

# Atrium Ljungberg AB (publ.)

## Preliminary financial statement 2007

- Income totalled **SEK 1,850 million** (SEK 979 m).
- Rental income totalled **SEK 1,513 million** (SEK 669 m).
- The profit after tax totalled **SEK 1,636 million** (SEK 1,557 m), corresponding to **SEK 12.55/share** (SEK 21.16).
- The profit after financial items was **SEK 2,071 million** (SEK 2,155 m).
- The profit after financial items, excluding changes in value and capital gains, totalled **SEK 609 million** (SEK 274 m).
- Investments in properties totalled **SEK 1,750 million** (SEK 471 m), of which property acquisitions totalled **SEK 803 million** (SEK 0).
- The letting rate is **92 per cent** (94%), including project properties.
- The Board proposes a dividend of **SEK 2.00/share** (SEK 1.62/share).

SEK m	2007	2006
Rental income	1,513	669
Proceeds from project and construction activities	338	310
Profit on sale of properties	176	-
Changes in value of investment properties	1,287	1,881
Profit after financial items	2,071	2,155
Profit after financial items, ex. real estate sales and change in value	609	274
Net profit for the year	1,636	1,557
Net profit for the year, ex. real estate sales and change in value	438	202
Investments	1,750	471
Cashflow	474	337
SEK/share	2007	2006
Net profit for the year	12.55	21.16
Net profit for the year, ex. real estate sales and change in value	3.36	2.75
Dividend (2007, proposed)	2.00	1.62
Share price (31/12)	63.75	84.40

# Preliminary financial statement for 2007

## Significant events during the year

The real estate holding was restructured during the year in accordance with the business concept, chosen strategies and established goals. A number of smaller residential properties with ground floor retail outlets and a couple of industrial premises were sold during the year, along with a few city shopping malls in subsidiary markets where the developmental potential was weak. Overall, 27 properties were sold for a total of just over SEK 1 billion during the year. The sales have enabled a more concentrated focus on subsidiary markets with greater growth potential and on the company's bigger development projects.

A 9,000m<sup>2</sup> expansion of Sickla Galleria began during the year. All of the retail units have been let and 20 or so new outlets are scheduled to open in the spring of 2009. A 10,000m<sup>2</sup> knowledge gallery is currently also being built in Sickla, and will include a mixture of upper secondary school and further education establishments. The players involved are the Nacka local authority, the Rytmus music-orientated upper secondary school, and Vittra upper secondary school, who will move into the premises at the end of this year.

May 2007 saw the opening of Magasinet in Sickla – a new design concept with 17,500m<sup>2</sup> of retail space. Magasinet has been fully occupied since December, when Clas Ohlsson opened its store and Bowlers opened 18 bowling lanes and a restaurant.

Renovation work and a 10,000m<sup>2</sup> extension project are currently in progress at Gränby Centrum in Uppsala. All of the retail units have been let and the new section will open in November 2008. The company is planning to continue the development of Gränby Centrum and to that end, has acquired a total of 12.5 hectares of land from Uppsala local authority. The detailed development plan permits 40,000–50,000m<sup>2</sup> of retail space.

A major renovation and extension project is being planned for Mobilia in Malmö. In November, Atrium Ljungberg acquired an adjacent property, Bohus 7, with 25,000m<sup>2</sup> of letting space. The acquisition has generated new potential for the project, which aims to develop Mobilia and the surrounding area into a content-rich and dynamic city district. In November 2007, the City of Malmö decided to implement a programme consultation project as the first stage in a detailed development planning process.

The Storö 10 site leasehold in Farsta, with 33,000m<sup>2</sup> of letting space, was acquired in December 2008. Possession will be taken in May 2008. The acquisition offers increased potential in terms of the transformation planned for Farsta Centrum. A total of SEK 803 million was spent on property acquisitions in 2007.

The renovation of the PUB department store is progressing and the majority of the retail units will be occupied by the end of 2008.

On the office premises front, work on Glashuset at Slussen in Stockholm has been completed and the building is now fully occupied. The renovation and extension of the Proppen 6 property is progressing in Hammarby Sjöstad and completion is scheduled for the spring of 2008.

A 4:1 share split, splitting one share into four, was implemented in 2007. The record date for the split was 19<sup>th</sup> April. On 17<sup>th</sup> October, an

Extraordinary General Meeting decided to change the company's trading name to Atrium Ljungberg AB.

## Net profit/loss

The Group posted a profit after financial items of SEK 2,071.4 million (SEK 2,151.1 m). The net profit includes profits on the sale of properties of SEK 176.3 million (SEK 0 m) and unrealised changes in value totalling SEK 1,286.6 million (SEK 1,881.0 m). The result after financial items, excluding changes in value and real estate sales totalled SEK 605.8 million (SEK 274.1 m). The fourth quarter profit was positively affected by one-off payments totalling SEK 30 million. The profit after tax was SEK 1,635.9 million (SEK 1,556.8 m), corresponding to SEK 12.55/share (SEK 21.16/share).

The Parent Company posted a profit after tax of SEK 139.5 million (SEK 333.9 m). Net sales totalled SEK 267 million (SEK 230 m).

## Real estate management

The letting rate in Atrium Ljungberg properties is 92 per cent (94%). The change is due to vacancies in project properties and in Blästern 13. Rental income totalled SEK 1,513 million (SEK 669 m), and the rental level in early 2008 is SEK 1,389 million. The operating profit generated by real estate management, excluding changes in value and the profit on real estate sales, was SEK 900.3 million (SEK 387.5 m). The pro forma calculated operating profit, based on a merger on 1<sup>st</sup> January 2006, is SEK 776 million.

## Project and construction activities

Net sales for project and construction activities totalled SEK 338 million (SEK 310 m). The operating result for the financial year, to which project costs arising from property development have been charged, was – SEK 3.1 million (SEK 11.0 m). The operating result for construction activities, which are conducted by the subsidiary company, TL Bygg AB, was SEK 30.7 million (SEK 28.6 m). TL Bygg's net sales totalled SEK 319 million (SEK 331 m), SEK 73 million (SEK 34 m) of which comprised work carried out on behalf of group companies.

## Financial position

Liquid assets totalled SEK 93 million (SEK 278 m) at the year end. Interest-bearing liabilities totalled SEK 7,486 million (SEK 5,632 m) on 31<sup>st</sup> December 2007 and the average interest rate was 4.6 per cent (4.6%). The average fixed interest term was 2.4 years (2.0 yrs). On 31<sup>st</sup> December 2007, shareholders' equity totalled SEK 9,260 million (SEK 7,805 m), corresponding to SEK 71/share (SEK 60/share). The equity/assets ratio was 45.4 per cent (43.3%).

## Events after the closing day

A property in Helsingborg corresponding to an underlying property value of SEK 88 million was sold after the closing day, with possession to be taken in March 2008. The sale price corresponds to the valuation at the turn of the year. A number of offices have been let during January and February, corresponding to a total rental value of SEK 200 million

## Real estate holding, 31st December 2007

Region/Classification	Letting area, m <sup>2</sup>	Market value, SEK m	SEK/m <sup>2</sup>	Rental value, SEK m <sup>1)</sup>	Letting rate, %
<b>Investment properties</b>					
Stockholm city centre	107,484	3,810	35,447	274	94
Stockholm, other	428,181	8,258	19,286	705	96
Uppsala, Mälardalen	65,517	1,639	25,016	140	94
Sweden, other	129,598	1,808	13,951	179	98
	<b>730,780</b>	<b>15,515</b>	<b>21,231</b>	<b>1,298</b>	<b>96</b>
<b>Project properties<sup>2)</sup></b>					
Properties under renovation <sup>2)</sup>	160,850	2,842	17,669	226	66
Ongoing new construction work <sup>3)</sup>	-	65	-	-	-
Land and Development rights	-	379	-	-	-
	<b>160,850</b>	<b>3,286</b>	<b>17,669</b>	<b>226</b>	<b>66</b>
<b>Total</b>	<b>891,630</b>	<b>18,801</b>	<b>20,545</b>	<b>1,524</b>	<b>92</b>

<sup>1)</sup> Contracted yearly rents and estimated market rental levels for vacant premises in existing condition, Q1 2008.

<sup>2)</sup> Properties with ongoing renovation or extension work for a value in excess of SEK 50 million. Valued at fair value in accordance with IAS 40.

<sup>3)</sup> Properties under construction valued at costs defrayed (acquisition value) in accordance with IAS 16.

and with an average rental period duration of 6.5 years. The majority of the letting occurred in the company's office properties, Blästeren 11 and 13, in the Vasastan district of Stockholm, and resulted from a major tenant moving out at the end of 2007.

### Property values

The Swedish property market during the first half of 2007 was characterised by a continued fall in dividend yield requirements, while during the latter half of the year, the market was influenced by rising interest rates and concerns in the financial markets, amongst other things, resulting in a tendency for yield requirements to rise. All property sales made by the company during the year were, however, made at prices in excess of current valuations.

Atrium Ljungberg values its property holding at the end of each year and at the end of each half year. The valuations are based on internal cash flow calculations and individual assessments of every property's future earnings capacity, based on the property's usage and condition at the time of valuation. Development potential and future investments have not been taken into account. Assumed rental levels in conjunction with contract expirations correspond to the current market rental levels. The operating costs correspond to the company's actual costs. Development rights and land have been valued on the basis of an estimated market value per m<sup>2</sup> and only include confirmed development rights in accordance with approved detailed development plans.

Stamp duty costs have been deducted from the market value for those properties expected to trigger stamp duty in conjunction with a sale. Properties under construction have been valued at their development rights value plus costs defrayed.

The real estate valuation as of 31<sup>st</sup> December 2007 has been quality assured by Forum Fastighetsekonomi. The reported value for the entire property holding, as of 31<sup>st</sup> December 2007, is SEK 18,801 million (SEK 16,855 m). Development rights and land comprise SEK 379 million (SEK 262 m) of this total. Investments in properties during 2007 totalled SEK 1,750 million, of which new acquisitions accounted for SEK 803 million. Properties corresponding to a value of SEK 1,090 million at the end of 2006 were sold in 2007. The existing real estate holding has risen in value by SEK 1,287 million, primarily due to underlying factors from the ongoing real estate management in the form of new letting, increased market rental levels and the completion of development projects. The average yield requirement is around 5.4 per cent (5.8%). The change

in the yield requirement is due to, amongst other things, changes in the real estate holding, lowered yield requirements during the first six months of the year, and the fact that the degree of completion of ongoing development project has enabled the risk premium component of the yield requirements to be lowered.

### Yield requirement per premises type

Premises type	Yield interval	Yield, average
Offices	4.5-7.3	5.3
Shops	4.0-7.3	5.3
Residential	4.0-4.5	4.0
Other	5.0-7.0	5.8
<b>Total</b>	<b>4.0-7.3</b>	<b>5.4</b>

### Average yield requirement per property and region

Premises type	Yield interval	Yield, average
Stockholm city centre	4.2-6.3	4.9
Stockholm, other	4.0-7.3	5.6
Uppsala, Mälardalen	5.0-6.2	5.5
Sweden, other	5.5-6.6	5.8
<b>Total</b>	<b>4.0-7.3</b>	<b>5.4</b>

The estimated market value is affected by the assumptions made in conjunction with each valuation. The value's uncertainty interval is estimated at +/- 5 per cent.

### Dividend

The dividend must correspond to at least 50 per cent of the profit after financial items and current tax, excluding capital gains/losses and changes in value. A dividend of SEK 2.00 per share (SEK 1.62/share) is proposed for the financial year.

### Outlook for 2008

Atrium Ljungberg has the financial resources and skills required to enable a continued expansion. The project portfolio contains investment opportunities of in excess of SEK 5 billion over the next five years and is expected to yield considerably more than the acquisition alternatives. The majority of the investments refer to the development of total environments in Sickla, Farsta, Mobilia and Gränby.

2008 will be characterised by a continued high rate of investment with numerous projects completed at the end of the year and in 2009. Investments in 2008 are expected to total just over SEK 1 billion. A profit forecast will be published in the Q2 Interim Report.

### **Risks and uncertainty factors**

The company's operating activities are substantially affected by the economic performance of Sweden in general and Stockholm in particular. The rental market and rental levels are the most important individual factors. The outlook for the rental market is good and market rental levels have risen during 2007. Interest rate trends have a successive effect on the profit/loss as the loans' terms are spread over time. The company's net worth is affected by the valuation of the real estate portfolio. Yield requirements in the real estate market showed a tendency to increase in late 2007, and this could lead to lowered

market valuations. This risk should, however, be viewed in the light of an anticipated stable rental trend and the company's project portfolio, which includes considerable potential for a growth in value.

### **Annual general meeting**

The Annual General Meeting will be held on Thursday, 3<sup>rd</sup> April at 5 p.m. at Svensk Möbelcenter in Sickla. The Annual Report will be distributed to shareholders and will also be available from the company's offices and on its website no later than two weeks before the Meeting.

The consolidated profit/loss and financial position for last year include Atrium Fastigheter, as of 17<sup>th</sup> October 2006.

Stockholm, 22<sup>nd</sup> February 2008

The Board of Directors

## Consolidated Income Statements

SEK million	2007 1/1-31/12	2006 1/1-31/12	2007 1/10-31/12	2006 1/10-31/12
Income	1,850.4	979.1	518.1	404.7
Administration and production costs	-902.9	-523.4	-260.9	-200.3
<b>Gross profit/loss</b>	<b>947.5</b>	<b>455.7</b>	<b>257.2</b>	<b>204.4</b>
Central administration and marketing <sup>3, 4)</sup>	-50.3	-57.1	-11.4	-34.3
Profit/loss on real estate sales <sup>6, 7)</sup>	176.3	-	180.8	-
Change in value of investment properties	1,286.6	1,881.0	905.7	1,715.2
<b>Operating profit/loss</b>	<b>2,360.1</b>	<b>2,279.5</b>	<b>1,332.3</b>	<b>1,885.2</b>
Shares in profits of subsidiaries	2.6	-1.1	2.6	-1.1
Interest income	14.7	5.5	10.8	4.3
Interest expenses	-306.0	-128.9	-81.7	-50.3
	-288.7	-124.4	-68.3	-47.1
<b>Profit/loss after financial items</b>	<b>2,071.4</b>	<b>2,155.1</b>	<b>1,264.0</b>	<b>1,838.2</b>
Current tax	-93.3	-49.1	-49.7	-26.4
Deferred tax	-342.2	-549.2	-279.8	-483.1
	-435.5	-598.3	-329.5	-509.5
<b>Profit after tax</b>	<b>1,635.9</b>	<b>1,556.8</b>	<b>934.5</b>	<b>1,328.7</b>
Earnings per share, SEK	12.57	21.21	7.18	11.31
Diluted earnings per share, SEK	12.55	21.16	7.17	11.30
Average number of outstanding shares, thousand	130,157	73,389	130,157	117,452
Average number of outstanding shares after dilution, thousand	130,295	73,571	130,248	117,632
Number of shares issued, thousand	133,221	133,221	133,221	133,221

## Breakdown of operating profit/loss

SEK million	2007 1/1-31/12	2006 1/1-31/12	2007 1/10-31/12	2006 1/10-31/12
<b>REAL ESTATE MANAGEMENT</b>				
Rental income	1,512.8	669.5	404.9	316.3
Administrative expenses	-485.5	-208.1	-126.2	-112.1
Property tax	-85.9	-28.3	-28.3	-14.0
<b>Operating surplus, real estate management</b>	<b>941.4</b>	<b>433.1</b>	<b>250.4</b>	<b>190.2</b>
Depreciation of plant and equipment	-2.1	-1.9	-0.7	-0.5
<b>Gross profit/loss, real estate management</b>	<b>939.3</b>	<b>431.2</b>	<b>249.7</b>	<b>189.7</b>
Central administration and marketing <sup>3, 4)</sup>	-39.0	-43.6	-8.3	-29.8
Profit/loss on real estate sales <sup>6, 7)</sup>	176.3	-	180.8	-
Change in value of investment properties	1,286.6	1,881.0	905.7	1,715.2
<b>Operating profit/loss, real estate management</b>	<b>2,363.2</b>	<b>2,268.5</b>	<b>1,327.9</b>	<b>1,875.0</b>
<b>PROJECT AND CONSTRUCTION ACTIVITIES</b>				
Net sales	337.6	309.7	113.2	88.5
Production costs	-328.9	-284.8	-105.4	-73.6
<b>Surplus, project and construction activities</b>	<b>8.7</b>	<b>24.8</b>	<b>7.8</b>	<b>14.8</b>
Depreciation of plant and equipment	-0.5	-0.3	-0.3	-0.1
<b>Gross profit/loss, project and construction activities</b>	<b>8.2</b>	<b>24.6</b>	<b>7.5</b>	<b>14.8</b>
Central administration and marketing	-11.3	-13.5	-3.1	-4.5
<b>Operating profit/loss, project and construction activities</b>	<b>-3.1</b>	<b>11.0</b>	<b>4.4</b>	<b>10.2</b>
<b>Operating profit/loss</b>	<b>2,360.1</b>	<b>2,279.5</b>	<b>1,332.3</b>	<b>1,885.2</b>

See page 7 for Notes to the Financial Statement and Notes to the Accounts.

## Consolidated Balance Sheets

SEK million	31-12-2007	31-12-2006	30-09-2007	30-09-2006
<b>ASSETS</b>				
Investment properties, etc.	18,801.1	16,854.9	17,588.3	5,388.2
Tangible fixed assets	7.7	7.7	10.2	5.6
Goodwill <sup>7)</sup>	484.5	521.5	496.8	-
Other fixed assets	10.3	13.8	12.8	15.4
Current assets	1,021.6	345.3	470.7	148.7
Liquid assets	92.6	278.2	496.2	94.3
<b>Total assets</b>	<b>20,417.8</b>	<b>18,021.4</b>	<b>19,075.0</b>	<b>5,652.2</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>				
Shareholders' equity	9,259.4	7,805.1	8,327.1	2,358.5
Deferred tax liability	2,637.6	2,337.3	2,391.3	707.2
Long-term liability to credit institutions <sup>5)</sup>	5,515.6	3,492.7	5,423.5	1,648.7
Other long-term liabilities	2.0	2.2	4.8	3.5
Current liabilities to credit institutions <sup>5)</sup>	1,969.9	2,139.3	2,077.2	698.0
Other current liabilities <sup>5)</sup>	1,033.3	2,244.8	851.1	236.3
<b>Total shareholders' equity &amp; liabilities</b>	<b>20,417.8</b>	<b>18,021.4</b>	<b>19,075.0</b>	<b>5,652.2</b>

## Change in shareholders' equity <sup>1)</sup>

Amounts in SEK m	Attributable to the Parent Company's shareholders				
	Share capital	Other capital contributed	Hedging reserves	Profits brought forward	Total shareholders' equity
<b>Opening balance, as of 1<sup>st</sup> January 2006</b>	<b>154.4</b>	<b>12.2</b>	<b>1.3</b>	<b>2,036.0</b>	<b>2,203.9</b>
Market valuation of financial instruments	-	-	5.7	-	5.7
Tax attributable to items reported directly to shareholders' equity	-	-	-1.6	-	-1.6
Income and expenses for the period reported directly to shareholders' equity	-	-	4.1	-	4.1
Profit/loss for the period, 1st Jan-31st December	-	-	-	1,556.8	1,556.8
Total income and expenses for the period	-	-	4.1	1,556.8	1,560.9
New share issue <sup>2)</sup>	178.6	3,939.0	-	-	4,117.7
Incentive program <sup>3)</sup>	-	3.4	-	-	3.4
Dividends	-	-	-	-80.7	-80.7
<b>Opening balance, as of 1<sup>st</sup> January 2007</b>	<b>333.0</b>	<b>3,954.6</b>	<b>5.4</b>	<b>3,512.1</b>	<b>7,805.1</b>
Market valuation of financial instruments	-	-	34.4	-	34.4
Tax attributable to items reported directly to shareholders' equity	-	-	-9.6	-	-9.6
	-	-	24.8	-	24.8
Net profit/loss for the year	-	-	-	1,635.9	1,635.9
Total income and expenses for the period	-	-	24.8	1,635.9	1,660.7
Dividends	-	-	-	-211.5	-211.5
Incentive programme <sup>4)</sup>	-	5.1	-	-	5.1
<b>Closing balance on 31<sup>st</sup> December 2007</b>	<b>333.0</b>	<b>3,959.7</b>	<b>30.2</b>	<b>4,936.5</b>	<b>9,259.4</b>

There are a total of 133,220,736 shares in the company (133,220,736), 4,000,000 (4,000,000) of which are class A shares and 129,220,736 (129,220,736) of which 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 end of the financial year, there were a total of 130,156,828 outstanding shares. The company holds a total of 3,063,908 of its own class B shares.

See page 7 for Notes to the Financial Statement and Notes to the Accounts.

## Consolidated Cash Flow Statements

SEK million	2007 1/1-31/12	2006 1/1-31/12	2007 1/10-31/12	2006 1/10-31/12
<b>OPERATING ACTIVITIES</b>				
Profit/loss after financial items	2,071.4	2,155.1	1,264.1	1,838.2
Reversal of depreciation	3.0	2.9	1.3	1.3
Reversal of profit/loss from real estate sales	-176.2	-	-156.0	-
Reversal of change in value of investment properties	-1,286.7	-1,881.0	-905.8	-1,715.2
Other items not included in the cash flow <sup>7)</sup>	-	0.1	-24.7	0.1
Rental guarantee paid	-3.0	-2.5	-3.0	-0.2
Tax paid <sup>8)</sup>	-32.1	-13.0	18.7	9.4
<b>Cash flow from operating activities before changes in working capital</b>	<b>576.4</b>	<b>261.6</b>	<b>194.6</b>	<b>133.6</b>
Net change in working capital	-102.0	75.3	-55.4	95.8
<b>Cash flow from operating activities</b>	<b>474.4</b>	<b>336.9</b>	<b>139.2</b>	<b>229.4</b>
<b>INVESTMENT ACTIVITIES</b>				
Acquisition of real estate	-386.7	-66.3	-386.7	-66.3
Corporate acquisitions	-	125.5	-	125.5
Renovation and new construction of properties	-946.6	-370.2	-177.0	-138.0
Sale of real estate <sup>6)</sup>	705.2	41.8	115.2	41.8
Other investments	-80.9	-2.9	-80.3	-1.6
<b>Cash flow from investment activities</b>	<b>-709.0</b>	<b>-272.1</b>	<b>-528.8</b>	<b>-38.6</b>
<b>FINANCIAL ACTIVITIES</b>				
Dividend paid <sup>5)</sup>	-1,811.5	-80.7	-	-
Stock option programme <sup>3,4)</sup>	5.1	3.4	-0.6	-
Change in long-term liabilities <sup>5)</sup>	1,855.5	187.5	-13.3	-6.9
<b>Cash flow from financial activities</b>	<b>49.1</b>	<b>110.2</b>	<b>-13.9</b>	<b>-6.9</b>
<b>Cash flow from the period</b>	<b>-185.5</b>	<b>175.0</b>	<b>-403.5</b>	<b>183.9</b>
<b>Liquid assets at the beginning of the period</b>	<b>278.2</b>	<b>103.2</b>	<b>496.2</b>	<b>94.3</b>
<b>Liquid assets at the end of the period</b>	<b>92.6</b>	<b>278.2</b>	<b>92.6</b>	<b>278.2</b>

## Notes to the Financial Statement

Accounting principles: The Interim Report has been prepared in accordance with IAS 34. In addition, the Group applies the Swedish Financial Accounting Standards Council's recommendation, RR 30, Supplementary accounting regulations for corporate conglomerates, specifying the supplements to IFRS required pursuant to the provisions of the Swedish Annual Accounts Act. The same accounting principles have been applied as those applied in the most recent Annual Report. Amounts have been rounded off to the nearest million kronor and the tables do not, therefore, always tally.

<sup>1)</sup> Atrium Fastigheter and LjungbergGruppen merged on 17<sup>th</sup> October 2006 and the merged company has been consolidated from this date. Comparative figures in relation to the corresponding period last year include Atrium Fastigheter as of the merger date. The pro forma result for 2006 is shown on page 8.

<sup>2)</sup> 900,000 class A shares were restamped as class B shares in 2006, and 17,864,000 class B shares were issued in conjunction with the acquisition of Atrium Fastigheter AB. The closing price on 16<sup>th</sup> October, SEK 230.50, has been used to calculate the acquisition value and shareholders' equity. The company implemented a 4:1 split in 2007.

<sup>3)</sup> A stock option programme offered to all employees of LjungbergGruppen entitling them to acquire call options at market value was implemented in accordance with a resolution by the Annual General Meeting on 4<sup>th</sup> April 2006. A total of 168,200 call options have been acquired. Every option grants entitlement to acquire four shares at a redemption price of SEK 64.38 per share. The term expires on 31<sup>st</sup> December 2009. Subscription for the options has yielded SEK 20 per option for the company.

<sup>4)</sup> A complementary stock option programme has been implemented in accordance with the resolution by the Annual General Meeting held on 29<sup>th</sup> March 2007. The option programme is offered to all employees of Ljungberg-

Gruppen after the merger with Atrium who were not covered by the option programme from 2006. The option programme comprises a maximum of 200,000 call options at market price and to date, 135,550 call options have been subscribed for. Every option grants entitlement to acquire four shares at a redemption price of SEK 104.50 per share. The term expires on 31<sup>st</sup> December 2009. Subscription for the options has yielded SEK 42 per option for the company. A redemption bonus of SEK 52.50 per option has been paid during Q2 2007 to encourage participation. A complementary stock option programme has been implemented in accordance

<sup>5)</sup> SEK 1,600 million has been disbursed in dividends to Atrium's former owners, Konsumentföreningen Stockholm and KP Pension and Försäkring, during the period. The amount was financed by means of borrowing from credit institutions at the end of March 2007. The debt has simply been reclassified from a current liability to a long-term one in the Balance Sheet in 2007.

<sup>6)</sup> 27 properties were sold during the year. Properties sold are shown in the table on page 7. The Holland 25 property in Helsingborg was also sold after the turn of the year.

<sup>7)</sup> Goodwill attributable to the valuation of deferred tax liabilities has been amortised as a result of the sale of properties during the year. The amount carried as an expense, SEK 37.0 million, has been reported as a deferred tax expense. SEK 24.7 million of this sum has been reclassified from a profit/loss on real estate sales in Q3 to a tax expense in Q4.

<sup>8)</sup> SEK 35 million in tax payments has been refunded during Q4.

The Interim Report has not been subject to audit by the auditors.

## Parent company Income Statement

SEK million	2007 1/1-31/12	2006 1/1-31/12
Net sales	267.4	229.7
Administration and production costs	-120.2	-101.9
<b>Gross profit/loss</b>	<b>147.2</b>	<b>127.8</b>
Central administration and marketing <sup>1,3,4)</sup>	-39.9	-23.3
<b>Operating profit/loss</b>	<b>107.3</b>	<b>104.5</b>
Profit/loss on participations in Group companies	112.6	300.7
Interest income and similar P/L items	46.7	40.5
Interest expenses and similar P/L items	-155.6	-114.4
	3.7	226.8
<b>Profit/loss after financial items</b>	<b>111.0</b>	<b>331.3</b>
<b>Appropriations</b>	<b>95.5</b>	<b>47.5</b>
Current tax	-8.7	-18.7
Deferred tax	-58.3	-26.2
	-67.0	-44.9
<b>Profit/loss after tax</b>	<b>139.5</b>	<b>333.9</b>

## Parent company Balance sheets

Amount in SEK m	2007-12-31	2006-12-31
<b>ASSETS</b>		
Tangible fixed assets	1,806.5	1,673.6
Financial fixed assets	5,397.2	5,090.9
Current receivables	1,480.3	1,126.1
Liquid assets	236.3	89.8
<b>Total assets</b>	<b>8,920.3</b>	<b>7,980.4</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		
Shareholders' equity	5,149.7	5,000.6
Untaxed reserves	25.9	121.4
Provisions	197.9	130.0
Liabilities to credit institutions	3,341.1	2,302.6
Other liabilities	205.7	425.8
<b>Total shareholders' equity &amp; liabilities</b>	<b>8,920.3</b>	<b>7,980.4</b>

## Changes in the property holding

Properties sold					Properties sold, cont.				
List of properties	Municipality	Letting area	Period <sup>1)</sup>	Date of premises vacation	List of properties	Municipality	Letting area	Period <sup>1)</sup>	Date of premises vacation
Torp 22:1	Nynäshamn	654	Q 1	07-02-20	Vallonen 1	Stockholm	4,345	Q 4	08-02-01
Fracken 30	Stockholm	588	Q 2	07-05-16	Speditören 1	Eskilstuna	11,995	Q 4	08-02-15
Eneby 1:416	Håbo	2,188	Q 2	07-06-01	Lövkojan 10	Katrineholm	7,977	Q 4	08-02-15
Dalgärdet 12	Stockholm	602	Q 3	07-07-04	Midgård 12	Köping	3,489	Q 4	08-02-15
Holmgård 1	Stockholm	718	Q 3	07-07-04	Gumsbacken 12+15	Nyköping	13,048	Q 4	08-02-15
Lärfet 2	Stockholm	1,725	Q 3	07-07-04	Imröret 10	Stockholm	5,187	Q 4	08-02-15
Meteorologen 4	Stockholm	1,123	Q 3	07-07-04	Thorild 12	Uddevalla	10,920	Q 4	08-02-15
Meteorologen 5	Stockholm	2,566	Q 3	07-07-04	Vindruvan 14	Stockholm	1,946	Q 4	08-02-29
Silket 2	Stockholm	288	Q 3	07-07-04	Älta 9:130	Nacka	1,807	Q 4	08-06
Tråden 1	Stockholm	1,037	Q 3	07-07-04					
Klyvkilen 4	Södertälje	489	Q 3	07-07-04					
Domaren 15	Vaxholm	land	Q 3	07-07-04					
Domaren 18	Vaxholm	2,572	Q 3	07-07-04					
Veddesta 2:80	Järfälla	33,300	Q 2	07-08-31					
Domaren 16	Vaxholm	620	Q 2	07-09-14					
Riggen 1	Huddinge	16,100	Q 3	07-10-15					
Högtomta 3	Stockholm	land	Q 4	07-11-07					
Ätteläggen 1	Jönköping	2,500	Q 4	08-01-15					

<sup>1)</sup> Profit/loss period for reporting sale.

### Properties bought

List of properties	Municipality	Letting area	Period <sup>1)</sup>	Date of premises vacation
Brillinge 6:1 m fl	Uppsala	land	Q 2	07-10-01
Bohus 7	Malmö	25,173	Q 4	07-11-15
Storö 10	Stockholm	32,882	Q 4	08-05-01

<sup>2)</sup> Period for bookkeeping acquisitions and reporting fair value.



### Rental income trend <sup>1)</sup>

	2007 Result	2008 Q 1	2008 Q 2	2008 Q 3	2008 Q 4
Stockholm city centre	259	258	263	264	264
Stockholm, other	652	679	721	717	721
Uppsala and Mälardalen	136	131	131	131	132
Sweden, other	178	176	176	176	176
Project properties	148	149	167	186	186
Properties sold	106				
<b>Total</b>	<b>1,479</b>	<b>1,393</b>	<b>1,458</b>	<b>1,474</b>	<b>1,479</b>

<sup>1)</sup> Contracted rental income excluding marketing subsidies and non-recurring payments. Changes in the property holding are shown in the table on page 8.

### Letting rate

	Rental value, SEK m	Rental contracts <sup>1)</sup> , SEK m	Letting rate, %
Stockholm city centre	274	258	94
Stockholm, other	705	679	96
Uppsala and Mälardalen	140	131	94
Sweden	179	176	98
	<b>1,298</b>	<b>1,244</b>	<b>96</b>
Projektfastigheter <sup>2)</sup>	226	149	66
<b>Total</b>	<b>1,524</b>	<b>1,393</b>	<b>92</b>

<sup>1)</sup> Contracted rental income excluding marketing subsidies and non-recurring payments. Changes in the property holding are shown in the table on page 8.

<sup>2)</sup> Properties with ongoing renovation or extension work for a value in excess of SEK 50 million that have entailed vacation of units.

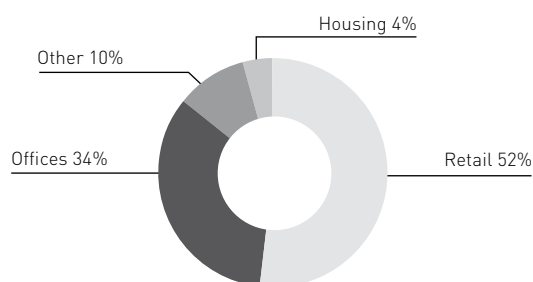
### Fixed interest

Fixed interest term	Loan amount, SEK m	Percentage of loan, %	Average interest, %
Variable	2,298	30	5.1
2008	1,290	17	4.7
2009	267	4	5.7
2010	723	10	3.8
2011	614	8	4.1
2012	780	11	4.7
2013 and thereafter	1,514	20	4.3
<b>Total</b>	<b>7,486</b>	<b>100</b>	<b>4.6</b>

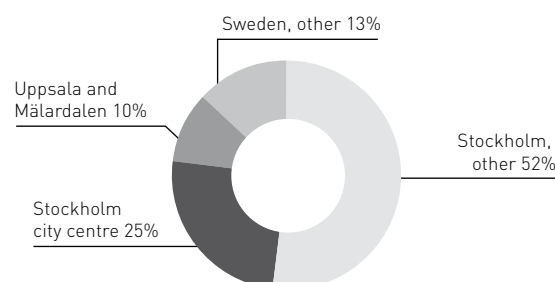
### Capital immobilisation

Fixed interest term	Loan amount, SEK m	Percentage of loan, %
2008	1,970	26
2009	266	4
2010	641	8
2011	1,119	15
2012	1,337	18
2013 and thereafter	2,153	29
<b>Total</b>	<b>7,486</b>	<b>100</b>

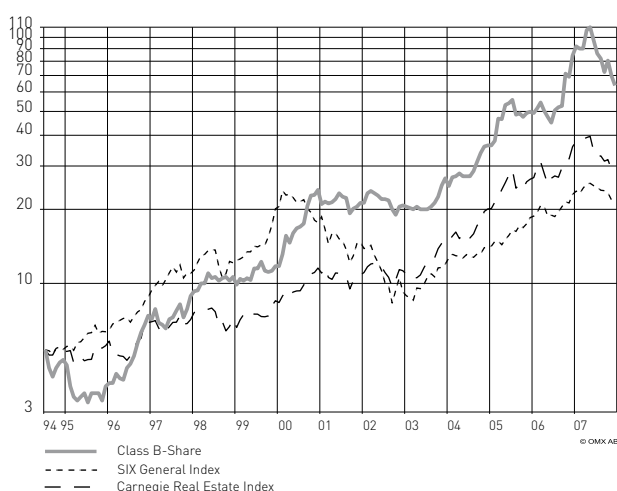
### Rental income per premises type, 1<sup>st</sup> January 2008



### Rental income per region, 1<sup>st</sup> January 2008



### The Atrium Ljungberg share



### Net profit/loss pro forma 1<sup>st</sup> January – 31<sup>st</sup> December 2006 <sup>1)</sup>

Amount in SEK m	
Rental income	1,352
Management costs	-527
<b>Operating surplus, real estate management</b>	<b>825</b>
Central administration	-49
<b>Operating result, real estate management</b>	<b>776</b>
Operating result, projects and construction work	10
Net financial items <sup>2)</sup>	-331
<b>Result after net financial items</b>	<b>455</b>
Tax, 28%	-127
<b>Profit/loss after tax</b>	<b>328</b>

<sup>1)</sup> Properties with ongoing renovation or extension work for a value in excess of SEK 50 million that have entailed vacation of units.

<sup>2)</sup> Including borrowing of SEK 1,600 million for the dividend payable to Atrium's former owners. Interest expenses (4.5%) totalling SEK 1,600 million from 1<sup>st</sup> January 2006 have been charged to the pro forma Income Statement.

Key ratios <sup>1)</sup>	2007	2006	2007	2006
	1/1-31/12	1/1-31/12	1/10-31/12	1/10-31/12
Equity/assets ratio, %	45.4	43.3	45.4	43.3
Debt/equity ratio, multiple	0.8	0.7	0.8	0.7
Lending ratio, %	39.8	33.4	39.8	33.4
Interest coverage ratio, multiple	7.8	17.7	16.5	37.5
Interest coverage ratio, multiple, ex. real estate sales and changes in value	3.0	3.1	3.2	3.4
Return on shareholders' equity, %	19.2	31.3	42.5	104.5
Return on shareholders' equity, %, ex. real estate sales and changes in value	5.5	4.7	6.1	8.5
Return on total capital, %	12.4	19.6	27.3	63.8
Return on total capital, %, ex. real estate sales and changes in value	4.9	3.7	5.4	6.2
Number of employees (average)	228	172	227	228

Data per share	2007	2006	2007	2006
	1/1-31/12	1/1-31/12	1/10-31/12	1/10-31/12
SEK				
Profit after tax	12.55	21.16	7.17	11.30
Profit after tax, ex. capital gains and changes in value	3.36	2.75	0.98	0.80
Cashflow	3.64	4.58	1.06	1.95
Shareholders' equity	71.14	59.97	71.14	59.97
Share price	63.75	84.40	63.75	84.40
Average number of shares outstanding, thousand	130,157	73,389	130,157	117,452
Average number of shares outstanding after dilution, thousand	130,295	73,571	130,248	117,632
No. outstanding shares at the period end, thousand <sup>2)</sup>	130,157	130,157	130,157	130,157
No. outstanding shares after dilution at the period end, thousand <sup>2)</sup>	130,295	130,339	130,295	130,339

<sup>1)</sup> Key ratio definitions as per the Annual Report. Key ratios refer to data per share after a 4:1 split with a record date of 19th April 2007.

<sup>2)</sup> Registered number of shares less 3,063,098 class B shares bought back.

## Definitions

### KEY RATIOS

**Shareholders' equity.** Reported shareholders' equity.

**Equity/assets ratio.** Shareholders' equity in relation to the Balance Sheet total.

**Debt/equity ratio.** Interest-bearing liabilities in relation to shareholders' equity.

**Lending ratio.** Liabilities to credit institutions as a percentage of the properties' book value.

**Interest coverage ratio.** Profit/loss after financial items plus interest expenses in relation to interest expenses.

**Return on shareholders' equity.** Net profit/loss for the year in relation to average shareholders' equity.

**Return on total capital.** Profit/loss after financial items plus interest expenses in relation to the average Balance Sheet total.

### DATA PER SHARE

**Net profit loss for the year.** Net profit/loss for the year in relation to the average number of shares after dilution.

**Cash flow.** Cash flow from operating activities in relation to the average number of shares after dilution.

**Shareholders' equity.** Shareholders' equity divided by the number of shares outstanding on 31<sup>st</sup> December.

**No. shares after dilution.** The number of shares after dilution is calculated in accordance with recommendation IAS 33 of the Swedish Financial Accounting Standards Council.

### OTHER

**Letting rate.** Contracted rental income in relation to the rental value when fully let.

**Rental value.** Contracted annual rents and estimated market rents for vacant premises in current condition.

**Level.** Contracted rents on a given date and at a given cost position on the given date. Neither known nor unknown changes at a later date are taken into account.

**IFRS.** International Financial Reporting Standards. International financial reporting standards for consolidated accounts that all listed companies within the EU must apply as of 2005.

## Five year overview<sup>1)</sup>

	2001	2002	2003	2004	2005	2006	2007
<b>SUMMARY OF CONSOLIDATED INCOME STATEMENTS, SEK m</b>							
Rental income	383	429	458	461	425	669	1,513
Operating profit/loss, real estate management, excl. property sales and changes in value	221	247	250	289	267	388	900
Profit/loss, property sales	-	-	4	-	13	-	176
Change in value of properties	-	-	-	102	415	1,881	1,286
Net sales, construction	272	201	193	251	270	310	338
Operating profit/loss, construction	7	10	3	6	2	11	-3
Net financial items	-101	-111	-119	-120	-94	-124	-289
Profit/loss after financial items	127	146	139	277	604	2,155	2,071
Tax on net profit for the year	-36	-42	-37	-77	-106	-598	-435
Net profit/loss for the year	91	104	102	200	497	1,557	1,636
Profit/loss after financial items, excl. property sales and changes in value	127	146	134	175	175	274	609

## Key ratios

Equity/assets ratio, %	24.5	24.7	25.6	39.1	42.0	43.3	45.4
Debt/equity ratio, multiple, ggr	2.7	2.7	2.5	1.2	1.0	0.7	0.8
Lending ratio, %	76.3	76.1	73.2	47.5	43.2	33.4	39.8
Interest coverage ratio, multiple, ggr	2.1	2.2	2.0	3.2	6.9	17.7	7.8
Interest coverage ratio, multiple, ex. real estate sales and changes in value	2.1	2.2	2.0	2.4	2.7	3.1	3.0
Return on shareholders' equity, %	12.0	12.5	11.5	10.8	24.1	31.3	19.2
Return on shareholders' equity, %, ex. real estate sales and changes in value	12.0	12.5	11.1	6.9	6.7	4.7	5.5
Return on total capital, %	7.7	8.0	7.7	8.3	13.9	19.6	12.4
Return on total capital, %, ex. real estate sales and changes in value	7.7	8.0	7.6	6.2	5.6	3.7	4.9
Number of employees (average)	121	128	130	132	137	172	228

## DATA PER SHARE, SEK <sup>2)</sup>

Net profit/loss for the year	1.49	1.69	1.64	3.23	8.33	21.16	12.55
Net profit/loss for the year, excl. property sales and changes in value	1.49	1.69	1.59	1.97	2.12	2.75	3.36
Dividend (2007: proposed)	0.75	0.87	1.00	1.12	1.37	1.62	2.00
Cash flow	2.23	2.56	2.18	2.28	2.50	4.58	3.64
Shareholders' equity	13.07	13.95	14.70	31.22	37.55	59.97	71.14
Share price, period end	21.25	20.75	26.75	36.37	49.87	84.37	63.75

<sup>1)</sup> As of 2004, data presented is based on the IFRS international reporting standards

<sup>2)</sup> Data per share is calculated after the 4:1 share split implemented in April 2007 and after dilution.

## Financial information

Q1 2008 Interim Report .....	23 <sup>rd</sup> April 2008
Q2 Interim Report .....	11 <sup>th</sup> July 2008
Q3 Interim Report .....	22 <sup>nd</sup> October 2008
Preliminary financial statement 2008 .....	February 2009
Annual Report 2008 .....	March 2009



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