projects. Successfully completed projects offer the opportunity for good growth in the value of the properties. See page 19 to find out more about the company's market valuation of its properties. All of the company's properties are insured for full value with Länsförsäkringar.

Atrium Ljungberg invests approximately SEK 1 billion per year in its own projects. Investment decisions are taken by the Board of Directors for investments in excess of SEK 20 million. The company must ensure access to financing in order to handle this investment rate. We generate the preconditions for efficient and cost-effective new construction and renovation work through in-depth knowledge and detailed monitoring work. The target yield requirement for investments in the Group's own new construction projects is yield that exceeds the acquisition alternative by two percentage points. The company's principle of prudence applies to investments, such that no investments are commenced without having secured a reasonable yield through signed lease contracts or in combination with good letting market potential. Given the current project portfolio, the opportunity for a total investment of up to SEK 6 billion exists.

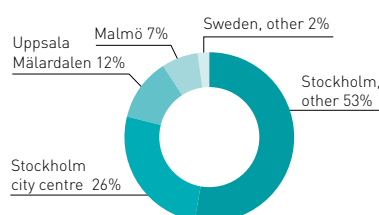
SENSITIVITY ANALYSIS, CASH FLOW

	Change, %	Effect on result in year 1, SEK million	Effect on result for full-year, SEK million
Rental level, commercial premises	5	10	78
Rental level, housing	5	3	3
Letting rate	1	17	17
Interest rate level	1	33	91

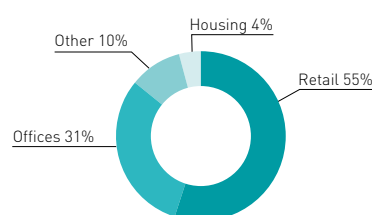
SENSITIVITY ANALYSIS, PROPERTY VALUATION

Value parameter	Assumption	Effect on value, SEK million
Rental level	+/- 10%	2,150
Operating cost	+/- SEK 50/m ²	600
Yield requirement	+/- 0.25%	-820/+900
Long-term vacancy rate	+/- 2%	SEK 550 m

CONTRACTED ANNUAL RENT PER REGION



CONTRACTED ANNUAL RENT PER PREMISES TYPE



RENTAL INCOME AND TENANT STRUCTURE

The company's lease contract structure ensures a good risk spread with regard to contract term, size and sector breakdown. Atrium Ljungberg has a total of 1,200 commercial lease contracts, with a large spread across terms and tenant composition designed to reduce the annual market risk. The annual rent for the single biggest contract accounts for 2 per cent of the company's annual rental income. The ten largest customers account for 24 per cent of rental income, spread over 51 separate establishments. The average remaining lease term in Atrium Ljungberg's contract portfolio was 2.9 years at the year-end, excluding housing. Changes in market rents have a limited effect on rental income in the short term as the commercial lease contracts are usually signed for a term of 3 to 5 years. Notice of termination of lease contracts can usually be given no later than nine months before the end of the contract period, whether for renegotiation or vacation. If no notice of termination is issued, the contract is extended for the same term and on the same terms and conditions. A fixed rent with a net sales clause whereby the tenant pays a surcharge on the rent, based on the tenant's net sales, is commonplace in lease contracts for retail space. In an economic upturn, this generates the

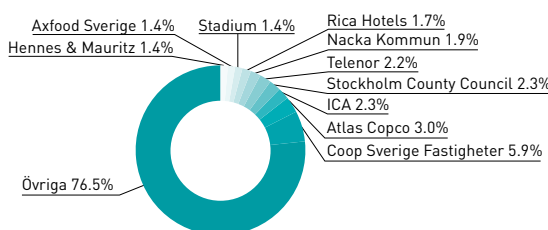
potential for increased rental income. If the situation is reversed, the risk is limited by the fact that the tenant pays a fixed minimum rent. The variable net sales surcharges in 2010 accounted for 1 per cent of the total rental income.

The individual tenant's business operations and financial stability also affect the risk of loss of income, and the tenant's financial situation and ability to pay the agreed rent are, therefore, evaluated before a new contract is entered into.

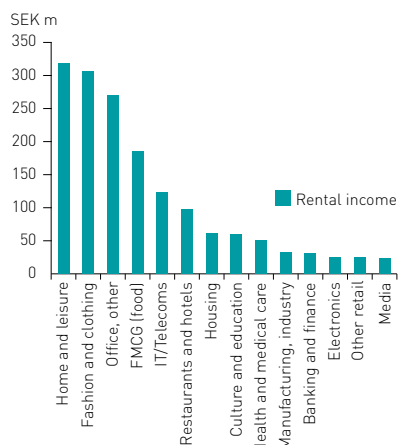
LETTING RATE

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 subsidiary markets, by having close contact with tenants, and by meeting their premises-related requirements. The letting rate increased from 93 per cent to 94 per cent in 2010, primarily as a result of increased demand for office and retail premises and of the completion of several projects. 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.

TEN LARGEST CUSTOMERS, CONTRACTED ANNUAL RENT



CONTRACT BREAKDOWN BY SECTOR



LEASE CONTRACT TERMS, AS OF 31-12-2010

Matures (year)	Number of contracts	Contracted annual rent, SEK m	Contracted annual rent, %
2011	993	194	11.9
2012	347	253	15.6
2013	370	292	18.0
2014	236	215	13.2
2015	147	167	10.3
2016	45	126	7.8
2017 and later	103	319	19.6
Housing	645	58	3.6
Total	2,886	1,625	100.0

CONTRACTED RENTAL INCOME BY CONTRACT SIZE, AS OF 31-12-2010

SEK k	Number of contracts	Contracted annual rental income on a yearly basis, %
0-250	1,990	6.7
251-500	223	5.1
501-1,000	258	11.4
1,001-3,000	308	31.6
>3,001	107	45.2

CUSTOMER LOSSES

SEK m	2010	2009	2008	2007	2006
	5.2	3.4	2.4	4.1	2.1

PROPERTY COSTS

A large part of the company's service charge-related costs, such as electricity, water, heating, cleaning and property tax, are passed on to the tenant through regulation in lease contracts, and cost increases or savings consequently have only a limited impact on the company's results. If vacancies do occur, the company's results are affected not only by lost rental income but by having to bear costs, such as electricity, that have previously been charged to tenants. The company works purposefully to increase the efficiency of its consumption and procurement figures in order to limit cost increases and environment impact. The company's property portfolio is of a good standard and is well maintained. Unforeseen damage and repairs can have a negative effect on the company's results.

Atrium Ljungberg has ten leasehold properties. The leasehold agreements are periodically renegotiated and may increase and thereby have a negative effect on the company's results. The total leasehold fee is currently SEK 28 million/year.

SEASONAL EFFECTS

A property's seasonal effects primarily comprise variable operating costs that are largely influenced by weather conditions. Costs are highest during Q1 and Q4 when heating costs and any snow clearance costs for the properties are at their highest.

INTEREST RATES AND CASH FLOW

The interest maturity structure has been spread over different terms in order to limit the risk of increased market interest rates. A longer fixed interest term limits the company's risk of negative effects on the result in conjunction with increased market interest rates, and the reverse in the event of falling market interest rates. It is also important, for the company's project development and for the refinancing of existing loans, to secure access to new financing. The refinancing risk is adjudged to

be low in the light of the company's low gearing ratio and strong key ratios. The company's financial policy states that a maximum of 50 per cent of the financing may be met by a single lender, in order to limit the financing risk. The company had credit agreements with five different credit institutions at the year-end. Atrium Ljungberg's interest-bearing liabilities totalled SEK 9,100 million at the year-end, at which the company's cash flow totalled SEK 671 million and the gearing ratio was 45.7 per cent. The average remaining term for the company's interest-bearing liabilities at that time was 2.4 years.

The company has no exchange rate risk because it has no loans in foreign currencies.

TAXES

Atrium Ljungberg is affected by changes in tax legislation, such as the level of corporate taxation, property tax and tax legislation or its interpretation.

The company received an application to the Swedish Administrative Court for a review of whether the Swedish Tax Avoidance Act applies to a property transaction carried out in 2004. The Swedish Tax Agency wishes to increase the company's tax assessment by SEK 327.8 million, corresponding to a tax demand for SEK 91.8 million, excluding interest. The company has made no provision for the amount in the company's accounts, regarding the amount as a contingent liability, until further notice. See page 117 for further details of this tax case.

DEFERRED TAX

Applicable accounting regulations require deferred tax liabilities be reported as if all property sales were taxed at 26.3 per cent. The effective tax rate is, however, lower as properties can be sold tax-free through the sale of shares in subsidiaries. From the point of view of costing that assumes a deferred tax rate of 10 per cent, the deferred tax totals SEK 882 million, rather than the reported SEK 2,320 million.

FIXED INTEREST

Fixed interest term	Amount, SEK m	Percentage, %	Average interest, %
Variable	2,875	32	2.7
2011	994	11	3.8
2012	1,751	19	4.1
2013	1,350	15	4.8
2014	1,040	11	4.2
2015	400	4	3.9
2016 and later	700	8	4.0
Total	9,110	100	3.8

TIED UP CAPITAL

Fixed term	Amount, SEK m	Percentage, %
2011	1,724	19
2012	1,778	20
2013	2,391	26
2014	1,994	22
2015	1,223	13
Total	9,110	100

The share and the shareholders

OWNERSHIP STRUCTURE

Atrium Ljungberg's class B share is listed on the Nasdaq OMX Stockholm Exchange. The share was previously listed on the Stockholm Stock Exchange's O list. A total of 133,220,736 shares registered on 31st December 2010, 4,000,000 of which were class A shares and 129,220,736 of which were class B shares. One class A share grants entitlement to ten votes while one class B share grants entitlement to one vote.

An agreement exists between the company's class A shareholders whereby class A shares may only be transferred to persons who already hold class A shares. Class A shares must otherwise be converted

to class B shares before a transfer can occur. The Articles of Association include a pre-emption clause with regard to class A shares.

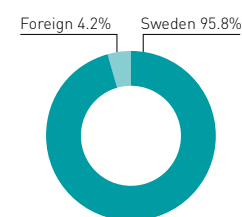
There were a total of 130,156,988 outstanding shares at the turn of the year after the deduction made for 3,063,748 class B shares bought back. Bought-back shares do not grant entitlement to receive dividends or to exercise voting rights. The company had 1,307 shareholders at the year-end.

96 per cent of the ownership is based in Sweden, of which approximately 87 per cent are total based in Stockholm County. The ten biggest shareholders are shown in the table below.

MAJOR SHAREHOLDERS IN ATRIUM LJUNGBERG AB, 31ST DECEMBER 2010

	Number ('000)		Total	Percentage, %	
	Class A shares	Class B shares		Votes	Capital
The Stockholm Consumer Cooperative Society	–	50,766	50,766	30.6	38.1
Ljungberg family	1,810	28,132	29,942	27.8	22.5
Holmström family	1,810	15,014	16,824	19.9	12.6
Länsförsäkringar Fonder	–	3,705	3,705	2.2	2.8
Ulf Holmlund	380	462	842	2.6	0.6
Skandia Liv	–	3,604	3,604	2.2	2.7
Carnegie Fonder	–	3,166	3,166	1.9	2.4
AFA Försäkring	–	2,371	2,371	1.4	1.8
SHB Fonder	–	2,222	2,222	1.3	1.7
Margaretha af Ugglas	–	1,425	1,425	0.9	1.1
Other	–	15,290	15,290	8.9	11.4
Total outstanding shares	4,000	126,157	130,157	100.0	97.7
Shares bought back	–	3,064	3,064	–	2.3
Total number of shares issued	4,000	129,221	133,221	100.0	100.0

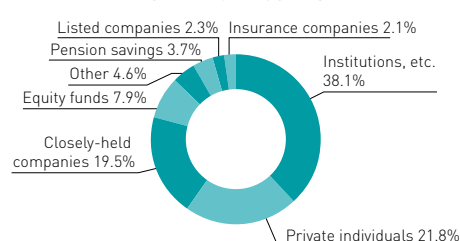
OWNERSHIP PER COUNTRY



BREAKDOWN OF SHAREHOLDINGS

Shareholding, number of shares	Number of shareholders	Percentage, %	Number of shares	Percentage, %
1–1,000	817	62	239	0
1,001–10,000	326	25	1,159	1
10,001–50,000	86	7	1,944	1
50,001–100,000	20	2	1,363	1
100,001–500,000	33	2	8,619	7
500,001–1,000,000	8	1	5,509	4
1,000,001–	17	1	114,388	86
Total	1,307	100	133,221	100

OWNER CATEGORIES



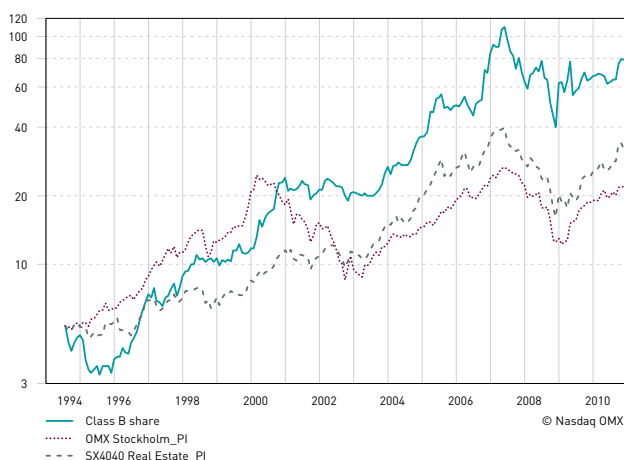
MARKET CAPITALISATION AND LIQUIDITY

The share price at the year-end was SEK 86.50 (SEK 67.00), corresponding to a market capitalisation of SEK 11,523 million. 26 million shares were traded during the year, corresponding on a yearly basis to a turnover rate of 20 per cent. 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, calculated on the basis of the ask price.

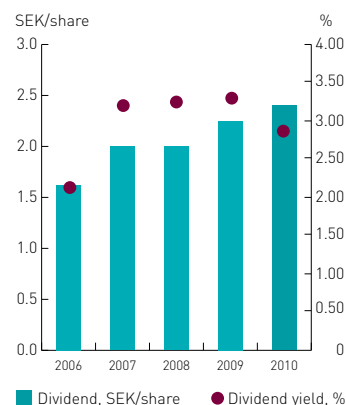
DIVIDEND

The dividend shall correspond to a minimum of 50 per cent of the profit before changes in value after estimated tax corresponding to 26.3 per cent, unless investments or the company's financial position justify a deviation from this norm. A dividend of SEK 2.40/share (SEK 2.25/share) is proposed for the 2010 financial year. The proposed dividend corresponds to a dividend yield of 2.8 per cent (3.4%), calculated on the basis of the share price at the year-end.

THE ATRIUM LJUNGBERG SHARE

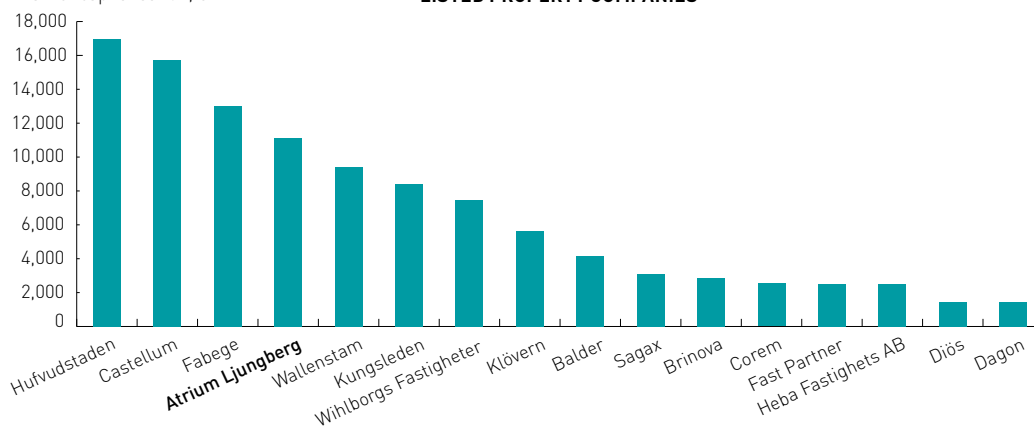


DIVIDEND AND DIVIDEND YIELD



Market capitalisation, SEK m

LISTED PROPERTY COMPANIES



NET WORTH

The shareholders' equity totalled SEK 9,099 million. Assets and liabilities are reported at fair value, with the exception of deferred tax, which is reported at 26.3 per cent, and the net worth can consequently be calculated on the basis of the Balance Sheet equity. It should be borne in mind, however, that the effective tax rate is lower than 26.3 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 in subsidiary companies is largely dependent on the market's pricing of the reported tax liability in conjunction with a corporate transaction. Deferred tax liabilities are commonly valued in the interval from 0 to 10 per cent.

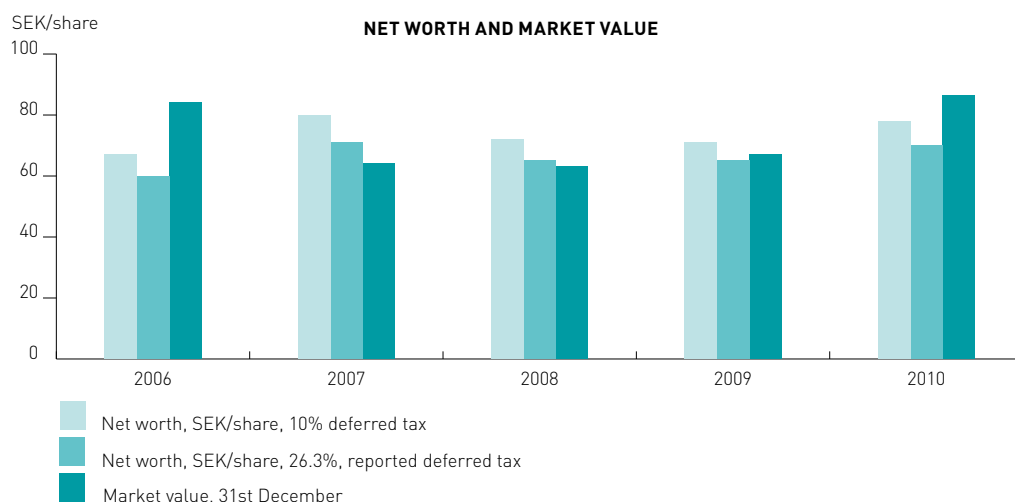
Tax credits are also obtained, in addition to the above-mentioned fiscal effects, through fiscal depreciation and direct deductions for certain maintenance costs.

Shareholders' equity per share at the 2010 year-end totalled SEK 70. The net worth, with a deferred rate of tax for calculation purposes of 10 per cent, corresponded on that date to SEK 78 per share. Atrium Ljungberg has a substantial project portfolio and the development of its own 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. See pages 26 to 37 for further information about the project portfolio.

NET WORTH

	2010	2009	2008	2007	2006
Shareholders' equity, SEK m	9,099	8,416	8,496	9,259	7,805
Reversal of goodwill, SEK m	-390	-407	-458	-485	-522
Reversal of reported deferred tax, SEK m ¹⁾	2,320	2,046	2,220	2,638	2,337
Net worth at 0% deferred tax, SEK m	11,029	10,056	10,258	11,412	9,620
Deferred tax, 10%, SEK m	-882	-778	-844	-942	-835
Net worth at 10% deferred tax, SEK m	10,147	9,278	9,414	10,470	8,785
Net worth, SEK/share, 0% deferred tax	85	77	79	88	74
Net worth, SEK/share, 10% deferred tax	78	71	72	80	67
Net worth, SEK/share, 26.3% reported deferred tax ¹⁾	70	65	65	71	60
Share price, 31st December	86	67	62	64	84

¹⁾ The tax rate changed, as of 1st January 2009, from 28 per cent to 26.3 per cent, and the deferred tax as of 31st December 2008 has consequently been valued at 26.3 per cent.



INFORMATION FOR SHAREHOLDERS

Atrium Ljungberg's primary information channel is the company's website, www.atriumljungberg.se, where all press releases and financial reports are published. The financial reports are available in both Swedish and English. Press releases are available by e-mail 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.

CALENDAR

2011 Annual General Meeting	7th April 2011
Interim Report, January-March 2011	15th April 2011
Interim Report, January-June 2011	8th July 2011
Interim Report, January-September 2011	21st October 2011
2011 Preliminary Financial Statements	February 2012
2011 Annual Report	March 2012

MONITORING BY ANALYSTS

Carnegie Investment Bank	Tobias Kaj
SEB Enskilda	Bengt Claesson
Handelsbanken Capital Markets	Albin Sandberg
Erik Penser Bankaktiebolag	Johan Edberg
Swedbank Markets	Andreas Daag
Remium	Claes Vikbladh
Öhmans	David Zaudy

DATA PER SHARE

	2010	2009	2008	2007	2006
Market value, 31st December	86.50	67.00	62.50	63.75	84.37
Price trends, %	29.1	7.2	-2.0	-24.4	69.2
Shareholders' equity, SEK/share	69.91	64.66	65.27	71.14	59.97
Net profit for the year, SEK/share	7.03	1.44	-3.09	12.55	21.16
Profit before changes in value, less nominal tax, SEK/share	3.79	3.78	2.97	3.36	1.52
Dividend (2010 proposed), SEK/share	2.40	2.25	2.00	2.00	1.62
The share's dividend yield, %	2.8	3.4	3.2	3.1	1.9
The share's total yield, %	32.7	10.8	1.2	-22.1	72.4
Number of shares issued, '000	133,221	133,221	133,221	133,221	133,221
Number of outstanding shares, '000	130,157	130,157	130,157	130,157	130,157
Average number of outstanding shares after dilution, '000	130,157	130,157	130,157	130,295	73,571

Ingalill Berglund

CFO, Atrium Ljungberg AB
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ingalill.berglund@atriumljungberg.se



The Board of Directors



DAG KLACKENBERG

Born 1948.
Managing Director of the Swedish Trade Federation.
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.
Atrium Ljungberg shareholding: 4,000 class B shares.

LASZLO KRISS

Born 1946. Construction Engineer
Managing Director of the Stockholm Consumer Cooperative Society (KFS).
Chairman of the Board. Member of the Board since 2006.
Other significant directorships: Member of the Boards of KFS, MedMera Bank AB, RNB Retail and Brands, and Blomsterfonden.
Atrium Ljungberg shareholding: 10,000 class B shares.

MATS ISRAELSSON

Born 1940. Graduate Engineer
Independent consultant.
Member of the Board since 2006.
Other significant directorships: Chairman of the Boards of Forsen Projekt AB and Culmen AB.
Member of the Board of Hemfosa Fastigheter AB.
Atrium Ljungberg shareholding: 15,000 class B shares.

SUNE DAHLQVIST

Born 1948.
Internal consultant for the Swedish Union of Tenants, Stockholm Region.
Member of the Board since 2006.
Other significant directorships: Chairman of the Board of Stockholm Consumer Cooperative Society.
Member of the Boards of the Swedish Cooperative Union, KF Media and Folksam Liv.
Atrium Ljungberg shareholding: 1,000 class B shares.

ULF HOLMLUND

Born 1947. Graduate Engineer.
Managing Director of Ljungberg-gruppen AB in the period 1983–2003.
Member of the Board since 1983.
Other significant directorships: Director of NCC AB, Anticimex Holding AB and Nordstjernan Industriutveckling AB.
Atrium Ljungberg shareholding: 380,000 class A shares and 462,080 class B shares.

ANNA HALLBERG

Born 1963. Economics & Law graduate of the Gothenburg School of Economics and Business Administration.
Deputy Managing Director and CFO 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.

JOHAN LJUNGBERG

Born 1972. Graduate Engineer.
Managing Director of Tagehus AB.
Member of the Board since 2009.
Deputy Member of the Board from 2001 to 2009, and Member of the Board for part of 2006.
Other significant directorships: Member of the Boards of companies within the Tagehus Group.
Atrium Ljungberg shareholding: 1,206,400 class A shares and 4,747,600 class B shares.

Senior Management, 2010



MAGNUS ALTESKOG

Born 1965. Project Manager. Employed by the Atrium Ljungberg Group since 1999.

Atrium Ljungberg shareholding: 28,700 class B shares.

KRISTINA JOHNSON

Born 1962. Business Area Manager: Retail. Employed by the Atrium Ljungberg Group since 1996.

No shareholding in Atrium Ljungberg.

HELENA MARTINI

Born 1965. HR Manager. Employed by the Atrium Ljungberg Group since 2010. Member of the company management team since October 2010.

No shareholding in Atrium Ljungberg.

ANNICA ÅNÄS

Born 1971. Acting Senior Controller. Member of the company management team until September 2010. Resigned from the Group in December 2010.

Atrium Ljungberg shareholding: 2,500 class B shares.

ANDERS NYLANDER

Born 1952. Managing Director. Employed by the Atrium Ljungberg Group since 1987. Managing Director of the company since 2003. Over thirty years' experience of property development and management. Resigning his position as Managing Director of Atrium Ljungberg in April 2011. **Other significant directorships outside the company:** Member of the Board of the Electrum Foundation and Chairman of the Board of Kista Science City AB. **Atrium Ljungberg shareholding:** 241,600 class B shares.

INGALILL BERGLUND

Born 1964. CFO. Employed by the Atrium Ljungberg Group since 2001.

Atrium Ljungberg shareholding: 40,000 class B shares.

CAROLA LAVÉN

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

No shareholding in Atrium Ljungberg.

MICAEL AVERBORG

Born 1965. Business Area Manager: Offices. Employed by the Atrium Ljungberg Group since 2000.

Atrium Ljungberg shareholding: 1,500 class B shares.

Remuneration

REMUNERATION TO SENIOR EXECUTIVES

The General Meeting lays down the guidelines for remuneration to senior executives. Atrium Ljungberg's principles governing the remuneration payable to senior executives states that salaries and other terms and conditions of employment for the company's senior management team shall be on market conditions and be competitive, but not market-leading in relation to other comparable companies.

The Annual General Meeting held in April 2010 resolved as follows: The guidelines shall apply for the senior management team which consists of the Managing Director and six Business Area Managers. The Managing Director's remuneration shall be determined by the Board of Directors. Remuneration payable to other members of the senior management team shall be proposed by the Managing Director and approved by the Board. Remuneration payable to the senior company management team, including the Managing Director, comprises a fixed salary. No variable salary of performance-related remuneration shall be payable.

The Managing Director's retirement age is 60, while the retirement age for other members of the senior management team is 65. Pension plans are defined contribution plans, and the company hence has no additional obligations after payment of the annual premiums.

In the event of the termination of his/her position of employment by the company, the Managing Director of the parent company and the Managing Director of the TL Bygg subsidiary company shall be entitled to severance pay corresponding to two year's annual salary and one year's annual salary, respectively. Other members of the senior management team have a period of notice of up to 6 months. No entitlement to severance pay, other than that described above, exists.

The terms and conditions that the company applies to other employees in the group, either in accordance with collective agreements or in accordance with unilateral commitments by the company to the employees, otherwise apply for the senior management team.

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.

REMUNERATION TO THE BOARD

The fees payable to the Members of the Board elected by the Annual General Meeting are decided by the Annual General Meeting in line with proposals by the Nomination Committee. All of the Board Members are also members of the Audit Committee.

REMUNERATION, 2010 (SEK K)

		Basic salary/fee	Other remuneration	Other benefits	Pension cost	Share-related remuneration	Total
Senior management							
Anders Nylander	MD	2,517	–	31	1,580	–	4,128
Other senior executives		6,716	150	296	1,806	–	8,968
Board of Directors							
Laszlo Kriss	Chairman	400	–	–	–	–	400
Anna Hallberg	Member	200	–	–	–	–	200
Ulf Holmlund	Member	200	–	–	–	–	200
Mats Israelsson	Member	200	–	–	–	–	200
Dag Klackenber	Member	200	–	–	–	–	200
Johan Ljungberg	Member	200	–	–	–	–	200
Sune Dahlqvist	Deputy Member	200	–	–	–	–	200

Key ratios

	2010	2009	2008	2007	2006
KEY RATIOS					
Letting rate, %	94	93	94	92	94
Operating surplus margin, %	64	64	62	62	65
Equity/assets ratio, %	42.9	42.4	42.2	45.5	43.3
Debt/equity ratio, multiple	1.0	1.0	1.0	0.8	0.7
Gearing ratio, %	45.7	45.6	43.8	39.8	33.4
Interest coverage ratio, multiple	3.1	3.0	2.5	3.0	3.1
Return on shareholders' equity, %	10.5	2.2	-4.5	19.2	31.3
Return on shareholders' equity, %, excluding changes in value	5.6	5.7	4.3	5.6	4.7
Return on assets, %	7.4	2.2	-1.7	12.4	19.6
Return on assets, %, excluding changes in value	4.8	5.0	4.4	4.9	5.6
Average number of employees	251	242	233	228	172
Average rate of interest on interest-bearing liabilities (at period end), %	3.8	3.8	4.7	4.6	4.6
DATA PER SHARE					
Net profit/loss for the year	7.03	1.44	-3.09	12.55	21.16
Profit/loss before changes in value less applicable nominal tax	3.79	3.78	2.97	3.36	1.52
Dividend (2010 proposed)	2.40	2.25	2.00	2.00	1.62
Dividend pay-out ratio, %	63.4	59.5	67.3	59.5	106.9
Share dividend yield, %	2.8	3.4	3.2	3.1	1.9
Cash flow	5.16	4.67	4.55	3.64	4.58
Shareholders' equity	69.91	64.66	65.27	71.14	59.97
Share price on 31st December	86.50	67.00	62.50	63.75	84.37
Number of outstanding shares, thousand	130,157	130,157	130,157	130,157	130,157
Average number of outstanding shares after dilution, thousand ¹⁾	130,157	130,157	130,157	130,295	73,571

¹⁾ All option programmes expired on 31st December 2009.

Five-year overview

Amounts in SEK m	2010	2009	2008	2007	2006
INCOME STATEMENTS					
Rental income	1,613.5	1,655.7	1,499.6	1,512.7	669.5
Project and construction sales	322.9	323.9	355.1	337.7	309.7
Net sales	1,936.4	1,979.6	1,854.7	1,850.4	979.1
Property management costs	-584.0	-603.7	-564.6	-571.4	-236.4
Project and construction costs	-313.5	-316.5	-343.8	-329.0	-284.8
Gross profit/loss	1,038.9	1,059.4	946.3	950.0	457.9
– of which gross profit/loss relating to property management	1,029.5	1,052.0	934.9	941.3	433.1
– of which gross profit/loss relating to project and construction operations	9.4	7.4	11.3	8.7	24.8
Central administration, property management	-45.4	-49.2	-47.7	-41.0	-45.5
Central administration, project and construction operations	-11.9	-10.7	-14.2	-11.8	-13.8
Operating profit/loss	981.6	999.5	884.3	897.2	398.5
– of which operating profit/loss, property management	984.1	1,002.8	887.2	900.3	387.5
– of which operating profit/loss, project and construction operations	-2.5	-3.3	-2.9	-3.1	11.0
Profit/loss from participations in Group companies	–	–	–	2.6	-1.1
Financial income	7.7	6.6	21.2	14.7	5.5
Financial expenses	-320.6	-338.7	-368.3	-306.0	-128.9
	-313.0	-332.1	-347.1	-288.7	-124.4
Profit/loss before changes in value	668.6	667.4	537.2	608.5	274.1
Unrealised changes in value	525.1	-523.0	-1,202.1	1,286.7	1,881.0
Realised changes in value	14.2	0.1	-21.6	176.2	–
Write-down on goodwill	-16.9	-51.7	-26.2	-37.0	–
	522.4	-574.6	-1,249.9	1,425.9	1,881.0
Profit/loss before tax	1,191.1	92.8	-712.7	2,034.4	2,155.1
Current tax	-23.5	-77.4	-72.9	-93.3	-49.1
Deferred tax	-252.1	171.5	383.2	-305.2	-549.2
	-275.5	94.1	310.3	-398.5	-598.3
Net profit/loss for the year	915.5	186.9	-402.4	1,635.9	1,556.8
BALANCE SHEETS					
Investment properties	19,939.7	18,616.6	19,058.7	18,801.1	16,854.9
Tangible fixed assets	10.3	9.1	13.9	9.5	7.7
Goodwill	389.8	406.7	458.3	484.5	521.5
Other fixed assets	155.0	143.2	0.9	8.5	13.8
Current assets	275.5	424.0	414.9	1,021.6	345.3
Liquid assets	439.3	232.6	178.4	92.6	278.2
Total assets	21,209.6	19,832.2	20,125.0	20,417.8	18,021.4
Shareholders' equity	9,099.2	8,415.6	8,495.8	9,259.4	7,805.1
Deferred tax	2,320.4	2,046.1	2,220.0	2,637.6	2,337.3
Long-term liabilities to credit institutions	7,373.6	6,444.1	6,676.5	5,515.6	3,492.7
Other long-term liabilities	49.8	99.3	10.4	3.5	2.1
Current liabilities to credit institutions	1,736.9	2,047.7	1,674.9	1,969.9	2,139.4
Other current liabilities	629.8	779.4	1,047.4	1,031.8	2,244.8
Total shareholders' equity and liabilities	21,209.6	19,832.2	20,125.0	20,417.8	18,021.4

Amounts in SEK m	2010	2009	2008	2007	2006
CASH FLOW STATEMENTS					
OPERATING ACTIVITIES					
Profit/loss before tax	1,191.1	92.8	-712.7	2,034.4	2,155.1
Reversal of write-downs and depreciation	19.8	55.8	30.2	40.0	2.9
Reversal of realised changes in value	-14.2	-0.1	21.6	-176.2	-
Reversal of unrealised changes in value	-525.1	523.0	1,202.1	-1,286.7	-1,881.0
Other items not included in the cash flow	-	-	-	-	0.1
Rental guarantee paid	-	-	-	-3.0	-2.5
Tax paid	-38.7	-197.9	-35.1	-32.1	-13.0
Cash flow from operating activities before changes in working capital	632.9	473.6	506.1	576.4	261.6
Net change in working capital	38.2	134.0	86.3	-102.1	75.3
Cash flow from operating activities	671.1	607.6	592.5	474.3	336.9
INVESTMENT ACTIVITIES					
Change in other receivables	-12.0	7.0	-	-	-
Acquisition of properties	-34.6	-65.0	-641.3	-386.7	-66.3
Acquisition of companies	-	-	-	-	125.5
Renovation and new construction of properties	-1,047.0	-1,242.9	-1,207.9	-946.6	-370.2
Sale of properties	303.5	868.6	751.6	705.2	41.8
Acquisition/sale of equipment	-4.1	-1.2	6.1	-80.9	-2.9
Cash flow from investment activities	-794.2	-433.5	-1,091.5	-709.0	-272.1
FINANCING ACTIVITIES					
Change in other long-term liabilities	4.1	-	-	-	-
Incentives programme	0	0.0	0.1	5.1	3.4
Dividend paid	-292.9	-260.3	-260.3	-1,811.5	-80.7
Change in interest-bearing liabilities	618.6	140.4	845.0	1,855.5	187.5
Cash flow from financing activities	329.8	-119.9	584.8	49.1	110.2
Cash flow for the year	206.7	54.2	85.7	-185.6	175.0
Cash and cash equivalents at beginning of year	232.6	178.4	92.6	278.2	103.2
Cash and cash equivalents at end of year	439.3	232.6	178.4	92.6	278.2

Definitions

Cash flow per share	Cash flow from operating activities divided by the number of outstanding shares as per 31st December.
Debt/equity ratio	Interest-bearing liabilities divided by reported shareholders' equity.
Dividend pay-out ratio	Dividend per share as a percentage of the profit/loss per share before changes in value, less applicable nominal tax.
Equity/assets ratio	Reported shareholders' equity as a percentage of the balance sheet total at the end of the period.
Equity per share	Recorded equity divided by the number of outstanding shares as per 31st December.
Gearing ratio	Interest-bearing liabilities as a percentage of the book value of the properties.
Interest coverage ratio	Profit/loss before changes in value plus interest expenses, divided by interest expenses.
Letting rate	Contracted annual rents as a percentage of the rental value when fully let.
Net profit/loss for the year per share	Net profit/loss for the year divided by the average number of outstanding shares after dilution.
Number of outstanding shares	Number of registered shares less shares bought back, which do not grant entitlement to dividends or voting rights.
Number of outstanding shares after dilution	Number of outstanding shares after dilution calculated in accordance with IAS 33. Dilution occurs in conjunction with stock option programmes when the redemption price is lower than the then current market value.
Operating surplus margin	Gross profit/loss, property management, as a percentage of reported rental income.
Profit/loss before changes in value per share	Profit/loss before changes in value, less applicable nominal tax, divided by the number of outstanding shares.
Rental value	Contracted annual rents and estimated market rents for vacant premises in current condition.
Return on assets	Profit/loss before tax plus interest expenses as a percentage of the average balance sheet total.
Return on shareholders' equity	Net profit/loss for the year as a percentage of average equity.
Rounding off	As the figures have been rounded off to the nearest SEK million, the tables do not always add up exactly.
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.



ANNUAL REPORT 2010

Directors' Report

The Board of Directors and the Managing Director of Atrium Ljungberg AB (publ.), corporate ID no. 556175-7047, hereby submit the annual accounts for the 2010 financial year. The figures shown in parentheses refer to the preceding financial year. The Directors' Report has been prepared in accordance with the Swedish Annual Accounts Act and is not included in the financial reports mandated by IFRS. The Corporate Governance Report is presented on pages 118–121.

OPERATIONS IN 2010

The rental market has successively improved during the year for office and retail properties alike, the principal result of which was an increase in demand and a reduction in vacancies. The latter part of the year also saw some increase in rental levels for modern premises in the best locations. The properties' letting rate totalled 94 per cent (93%), including project properties. Rental income for 2010 totalled SEK 1,613.5 million (SEK 1,655.7 m). The operating surplus totalled SEK 1,029.5 million (SEK 1,052.0 m). The reduction in the operating surplus is due to the sale of properties by the company in 2009 and 2010. Excluding properties sold, the operating surplus increased by SEK 38 million, corresponding to an increase of 4 per cent. Atrium Ljungberg's operations in 2010 have been characterised by a high rate of development and investment in on-going projects, with approximately SEK 1,047 million invested during the year. Four major development projects have been completed and inaugurated and a number of others are either in progress or will be starting soon.

A new retail concept, Mobilia Home, was inaugurated at Mobilia in Malmö during the year. Sections of the property acquired by Atrium Ljungberg in 2007 have been rebuilt as modern retail premises and now house approximately 6,000 m² of home electronics and white goods stores. The premises are fully let. Work on an extension at Mobilia's southern entrance has begun and includes a new garage with just over 400 parking spaces and approximately 2,000 m² of retail space on the ground floor. The project will be completed during the first quarter of 2011. A new detailed development plan for Mobilia gained legal force in December, enabling the development in future of an additional just over 35,000 m² of space for retail, services and housing and of approximately 650 additional parking spaces, mainly in a garage.

Work began in the spring on expanding Gränby Centrum in Uppsala in the form of a four-storey entrance building on the eastern side. The extension comprises approximately 9,000 m² of retail letting area. The premises are 95 per cent let and the phased inauguration in August 2011 and the autumn will see approximately 15 new stores, restaurants and service units open their doors. The project as a whole is scheduled for completion during the fourth quarter of 2011.

September saw the inauguration of Kvarteret Igor, in the heart of central Västerås where Atrium Ljungberg has completed a total remodelling of what was formerly a Domus department store and, since the late 1960s, the Arosian retail block. Igor has been trans-

formed both externally and internally and is now an attractive, modern fashion shopping centre, complemented with media, food and drink retail outlets. The retail space has been increased from around 10,000 m² to approximately 14,000 m² and the number of retail floors increased from two to four. A garage with approximately 300 parking spaces has also been refitted. Igor is fully let and houses a total of forty or so stores.

The final part of the extensive remodelling of Farsta Centrum was inaugurated in September in conjunction with the celebrations to mark the centre's 50th anniversary as a retail hub. The work began in 2008 and its completion saw ten or so new shops opened in conjunction with the inauguration. Farsta Centrum has been extended, renovated and remodelled during the period, and the work has included converting office space into retail space and creating internal shopping centre walkways to create links between the buildings. The remodelling and extension project has comprised a total of 17,000 m², 200 new parking spaces and approximately 20 new stores.

The first phase of the new Port73 retail hub on Nynäsvägen (route 73) in Haninge municipality was completed and inaugurated in October. The retail hub houses 25 or so new stores over approximately 25,000 m² of retail space, approximately 14,000 m² of which comprises new and renovated retail space. The plan is to continue the development of Port73 in phases with the long-term aim of creating a regional retail hub with a complete range of retail and service facilities. The next expansion phase will begin in 2011 and will comprise approximately 3,300 m². This work is scheduled for completion in the spring of 2012.

The work on building Atlas Copco's new head offices in Sickla is now in its final phase. Atrium Ljungberg will also be relocating its head offices to part of the same building and the two companies will be moving in to their new premises in March and April 2011.

Agreements with Intrum Justitia and AkzoNobel to build new office and operations centres in Sickla for their respective companies were signed during the third and fourth quarters. Construction is expected to start on Intrum Justitia's office block in April 2011 and the block is scheduled to be ready for occupation in October 2012. Construction work on AkzoNobel's operations centre will begin at the end of 2011 and the company will move in on 1st January 2014.

The newly signed long-term lease contracts with major international companies such as Atlas Copco, Intrum Justitia and AkzoNobel have enabled Atrium Ljungberg to make considerable progress in its efforts to create "Sickla affärskvarter" – an attractive place to work in the full-service environment that is Sickla. Our goal is to increase the number of workplaces in Sickla from the current level of 4,500 to one of 8,000 over a five-year period.

Atrium Ljungberg maintains a strong position in its other subsidiary markets of Norra Station/Hagastaden, Södermalm, Kista and Farsta. Important steps have been taken during the year towards achieving our goal of establishing Farsta Centrum as an attractive place for offices and a hub to the south of the Södermalm district of Stockholm.

PROPERTY VALUES

The Swedish property market recovered in 2010 and the transaction volume reached just over SEK 100 billion, more than doubling the volume in comparison with 2009. The increase was due to, amongst other things, better access to bank financing, a stronger rental market, and greater unanimity between buyers and sellers on appropriate pricing levels. Levels of interest in investing in property has increased, resulting in rising prices for both office and retail properties. The price increase was caused both by falling yield requirements and higher rental levels, particularly in central locations.

The reported value of the property portfolio as a whole, as of 31st December 2010, was SEK 19,940 million (SEK 18,617 m). Development rights and land account for SEK 259 million (SEK 304 m) of this total. Investments in properties totalled SEK 1,047 million in 2010 and properties were acquired at a cost of SEK 35 million. One property was sold during the year.

Unrealised changes in the value of properties totalled SEK 525 million (SEK -523 m), corresponding to an increase in value of 3 per cent. SEK 330 million of the increase in value is attributable to the adjustment of the yield requirement by 0.1 percentage point. Other changes are primarily due to an improved operating surplus for both project properties and investment properties.

See Note 15 for a more detailed valuation.

PROPERTY TRANSACTIONS

Atrium Ljungberg sold the Rinken 2 property in 2010. The underlying value of the property was SEK 315 million before deductions for deferred tax. The sale took the form of the sale of shares. The effect on the profit of the property sale, after tax, was SEK 32 million. Possession was taken on 30th August 2010.

The Sicklaön 117:1 and 117:2 properties were acquired during the year. The properties comprise a total of approximately 3,500 m² and are located on Planavägen in Sickla, directly adjacent to Sickla Köp- kvarter. The purchase price was based on a property value of SEK 35 million. Possession was taken on 26th November 2010.

NET SALES AND PROFIT/LOSS

The Group's net sales totalled SEK 1,936 million (SEK 1,980 m). The Group posted a profit before changes in value of SEK 668.6 million (SEK 667.4 m). Unrealised changes in the value of properties totalled SEK 515.1 million (SEK -523.0 m). Realised changes in the value of properties totalled SEK 14.2 million (SEK 0.1 m). Goodwill write-downs totalled SEK -16.9 million (SEK -51.7 m) and were attributable to sales of property. The profit after tax totalled SEK 915.5 million (SEK 186.9 m), corresponding to SEK 7.03/share (SEK 1.44/share).

Net sales by the Parent Company totalled SEK 265 million (SEK 325 m). The Parent Company's profit after tax totalled SEK 106.9 million (SEK 1,281.4 m).

PROJECT AND CONSTRUCTION OPERATIONS

Net sales by the project and construction operations totalled SEK 323 million (SEK 324 m) during the period. The operating profit/loss for the financial year was SEK -2.5 million (SEK -3.3 m). Development project costs that cannot be capitalised have been charged to the profit/loss. The TL Bygg subsidiary company posted net sales of SEK 374 million (SEK 349 m), SEK 69 million (SEK 50 m) of which

comprised work on behalf of Group companies. TL Bygg's profit after tax totalled SEK 23.4 million (SEK 24.5 m).

FINANCIAL POSITION

Liquid assets totalled SEK 439.3 million (SEK 232.6 m) at the end of the financial year. Interest-bearing liabilities totalled SEK 9,110 million (SEK 8,492 m) and the average interest rate was 3.8 per cent (3.8%). The average fixed interest term was 2.0 years (2.1 yrs.). Shareholders' equity totalled SEK 9,099 million (SEK 8,416 m) on the closing day, corresponding to SEK 70/share (SEK 65/share). The equity/assets ratio was 42.9 per cent (42.4%). The gearing ratio was 45.7 per cent (45.6%).

TAX

The current tax for the year has been reduced by approximately SEK 70 million. The reduction is attributable to a direct deduction in respect of investments made.

One of the Atrium Ljungberg Group's companies received an application to the Swedish Administrative Court for a review of whether the Swedish Tax Avoidance Act applies to a property transaction carried out in 2004 via a limited partnership. The Swedish Tax Agency refers to two rulings by the Swedish Supreme Administrative Court from 29th May 2009 and states that the wording in the two cases, in which the Swedish Tax Avoidance Act was deemed applicable, means that the Swedish Tax Avoidance Act can also be deemed to apply to the transaction by the Atrium Ljungberg company. The Swedish Tax Agency wishes to increase the company's tax assessment by SEK 327.8 million, corresponding to a tax demand for SEK 91.8 million, excluding interest. No demand for the imposition of a tax surcharge has been made. Atrium Ljungberg is of the opinion that the company has complied with the legislation and praxis applicable at the time of the transaction. The company is, furthermore, of the opinion that the Swedish Tax Avoidance Act is not applicable.

The company has made no provision for the amount in the company's accounts, regarding the amount as a contingent liability, until further notice. 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

REMUNERATION

Atrium Ljungberg's principles governing the remuneration payable to senior executives states that salaries and other terms and conditions of employment for the company's senior management team shall be on market conditions and be competitive, but not market-leading in relation to other comparable companies.

The General Meeting lays down the guidelines. The Annual General Meeting held in April 2010 resolved as follows:

The guidelines shall apply for the senior management team which consists of the Managing Director and six Business Area Managers. The Managing Director's remuneration shall be determined by the Board of Directors. Remuneration payable to other members of the senior management team shall be proposed by the Managing Director and approved by the Board. Remuneration payable to the senior company management team, including the Managing Director, comprises a fixed salary. No variable salary of performance-related remuneration shall be payable.

The Managing Director's retirement age is 60, while the retirement age for other members of the senior management team is 65. Pension plans are defined contribution plans, and the company hence has no additional obligations after payment of the annual premiums.

In the event of the termination of his/her position of employment by the company, the Managing Director of the parent company and the Managing Director of the TL Bygg subsidiary company shall be entitled to severance pay corresponding to two year's annual salary and one year's annual salary, respectively. Other members of the senior management team have a period of notice of up to 6 months. No entitlement to severance pay, other than that described above, exists.

The terms and conditions that the company applies to other employees in the group, either in accordance with collective agreements or in accordance with unilateral commitments by the company to the employees, otherwise apply for the senior management team.

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.

See Note 8 for details of the remuneration paid to the Managing Director and senior executives.

PERSONNEL

Competence maintenance is an important factor in the company's success, and the company accordingly works in a structured manner with planning reviews, following up of action plans, and development and leadership development programmes with the aim of making the company a more attractive employer. Every department works actively with issues relating to the work environment and equal opportunities.

The Managing Director, Anders Nylander, announced at the end of the year that after eight years as Atrium Ljungberg's Managing Director, he has decided to step down from the position. Anders Nylander will continue as Managing Director until such time as a successor has been recruited. The Nomination Committee has proposed that the Annual General Meeting to be held in April elects Anders Nylander to the Board of Directors.

EVENTS AFTER THE CLOSING DAY

A decision was taken, after the closing day, to continue the development of Mobilia in Malmö. The decision comprises an extension of approximately 27,000 m² for retail, service and cultural facilities, together with a garage, multi-storey car park and open-air parking comprising a total of 725 parking spaces. A decision was also taken to invest in completing the conversion of the Rådhuset building into Uppsala's new fashion department store.

RISKS AND UNCERTAINTY FACTORS

Atrium Ljungberg's property portfolio, with its retail, office and full-service environments, is primarily located in strong subsidiary markets in growth regions. The company's financial position is strong, with strong key ratios, such as a low gearing ratio and a high interest coverage margin. On the investment front, the company's investments are governed by the principle of prudence, whereby no new investments are made until a reasonable return can be secured through agreed lease contracts or lease contracts in combination with good preconditions in the rental market.

See Note 29 for a description of financial risks and risk management.

OUTLOOK FOR 2011

The Swedish economy is performing well and we have every reason to expect continued good growth in 2011. The rate of growth is particularly marked in big cities, which has a positive effect on Atrium Ljungberg's operations. External factors that can bring about rapid changes in preconditions must, however, be respected, and we must maintain a constant readiness in order to be able to quickly readjust.

Conditions are good in all of our subsidiary markets. The projects concluded in 2010 and those that will be concluded in 2011 will generate rental income in 2011 and 2012. The new projects that have been launched, such as the development of Mobilia in Malmö, the office blocks for Intrum Justitia and Akzo Nobel in Sickla, and the remodelling of the Rådhuset building in Uppsala, will also ensure a good longer term rental income trend.

The profit forecast before changes in value will be issued in the Q2 Interim Report.

SHARES

There are a total of 133,220,736 shares (133,220,736) in the company, distributed as 4,000,000 class A shares (4,000,000) and 129,220,736 (129,220,736) class B shares. One class A share grants entitlement to ten votes while one class B share grants entitlement to one vote. Class A and class B shares grant equal entitlement to a share in the company's profits and assets. Atrium Ljungberg AB owns 3,063,748 (3,063,748) of its own shares through buy-backs. The bought-back shares held by the company do not grant entitlement either to receive dividends or to exercise votes. An agreement exists between the company's class A shareholders whereby class A shares may only be transferred to a person who already owns class A shares. The class A share shall otherwise be converted to class B shares before it may be transferred. The Articles of Association include a pre-emption clause with regard to class A shares.

DIVIDEND

The dividend shall correspond to at least 50 per cent of the profit before changes in value, after estimated tax (currently 26.3 per cent), unless investments or the company's financial position in other respects motivates a deviation from this norm. A dividend of SEK 2.40 per share (SEK 2.25) is proposed for the financial year.

PROPOSED TREATMENT OF THE UNAPPROPRIATED EARNINGS

The following sum in the Parent Company is available for disposal by the General Meeting:

Profit brought forward	SEK 5,290,516,409
Net profit for the year	SEK 106,939,675
	SEK 5,397,456,084

The Board of Directors and the Managing Director propose that the Unappropriated earnings be allocated as follows:

That a dividend of SEK 2.40/share be paid to the shareholders	SEK 312,376,771
Carried forward	SEK 5 085,079,313
	SEK 5,397,456,084

Consolidated Statement of Comprehensive Income

Amounts in SEK m	Note	2010	2009
Rental income		1,613.5	1,655.7
Net sales, project and construction operations		322.9	323.9
Net sales		1,936.4	1,979.6
Costs, property management			
Service charge-related costs		-183.4	-197.7
Other operating costs		-124.3	-124.4
Management costs		-112.3	-113.4
Repairs		-34.8	-43.3
Property tax		-92.5	-88.5
Leasehold fees		-28.0	-28.2
Non-deductible VAT		-8.7	-8.2
	7,8,9	-584.0	-603.7
Costs, project and construction operations		-313.5	-316.5
Gross profit		1,038.9	1,059.4
- of which gross profit from property management (operating surplus)		1,029.5	1,052.0
- of which gross profit from project and construction operations		9.4	7.4
Central administration, property management		-45.4	-49.2
Central administration, project and construction operations		-11.9	-10.7
	3,7,8,9	-57.3	-59.9
Operating profit/loss	2,4,5,6	981.6	999.5
- of which operating profit/loss, property management		984.1	1 002.8
- of which operating profit/loss, project and construction operations	10	-2.5	-3.3
Financial income	12	7.7	6.6
Financial expenses	12	-320.6	-338.7
		-313.0	-332.1
Profit/loss before changes in value		668.6	667.4
Changes in value			
Properties, unrealised	15	525.1	-523.0
Properties, realised		14.2	0.1
Goodwill write-downs	13	-16.9	-51.7
		522.4	-574.6
Profit/loss before tax		1,191.1	92.8
Current tax	14	-23.5	-77.4
Deferred tax	14	-252.1	171.5
		-275.5	94.1
Profit/loss after tax		915.5	186.9
Other comprehensive income			
Cash flow hedging	31	82.4	-9.3
Tax attributable to other reported income and expenses		-21.5	2.5
Total other comprehensive income		60.9	-6.8
Total comprehensive income for the year		976.4	180.1
Net profit/loss for the year per share, SEK		7.03	1.44
Net profit/loss for the year per share after dilution, SEK		7.03	1.44

Consolidated Balance Sheets

Amounts in SEK m	Note	31-12-10	31-12-09
ASSETS			
Fixed assets			
Investment properties	15, 16	19,939.7	18,616.6
Tangible fixed assets	19	10.3	9.1
Goodwill	13	389.8	406.7
Participations in associated companies	20	0.1	0.1
Other long-term receivables	22	154.9	143.1
Total fixed assets		20,494.8	19,175.6
Current assets			
Accounts receivable	23	72.9	71.2
Tax receivables		91.9	194.0
Other receivables	24	25.0	72.2
Prepaid costs and accrued income	25	85.7	86.6
Liquid assets		439.3	232.6
Total current assets		714.8	656.6
Total assets		21,209.6	19,832.2

Consolidated Balance Sheets

Amounts in SEK m	Note	31-12-10	31-12-09
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		333.0	333.0
Other capital contributed		3,959.8	3,959.8
Provisions		-12.9	-73.8
Profits brought forward including net profit/loss for the year		4,819.3	4,196.6
Total shareholders' equity attributable to the Parent Company's shareholders		9,099.2	8,415.6
Long-term liabilities			
Deferred tax liability	27	2,320.4	2,046.1
Liabilities to credit institutions	28, 29	7,373.6	6,444.1
Other long-term liabilities ¹⁾		47.9	97.6
Warranty provision		1.9	1.7
Total long-term liabilities		9,743.8	8,589.5
Current liabilities			
Liabilities to credit institutions	28, 29	1,736.9	2,047.7
Accounts payable		114.6	158.6
Tax liabilities		-	117.3
Other liabilities ¹⁾	31	12.0	81.8
Accrued costs and prepaid income	30	503.2	421.7
Total current liabilities		2,366.7	2,827.1
Total shareholders' equity and liabilities		21,209.6	19,832.2
MEMORANDUM ITEMS			
Collateral pledged for liabilities to credit institutions			
Property mortgages		9,443.3	8,687.3
Other collateral pledged			
Floating charges		10.0	10.0
		9,453.3	8,697.3
Guarantee engagements			
Guarantee undertakings		0.1	0.1
Contingent liabilities			
Review of tax demand re. property transaction by limited partnership	32	91.8	-

¹⁾ The comparison figures have been adjusted with regard to the distribution between long-term and current liabilities.

Changes in shareholders' equity – The Group

Amounts in SEK m	Note	Attributable to the Parent Company shareholders					Total shareholders' equity
		Share capital	Other capital contributed	Hedging provisions	Profits brought forward	Profits brought forward incl. comprehensive income	
Opening balance, as per 1st January 2009		333.0	3,959.8	-67.0	4,270.0	4,203.0	8,495.8
Change in shareholders' equity, 2009							
Total comprehensive income for the period from 1st January – 31st December		-	-	-6.8	186.9	180.1	180.1
Dividend		-	-	-	-260.3	-260.3	-260.3
Incentives programme	8	-	0.0	-	-	-	0.0
Closing balance, as per 31st December 2009		333.0	3,959.8	-73.8	4,196.6	4,122.8	8,415.6
Change in shareholders' equity, 2010							
Total comprehensive income for the period from 1st January – 31st December		-	-	60.9	915.5	976.4	976.4
Dividend		-	-	-	-292.9	-292.9	-292.9
Closing balance, as per 31st December 2010		333.0	3,959.8	-12.9	4,819.3	4,806.4	9,099.2

There are a total of 133,220,736 (133,220,736), 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. The company holds 3,063,748 (3,063,748) of its own class B shares.

The nominal value of the share is SEK 2.5.

Consolidated Statements of Cash Flow

Amounts in SEK m	Note	2010	2009
OPERATING ACTIVITIES			
Profit/loss before tax		1,191.1	92.8
Reversal of depreciation and write-downs	13, 19	19.8	55.8
Realised changes in value, investment properties		-14.2	-0.1
Unrealised changes in value, investment properties		-525.1	523.0
Tax paid		-38.7	-197.9
Cash flow from operating activities before changes in working capital		632.9	473.6
Increase/decrease in current receivables		42.2	-18.8
Increase/decrease in current liabilities		-4.0	152.8
Change in working capital		38.2	134.0
Cash flow from operating activities		671.1	607.6
INVESTMENT ACTIVITIES			
Change in other receivables		-12.0	7.0
Purchases of machinery and equipment		-4.1	-1.6
Renovation and new construction of properties		-1,047.0	-1,242.9
Acquisition of properties		-34.6	-65.0
Sales of properties		303.5	868.6
Sales of machinery and equipment		0.0	0.4
Cash flow from investment activities		-794.2	-433.5
FINANCING ACTIVITIES			
Change in other long-term receivables		4.1	-
Loans raised	28	972.4	741.6
Amortisation of debts	28	-353.8	-601.2
Incentives programme	8	-	0.0
Dividend paid		-292.9	-260.3
Cash flow from financing activities		329.8	-119.9
Cash flow for the year		206.7	54.2
Liquid assets at the beginning of the year		232.6	178.4
Liquid assets at the end of the year		439.3	232.6
Information on interest paid			
Interest received totalled		9.3	6.6
Interest paid totalled		-345.0	-351.0
Information on liquid assets at the end of the year			
Bank deposits ex. blocked funds		439.3	232.6

Income Statements – Parent Company

As per the Swedish Annual Accounts Act

Amounts in SEK m	Note	2010	2009
Net sales		264.8	324.9
Management and production costs	7,8,9	-123.7	-172.1
Gross profit/loss		141.1	152.8
Central administration and marketing	3,7,8,9	-45.1	-47.9
Operating profit/loss	4,5,6	96.0	104.9
Result of participations in Group companies	11	137.1	1,337.3
Interest income and similar P/L items	12	214.0	1.7
Interest expenses and similar P/L items	12	-299.8	-179.3
		51.3	1,159.7
Profit/loss after financial items	4	147.3	1,264.6
Appropriations	26	-1.2	67.3
Current tax	14	-15.1	-24.0
Deferred tax	14	-24.1	-26.5
		-39.2	-50.5
Net profit/loss for the year		106.9	1,281.4
Dividend per share, SEK (2010, proposed)		2.40	2.25

Other comprehensive income

Amounts in SEK m		2010	2009
Group contributions		37.2	137.6
Tax attributable to Group contributions		-9.8	-36.2
Cash flow hedging	31	82.4	-9.3
Tax attributable to cash flow hedging		-21.5	2.5
Total other comprehensive income		88.3	94.6
Total comprehensive income for the year		195.3	1,376.0

Balance Sheets – Parent Company

Amounts in SEK m	Note	31-12-10	31-12-09
ASSETS			
Fixed assets			
Tangible fixed assets			
Buildings, land and land improvements	16, 17	1,721.8	1,719.8
Ongoing new construction, extension and renovation work	18	24.5	27.5
Machinery and equipment	19	3.6	4.1
Total tangible fixed assets		1,749.9	1,751.3
Financial fixed assets	29		
Participations in Group companies	21	5,848.8	5,711.7
Total financial fixed assets		5,848.8	5,711.7
Total fixed assets		7,598.7	7,463.1
Current assets			
Accounts receivable	23	1.1	1.7
Receivables from Group companies	29	3,668.0	3,817.2
Tax receivables		74.9	42.1
Other receivables	24	1.5	10.6
Prepaid costs and accrued income	25	12.5	14.2
Liquid assets		382.8	170.9
Total current assets		4,140.8	4,056.7
Total assets		11,739.6	11,519.7

Balance Sheets – Parent Company

Amounts in SEK m	Note	2010	2009
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>			
Fair value fund		-12.9	-73.8
Share premium reserve		3,948.4	3,948.4
Profit brought forward		1,355.0	339.1
Net profit/loss for the year		106.9	1 281.4
		5,397.5	5,495.1
Total shareholders' equity		5,995.9	6,093.5
Untaxed reserves	26	29.1	27.9
Provisions			
Deferred tax liability	27	234.4	188.8
Long-term liabilities			
Liabilities to credit institutions	28	3,873.6	3,035.2
Other long-term liabilities ¹⁾		29.5	92.7
		3,903.1	3,127.9
Current liabilities	29		
Liabilities to credit institutions	28	700.2	1,254.0
Accounts payable		12.5	16.4
Liabilities to Group companies	29	740.8	698.4
Tax liabilities		25.7	-
Other liabilities ¹⁾	31	15.2	30.0
Accrued costs and prepaid income	30	82.8	82.8
		1,577.2	2,081.6
Total shareholders' equity and liabilities		11,739.6	11,519.7
MEMORANDUM ITEMS			
Collateral pledged for liabilities to credit institutions			
Property mortgages		1,276.8	1,681.8
Property mortgages made available by subsidiary companies		3,016.5	2,316.5
		4,293.3	3,998.3
Guarantee engagements			
Guarantee undertakings for subsidiary companies		875.0	225.0
Liabilities as limited partner in limited partnerships		92.0	99.0
		967.0	324.0

¹⁾ The comparison figures have been adjusted with regard to the distribution between long-term and current liabilities.

Changes in shareholders' equity – Parent Company

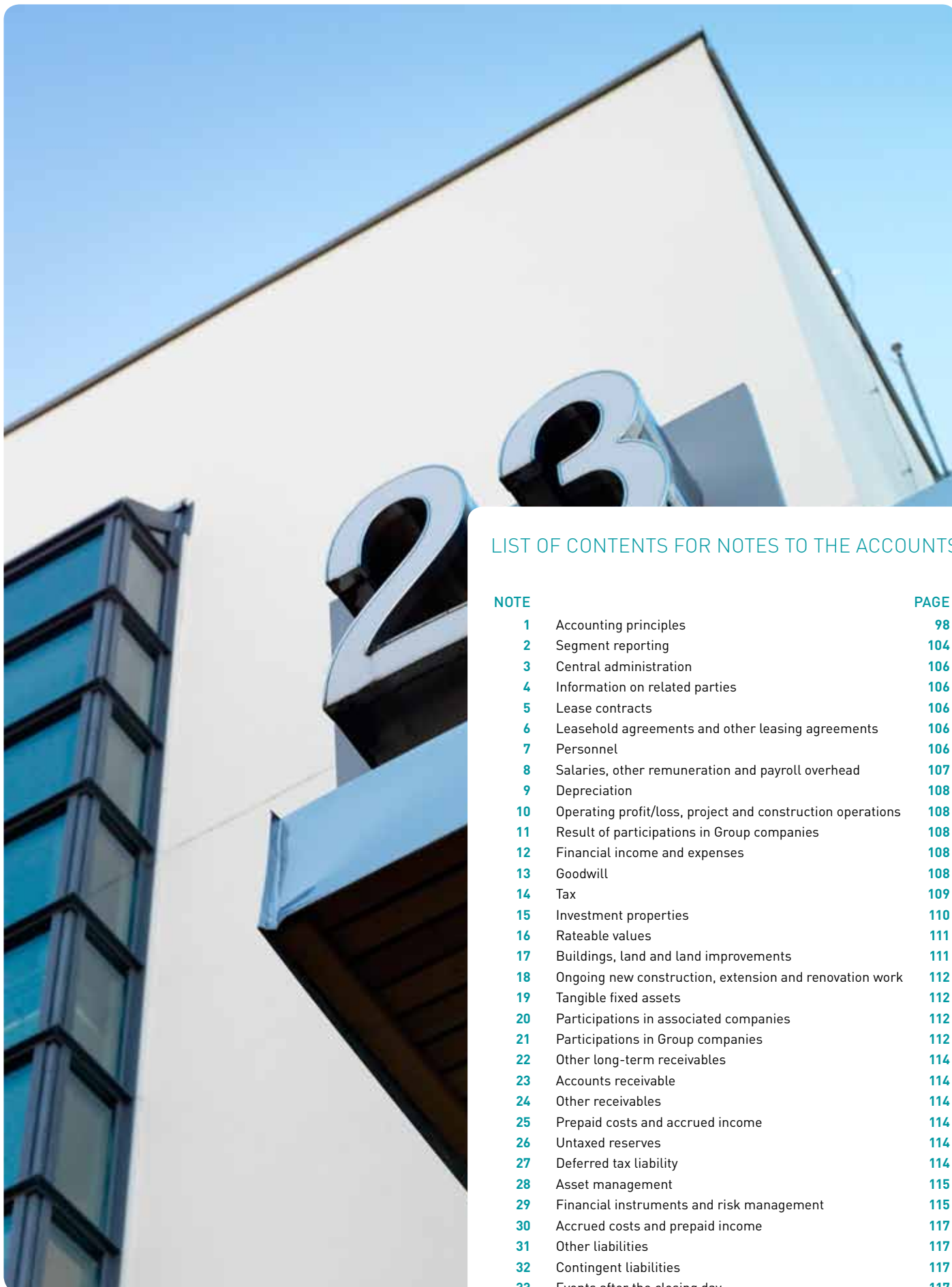
Amounts in SEK m	Note	Share capital	Statutory reserve	Fair value fund	Share premium reserve	Profits brought forward	Profits brought forward incl. comprehensive income	Total shareholders' equity
Opening balance as per 1st January 2009		333.0	265.4	-67.0	3,948.4	498.0	431.0	4,977.8
Total comprehensive income for the period from 1st January – 31st December		–	–	-6.8	–	1,382.8	1,376.0	1,376.0
Dividend	8	–	–	–	0.0	–	–	0.0
Incentives programme		–	–	–	–	-260.3	-260.3	-260.3
Closing balance, as per 31st December 2009		333.0	265.4	-73.8	3,948.4	1,620.5	1,546.7	6,093.5
Total comprehensive income for the period from 1st January – 31st December		–	–	60.9	–	134.4	195.3	195.3
Dividend		–	–	–	–	-292.9	-292.9	-292.9
Closing balance, as per 31st December 2010		333.0	265.4	-12.9	3,948.4	1,462.0	1,449.1	5,995.9

There are a total of 133,220,736 (133,220,736), 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. The company holds 3,063,748 (3,063,748) of its own class B shares.

The nominal value of the share is SEK 2.5.

Statements of Cash Flow – Parent Company

Amounts in SEK m	Note	2010	2009
OPERATING ACTIVITIES			
Profit/loss after financial items		147.3	1,264.6
Reversal of depreciation and write-downs	17, 19	21.0	20.6
Reversal of profit/loss on property sales		–	–
Other items not included in the cash flow		–137.1	–1,337.3
Tax paid		–32.0	–198.0
Cash flow from operating activities before changes in working capital		–0.8	–250.1
Increase/decrease in current receivables		238.8	397.0
Increase/decrease in current liabilities		2.0	–132.3
Change in working capital		240.8	264.7
Cash flow from operating activities		240.0	14.6
INVESTMENT ACTIVITIES			
Change in long-term receivables/liabilities		–	8.6
Purchases/sales of machinery and equipment		–4.4	0.3
Renovation and new construction of properties		–17.8	–16.3
Cash flow from investment activities		–22.2	–7.4
FINANCING ACTIVITIES			
Change in other long-term liabilities		2.5	–
Loans raised	28	284.5	749.4
Amortisation of debts	28	–	–437.5
Incentives programme	8	–	0.0
Dividend paid		–292.9	–260.3
Cash flow from financing activities		–5.9	51.6
Cash flow for the year		211.9	58.8
Liquid assets at the beginning of the year		170.9	112.1
Liquid assets at the end of the year		382.8	170.9
Information on interest paid			
Interest received totalled		214.0	1.7
Interest paid totalled		–325.1	–192.5
Information on liquid assets at the end of the year			
Bank deposits		382.8	170.9



LIST OF CONTENTS FOR NOTES TO THE ACCOUNTS

NOTE		PAGE
1	Accounting principles	98
2	Segment reporting	104
3	Central administration	106
4	Information on related parties	106
5	Lease contracts	106
6	Leasehold agreements and other leasing agreements	106
7	Personnel	106
8	Salaries, other remuneration and payroll overhead	107
9	Depreciation	108
10	Operating profit/loss, project and construction operations	108
11	Result of participations in Group companies	108
12	Financial income and expenses	108
13	Goodwill	108
14	Tax	109
15	Investment properties	110
16	Rateable values	111
17	Buildings, land and land improvements	111
18	Ongoing new construction, extension and renovation work	112
19	Tangible fixed assets	112
20	Participations in associated companies	112
21	Participations in Group companies	112
22	Other long-term receivables	114
23	Accounts receivable	114
24	Other receivables	114
25	Prepaid costs and accrued income	114
26	Untaxed reserves	114
27	Deferred tax liability	114
28	Asset management	115
29	Financial instruments and risk management	115
30	Accrued costs and prepaid income	117
31	Other liabilities	117
32	Contingent liabilities	117
33	Events after the closing day	117

Supplementary information – Notes to the Accounts

NOTE 1. ACCOUNTING PRINCIPLES

General information

Atrium Ljungberg AB (publ.), corporate ID no.: 556175-7047, is a limited company registered in Sweden with registered offices in Stockholm and a street address of Medborgarplatsen 3, 11th floor, SE-116 93 Stockholm, Sweden. 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 Consolidated Accounts in respect of the 2010 financial year were approved for publication by the Board of Directors on 17th February 2011. It is proposed that the Income Statement and Balance Sheet contained in the Annual Accounts be adopted at the Annual General Meeting held on 7th April 2011.

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 31st December 2010. 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 Financial Reporting Board.

Assets and liabilities are reported at historic 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 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.

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 Income Statement from and until the

date when the transaction occurred, i.e. when the controlling influence ceased to obtain.

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.

Minority interests comprise that part of the result and the net assets of a jointly owned company that accrue to other owners. The minority interest's share of the result is included in the Consolidated Income Statement's profit/loss after tax. The percentage of the net assets is included in shareholders' equity in the Consolidated Balance Sheet but is reported separately from the shareholders' equity attributable to the Parent Company's shareholders.

Operational acquisitions

Acquisitions of subsidiary companies are reported using the acquisition accounting method. The acquisition value of an 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, together with all costs directly attributable to the operational acquisition. 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 costs 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.

Asset acquisitions

When a group of assets or net assets that do not constitute a commercial operation are acquired, the acquisition value for the Group is spread over the individual identifiable assets and liabilities on the basis of their relative fair values on the acquisition date.

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 or associated company's identifiable assets, liabilities and contingent liabilities on the acquisition date. Goodwill is reported on the acquisition date to the acquisition value and after the first set of accounts, it is valued at the acquisition value after deductions for any 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.

Associated companies

Shareholdings in associated companies in which the Group has a minimum and maximum holding of 20 per cent and 50 per cent, respectively, are 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.

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 changes 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. 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 invoiced 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.

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.

Segment reporting

The Atrium Ljungberg Group's reportable segments comprise the property management and project and construction activities operating sectors. Property management is divided up by geographical market, properties sold and project properties. 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 Managing Director. The Group is managed and reported in accordance with the identified and reportable operating segments. 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.

Investment properties

Investment properties, i.e. properties held in order to generate rental income and/or increase value gains, are reported on an ongoing basis at fair value. The fair value is determined on the basis of 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 buildings- 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 expenses directly attributable to the acquisition, such as transaction costs, stamp duty and legal services. Investment properties are reported in conjunction with the transfer of the risks and benefits associated with title from vendor to purchaser, which normally coincides with the contract date unless this 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 most recently conducted valuation (reported value 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.

Borrowing 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 using the effective

interest method on the basis of the Group's average interest rate on all loans.

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 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. The residual value of the assets and their useful life is reviewed on every closing day and adjusted when necessary.

An asset's reported value is written down on an ongoing basis to its recovery value if the reported value exceeds the recovery value. The recovery value comprises whichever is the higher of the value in use and the fair value minus sale costs. During impairment testing, assets are grouped at the lowest level at which there are separate, identifiable cash inflows (known as cash-generating units). A review is conducted for tangible fixed assets that have previously been written down in order to determine whether a reversal shall be effected. Write-downs are reported as a cost in the Income Statement.

Depreciation of tangible fixed assets

Depreciation is charged to the operating profit/loss according to plan in the Income Statement. Depreciation according to plan for computer equipment has been effected in the amount of 33 per cent of the acquisition value. Depreciation for other machinery and equipment has been effected in the amount of 20 per cent of the acquisition value.

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 value shall be written down if its reported value exceeds the fair value. If there are any indications that a previous write-down is no longer motivated, either wholly or in part, the asset's reported value shall be increased.

Financial assets and financial liabilities

A financial asset or financial liability is reported in the Balance Sheet when the company becomes party to the instrument's contractual terms and conditions. A financial asset is removed from the Balance Sheet when the rights contained in the agreement are realised, fall due, or when the company loses control over it. A financial liability is removed 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. Financial instruments are reported at the accrued acquisition value or at fair value, depending on the initial categorisation in accordance with IAS 39.

Determining fair value for financial instruments

The fair value of interest swaps 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 7, section 27 A. Atrium Ljungberg currently has no financial assets

or liabilities where the valuation is based on levels 1 or 3 of IFRS 7, section 27 A.

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.

Offsetting of financial liabilities and assets

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.

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. Blocked bank funds are reported in the Group as fixed assets. 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.

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.

Accounts receivable

Accounts receivable are categorised as "Loan receivables and accounts receivable" and are consequently valued at the accrued acquisition value. The anticipated term of accounts receivable is, however, short, and they are, therefore, reported in nominal amounts without discounting, less receivables deemed to be doubtful. Write-downs of accounts receivable are reported under operating expenses.

Long-term receivables and other receivables

Long-term receivables and other current receivables are categorised as "Loan receivables and accounts receivables". They are valued at the accrued acquisition value, which means that the reported value corresponds to the fair value as the receivable is discounted to the current value in accordance with market interest rates. Receivables whose anticipated term is short are reported in nominal amounts without discounting. Deductions are made for receivables deemed to be doubtful.

Derivative instruments and hedge accounting

Hedge accounting is applied in accordance with the rules governing cash flow hedging for derivative instruments or so-called interest swap agreements entered into in order to achieve a desired fixed interest term for the 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. Derivative instruments are valued on an ongoing basis 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. Interest income and interest expenses from the derivative instruments are reported as a net amount in the Interest expenses item. Other changes in the value of derivative instruments are reported directly to shareholders' equity to the extent that the hedging is effective, and are included in the Income Statement's Other comprehensive income item. Ineffectiveness arising in the hedging relationship is reported in the Income Statement.

Hedge accounting is only applied if the hedging relationship can be expected to be extremely effective. The effectiveness of the hedging

relationship effectiveness shall be within the interval from 80-125%. If the preconditions for hedge accounting are no longer met, derivative instruments are reported at fair value with the change in value, via the Income Statement.

Accounts payable

Accounts payable are categorised as "Other financial liabilities" and are consequently valued at the accrued acquisition value. Accounts payables' anticipated terms are short and the liability is consequently reported as a nominal amount without discounting.

Other financial liabilities

Atrium Ljungberg's liabilities to credit institutions and the company's other liabilities are categorised as "Other financial liabilities" and are valued at the accrued acquisition value. Liabilities whose anticipated term is short are reported as nominal amounts without discounting. Long-term liabilities have an anticipated term in excess of one year while current liabilities have an anticipated term of less than one year.

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, which normally coincides with the dates when premiums are paid. 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 pension plans is unavailable. See Note 8 for further details.

Taxes

Current tax

Current tax is calculated on the basis of the taxable profit/loss for the period. 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.

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.

Deferred tax liabilities are reported for all taxable temporary differences attributable to investments in subsidiary companies and associated companies, other than when the Group can determine the time for reversal of the temporary differences and it is unlikely that any

such reversal will occur within the foreseeable future. The deferred tax receivables attributable to deductible temporary differences in respect of such investments and interests shall only be reported to the extent that it is likely that the amounts can be used to offset future taxable surpluses and it is likely that such offsetting will occur within the foreseeable future.

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.

Current and deferred tax for the period

Current and deferred tax is reported as a cost or income in the Income Statement, other than when the tax is attributable to transactions reported directly to shareholders' equity. In such cases, the tax shall also be reported directly to shareholders' equity. If the tax is attributable to a corporate acquisition or merger, the fiscal effect shall be taken into account when calculating goodwill or when determining the size of any surplus component arising if the fair value of the acquired participation in the acquired unit's identifiable assets, liabilities and contingent liabilities exceeds the acquisition value of the operational acquisition.

Property tax and payroll tax are reported as operating expenses.

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.

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.

Significant assessments and assumptions

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.

Atrium Ljungberg has valued all of its investment properties at their fair value. Assumptions made, uncertainty factors and assessments are shown in Note 15.

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 allocation exceeds the costs expended during the year for guarantee work and may deviate from the Group's assessment.

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.

Amended accounting principles

The amendments to RFR 2, Reporting for legal entities that have come into force and which apply to the 2010 financial year have entailed changes to the presentation formats used by the Parent Company. The Parent Company's income and expenses that were previously reported against shareholders' equity and which did not refer to transactions with the owners are now presented in a Statement of Comprehensive Income directly after the Parent Company's Income Statement. The Parent Company's Statement of Changes in Shareholders' Equity presents items from the comprehensive income separately from transactions with the owners. Other changes to RFR 2 have had no significant effect on the Parent Company's financial reports.

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 for renovation work that has resulted in the standard and functionality being raised in comparison with the level obtaining when the property was originally acquired or was most recently the subject of measures that raised standards, are added to the acquisition value. Interest capitalised in previous years is, in certain cases added to the acquisition value, but is treated as a cost in conjunction with income taxation.

Expenses in relation to renovation and maintenance work that has entailed an economic benefit are added to the acquisition value. That part of the renovation cost that can be deemed to constitute repairs is carried as an expense.

Depreciation of buildings, land and land improvements

Depreciation according to plan is charged to the operating profit/loss in the Parent Company's Income Statement. Booked 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. All building equipment is fiscally depreciated in the amount of 20 per cent of the acquisition value. Deferred tax on the difference between booked and fiscal depreciation is reported as deferred tax in the Income Statement and as a deferred tax liability in the Balance Sheet.

Depreciation of tangible fixed assets/Machinery and equipment

Depreciation according to plan is charged to the operating profit/loss in the Income Statement. Depreciation according to plan for computer equipment is effected in the amount of 33 per cent of the acquisition value. Depreciation has been effected in the amount of 20 per cent of the acquisition value for other machinery and equipment.

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 exists.

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 73.7 per cent reported as shareholders' equity and 26.3 per cent as deferred tax liabilities.

Reporting of Group contributions

Atrium Ljungberg reports Group contributions in accordance with the UFR 2 statement issued by the Swedish Financial Reporting Board. Group contributions made and received in order to minimise the Group's tax payments are reported as a decrease and increase, respectively, in non-restricted shareholders' equity. The fiscal effect of the same is also reported directly to shareholders' equity.

New accounting principles

The following new and amended standards and interpretations have come into force and apply to the 2010 financial year:

Standards

Amendment to IFRS 1 First-time adoption of International Financial Reporting Standards

Amendment to IFRS 2 Share-based payment (Group cash-settled share-based payment transactions)

Amendment to IFRS 3 Business combinations (Revised standard)

Amendment to IAS 27 Consolidated and separate financial statements (Revised standard)

Amendment to IAS 39 Financial instruments: recognition and measurement (Clarification with regard to secure item classification)

Annual Improvements to IFRS 2009

Interpretations

IFRIC 15 Agreements for the Construction of Real Estate

IFRIC 17 Distribution of Non-cash Assets to Owners

IFRIC 18 Transfers of Assets from Customers

The revised IAS 27 and IFRS 3 are applied to acquisitions and transactions that occur on or after 1st January 2010. The amendments to these standards mean, amongst other things, that transactions with minority owners when the controlling influence is retained shall be reported as transactions between owners (within shareholders' equity).

The rules governing the reporting of conditional purchase prices have also been amended such that the acquisition value of operational acquisitions is reported on a single date. Subsequent adjustments to the acquisition value affect the Income Statement. Acquisition-related costs may not be included in the acquisition value for operational acquisitions and must, instead, be reported as a cost in the Income Statement. The approach to reporting successive acquisitions has changed, and as a result, the fair value of previously owned participations is calculated on the transaction date (when controlling influence is achieved). The acquisition cost hence comprises the fair value of the previously owned participation plus the purchase price of the newly acquired participation. Any change in value with regard to the previously owned participation is reported as a profit or loss in the Income Statement. The amendments will affect future operational acquisitions.

Annual Improvements to IFRS 2009 comprises a package of amendments with changes to 12 different standards and interpretations. The amendments that have come into force and apply to the 2010 financial year are:

- Scope of IFRS 2 and IFRS 3 (2008)
- IFRS 5 Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations.
- IFRS 8 Disclosure of information about segment assets
- IAS 1 Current/non-current classification of convertible instruments
- IAS 7 Classification of expenditures on unrecognised assets
- IAS 17 Classification of leases of land and buildings
- IAS 36 Unit of accounting for goodwill impairment test
- IAS 38 Additional consequential amendments arising from revised IFRS 3. Measuring the fair value of an intangible asset acquired in a business combination
- IAS 39 Treating loan prepayment penalties as closely related embedded derivatives
- IAS 39 Scope exemption for business combination contracts
- IAS 39 Cash flow hedge accounting – reclassification from other comprehensive income to profit/loss
- IAS 39 Hedging through the use of internal agreements
- IFRIC 9 Scope of IFRIC 9 and revised IFRS 3 (2008)
- IFRIC 16 Amendment to the restriction on the entity the entity that can hold hedging instruments

The changes to IFRS 2009 have had no effect on the Group's financial reports in 2010.

Other new and amended standards and interpretations have had no effect on the Group's financial reports in 2010.

New and amended standards and interpretations that have not yet come into force

The International Accounting Standards Board (IASB) have issued the following new and amended standards that have not yet come into force:

Standards

To be applied to financial years commencing 1st July 2010 or thereafter:
Amendment to IFRS 1 First-time adoption of International Financial Reporting Standards (Limited exceptions with regard to comparison data as per IFRS 7 for first time adopters)

Applies to financial years commencing on or after 1st July 2011:
Amendment to IFRS 7 Financial instruments: Disclosures (Disclosures in conjunction with the transfer of financial assets)*

Applies to financial years commencing on or after 1st January 2013:
IFRS 9 Financial instruments (New standard)*

Applies to financial years commencing on or after 1st January 2011:
Amendments to IAS 24 Related party disclosures (Amended definition and certain relaxations of disclosure requirements for companies with government links)

Applies to financial years commencing on or after 1st February 2010:
Amendment to IAS 32 Financial instruments: Presentation (Classification of rights to subscribe etc. in foreign currencies)

Applies to financial years commencing on or after 1st July 2010:
Annual Improvements to IFRS 2010*

* Not yet approved for application within the EU.

Interpretations

The International Financial Reporting Interpretations Committee (IFRIC) has published the following new and amended interpretations that have not yet come into force:

Applies to financial years commencing on or after 1st January 2011:
Amendment to IFRIC 14 The Limit on a defined benefit asset, minimum funding requirements and their interaction

Applies to financial years commencing on or after 1st July 2010:
IFRIC 19 Extinguishing financial liabilities with equity instruments

The above new and amended standards and interpretations have not, as yet, been applied.

It has not, as yet, been possible to evaluate the effects of the new IFRS 9 standard, which will be applied as of 1st January 2013. The company management is of the opinion that other new and amended standards and interpretations will have no significant effect on the Group's financial reports in the period during which they are first applied.

NOTE 2. SEGMENT REPORTING

The Atrium Ljungberg Group'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.

2010 Amounts in SEK m	Stockholm, city centre	Stockholm, other	Uppsala Mälardalen	Sweden, other	Project prop- erties	Properties sold	Property management, total	Project and construction activities	Unallocated items	The Group
Rental income	417.8	750.2	149.8	131.5	143.9	20.4	1 613.5			1 613.5
Net sales, project and construction work								322.9		322.9
Net sales	417.8	750.2	149.8	131.5	143.9	20.4	1 613.5	322.9		1 936.4
Property management costs	-135.1	-270.6	-50.8	-45.6	-74.2	-7.7	-584.0			-584.0
Production costs								-313.5		-313.5
Gross profit/loss	282.7	479.6	99.0	85.9	69.7	12.7	1,029.5	9.4		1,038.9
– of which gross profit/loss from property management	282.7	479.6	99.0	85.9	69.7	12.7	1,029.5			1,029.5
– of which gross profit/loss from project and construction work								9.4		9.4
Central administration, property management							-45.4			-45.4
Central administration, project and construction work								-11.9		-11.9
Operating profit/loss	282.7	479.6	99.0	85.9	69.7	12.7	984.1	-2.5		981.6
– of which operating profit/loss from property management	282.7	479.6	99.0	85.9	69.7	12.7	984.1			984.1
– of which operating profit/loss from project and construction work								-2.5		-2.5
Financial income									7.7	7.7
Financial expenses									-320.6	-320.6
Profit/loss before changes in value	282.7	479.6	99.0	85.9	69.7	12.7	984.1	-2.5	-313.0	668.6
Unrealised changes in value	261.2	197.5	9.8	15.9	40.7		525.1			525.1
Realised changes in value						14.2	14.2			14.2
Goodwill write-downs						-16.9	-16.9			-16.9
	261.2	197.5	9.8	15.9	40.7	-2.7	522.4			522.4
Current tax									-23.5	-23.5
Deferred tax									-252.1	-252.1
Profit/loss after tax	543.9	677.1	108.8	101.8	110.4	10.0	1,506.6	-2.5	-588.6	915.5
Investments per business segment										
Investment properties	50.8	81.5	14.1	61.0	835.6	4.0	1,047.0			1,047.0
Project and construction work								2.7		2.7
	50.8	81.5	14.1	61.0	835.6	4.0	1,047.0	2.7		1,049.7
Assets per business segment										
Investment properties	5,847.5	8,021.6	1,763.0	1,446.0	2,861.6		19,939.7			19,939.7
Project and construction work								88.3		88.3
Unallocated joint assets									1,181.6	1,181.6
Total assets	5,847.5	8,021.6	1,763.0	1,446.0	2,861.6		19,939.7	88.3	1,181.6	21,209.6

100 per cent of the revenue was generated in Sweden, i.e. in the country in which Atrium Ljungberg's registered office is located. The intra-Group sales in respect of the Group's project and construction operations total SEK 69.4 million (SEK 50.2 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 214.9 million (SEK 164.7 m) and the reported profit totalled SEK 9.2 million (SEK 8.4 m) on the closing day. Sums received from the client for ongoing engagements total SEK 3.7 million (SEK 0.8 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.

2009	Stockholm, city centre	Stockholm, other	Uppsala Malardalen	Sweden, other	Project prop- erties	Properties sold	Property management, total	Project and construction activities	Unallocated items	The Group
Amounts in SEK m										
Rental income	362.4	770.6	143.4	94.4	168.6	116.3	1,655.7			1,655.7
Net sales, project and construction work								323.9		323.9
Net sales	362.4	770.6	143.4	94.4	168.6	116.3	1,655.7	323.9		1,979.6
Property management costs	-97.6	-276.1	-46.9	-34.5	-104.4	-44.2	-603.7			-603.7
Production costs								-316.5		-316.5
Gross profit/loss	264.8	494.5	96.5	59.9	64.2	72.1	1,052.0	7.4		1,059.4
– of which gross profit/loss from property management	264.8	494.5	96.5	59.9	64.2	72.1	1,052.0			1,052.0
– of which gross profit/loss from project and construction work								7.4		7.4
Central administration, property management							-49.2			-49.2
Central administration, project and construction work								-10.7		-10.7
Operating profit/loss	264.8	494.5	96.5	59.9	64.2	72.1	1,002.8	-3.3		999.5
– of which operating profit/loss from property management	264.8	494.5	96.5	59.9	64.2	72.1	1,002.8			1,002.8
– of which operating profit/loss from project and construction work								-3.3		-3.3
Financial income									6.6	6.6
Financial expenses									-338.7	-338.7
Profit/loss before changes in value	264.8	494.5	96.5	59.9	64.2	72.1	1 002.8	-3.3	-332.1	667.4
Unrealised changes in value	-81.3	-433.9	61.2	-21.3	-0.2	-47.5	-523.0			-523.0
Realised changes in value						0.1	0.1			0.1
Goodwill write-downs						-51.7	-51.7			-51.7
	-81.3	-433.9	61.2	-21.3	-0.2	-99.1	-574.6			-574.6
Current tax									-77.4	-77.4
Deferred tax									171.5	171.5
Profit/loss after tax	183.5	60.6	157.7	38.6	64.0	-27.0	428.2	-3.3	-238.0	186.9
Investments per business segment										
Investment properties	45.2	243.8	64.8	52.3	662.7	18.5	1,087.3			1,087.3
Project and construction work								0.1		0.1
	45.2	243.8	64.8	52.3	662.7	18.5	1,087.3	0.1		1,087.4
Assets per business segment										
Investment properties	4,672.5	8,082.6	1,739.0	990.0	3,132.5		18,616.6			18,616.6
Project and construction work								58.6		58.6
Unallocated joint assets									1,157.0	1,157.0
Total assets	4,672.5	8,082.6	1,739.0	990.0	3,132.5		18,616.6	58.6	1,157.0	19,832.2

¹⁾ Comparison figures for rental income and property expenses in 2009 have been adjusted to take into account Rinken 2, which was sold in 2010. The operating surplus of SEK 22 million has been transferred from the Stockholm, other segment to Properties sold.

NOTE 3. CENTRAL ADMINISTRATION

Central administration comprises the costs in connection with the Board of Directors, the Managing Director, 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).

Fees and expenses paid to auditors	The Group		Parent Company	
	2010	2009	2010	2009
Deloitte AB				
Audit engagement	2.6	2.8	2.6	2.8
Accounting engagements over and above audit engagement	0.5	0.6	0.5	0.6
Tax consultancy	0.9	0.7	0.9	0.7
Other engagements	–	–	–	–
Total	3.9	4.1	3.9	4.1

NOTE 4. INFORMATION ON RELATED PARTIES

SEK 69.4 million (SEK 50.2 m) of the TL Bygg AB subsidiary company's net sales comprised work carried out on behalf of the Group companies, corresponding to 18.6 per cent (14%) of the net sales for TL Bygg AB. SEK 6.1 million (SEK 59.1 m) of the Parent Company's net sales comprised sales to subsidiary companies, corresponding to 2 per cent (18%) 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	
	2010	2009
Receivables from related parties (Group companies)	3,668.0	3,817.2
Liabilities to related parties (Group companies)	740.8	698.4

Remuneration to the Managing Director and senior executives in respect of work carried out is shown in Note 8.

NOTE 5. LEASE CONTRACTS

The reported annual rent for agreed lease contracts totalled SEK 1,625 million (SEK 1,550 m) in the first quarter within the Group, SEK 176 million (SEK 266 m) of which was within the Parent Company.

Premises, contract maturity structure	The Group		Parent Company	
	Rent, SEK m	Percent-age, %	Rent, SEK m	Percent-age, %
2011	191	12	25	14
2012	253	16	23	13
2013	292	18	30	17
2014	215	13	17	10
2015	167	10	20	11
2016	126	6	9	5
2017 and thereafter	319	20	5	3
Housing	61	4	47	27
Total	1,625	100	176	100

Letting rate, Q1 2011 ¹⁾	Rental value, SEK m	Lease contract, SEK m	Letting rate, %
Stockholm city centre	444	426	96
Stockholm, other	783	731	93
Uppsala and Mälardalen	154	153	99
Sweden, other	148	143	97
	1,529	1,453	95
Project properties ²⁾	202	172	85
Total	1,731	1,625	94

Rental income trend 2011	2010 Result	2011 Q1 ¹⁾	2011 Q2 ¹⁾	2011 Q3 ¹⁾	2011 Q4 ¹⁾
Stockholm city centre	418	426	419	421	421
Stockholm, other	750	731	717	722	719
Uppsala and Mälardalen	150	153	153	150	153
Sweden, other	132	143	144	144	144
Project properties ²⁾	144	172	225	251	251
Properties sold	20				
Total	1,614	1,625	1,659	1,687	1,689

¹⁾ Contracted rental income.

²⁾ The term, project properties, refers to an individual property or 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.

Lease contracts for retail space contain contractual terms that mandate a minimum rent and a net sales clause. The variable net sales surcharge totalled approximately 1 per cent of the total rental income in 2010.

NOTE 6. LEASEHOLD AGREEMENTS AND OTHER LEASING AGREEMENTS

The year's leasehold fee costs totalled SEK 28 million (SEK 28 m), SEK 10 million (SEK 9 m) of which referred to the Parent Company.

Leasehold agreements' maturity structure	The Group		Parent Company	
	Fee, SEK m	Percent-age, %	Fee, SEK m	Percent-age, %
2011	10.1	36	–	–
2012	0.0	0	–	–
2013	7.8	28	–	–
2014	0.0	0	–	–
2015 and thereafter	10.4	37	9.8	100
Total	28.3	100	9.8	100

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 2.1 million (SEK 2.3 m), while remaining costs totalled SEK 4.1 million (SEK 5.9 m).

NOTE 7. PERSONNEL

	The Group		Parent Company	
Average number of employees	2010	2009	2010	2009
Men	196	185	87	89
Women	55	57	57	53
	251	242	144	142

Gender breakdown – Board of Directors and management

Men, Board	6	6	–	–
Women, Board	1	1	–	–
Men, company management	3	3	–	–
Women, company management	4	3	–	–

Absence due to sickness by gender, %	The Group		Parent Company	
	2010	2009	2010	2009
Men	3.6	3.0	2.2	2.6
Women	2.2	4.0	2.2	4.1
Total absence	3.3	3.2	2.2	3.1

Absence due to sickness by age category, %	The Group		Parent Company	
	2010	2009	2010	2009
Aged 29 or younger	3.3	3.9	1.0	5.0
Aged 30–49	2.7	2.5	2.4	2.1
Aged 50 or above	4.4	4.1	2.2	4.8
Total absence	3.3	3.2	2.2	3.1

The percentages for the Group and the Parent Company of consecutive sick leave over a period of 60 days or more are 0.9 per cent (1.0%) and 0.8 per cent (1.7%), respectively.

NOTE 8. SALARIES, OTHER REMUNERATION AND PAYROLL OVERHEADS

SEK k	The Group		Parent Company	
	2010	2009	2010	2009
Board of Directors and senior executives				
Salaries	10,983	10,226	10,983	10,226
Payroll overheads	4,272	4,203	4,272	4,203
Pension costs	3,386	4,083	3,386	4,083
Other				
Salaries	105,336	98,642	63,312	62,403
Social security contributions	35,526	33,521	22,188	22,167
Pension costs	12,486	12,697	9,460	10,128
	171,989	163,372	113,601	113,210

Senior executives' terms and remuneration

The Managing Director's salary is set by the Board of Directors. There is no bonus payment agreement. The Managing Director of the Parent Company is entitled, in the event of notice of termination being issued by the company, to severance pay corresponding to two years' annual salary, while the Managing Director of the TL Bygg subsidiary company is entitled to one year's salary under such circumstances. The notice period for other members of the company management is up to six months. The term, other senior executives, refers to the 7 (6) persons who, in addition to the Managing Director, formed part of the company management team during the year. Salaries and benefits for senior executives have been set by the Managing Director with the approval of the Board of Directors. Salaries and other terms of employment for the members

of the company management team shall be on market terms and shall be competitive, but shall not be salary leading in relation to comparable companies. No other agreements with regard to variable remuneration or benefits in the form of financial instruments exist. The Board of Directors may deviate from the above-mentioned guidelines if there are special grounds for so doing on an individual, case-to-case basis.

The 2010 company management team is presented on page 77.

2010 SEK k	Basic salary Director's fees	Other remuneration	Other benefits	Pension costs	Share-related remuneration	Total
Chairman of the Board						
Laszlo Kriss	400	–	–	–	–	400
Other Board Members						
Anna Hallberg	200	–	–	–	–	200
Ulf Holmlund	200	–	–	–	–	200
Mats Israelsson	200	–	–	–	–	200
Dag Klackenber	200	–	–	–	–	200
Sune Dahlqvist	200	–	–	–	–	200
Johan Ljungberg	200	–	–	–	–	200
	1,600	0	0	0	0	1,600
MD Anders Nylander	2,517		31	1,580	0	4,128
Other senior executives	6,716	150	296	1,806	0	8,968
	9,233	150	327	3,386	0	13,096
Total	10,833	150	327	3,386	0	14,696

2009 SEK k	Basic salary Director's fees	Other remuneration	Other benefits	Pension costs	Share-related remuneration	Total
Chairman of the Board						
Laszlo Kriss	400	–	–	–	–	400
Other Board Members						
Anna Hallberg	200	–	–	–	–	200
Ulf Holmlund	200	–	–	–	–	200
Mats Israelsson	200	–	–	–	–	200
Dag Klackenber	200	–	–	–	–	200
Sune Dahlqvist	200	–	–	–	–	200
Johan Ljungberg	200	–	–	–	–	200
	1 600	–	–	–	–	1 600
MD Anders Nylander	2 622	–	38	2 469	–	5 129
Other senior executives	5 619	200	287	1 614	140	7 860
	8 241	200	325	4 083	140	12 989
Total	9 841	200	325	4 083	140	14 589

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 5.5 m). Alecta's surplus may be allocated to the policyholders and/or those insured. At the end of 2010, Alecta's surplus in the form of the collective consolidation level totalled 143 per cent (141%).

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 Managing Director of the Parent Company may retire from the age of 60. 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 Managing Director of the Parent Company 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

	The Group		Parent Company	
	2010	2009	2010	2009
Management and production costs				
Buildings	–	–	18.1	17.5
Building equipment	–	–	0.2	0.2
Land improvements	–	–	0.4	0.4
Machinery and equipment	2.7	3.6	2.1	2.5
	2.7	3.6	20.8	20.6
Central administration				
Machinery and equipment	1.0	0.5	–	–
Total depreciation	3.7	4.1	20.8	20.6

NOTE 10. OPERATING PROFIT/LOSS, PROJECT AND CONSTRUCTION OPERATIONS

	The Group		Parent Company	
	2010	2009	2010	2009
Operating profit/loss TL Bygg AB	30.9	33.5	–	–
Development project costs that cannot be capitalised	–33.4	–36.8	–16.5	–14.3
	–2.5	–3.3	–16.5	–14.3

NOTE 11. RESULT OF PARTICIPATIONS IN GROUP COMPANIES

	Parent Company	
	2010	2009
Result of participations in Group companies		
Sickla Industrifastigheter KB, 916616-1720	137.1	187.3
Dividends from subsidiary companies		
LjungbergGruppen Holding AB, 556669-3221	–	750.0
Atrium Fastigheter AB, 556006-4239	–	400.0
	137.1	1,337.3

NOTE 12. FINANCIAL INCOME AND EXPENSES

	The Group		Parent Company	
	2010	2009	2010	2009
Financial income				
Interest income, banks	1.0	1.9	0.9	1.6
Other interest income	5.8	2.9	–	–
Interest income, tax-free	0.3	0.4	0.1	0.0
Other financial income	0.6	1.4	0.1	0.1
Group interest income	–	–	212.9	–
	7.7	6.6	214.0	1.7
Financial expenses				
Interest expenses, banks	318.9	335.6	172.3	176.8
Non-deductible interest expenses	0.6	1.7	0.0	1.1
Other financial expenses	1.1	1.4	0.1	1.4
Group interest expenses	–	–	127.4	–
	320.6	338.7	299.8	179.3

Of which interest income from financial assets not valued at fair value via the Income Statement

7.4 6.2 213.9 1.7

Of which interest expenses from financial liabilities not valued at fair value via the Income Statement

318.9 335.6 299.7 176.8

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Capitalised interest expenses				
Year's capitalised interest expenses	16.6	12.2	–	6.8
Interest rate used when calculating capitalised interest	3.8%	4.1%	3.8%	–
Total capitalised interest expenses included in investment properties	165.6	149.0	61.3	61.3

SEK 10.0 million (SEK 10.0 m) of the capitalised interest expenses refers to interest treated as an expense in previous years' income tax returns. The cost in the Parent Company has, for accounting purposes, been reported as an appropriation under the heading, Interest write-downs.

NOTE 13. GOODWILL

On 17th 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 16th October 2006 has been used to calculate the acquisition value and shareholders' equity. Goodwill attributable to the valuation of deferred tax arose in conjunction with the acquisition.

	The Group	
	2010	2009
Opening balance	406.7	458.3
Write-downs	–16.9	–51.7
Closing balance	389.8	406.7

Goodwill write-downs refer to properties sold.

NOTE 14. TAX

	The Group		Parent Company (Sw. Annual Accounts Act)	
	2010	2009	2010	2009
Reported tax expense				
The Group				
Reported profit/loss before tax	1,191.1	92.8		
Fiscally deductible depreciation	-309.6	-290.4	309.6	290.4
Fiscally deductible investments	-123.0	-81.6	123.0	81.6
Consolidated value adjustments, investment properties	-525.1	523.0	525.1	-523.0
Disposal of properties/ companies	2.7	51.7	-126.8	-455.8
Reversal of tax allocation reserve		67.4		-67.4
Standard interest on tax allocation reserve	-	1.3	-	-
Non-taxable income, non-deductible costs	-11.9	18.8	-	-
Direct deductions	-113.6	-0.9	-	-
Taxable profit/loss	110.6	382.1	830.9	-674.2
26.3% tax	-29.1	-100.5	-218.5	177.3
Adjustment of tax in relation to previous years	5.6	23.1	-33.6	-5.8
Reported tax expense	-23.5	-77.4	-252.1	171.5
Reconciliation of tax expenses				
Profit/loss before tax	1,191.1	92.8	146.1	1,331.9
Nominal tax rate in Sweden, 26.3%	-313.3	-24.4	-38.4	-350.3
Fiscal effect of disposal of prop- erties/companies	32.6	108.1	-	-
Fiscal effect of loss-carry forward	29.9	0.2	-	-
Fiscal effect of standard interest on tax allocation reserve	-	-0.3	-	-0.3
Fiscal effect of other non- deductible costs/non-taxable income	3.1	-4.9	-1.1	-1.2
Fiscal effect of anticipated divi- dend from trade-related shares/ participations	-	-	-	302.5
Fiscal effect of previous years' tax assessment/calculation	-27.9	15.4	0.3	-1.2
Reported tax expense	-275.6	94.1	-39.2	-50.5

There are no deferred tax receivables.

	Current tax		Deferred tax	
	2010	2009	2010	2009
Reported tax expense				
Parent Company				
Reported profit/loss before tax	146.1	1,331.9		
Fiscally deductible investments	-31.7	-24.3	31.7	24.3
Difference between fiscal and book depreciation on buildings and land improvement	-58.0	-51.7	58.0	51.7
Standard interest on tax allocation reserve	-	1.3	-	-
Non-taxable income, non-deductible expenses	4.1	4.5	-	-
Anticipated dividend, trade- related shares/participations	-	-1,150.0	-	-
Group contributions	37.2	137.6	-	-
Taxable profit/loss	97.7	249.3	89.7	76.0
26.3% tax	-25.7	-65.6	-23.6	-20.0
Tax on Group contributions	9.8	36.2	-	-
Adjustment of tax in relation to previous years	0.8	5.4	-0.5	-6.5
Reported tax expense	-15.1	-24.0	-24.1	-26.5

NOTE 15. INVESTMENT PROPERTIES

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 normally comprises 5-10 years but may be longer in certain cases, depending on the contract situation. The valuation system used has been purchased from Forum Fastighetsekonomi, who is responsible for ensuring that the model is continuously updated in order to ensure a correct current value calculation. 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 on the basis of the company's actual costs and are adjusted in line with the property's age and condition. Maintenance costs are reported as investments in the company's accounts.

Development rights and land have been valued on the basis of an estimated market value per metre square and only include development rights established in accordance with an approved detailed development plan.

Independent valuation experts have conducted an external valuation of a normalised portfolio corresponding to 30 per cent of the total value as part of Atrium Ljungberg's efforts to ensure that the valuation is accurate. The valuations have been conducted by Forum Fastighetsekonomi and CBRE. The assumptions regarding rental levels and yield requirements used in the internal valuation have, furthermore, been quality assured by Forum Fastighetsekonomi. The following table contains a summary of the parameters used during the valuation.

Yield requirement per premises type, %

Premises type	Interval	Average
Offices	5.0-8.0	6.0
Stores	4.9-7.5	5.9
Housing	4.5-4.8	4.6
Other	6.5-8.0	6.2
Total	4.5-8.0	5.8

Yield requirement per segment, %

Region	Interval	Average
Stockholm, city centre	4.9-7.3	5.4
Stockholm, other	4.5-8.0	5.9
Uppsala Mälardalen	5.8-6.1	5.9
Sweden, other	5.5-7.3	6.2
Project properties	5.6-7.5	6.4
Total	4.5-8.0	5.8

Sensitivity analysis, property valuation

Value parameter	Assumption	Impact on value
Rental level	+/-10%	SEK 2,150 m
Operating cost	+/- SEK 50 /m ²	SEK 600 m
Yield requirement	+/-0,25%	SEK -820 m/+900 m
Long-term vacancy level	+/-2%	SEK 550 m

Property portfolio, 31-12-2010

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	Rental value, SEK/m ²	Economic letting rate, %	January–december 2010 ¹⁾			Yield ¹⁾ %
								Rental income, SEK m	Property costs, SEK m	Operating surplus, SEK m	
Stockholm city centre	12	151	5,848	38,842	444	2,949	96	418	-135	283	4.8
Stockholm, other	25	396	8,022	20,259	783	1,977	93	750	-271	480	6.0
Uppsala Mälardalen	2	50	1,763	35,197	154	3,075	99	150	-51	99	5.6
Sweden, other	4	76	1,446	19,014	148	1,946	97	132	-46	86	5.9
Total	43	673	17,078	25,390	1,529	2,273	95	1,449	-502	947	5.5
Project properties	4	121	2,603	21,562	202	1,674	85	144	-74	70	2.7
Land and development rights	2		259								
Total	49	793	19,940	25,134	1,731	2,182	94	1,593	-576	1,017	5.1
Properties sold								20	-8	13	
Total for the Group								1,614	-584	1,030	

¹⁾ Refers to actual result during the year.

2010	Properties sold	Properties acquired	Properties owned throughout the year	Total
Developed properties, incl. ongoing renovation				
Opening market value	280.0	–	18,032.6	18,312.6
Reclassification from development rights and ongoing new construction	–	–	46.0	46.0
Investments	4.0	–	1,043	1,047.0
Acquisitions	–	35.0	–	35.0
Sales	–284	–	–	–284.0
Change in value, investment properties	–	–	524.1	524.1
Closing market value	0.0	35.0	19,645.7	19,680.7
Land and development rights				
Opening market value	–	–	304.0	304.0
Reclassification as developed properties	–	–	–46.0	–46.0
Change in value of land and development rights	–	–	1.0	1.0
Investments	–	–	–	–
Closing market value	–	–	259.0	259.0

2009	Properties sold	Properties acquired	Properties owned throughout the year	Total
Developed properties, incl. ongoing renovation				
Opening market value	1,036.0	–	17,651.7	18,687.7
Reclassification from development rights and ongoing new construction	–	–	68.0	68.0
Investments	18.5	–	1,067.8	1,086.3
Acquisitions	–	–	–	–
Sales	–1,007.0	–	–	–1,007.0
Change in value, investment properties	–47.5	–	–475.5	–523.0
Closing market value	0.0	–	18,312.6	18,312.6
Land and development rights				
Opening market value	–	–	371.0	371.0
Reclassification as developed properties	–	–	–68.0	–68.0
Change in value of land and development rights	–	–	–	–
Investments	–	–	1.0	1.0
Closing market value	–	–	304.0	304.0

NOTE 16. RATEABLE VALUES

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Buildings	7,122.2	6,417.7	1,294.9	1,140.7
Land	3,022.8	2,065.4	348.4	248.2
	10,145.0	8,483.2	1,643.3	1,389.0
Of which business premises in TL Bygg AB	2.0	2.0	–	–

NOTE 17. BUILDINGS, LAND AND LAND DEVELOPMENT

	Parent Company	
	31-12-10	31-12-09
Buildings		
Opening acquisition values	1,809.5	1,708.0
Reclassification from ongoing, new construction, extension and renovation work	16.1	101.0
Investment		0.5
Closing accumulated acquisition values	1,825.5	1,809.5
Opening depreciation	–223.9	–206.4
Depreciation for the year	–18.1	–17.5
Closing accumulated depreciation	–242.0	–223.9
Closing residual value according to plan	1,583.5	1,585.6
Fiscal value	1,200.9	1,230.6

Building equipment		
Opening acquisition values	20.5	20.4
Reclassification from ongoing, new construction, extension and renovation work	–	0.1
Investment	20.5	20.5
Closing accumulated acquisition values	–1.7	–1.5
Opening depreciation	–0.2	–0.2
Depreciation for the year	–1.9	–1.7
Closing accumulated depreciation	18.6	18.7
Fiscal value	2.1	3.7

Land improvements		
Opening acquisition values	38.6	38.0
Reclassification from ongoing, new construction, extension and renovation work	4.7	0.6
Investment	43.3	38.6
Closing accumulated acquisition values	–6.3	–5.9
Opening depreciation	–0.4	–0.4
Depreciation for the year	–6.7	–6.3
Closing accumulated depreciation	36.6	32.3
Fiscal value	9.8	7.3

Land		
Opening acquisition values	83.1	82.9
Investment	–	0.3
Closing accumulated acquisition values	83.1	83.1

Total closing residual value according to plan	1,721.8	1,719.8
Total fiscal value	1,295.9	1,324.7

NOTE 18. ONGOING, NEW CONSTRUCTION, EXTENSION AND RENOVATION WORK

	Parent Company	
	31-12-10	31-12-09
Opening acquisition values	27.5	112.1
Investments	22.8	14.7
Ongoing work on another party's behalf	-5.0	3.6
Reclassification to buildings, land and land improvement	-20.8	-102.9
Closing acquisition values	24.5	27.5

NOTE 19. TANGIBLE FIXED ASSETS

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Opening acquisition values	35.3	42.2	22.7	27.0
Purchases	4.8	2.5	1.6	1.0
Sales/disposals	-0.4	-9.4	0	-5.3
Closing accumulated acquisition values	39.7	35.3	24.3	22.7
Opening depreciation	-26.1	-28.2	-18.6	-21.1
Sales/disposals	0.5	6.2	0	4.9
Depreciation for the year	-3.7	-4.1	-2.1	-2.5
Closing accumulated depreciation	-29.3	-26.1	-20.7	-18.6
Closing residual value according to plan	10.3	9.1	3.6	4.1
Fiscal value	10.3	9.1	3.6	4.1

NOTE 20. PARTICIPATIONS IN ASSOCIATED COMPANIES

	Number	Share in equity	Book value, SEK k	
	31-12-10	31-12-10	31-12-10	31-12-09
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
			80	80

NOTE 21. PARTICIPATIONS IN GROUP COMPANIES

	Parent Company	
	31-12-10	31-12-09
Opening acquisition values	8,795.2	8,608.0
Change in share of equity	137.1	187.2
Closing accumulated acquisition values	8,932.3	8,795.2
Opening write-downs	-3,083.5	-3,083.5
Write-downs for the year	-	-
Closing accumulated write-downs	-3,083.5	-3,083.5
Book value	5,848.8	5,711.7

Note 21 (cont.)

Directly owned subsidiary companies	Corporate ID no.	Registered office	Number of participations	Share in equity	Book value, SEK k	
			31-12-10	31-12-10	31-12-10	31-12-09
TL Bygg AB	556225-4440	Stockholm	10,000	100%	6.0	6.0
Impluvium Tio AB	556063-1128	Stockholm	10,000	100%	4.8	4.8
Fastighets AB Blästern	556282-8052	Stockholm	10,000	100%	0.1	0.1
Årstalunden AB	556357-8094	Stockholm	1,000	100%	0.1	0.1
Sickla Industrifastigheter KB ^{1) 3)}	916616-1720	Stockholm	999	99,9%	1,372.3	1,235.2
Suhob Fastighets AB	556739-7772	Stockholm	1,000	100%	0.3	0.3
LjungbergGruppen Holding AB	556669-3221	Stockholm	1,000	100%	189.9	189.9
Fastighets AB Celtica	556350-9727	Stockholm	2,781,000	100%	155.2	155.2
Atrium Fastigheter AB ²⁾	556006-4239	Stockholm	5,924,941	100%	4,120.1	4,120.1
					5,848.8	5,711.7

Indirectly owned subsidiary companies	Corporate ID no.	Registered office	Number of participations	Share in equity
			31-12-10	31-12-10
LjungbergGruppen Fastighets AB TX 31	556688-4283	Stockholm	1,000	100%
LjungbergGruppen Svindersvik AB	556674-6045	Stockholm	1,000	100%
Svenska Kvarter AB	556717-8305	Stockholm	1,000	100%
Gränby Nord AB	556731-8265	Stockholm	1,000	100%
LjungbergGruppen Aktiebolag	556731-7283	Stockholm	1,000	100%
Atrium Ljungbergs Planivägen AB	556815-7852	Stockholm	50,000	100%
Mobilia Nord AB	556745-4888	Stockholm	1,000	100%
Atrium Ljungberg Gävlegatan 22 AB	556745-4870	Stockholm	1,000	100%
Atrium Ljungberg Kista NOD AB	556745-5182	Stockholm	1,000	100%
Impluvium Sex AB	556781-3059	Stockholm	1,000	100%
Impluvium Sju AB	556781-3067	Stockholm	1,000	100%
Impluvium Åtta AB	556781-3075	Stockholm	1,000	100%
Impluvium Nio AB	556040-4229	Stockholm	1,000	100%
Impluvium Elva AB	556781-3083	Stockholm	1,000	100%
Impluvium Tolv AB	556781-3091	Stockholm	1,000	100%
Impluvium Tretton AB	556781-3109	Stockholm	1,000	100%
Impluvium Fjorton AB	556781-3117	Stockholm	1,000	100%
Impluvium Femton AB	556791-7124	Stockholm	1,000	100%
Impluvium Sjutton AB	556791-8510	Stockholm	1,000	100%
Impluvium Arton AB	556791-7140	Stockholm	1,000	100%
Walls Fastighets AB	556004-9909	Stockholm	6,000	100%
Fastighets AB Brogatan	556060-5536	Stockholm	1,000	100%
Fastighets AB Österbotten	556019-4408	Stockholm	1,250	100%
Paul U Bergströms AB	556021-7506	Stockholm	1,500	100%
Fatburstrappan Väst AB	556622-5966	Stockholm	1,000	100%
Skytteholms Kursgård & Pensionat AB	556040-4229	Stockholm	2,000	100%
Jupiter Fastighets AB	556015-4030	Stockholm	400	100%
KB Arbetsstolen ³⁾	969651-2350	Stockholm	1,000	99.9%
KB Wårbyriggen ³⁾	969651-2251	Stockholm	1,000	99.9%
PUB AB	556720-3111	Stockholm	1,000	100%
Atrium i Uppsala AB	556691-3603	Stockholm	1,000	100%
Högbergsgatan 62 AB	556624-3225	Stockholm	1,000	100%
Fastighets AB Stadsgården	556029-0602	Stockholm	31,993,074	100%
Fastighets AB Stenalyckan	556357-3244	Stockholm	1,000	100%
Gränby Centrum AB	556409-6708	Stockholm	100	100%
Mobilia Shopping Centre AB	556412-5242	Stockholm	100	100%
KB T-bodarna ³⁾	969646-1392	Stockholm	990	99%
AB Farsta Centrum	556065-3023	Stockholm	1,000	100%
Farsta Centrum HB ³⁾	916404-1361	Stockholm	950	95%
Farsta Centrumledning AB	556321-0896	Stockholm	1,000	100%

¹⁾ The book value of participations in Sickla Industrifastigheter KB has increased by the year's profit of SEK 137.1 million (SEK 187.2 m).

²⁾ The Parent Company acquired all shares in Atrium Fastigheter AB on 17th October 2006.

³⁾ The remaining participations are owned by other Group companies.

NOTE 22. OTHER LONG-TERM RECEIVABLES

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Opening acquisition values	143.1	0.7	–	–
Instalments	–0.2	–0.7	–	–
Additional receivables	12.0	143.1	–	–
Closing acquisition values	154.9	143.1	–	–

Additional receivables totalling SEK 12 million in 2010 refer to blocked funds in banks.

NOTE 23. ACCOUNTS RECEIVABLE

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Accounts receivable	87.9	90.4	1.9	2.4
Opening accumulated provisions for doubtful receivables	–19.2	–16.6	–0.8	–0.6
The period's provisions for doubtful receivables	–13.2	–19.2	0.0	–0.8
The period's reversed provisions	12.2	13.2	0.0	0.6
The period's confirmed bad debt losses	5.2	3.4	0.0	0.0
Closing accumulated provisions for doubtful receivables	–15.0	–19.2	–0.8	–0.8
Total accounts receivable	72.9	71.2	1.1	1.7

Age breakdown of accounts receivable fallen due for which provision has not been made	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
1–10 days	1.0	3.8	0.1	–
11–30 days	6.2	4.9	0.4	0.6
31–60 days	0.4	2.6	–	0.1
>60 days	1.4	5.0	–	–
	9.1	16.3	0.5	0.7

NOTE 24. OTHER RECEIVABLES

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Value Added Tax receivable	5.5	52.4	–	–
Other receivables	19.5	19.8	1.5	10.6
	25.0	72.2	1.5	10.6

NOTE 25. PREPAID COSTS AND ACCRUED INCOME

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Prepaid leasehold fees	2.4	4.5	2.4	2.4
Receivables from clients for ongoing engagements as per construction agreement	13.2	9.5	–	–
Other prepaid costs	16.0	13.4	5.4	6.4
Distributed rent discounts	32.6	26.2	4.0	2.9
Accrued rent	7.2	8.2	–	–
Other accrued income	14.3	24.8	0.7	2.5
	85.7	86.6	12.5	14.2

NOTE 26. UNTAXED RESERVES

	Parent Company	
	31-12-10	31-12-09
Untaxed reserves		
Accumulated excess depreciation	19.1	17.9
Accumulated interest write-downs	10.0	10.0
	29.1	27.9
Appropriations		
Excess depreciation, buildings	–1.2	–0.1
Reversal from tax allocation reserve	–	67.4
	–1.2	67.3

NOTE 27. DEFERRED TAX LIABILITY

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Deferred tax liabilities in respect of				
Buildings, land, and land improvement	2,266.3	2,014.5	239.0	214.9
Accumulated excess depreciation in Group companies	56.1	55.1	–	–
Interest write-downs in Group companies	2.6	2.6	–	–
Unrealised change in value of financial instruments	–4.6	–26.1	–4.6	–26.1
	2,320.4	2,046.1	234.4	188.8

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 economic and 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
- The dividend 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 mandate a deviation from this norm.

The financing activity is described in greater detail in Note 29 Financial instruments and risk management. 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.

Capital structure

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Interest-bearing net borrowing				
Interest-bearing long-term liabilities to credit institutions	7,373.6	6,444.1	3,873.6	3,035.2
Interest-bearing current liabilities to credit institutions	1,736.9	2,047.7	700.2	1,254.0
Interest-bearing liabilities to Group companies	–	–	740.8	–
Financial derivative instruments	17.4	99.4	17.4	99.4
Interest-bearing receivables	–154.5	–142.5	–	–
	–	–	–3,668.0	–
Liquid assets	–439.3	–232.6	–382.8	–170.9
	8,534.1	8,216.1	1,281.2	4,217.7
Shareholders' equity attributable to the Parent Company's shareholders	9,099.2	8,415.6	5,995.9	6,093.5
Total capital	17,633.3	16,631.7	7,277.1	10,311.2

The distribution between interest-bearing and non-interest-bearing liabilities is shown below.

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Non-interest-bearing liabilities (excluding deferred tax liability)	662.2	779.3	148.3	820.9
Interest-bearing liabilities	9,127.9	8,591.2	5,332.0	4,388.6
	9,790.1	9,370.5	5,480.3	5,209.5

Renegotiation date for interest-bearing liabilities (excluding financial derivative instruments)

	The Group		Parent Company	
	Loan amount	Average interest rate, %	Loan amount	Average interest rate, %
Fixed interest term up to and incl.				
2011	3,869	3.0	802	5.0
2012	1,751	4.1	1,182	3.8
2013	1,350	4.8	450	4.6
2014	1,040	4.2	1,040	4.2
2015	400	3.9	400	3.9
2016 and thereafter	700	4.0	700	4.0
	9,110	3.8	4,574	4.2

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09

Fair value of interest-bearing liabilities	9,170.0	8,741.0	4,604.0	4,415.0
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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 financial assets comprise bank deposits, accounts receivable and loan receivables. Financial liabilities comprise property loans, accounts payable and promissory note liabilities. The company has, furthermore, entered into interest swap agreements. The breakdown of financial assets and liabilities is shown in the following table.

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Assets				
Loan receivables and accounts receivable	282.0	309.4	3 675.9	3 835.9
	282.0	309.4	3 675.9	3 835.9
Liabilities				
Derivatives used for hedge accounting	17.4	99.4	17.4	99.4
Financial liabilities valued at accrued acquisition value	9 449.8	8 946.8	5 379.0	5 073.4
	9 467.2	9 046.2	5 396.4	5 172.8

No financial assets or financial liabilities have been reclassified between the above valuation categories during the year.

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, furthermore, at all times total a minimum of SEK 200 million and a maximum of SEK 700 million, including liquidity risks totalling a maximum of SEK 500 million and which may comprise current account overdrafts or loan guarantees. The company's liquidity on 31-12-2010, including unutilised current overdraft facilities totalling SEK 300 million, totalled SEK 739 million (SEK 533 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. The table below shows the capital commitment structure of the loan portfolio. The average loan maturity term, as of 31-12-2010, was 2.4 years (2.4 yrs.).

Capital commitment	Amount	Percentage, %
2011	1,724	19
2012	1,778	20
2013	2,391	26
2014	1,994	22
2015	1,223	13
Total	9,110	100

The following table shows the payment undertakings associated with the company's financial liabilities and assets.

	31-12-10			31-12-09		
Financial liabilities, the Group	Matures within 1 year	Matures within 1-5 years	Matures after 5 years	Matures within 1 year	Matures within 1-5 years	Matures after 5 years
Amortisation of loans	1,736.9	7,373.6		2,047.7	6,044.1	400.0
Interest on loans including interest derivatives	298.6	728.9	145.7	285.6	723.6	81.8
Other long-term liabilities	–	33.5	–	–	17.2	–
Accounts payable	114.6	–	–	158.6	–	–
Other current liabilities	12.0	–	–	81.8	–	–
Accrued costs and prepaid income	503.2	–	–	421.7	–	–
	2,665.3	8,136.0	145.7	2,995.4	6,784.9	481.8

	31-12-10			31-12-09		
Financial liabilities, Parent Company	Matures within 1 year	Matures within 1-5 years	Matures after 5 years	Matures within 1 year	Matures within 1-5 years	Matures after 5 years
Amortisation of loans	700.2	3 873.6		1,254.0	2,635.2	400.0
Interest on loans including interest derivatives	204.0	455.6	145.7	19.1	457.4	81.8
Other long-term liabilities	–	13.2	–	–	10.6	–
Accounts payable	12.5	–	–	16.4	–	–
Liabilities to Group companies	740.8	–	–	698.4	–	–
Other current liabilities	15.2	–	–	30.0	–	–
Accrued costs and prepaid income	82.8	–	–	82.8	–	–
	1,755.5	4,342.4	145.7	2,100.7	3,103.2	481.8

	31-12-10			31-12-09		
Financial assets, the Group	Matures within 1 year	Matures within 1-5 years	Matures after 5 years	Matures within 1 year	Matures within 1-5 years	Matures after 5 years
Rent receivables, contracted rents	1,624.0	3,930.0	445.0	1,550.0	3,672.0	423.0
Interest on long-term receivables	5.7	3.8	–	8.7	9.5	–
Accounts receivable	72.9	–	–	71.2	–	–
Other receivables	25.0	154.9	–	72.2	143.1	–
Prepaid costs and accrued income	85.7	–	–	86.6	–	–
Liquid assets	439.3	–	–	232.6	–	–
	2,252.6	4,088.7	445.0	2,021.3	3,824.6	423.0

	31-12-10			31-12-09		
Financial assets, Parent Company	Matures within 1 year	Matures within 1-5 years	Matures after 5 years	Matures within 1 year	Matures within 1-5 years	Matures after 5 years
Rent receivables, contracted rents	176.0	270.0	14.0	266.0	541.0	56.0
Accounts receivable	1.1	–	–	1.7	–	–
Receivables from Group companies	3,668.0	–	–	3,817.2	–	–
Other receivables	1.5	–	–	10.6	–	–
Prepaid costs and accrued income	12.5	–	–	14.2	–	–
Liquid assets	382.8	–	–	170.9	–	–
	4,241.9	270.0	14.0	4,280.6	541.0	56.0

Market risk

The term, market risk, refers to the risk of an impact on the profit/loss. The market risk is primarily attributable to the trend in interest levels for short- and long-term borrowing and for market rent levels. The loan portfolio's renegotiation dates have, with regard to interest rate adjustments and in order to limit the interest risk, been spread to mature at regular intervals, with a maximum fixed interest term of 10 years. A maximum of 65 per cent of the loans may fall due for renegotiation of the terms within 1 year and a maximum of 50 per cent may comprise loans with variable interest rates. The maturity dates for the company's interest-bearing liabilities are specified in Note 28. The average fixed interest term on 31-12-2010 was 2.0 years (2.1 yrs.). Atrium Ljungberg has extended the fixed interest term for a total of SEK 3,343 million (SEK 3,193 m) of the total loan portfolio of SEK 9,110 million (SEK 8,492 m) by means of so-called interest swap agreements. The fair value of these interest swap agreements totalled SEK –17 million (SEK –99 m) on the closing day and is reported under Other liabilities in the Balance Sheet. Atrium Ljungberg applies hedge accounting whereby the change in value is reported directly to shareholders' equity to the extent that the hedging is effective and includes it in Other comprehensive income. The interest swap agreements have primarily been used as a means of directly fixing the loans to longer terms in order to generate flexibility in the event of any restructuring of the property portfolio.

The future cash flows comprised by hedge accounting are expected to arise in conjunction with the interest on the loans affected falling due for payment. No ineffectiveness from the hedging relationships has arisen during the period. Interest on the loans matures quarterly up until the year 2020. The interest payments have an ongoing effect on the Income Statement during the loans in question's term in that accrued interest is reported. Atrium Ljungberg also endeavours to ensure a spread in the renegotiation dates for existing lease contracts as part of its efforts to reduce the annual market risk. The percentage of income renegotiation during the years ahead is shown in Note 5. The average remaining term for lease contracts is 36 months [35 months].

Sensitivity analysis	Change in %	Effect on profit, year 1	Effect on profit, total
Rental level,			
commercial premises	5	10	78
Rental level, housing	5	3	3
Letting rate	1	17	17
Interest level	1	33	91

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 complemented, where appropriate, with collateral pledged by the tenants in the form of deposits or bank guarantees corresponding to between 3 and 12 months' rent. Deposits and bank guarantees received totalled SEK 17 million and SEK 30 million, respectively, at the end of the year. The company has, with regard to a long-term receivable for SEK 154.9 million, security in the form of mortgage deeds totalling SEK 142.5 million, together with SEK 12 million in blocked funds in banks.

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. Atrium Ljungberg has no commercial transactions in foreign currencies, nor does it have any external financing in foreign currencies and the Group is, consequently, not exposed to any currency risk.

NOTE 30. ACCRUED COSTS AND PREPAID INCOME

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Holiday pay liability and social security contributions	27.3	25.7	18.4	18.9
Liabilities to clients for ongoing engagements in accordance with construction agreements	13.0	5.1	–	–
Accrued interest expenses	17.0	20.5	8.6	17.2
Accrued property tax	96.9	110.5	13.9	11.8
Other accrued costs	53.0	78.5	11.9	17.1
Prepaid rent	280.3	163.9	29.2	17.5
Other prepaid income	15.7	17.5	0.8	0.3
	503.2	421.7	82.8	82.8

NOTE 31. OTHER LIABILITIES

	The Group		Parent Company	
	31-12-10	31-12-09	31-12-10	31-12-09
Derivative instruments used for hedge accounting	1.1	17.3	1.1	17.3
Value Added Tax	–	15.0	4.3	6.8
Liabilities in respect of land acquisitions	–	31.0	–	–
Other liabilities	10.9	18.5	9.8	5.9
	12.0	81.8	15.2	30.0

NOTE 32. CONTINGENT LIABILITIES

One of the Atrium Ljungberg Group's companies received an application to the Swedish Administrative Court for a review of whether the Swedish Tax Avoidance Act applies to a property transaction carried out in 2004 via a limited partnership. The Swedish Tax Agency refers to two rulings by the Swedish Supreme Administrative Court from 29th May 2009 and states that the wording in the two cases, in which the Swedish Tax Avoidance Act was deemed applicable, means that the Swedish Tax Avoidance Act can also be deemed to apply to the transaction by the Atrium Ljungberg company. The Swedish Tax Agency wishes to increase the company's tax assessment by SEK 327.8 million, corresponding to a tax demand for SEK 91.8 million, excluding interest. No demand for the imposition of a tax surcharge has been made. Atrium Ljungberg is of the opinion that the company has complied with the legislation and praxis applicable at the time of the transaction. The company is, furthermore, of the opinion that the Swedish Tax Avoidance Act is not applicable.

The company has made no provision for the amount in the company's accounts, regarding the amount as a contingent liability, until further notice. 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 33. EVENTS AFTER THE CLOSING DAY

A decision was taken, after the closing day, to continue the development of Mobilia in Malmö. The decision comprises an extension of approximately 27,000 m² for retail, service and cultural facilities, together with a garage, multi-storey car park and open-air parking comprising a total of 725 parking spaces. A decision was also taken to invest in completing the conversion of the Rådhuset building into Uppsala's new fashion department store.

Corporate Governance Report

This report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance, and constitutes part of the formal annual accounts documents.

AGENCIES AND REGULATORY FRAMEWORK

Atrium Ljungberg's class B share is listed on the Nasdaq OMX Stockholm exchange. The company has approximately 1,300 shareholders. Control and management of the company is divided between shareholders, the Board of Directors, the Managing Director and the company senior management team. Control is primarily regulated by Swedish legislation, EU directives, the Stock Market's listing agreement, the Swedish Code of Corporate Governance, the company's Articles of Association, and internal guidelines and policies. Atrium Ljungberg endeavours, through transparency, to provide a clear insight into decision-making pathways, responsibilities and authority, and a range of control systems. All companies listed on the Nasdaq OMX Stockholm exchange shall apply the Swedish Code of Corporate Governance, ("the Code"). The overriding purpose of the Code is to contribute to improved control of Swedish companies and it forms part of trade and industry's self-regulation. The code can be viewed at www.bolagsstyrning.se. It is based on the principle that deviations from the Code shall be justified and explained. The Code also states that a Corporate Governance Report shall be appended to the annual accounts. Atrium Ljungberg deviates from the Code with regard to the composition of the Board – see the comments in the following sections Board of Directors and Nomination Committee. The company has no infringements of its listing agreement or infringements of good practice in the stock market to report for the year.

GOVERNANCE STRUCTURE

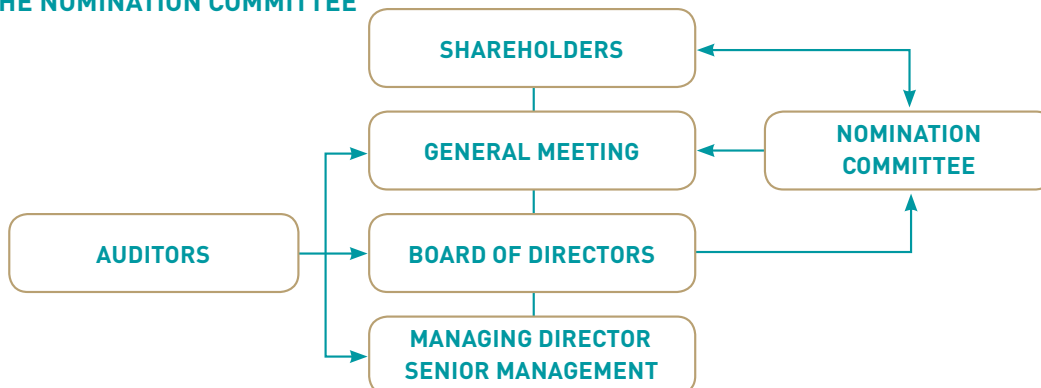
Corporate governance within Atrium Ljungberg can be described on the basis of the organisational structure below. A presentation of the respective control bodies follows thereafter.

2010 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 management. 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 Managing Director. The date of the Annual General Meeting is announced in conjunction with the Interim Report of 30th September. Notice 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 Official Gazette, advertisements in the Dagens Nyheter newspaper, and on the company's website. The notice is issued together with a detailed agenda. Shareholders are entitled to have an issue discussed at the meeting if the Board is provided with notice thereof no later than eight weeks before the date when the meeting is held. The 2010 Annual General Meeting was held on 8th April 2010. The Annual General Meeting was attended by 62 shareholders representing 87 per cent of the share capital and 90 per cent of the votes. The only restriction on voting rights applies to the company's holding of its own shares. Atrium Ljungberg's ownership structure is shown on page 72, where the number of votes etc., is also shown. 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 Managing Director;
- the determination of the appropriation of profits entailing a dividend of SEK 2.25 per share;

THE BOARD OF DIRECTORS AND THE NOMINATION COMMITTEE



- the election of the Board of Directors, see table below;
- the determination of Directors' fees totalling SEK 1,600,000, broken down as SEK 400,000 payable to the Chairman of the Board and SEK 200,000 payable to each of the Board Members and Deputy 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 31st August 2010;
- the adoption of guidelines for the remuneration of senior management within the Group.

Complete Minutes of the Annual General Meeting are available on the company's website. No authorisation for the Board to decide that the company shall sell shares or acquire its own shares was granted.

THE BOARD OF DIRECTORS

Atrium Ljungberg's Board of Directors shall, in accordance with the company's Articles of Association for 2010, comprise a minimum of three and a maximum of six Members and a maximum of five Deputy Members. The Board has comprised six Members and one Deputy Member during the year. The Board of Directors is presented on page 76. Atrium Ljungberg deviates from section 4.2 of the Code in that one Deputy for Board Members elected by the General Meeting has been appointed. The Code states that a majority of the Board shall be independent in relation to the company and the senior management. 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 Code's independence requirements. The Board is responsible for the organisation and management of the company and is tasked with managing the company's concerns in the interests of the company and all shareholders. The Board's duties are documented in writing in the form of a formal work plan for the Board, which is revised and adopted once a year. The Board has held ten meetings during the year, one of which was held following election. The Board's work is headed by the Chairman of the Board who has special responsibility for ensuring that the work of the Board is well organised and that it is conducted efficiently. This entails, amongst other things, ensuring that the Board has the training required to perform its duties, that the

Board receives satisfactory information and decision data and that the work of the Board is evaluated every year. The Chairman of the Board also maintains close and ongoing contact with the company's Managing Director. In 2010, the Board laid down the overall goals for the company's operations and decided on the strategies needed to achieve these goals. The Board has decided on all investments in excess of SEK 20 million and on acquisitions and sales completed.

THE BOARD OF DIRECTORS, 2010

Laszlo Kriss	Born 1946. Construction Engineer. Managing Director of the Stockholm Consumer Cooperative Society (KFS). Chairman of the Board. Member of the Board since 2006. Other significant directorships: Member of the Boards of KFS, MedMera Bank AB, RNB Retail and Brands, and Blomsterfonden. Atrium Ljungberg shareholding: 10,000 class B shares.
Anna Hallberg	Born 1963. Economics & Law graduate of the Gothenburg School of Economics and Business Administration. Deputy Managing Director and CFO 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.
Ulf Holmlund	Born 1947. Graduate Engineer. Managing Director of Ljungberg-gruppen AB in the period 1983–2003. Member of the Board since 1983. Other significant directorships: Director of NCC AB, Anticimex Holding AB and Nordstjärnan Industriutveckling AB. Atrium Ljungberg shareholding: 380,000 class A shares and 462,080 class B shares.
Mats Israelsson	Born 1949. Graduate Engineer. Independent consultant. Member of the Board since 2006. Other significant directorships: Chairman of the Boards of Forsen Projekt AB and Culmen AB. Member of the Board of Hemfosa Fastigheter AB. Atrium Ljungberg shareholding: 15,000 class B shares.
Dag Klackenber	Born 1948. Managing Director of the Swedish Trade Federation. 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. Atrium Ljungberg shareholding: 4,000 class B shares.
Johan Ljungberg	Born 1972. Graduate Engineer. Managing Director of Tagehus AB. Member of the Board since 2009. Deputy Member of the Board from 2001 to 2009, and Member of the Board for part of 2006. Other significant directorships: Member of the Boards of companies within the Tagehus Group. Atrium Ljungberg shareholding: 1,206,400 class A shares and 4,747,600 class B shares.
Sune Dahlqvist	Born 1948. Internal consultant for the Swedish Union of Tenants, Stockholm Region. Deputy member of the Board since 2006. Other significant directorships: Chairman of the Board of Stockholm Consumer Cooperative Society. Member of the Boards of the Swedish Cooperative Union, KF Media and Folksam Liv. Atrium Ljungberg shareholding: 1,000 class B shares.

THE BOARD OF DIRECTORS, 2010

		Elected	Remuneration, SEK	Independent*	Independent**	Note	Board Meetings attended
Laszlo Kriss	Chairman	2006	400 000	Yes	No	1	10/10
Anna Hallberg	Member	2009	200 000	Yes	Yes		10/10
Ulf Holmlund	Member	1983	200 000	Yes	Yes		9/10
Mats Israelsson	Member	2006	200 000	Yes	Yes		5/10
Dag Klackenber	Member	2004	200 000	Yes	Yes		10/10
Johan Ljungberg	Member	2001	200 000	Yes	No	2,3	10/10
Sune Dahlqvist	Deputy	2006	200 000	Yes	No	4	10/10

* Independent in relation to the company and the company management

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

- 1) Managing Director of the Stockholm Consumer Cooperative Society, which is one of the company's major shareholders
- 2) Directly and/or indirectly a major shareholder in the company

- 3) Deputy Member from 2001 to 2009 and a Member of the Board for part of 2006.
- 4) Chairman of the Stockholm Consumer Cooperative Society, which is one of the company's major shareholders.

The internal frameworks and policies that apply to the management of the company have also been established. These include the work plan for the Board of Directors, the Managing Director's instructions, the financial reporting instructions, finance policy, information policy, environmental policy, ethical policy, work environment policy and equality policy. The work of the Board has also, to a large extent, focused on ongoing and future investment projects, discussions of property purchases and sales, and financial issues. Board meetings have been scheduled to enable study trips to be made in order to establish in-depth familiarity with ongoing projects, the property holding in general, and the commercial preconditions of the various subsidiary markets. Feedback reports from the Group management with regard to the company's economic and financial position, current market issues, and ongoing projects have been presented at the Board Meetings. Business plans and budgets for 2010 were presented in December 2009. Results in comparison with budget have been reported quarterly during the year, together with revised forecasts for the 2010 financial year. The Members of the Board possess a variety of areas of expertise. The entire Board has fulfilled the undertakings mandated in the Code's instructions with regard to the audit and remuneration committees, in that the Board has deemed it expedient to address these issues within the context of the normal work of the Board. 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, in accordance with the Code, evaluated the work of the Managing Director and their own work in 2010. The company's Legal Counsel has acted as the Secretary of the Board.

SENIOR MANAGEMENT

The senior management in 2010 comprised of the Managing Director and the managers responsible for the property management, business development, project implementation, HR, and accounts and finance functions. Property management is divided into two business areas, namely retail property and office property. The work of the Group management in 2010 has been characterised by measures in connection with, amongst other things, property transactions, finance issues, ongoing investment projects and business development. The management team members also deal with ongoing matters within their respective areas.

Anders Nylander (born in 1952) has been the company's Managing Director since 2003 and became an employee of the company in 1987. He has 30 years' experience of property development and management. He was employed by the City of Stockholm between 1977 and 1987 and his other significant directorships include: Member of the Board of the Electrum Foundation and Chairman of the Board of Kista Science City AB. Anders Nylander holds a total of 241,600 class B shares in Atrium Ljungberg. He has no shareholdings in companies with which the company has significant commercial links. In November 2010, after 8 years as Managing Director of Atrium Ljungberg, Anders Nylander announced that he had decided to resign his position. He will, however, remain in the position until such time as a new Managing Director has been recruited. The other members of the senior management are presented on page 77.

AUDITING

The accounting firm of Deloitte AB was elected at the 2007 Annual General Meeting as auditors for the company for the period up to and including the end of the 2011 Annual General Meeting.

Authorised public accountant Lars Egenäs has been appointed as the auditor in charge. 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 30th September.

NOMINATION COMMITTEE

The nomination committee is the General Meeting's organ for preparing the meeting's resolutions on appointment-related issues and is tasked with providing a proficient basis for decision-making on behalf of the Meeting's handling of these issues. The nomination committee is tasked with preparing and submitting proposals to the Annual General Meeting on the following issues:

- the election of the Chairman of the Meeting;
- the election of the Chairman of the Board and other Members and Deputies to the Board of Directors of the company;
- the determination of Directors' fees for the Chairman of the Board, other Board Members and Deputy Members, and any remuneration for committee work;
- where relevant, the election and remuneration of Auditors and Deputy 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 8th April 2010, it was decided that the Nomination Committee for the 2011 Annual General Meeting should comprise representatives of the company's five biggest shareholders, as of 31st August 2010. Gunilla Fjelde, representing the Holmström family, was appointed as Chairperson of the Nomination Committee. The other members of the nomination committee are Bo Jansson, representing Skandia Liv, Eva Gottfridsdotter-Nilsson, representing Länsförsäkringar, Johan Ljungberg, representing the Ljungberg family, and Lago Wernstedt, representing the Stockholm Consumer Cooperative Society. The Nomination Committee announced, on 21st January 2011, that two of its members, namely Bo Jansson and Eva Gottfridsdotter-Nilsson had resigned from the Nomination Committee. Skandia's and Länsförsäkringar's stated motivation for leaving the Nomination Committee was that they had been unable to influence the principal owners' proposals for a new Board of Directors. Skandia Liv and Länsförsäkringar, in their capacity as shareholders, notified the Nomination Committee that they did not wish to appoint replacements for the members who had resigned. The decision to submit the proposals to the Annual General Meeting were approved unanimously by the remaining members of the Nomination Committee, namely Gunilla Fjelde, Johan Ljungberg and Lago Wernstedt, who collectively represent shareholders who hold approximately 80 per cent of the votes in the company.

The Nomination Committee has held nine minuted meetings. At these meetings, the Nomination Committee has addressed all of the issues incumbent upon the Nomination Committee in accordance with the Swedish Corporate Governance Code.

The Nomination Committee has, amongst other things, studied the evaluation of the work carried out by the Board and adjudged whether the current Board of Directors fulfils the requirements of the Board of the company during the impending mandate period.

THE BOARD'S DESCRIPTION OF INTERNAL CONTROL WITH REGARD TO FINANCIAL REPORTING

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 describes the way in which the internal control of financial reporting works.

CONTROL ENVIRONMENT

The control environment forms the basis for the company's internal control and includes, amongst other things, the values and corporate culture communicated by the Board and the management. Clarity with regard to decision-making paths, responsibility and authority is an important part of the control environment, as is ensuring that steering documents in the form of policies, routines and manuals address significant areas and provide sufficient guidance. The company's values and objectives are well-known by all employees as they are always communicated during the twice yearly meetings of the entire workforce. The control environment in Atrium Ljungberg is characterised by decentralised, operationally-proximate work in all functions. In addition to the company management and Managing Director, there is a further management level in place. Stringent demands are imposed with regard to both competence and commitment on the part of all employees. Atrium Ljungberg works to ensure that competence is maintained through ongoing performance reviews during which training requirements, etc., are identified. Reliability is one of the company's most important values. The Group is comprised of 51 companies that own a total of 49 properties. Each property constitutes a profit centre and is part of a market area, for which a Market Area Manager has profit responsibility. The Market Area Manager reports to a Business Area Manager who is part of the senior management team. Complete financial statements are prepared for each individual property and company at the end of each quarter. There are a total of four Accounting Managers within the Group who are responsible for preparing these financial statements in cooperation with the organisation as a whole. In addition, analyses and checks are carried out by the company's CFO and four controllers. Budgets, profit analyses, and forecasts are produced at least five times a year for each property and are prepared in consultation between the Market Area Manager, the Business Area Manager, the Accounting Managers, and the CFO. The financial reporting guidelines are updated as legislative and accounting principles change and knowledge of these changes is ensured through ongoing information gathering and dialogue with the company's Auditors.

RISK ASSESSMENT AND CONTROL ACTIVITIES

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. Areas analysed include, for example, whether assets and liabilities exist on a given date, whether they are reported and valued correctly, whether a commercial transaction actually occurred, and whether items are correctly reported in accordance with legislative and statutory requirements. Risk assessment pays particular attention to the risk of impropriety and improper use of another part of the compa-

ny's costs and the risk of loss and misappropriation of assets. During the risk assessment conducted every year by the company, processes in connection with preparation of the financial statements, routines in connection with property transactions, property valuations project accounting, financing activities, processes concerning rental income, tax and VAT reporting, authorisation and payment control and IT systems have been among the issues analysed.

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 CFO and controllers, 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 biggest single risk lies in assessing the market value of the properties and Forum Fastighetsekonomi, which quality assures the valuation, is consequently used during the valuation process.

INFORMATION AND COMMUNICATION

Regulations, policies and routine descriptions that apply to the company's control activities are available on the company's intranet. They are introduced in accordance with a plan adopted for all new employees. The company's managers have ongoing responsibility for communicating and providing information on these matters within their respective departments, and all employees are responsible for ensuring they keep themselves up to date with these regulations. There is also an ongoing information exchange between different functions within the company in order to ensure that information with regard to financial reporting is communicated efficiently and correctly. An information policy has been established and regulates the way in which information is published in order to ensure that external communication with the stock market is correct. An external audit of the company's information and IT security systems has also been conducted in order to ensure that information is stored in a satisfactory manner and in accordance with established authorisation principles.

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, Accounting Managers, the company's Controllers (who have specialist competence), and through self-evaluation. These controls are deemed to be both 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 the Board of Directors accordingly believes that the establishment of a separate internal audit function is not motivated.

Annual Accounts signatories

The Board of Directors and the Managing Director hereby attest that the Annual Accounts have been prepared in accordance with the provisions of the Swedish Annual Accounts Act and RFR 2 and that they provide a true and fair view of the company's position and results and that the Directors' Report is a faithful representation of the development of the company's operations, position and results and describes significant risks and uncertainty factors faced by the company.

The Board of Directors and the Managing Director hereby attest that the Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and that they provide a true and fair view of the Group's position and results and that the Directors' Report for the Group is a faithful representation of the development of the Group's operations, position and results and describes significant risks and uncertainty factors faced by the Group.

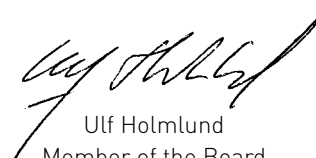
Stockholm, 17th February 2011



Laszlo Kriss
Chairman of the Board



Anna Hallberg
Member of the Board



Ulf Holmlund
Member of the Board



Mats Israelsson
Member of the Board



Dag Klackenborg
Member of the Board



Johan Ljungberg
Member of the Board



Anders Nylander
Managing Director

Our Audit Report was submitted on 17th February 2011

Deloitte AB



Lars Egenäs
Authorised Public Accountant

Audit Report

To the Annual General Meeting of Atrium Ljungberg AB (publ.)
Corporate Identity Number: 556175-7047

We have audited the Annual Accounts, the Consolidated Financial Statements, with the exception of the Corporate Governance Report on pages 118-121, the accounting records and the administration by the Board of Directors and the Managing Director of Atrium Ljungberg AB (publ) for 2010. The Company's Annual Accounts and the Consolidated Financial Statements are included on pages 83-122 of the printed version of this document. The Board of Directors and the Managing Director are responsible for these accounts and the administration of the Company as well as for the application of the Annual Accounts Act when preparing the Annual Accounts and the application of international financial reporting standards, IFRS, as adopted by the EU and the Annual Accounts Act when preparing the Consolidated Financial Statements. Our responsibility is to express an opinion on the annual report, the consolidated financial statements and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable but not absolute assurance that the Annual Accounts and the Consolidated Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounting documents. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the Managing Director and significant estimates made by the Board of Directors and the Managing Director when preparing the Annual Accounts and Consolidated Financial Statements, as well as evaluating the overall presentation of information in the Annual Accounts and the Consolidated Financial Statements. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company of any director or the Managing Director. We also examined whether any Director or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The Annual Accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of

the Company's results and financial position in accordance with generally accepted accounting principles in Sweden. The Consolidated Financial Statements have been prepared in accordance with international financial reporting standards, IFRS, as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's results and financial position. The Corporate Governance Report on pages 118-121 was not included in the audit on which this, our opinion, is based. The Directors' Report is consistent with the other parts of the Annual Accounts and the Consolidated Financial Statements.

We recommend to the Annual General Meeting of shareholders that the Income Statements and Balance Sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be appropriated in accordance with the proposal in the Directors' Report, and that the Members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Report on the Corporate Governance Report

The Board of Directors and the Managing Director are responsible for the Corporate Governance Report on pages 118-121 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

We have, as a basis for our opinion on whether a Corporate Governance Report has been prepared and is consistent with the other parts of the Annual Accounts, read the Corporate Governance Report submitted and assessed its statutory content on the basis of our knowledge of the Company.

A Corporate Governance Report has been prepared and its statutory information is consistent with the other parts of the Annual Accounts and the Consolidated Financial Statements.

Stockholm, 17th February 2011

Deloitte AB



Lars Egenäs
Authorised Public Accountant

Property list

				Letting area, m²						Rateable value, SEK k
Property name	Municipality	Description/Address	Year built/ Renovated	Retail	Offices	Housing	Garage	Other	Total	
STOCKHOLM CITY CENTRE										
Adam & Eva 17	Stockholm	Drottninggatan 68	1929/2006	4,183	3,649			285	8,117	326,000
		Gävlegatan 20-22,								
Blästern 6 ¹⁾	Stockholm	Norra Stationsgatan 75-81	1939/1995	892	10,751		3,234	583	15,459	211,000
Blästern 11	Stockholm	Hälsingegatan 43-45	1930/2006	1,534	8,377		3,168	695	13,774	192,000
Blästern 13 ¹⁾	Stockholm	Hälsingegatan 47-51	1934/2001	510	15,072		3,232	1,174	19,987	340,000
Fasta Paviljongen 1 ¹⁾	Stockholm	Långholmens folkhögskola	1915/2008					1,116	1,116	
Fatburen 1	Stockholm	Söderhallarna	1991	2,319	8,983		3,773	3,207	18,282	324,000
Fatbursbrunnen 17	Stockholm	Högbergsgatan 62	1929/2002		630			2,197	2,827	
Fatbursjön 8	Stockholm	Magnus Ladulåsg 63	1930/2006		6,811			1,027	7,838	190,000
Roddaren 7	Stockholm	St Eriksgatan 46	1900/1995	818	7,025		780	101	8,724	156,000
Skotten 6	Stockholm	Glashuset Drottninggatan	1959/2008	6,293	3,516			1,829	11,638	445,000
Torgvägen 7	Stockholm	PUB	1929/2009	8,253				8,345	16,598	625,000
Tranbodarne 12	Stockholm	Katarinavägen 15	1974/2006	92	23,200		2,886	6	26,184	757,000
Total				24,894	88,013		17,073	20,564	150,544	3,566,000
STOCKHOLM, OTHER										
Arbetsstolen 3	Stockholm	Västbergavägen 4-12	1955/2008	15,379	593			1,600	17,572	48,804
Kolding 1	Stockholm	Ärvinge, Kista	1993		128	15,750	3,087	37	19,002	136,490
Kolding 2	Stockholm	Ärvinge, Kista	1992	566	170	20,635	1,750	438	23,559	175,790
Kolding 3	Stockholm	Ärvinge, Kista	1993	834	16,568	1,257	6,870	743	26,272	131,277
Kolding 4	Stockholm	Ärvinge, Kista	1993/2001	251	24,139		8,067	1,066	33,523	467,800
Kista Gård ²⁾										
		Textilgatan 31,								
Proppen 6	Stockholm	Hammarby Sjöstad	1937/2008	898	10,306			1,281	12,485	188,000
Storö 2	Stockholm	Farsta Centrum	1961/2006	6,354	3,969			1,399	11,722	131,800
Storö 15	Stockholm	Farsta Centrum	1961/1998	217	436			824	1,477	
Storö 21 ³⁾	Stockholm	Farsta Centrum	1961/2010	46,366	22,585		13,862	6,905	89,718	1,322,070
Storö 23	Stockholm	Farsta Centrum	1961/1998	1,793	1,979		1,470	3,135	8,377	
Storö 24	Stockholm	Farsta Centrum	1961/2008							21,200
Orminge 47:1	Nacka	Orminge Centrum	1967/1992	9,843	628			390	10,861	115,400
Sicklaön 83:22 ³⁾	Nacka	Sickla	1898/2009	68,110	37,619		15,700	29,664	151,093	2,003,602
Sicklaön 83:32 ³⁾	Nacka	Uddvägen 1	1877					300	300	
Sicklaön 87:1	Nacka	Alphyddevägen 4	1962	90				2,186	2,276	
Sicklaön 115:1	Nacka	Planiavägen 1	1929		370				370	1,178
Sicklaön 117:1	Nacka	Planiavägen 3	1967	2,592	330			435	3,357	11,065
Sicklaön 117:17	Nacka	Planiavägen 5-7	1978					1,629	1,629	
Sicklaön 117:2	Nacka	Sjötorpsvägen 6	1909					176	176	4,147
Sicklaön 346:1	Nacka	Uddvägen 7	1981	484	4,500				4,984	44,000
Söderby Huvudgård 2:43 ³⁾	Haninge	Port73	1974/2010	29,393					29,393	103,400
Västnora 4:26	Haninge	Västnora, Västerhaninge								
Ribban 16	Nynäshamn	Backluravägen								42
Storbygården 1:15, 1:31	Nynäshamn	Torö, Ösmo								
Resan 1	Sollentuna	Konsumentvägen 2	1972					1,166	1,166	6,934
Rotundan 1 ³⁾	Sollentuna	Rotebro Handel	1965/2010	22,353	200				22,553	134,400
Total				205,523	124,520	37,642	50,806	53,374	471,865	5,047,399

¹⁾ 50 per cent owned by Atrium Ljungberg. Values specified refer to Atrium Ljungberg's proprietary share.

²⁾ Land allocation agreement.

³⁾ All or part of the property was classified as a project property as of 31st December 2010.



Property list

				Letting area, m²					Rateable value, SEK k	
Property name	Municipality	Description/Address	Year built/ Renovated	Retail	Offices	Housing	Garage	Other		Total
UPPSALA MÄLARDALEN										
Brillinge ³⁾	Uppsala	Gränby								
Dragarbrunn 19:1 ³⁾	Uppsala	Rådhuset, Stora torget	1645/1883	348	2,327			54	2,729	21,972
Dragarbrunn 27:2	Uppsala	Forumgallerian	1902/2005	9,769	5,044	1,140		545	16,498	362,200
Gränby 21:4 ³⁾	Uppsala	Gränby Centrum	1971/2008	32,791	302			498	33,591	377,000
Igor 8 ³⁾	Västerås	Kvarteret Igor	1970/2010	15,183	2,333		11,230	855	29,601	73,854
Total				58,091	10,006	1,140	11,230	1,952	82,419	835,026
SWEDEN, OTHER										
Bohus 7	Malmö	Mobilia	1966/2010	5,921	183	11,248	6,680	35	24,067	148,340
Bohus 8 ³⁾	Malmö	Mobilia	1968/2005	31,340	3,728			206	35,274	344,650
Månadsmötet 9	Östersund	Mittpunkten	1962/2009	11,547	595		6,129	95	18,366	138,000
Stormarknaden 1	Halmstad	Coop Forum, Eurostop	1990	10,410	400				10,810	63,600
Total				59,218	4,906	11,248	12,809	336	88,517	694,590
Sum total				347,726	227,445	50,030	91,918	76,226	793,345	10,143,015

¹⁾ 50 per cent owned by Atrium Ljungberg. Values specified refer to Atrium Ljungberg's proprietary share.

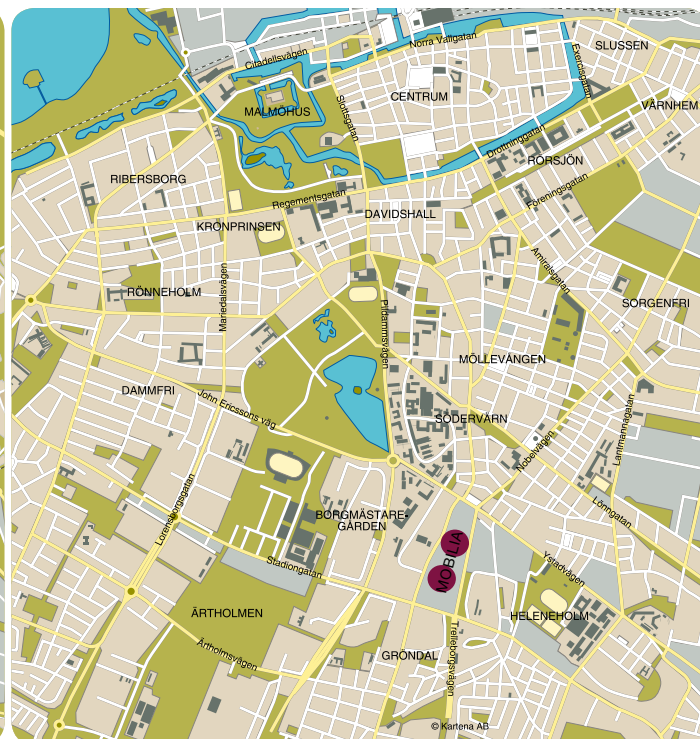
²⁾ Land allocation agreement.

³⁾ All or part of the property was classified as a project property as of 31st December 2010.

UPPSALA



MALMÖ



Changes in the property portfolio, 2010

PROPERTIES SOLD IN 2010

Property name	Municipality	Letting area, m ²	Period ¹⁾	Date vacated
Rinken 2	Södertälje	22,404	Q2 2010	1st Sept. 2010

PROPERTIES BOUGHT IN 2010

Fastighetsbeteckning	Municipality	Letting area, m ²	Period ²⁾	Date vacated
Sicklaön 117:1	Nacka	3,357	Q3 2010	26th Nov. 2010
Sicklaön 117:2	Nacka	176	Q3 2010	26th Nov. 2010

¹⁾ Earnings period for reporting sale.

²⁾ Bookkeeping period for reporting acquisition and fair value.



Atrium Ljungberg's sustainability work has been reported for a number of years as a part of the Annual Report, and from 2008 in accordance with level C (self-declared) of the GRI (global reporting initiative) guidelines. The report describes Atrium Ljungberg's work in 2010 with regard to issues concerning the Global Compact's ten principles (Communication on Progress). The report has not been reviewed by external bodies.

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. They concern 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 2010 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 provides the information required. The table includes all core indicators and additional indicators that Atrium Ljungberg has deemed to be relevant. On the company's website, this table is supplemented with complementary information and comments that explain departures and bases for calculation.

GRI REFERENCES	REPORT- ING	CROSS REFERENCE	GRI REFERENCES	REPORT- ING	CROSS REFERENCE
1. Strategy and analysis			EN. Environmental performance indicators		
Managing Director's Statement	R	2-3	EN1 (C) Materials used by weight or volume	NR*	-
1.2 Description of key impacts, risks and opportunities.	R	16, 69-71	EN2 (C) Percentage of materials used that are recycled input materials	NR*	-
2. Organisational profile			EN3 (C) Direct energy consumption by primary energy source	R*	65
2.1 Name of the organisation	R	Back cover	EN4 (C) Indirect energy consumption by primary source	R*	65
2.2 Primary brands, products, and/or services	R	Inside cover, 18-21	EN5 (A) Energy saved due to conservation and efficiency improvements	R*	65
2.3 Operational structure of the organisation	R	Inside cover, 68, 77	EN6 (A) Initiatives to provide energy-efficient or renewable energy based products and services	R*	63-65
2.4 Location of the organisation's headquarters	R	Back cover	EN7 (A) Initiatives to reduce energy consumption and reductions achieved	R	63-65
2.5 Countries where the organisation operates	R	Inside cover	EN8 (C) Total water withdrawal by source	R	65
2.6 Nature of ownership and legal form	R	72	EN11 (C) Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value	PR*	-
2.7 Markets served	R	8-16	EN12 (C) Description of significant impacts of activities, products, and services on biodiversity	NE*	-
2.8 Scale of the reporting organisation	R	Inside cover	EN16 (C) Total direct and indirect greenhouse gas emissions by weight	R*	65
2.9 Significant changes during the reporting period	R	84-86	EN17 (C) Other relevant indirect greenhouse gas emissions by weight	NR*	-
2.10 Awards received during the reporting period	R	50, 65	EN18 (A) Initiatives to reduce greenhouse gas emissions and reductions achieved	R*	63-65
3. Report parameters			EN19 (C) Emissions of ozone-depleting substances by weight	NR*	-
3.1 Reporting period	R	128	EN20 (C) NO _x , SO _x and other significant air emissions by type and weight	NR*	-
3.2 Date of most recent report	R	128	EN21 (C) Total water discharge by quality and destination	NR*	-
3.3 Reporting cycle	R	128	EN22 (C) Total weight of waste by type and disposal method	NR*	-
3.4 Contact points	R*	75	EN23 (C) Total number and volume of significant spills	NR*	-
3.5 Process for defining report content	R	128	EN26 (C) Initiatives to mitigate environmental impacts of products and services	R	62-65
3.6 Boundary of the report	R	128	EN27 (C) Percentage of products sold and their packaging materials that are reclaimed by category	NR*	-
3.7 Specific limitations on the scope or boundary of the report	R*	128	EN28 (C) Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	NR*	-
3.8 Basis for reporting that can significantly affect comparability	R*	128	EN29 (A) Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	NR*	-
3.9 Data measurement techniques and the bases of calculations	R*	128	LA. Labour practices and decent work performance indicators		
3.10 Explanation of the effect of any re-statements of information provided in earlier reports	R*	128	LA1 (C) Total workforce by employment type, employment contract, and region	R	66, 68
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods	R*	128	LA2 (C) Total number and rate of employee turnover by age group, gender and region	R	66
3.12 GRI content index	R*	128	LA3 (A) Benefits provided to full-time employees	R	101, 107
3.13 External assurance	R	128	LA4 (C) Percentage of employees covered by collective bargaining agreements	R	66
4. Governance, commitments and engagement			LA5 (C) Minimum notice period(s) regarding operational changes	R*	-
4.1 Governance structure of the organisation	R	118	LA7 (C) Rates of injury, occupational diseases, lost days, and absenteeism	R*	66
4.2 Indicate whether Chair of the highest governance body is also an executive officer	R	119-120	LA8 (C) Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	R*	68
4.3 Number of members of the highest governance body that are independent and/or non-executive members	R	119-120	LA10 (C) Average hours of training per year per employee by employee category	NR*	-
4.4 Mechanisms for shareholders and employees to provide recommendations or directions to the highest governance body	R	118	LA11 (A) Programmes for skill management	PR*	68
4.5 Linkage between compensation for members of the highest governance body, Senior managers, and executives and the organisation's performance	R	107	LA12 (A) Percentage of employees receiving regular performance and career development reviews	R*	-
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	R*	119	LA13 (C) Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	R*	66
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	R*	119-120	LA14 (C) Ratio of basic salary of men to women by employee category	NR*	-
4.8 Internally developed statements of mission or values, codes of conducts and principles and the status of their implementation	R*	65, 121	HR. Human rights performance indicators		
4.9 Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance	R	65, 120	HR1 (C) Percentage and total number of significant investment agreements that include human rights clauses	PR*	65
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	R*	120, 121	HR2 (C) Percentage of significant suppliers and contractors that have undergone screening on human rights	PR*	65
4.11 Explanation of whether and how the precautionary approach or principle is addressed	R	63	HR4 (C) Total number of incidents of discrimination and actions taken	NR*	-

GRI REFERENCES	REPORT- ING	CROSS REFERENCE	GRI REFERENCES	REPORT- ING	CROSS REFERENCE
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	R	65	HR5 (C) Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	I*	–
4.13 Memberships in associations	R	65	HR6 (C) Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	I*	–
4.14 List of stakeholder groups engaged by the organisation	R*	62	HR7 (C) 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	I*	–
4.15 Basis for identification and selection of stakeholders with whom to engage	R*	62	S0. Society performance indicators		
4.16 Approaches to stakeholder engagement	R*	38, 62	S01 (C) Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities	R*	62
4.17 Key topics and concerns that have been raised through stakeholder engagement	R*	38, 62	S02 (C) Percentage and total number of business units analysed for risks related to corruption	R	121
5. Sustainability management approach and performance indicators			S03 (C) Percentage of employees trained in organisation's anti-corruption policies and procedures	NR*	–
EC. Economic performance indicators			S04 (C) Actions taken in response to incidents of corruption	NR*	–
EC1 (C) Direct economic value	R	87–96	S05 (C) Public policy positions and participation in public policy development and lobbying	NR*	–
EC2 (C) Financial implications and other risks and opportunities for the organisations activities due to climate change	PR	71	S08 (C) Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	NR*	–
EC3 (C) Coverage of the organisations defined benefit plan obligations	R	107	PR. Product responsibility performance indicators		
EC4 (C) Significant financial assistance received from government	NR*	–	PR1 (C) Life cycle stages in which health and safety impacts of products and services are assessed for improvement	R*	62–64
EC6 (C) Policy, practices and proportion of spending on locally based suppliers	I*	–	PR3 (C) Type of product and service information required by procedures	R*	–
EC7 (C) Procedures for local hiring	–		PR6 (C) Programmes for adherence to laws, standards, and voluntary codes related to marketing communications	NR*	–
EC8 (C) Development and impact of infrastructure investments and services provided primarily for public benefit	R*	40	PR9 (K) Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	NR*	–
EXPLANATION OF ABBREVIATIONS – DEGREE OF GRI COMPLIANCE			ABBREVIATIONS – OTHER		
(R) Reported			(R*, PR*, NR*, I*) For complementary information, see the company's website under Sustainable Enterprise		
(PR) Partially Reported			(C) Indicates a core indicator		
(NR) Not reported			(A) Indicates an additional indicator		
(I) Irrelevant					

INFORMATION FROM ATRIUM LJUNGBERG

THE INFORMATION 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 name.

AS A LISTED COMPANY, Atrium Ljungberg is subject to the rules of the listing agreement with Nasdaq OMX Stockholm.

SIGNIFICANT EVENTS, interim reports and preliminary financial statements are published immediately via press releases. The information is also available on the company's website.

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

UPON REQUEST, a printed version of annual reports and interim reports is distributed to all shareholders by post. These are also available as downloadable PDF files from our website. Interim reports and preliminary financial statements are translated into English.

INTERESTED PARTIES can subscribe to both financial reports and press releases via our website. The site also provides information on our operations, our properties and projects, key financial ratios, share information and much more besides.

PUBLICATION OF FINANCIAL INFORMATION

Interim Report, January–March 2011	15th April 2011
Interim Report, January–June 2011	8th July 2011
Interim Report, January–September 2011	21st October 2011
Preliminary Financial Statement, 2011	February 2012
2011 Annual Report	March 2012

ANNUAL GENERAL MEETING

Shareholders are invited to attend the Annual General Meeting to be held on Thursday, 7th April 2011 at 17.00 (CET) at M7 Kungskaps-gallerian, Marcusplatsen 7, Sickla. Notices convening the Meeting will be sent by letters in the post to shareholders and the Meeting will also be advertised in Dagens Nyheter and Post- och Inrikes Tidningar (the Official Swedish Gazette).



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